

Brochure - Form ADV: part 2

PICTET ASSET MANAGEMENT (USA) CORP

Office 712, 5th Avenue Manhattan, 10019 New York, United States of America

Contact details:

David Cawthrow, Global Co-Head of Compliance of Pictet Asset Management

Direct phone: +4420 7847 5040 direct fax +4420 7847 50 46

Website:

<https://www.am.pictet/en/globalwebsite/institutional>

Date of the brochure:

15 December 2020

This brochure provides information about the qualifications and business practices of Pictet Asset Management (USA) Corp. If you have any questions about the contents of this brochure, please contact us at +44 20 7847 50 40 or by email dcawthrow@pictet.com. The information in this brochure has not

been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Pictet Asset Management (USA) Corp also is available on the SEC's website at www.adviserinfo.sec.gov.

Although Pictet Asset Management (USA) Corp has submitted a registration to be an investment adviser with the SEC, registration with the SEC does not imply a certain level of skill or training.

Item 2 Material change

This is the first ADV Brochure for Pictet Asset Management (USA) Corp (“Pictet AM US”) whose investment management activities are expected to commence in early 2021 subject to SEC’s approval. Therefore, there are no material changes to be reported.

Pursuant to SEC Rules, we will ensure that our clients receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of our business fiscal year-end. We may additionally provide other on-going disclosure information about material changes as necessary.

We will further provide our clients with a new brochure as necessary based on changes or new information, at any time, without charge.

Our brochure may be requested by contacting David Cawthrow, Global Co-Head of Compliance of Pictet AM at +44 20 7847 5040 or by email at dcawthrow@pictet.com.

Item 3 Table of contents

Item 2 Material change	3
Item 3 Table of contents.....	4
Item 4 Advisory Business.....	5
Item 5 Fees and Compensation	7
Item 6 Performance-Based Fees and Side-By-Side Management	9
Item 7 Type of clients.....	10
Item 8 Methods of Analysis, Investment Strategies and Risk of loss.....	11
Item 9 Disciplinary Information.....	19
Item 10 Other Financial Industry Activities and Affiliations.....	19
Item 11 Code of Ethics, Participation or Interest in client Transactions and Personal Trading	23
Item 12 Brokerage Practices	25
Item 13 Review of Accounts	28
Item 14 Client Referrals and Other Compensation.....	29
Item 15 Custody.....	30
Item 16 Investment Discretion.....	30
Item 17 Voting client Securities	31
Item 18 Financial Information	32
Privacy Notice.....	<u>41</u>

Item 4 Advisory Business

The Advisory Firm

Pictet AM US will provide investment advisory services focusing on Emerging Market Local Currency Debt.

Pictet AM US will also perform business development activities in the USA on behalf of two of its European affiliates, Pictet Asset Management Ltd and Pictet Asset Management SA, which are also investment advisers registered with the SEC:

- 1) Pictet Asset Management Limited (Pictet AML) which is a United Kingdom based Investment Adviser dually registered and regulated by the Financial Conduct Authority (www.fca.org.uk) and the SEC in the USA (www.sec.gov). You may find more information about Pictet AML business in the USA, registration and disclosure information (ADV form part 1 and Part 2) at www.adviserinfo.sec.gov under the firm reference number 105205.
- 2) Pictet Asset Management SA (Pictet AMSA), which is a Swiss based Investment Adviser dually registered and regulated by the Swiss Financial Market Supervisory Authority ("FINMA") (www.finma.ch) and the SEC in the USA (www.sec.gov). You may find more information about Pictet AMSA business in the USA, registration and disclosure information (ADV form part 1 and Part 2) at www.adviserinfo.sec.gov under the firm reference number 140074.

Pictet AM US markets the investment strategies of its Pictet AM Affiliates to institutional investors such as public or corporate retirement plans, government funds, as well as foundations and endowment funds in the United States. Pictet AM US neither targets nor solicits retail clients.

When Pictet AM US acts as a solicitor for the Pictet AM Affiliates registered with the SEC, it markets either their segregated portfolio management capabilities or their foreign funds on a private placement basis.

Any institutional client solicited by Pictet AM US that wishes to subscribe to any product offered by the Pictet AM Affiliates will be referred to the Pictet AM Affiliates for any subsequent follow-up.

The completion of the client on-boarding, due diligence, contractual negotiation and agreement execution is conducted by the Pictet AM Affiliates with the prospective client, with the assistance of Pictet AM US.

When they become clients of the Pictet AM Affiliates (hereafter the "Clients"), the Clients are deemed to authorize such affiliate to provide Pictet AM US with a technological solution enabling Pictet AM US to have prompt read-only access to the assets managed at Pictet AM Affiliates, for the purpose of the

ongoing monitoring of business development opportunities by Pictet AM US. Pictet AM US will also have access to the accounts and documents of the US clients who are clients of SEC registered Pictet AM affiliates to perform client relationship management activities in the US.

As the Pictet AM US services offered are limited to the above-mentioned items, many sections of this Investment Adviser Brochure required by the rules and regulations for Investment Advisers do not apply to Pictet AM US. When such situations occur and when relevant, you will be invited to consult directly the equivalent sections of the Pictet AM Affiliates Investment Adviser brochures for additional information.

Pictet AM US is wholly owned by Pictet AML which is wholly owned by Pictet Asset Management Holding SA, ultimately owned by Pictet & Partners SCA, a Swiss Holding Company and Pictet Canada LP, a Canadian Investment dealer.

Type of advisory services offered

Pictet AM US provides discretionary investment management services focusing on Emerging Market Local Currency Debt. These services include:

- assistance in determining appropriate risk and return objectives for each client
- defining the appropriate asset mix which is most likely to achieve those objectives
- selection or advice of specific markets, currencies and securities from those categories; and
- assuming discretionary responsibility for all aspects of day-to-day management and investment of the client's accounts.

Client needs and restrictions

Pictet AM US will usually tailor its management to its client's needs. Our institutional clients usually determine in conjunction with us the investment constraints to be followed in the management of their assets. Further details are provided in item 13 of this brochure.

Wrap Fees programs

Pictet AM US does not participate in wrap fee programs while providing portfolio management services.

Asset under management

Once registered, Pictet AM US will commence the management of Luxembourg regulated UCITS funds delegated from Pictet Asset Management (Europe) SA.

Item 5 Fees and Compensation

PICTET AM US will generate its revenue through the following channels:

1. **Investment Management mandates:** Our Clients will sign an investment management agreement with Pictet AM US and accordingly, pay remuneration typically as a percentage of assets under management. If Pictet AM US delegates a portion of the assets under management to other Pictet AM entities, a portion of this fee will be used to remunerate the delegate.

For its services, Pictet AM US charges a fee expressed as a percentage of market value of the managed assets generally determined as of the last trading day of each quarter or on another basis as agreed with the client. As we only provide discretionary investment management services to qualified purchasers as defined in section 2(a)(51)(a) of the Investment Company Act of 1940, our fees are subject to negotiation with clients. This can include the use of fees on a declining scale linked to the size of the account and may in certain circumstances include a performance fee (for the latter, please refer to item 6 of this brochure).

As fees are negotiated with each client, some clients can pay a higher fee for the same investment strategy than others. Pictet AM US and its fund managers could have an incentive to favour clients that pay higher fees over those that do not. This incentive could, for example, affect our decision to effect securities transactions for some clients and not for others if we believe the transaction will be profitable (or to allocate a greater portion of a limited investment opportunity to such accounts).

We mitigate these conflicts in the following way:

- Our allocation policy requires that the allocation for each account should be pro-rata with the size of each client's order, after considering market convention e.g. standard lot size and uneconomic allocations. Regular compliance monitoring is carried out to ensure adherence to this policy.
- We aim to allocate investment opportunities fairly, and we monitor this on an on-going basis by reviewing the performance and risk indicators of similar accounts.

Fees are typically payable quarterly in arrears. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee for the quarter.

Our management fees are usually computed based on the client's custodian valuation. However, in some instances and in agreement with our clients, we use the valuation generated by the Pictet AM's portfolio management systems to calculate our management fees. In such cases, there is a risk that there may be occasional differences in the valuation of assets between the Pictet AM's systems and those of the client's custodian impacting the level of management fees charged to our client.

Pictet AM US's investment management agreements can be terminated at any time by either the client or Pictet AM US on a mutually acceptable period of notice, usually not more than 30 days.

Pictet AM US's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients incur certain charges imposed by custodians, brokers, investment managers of third-party funds and other third parties such as:

- management fees of third-party funds
- custodial fees
- deferred sales charges
- transfer taxes
- wire transfer and electronic fund fees and
- other fees, commissions and taxes on brokerage accounts and securities transactions.

Client assets can be invested in third party open ended mutual funds and exchange traded funds, subject to client's investment guidelines, which also charge management fees. These fees are disclosed in a fund's prospectus. We take these fees and other fund expenses into account when selecting funds for client investments.

Such charges, fees and commissions are exclusive of and in addition to Pictet AM US's fee, and we do not receive any portion of these commissions, fees, and costs.

In some instances, we can also invest our client assets in our in-house funds (subject to clients' investment guidelines and eligibility criteria for US clients) which also charge management fees. In such instances, Pictet AM US will generally exclude the value of client assets investments in our in-house funds in the computation of our management fees.

2. **Referral fees:** Institutional clients can also sign an investment management agreement with another SEC registered Pictet AM entity for clients introduced by Pictet AM US. The relevant Pictet AM entity that will sign the agreement will receive the fees and use a portion of the fee to remunerate Pictet AM US. There are no additional fees charged to the client to remunerate Pictet AM US.
3. **Distribution of Pictet AM Mutual funds:** For its work in the distribution of Pictet AM non-US regulated funds, Pictet AM US will receive remuneration from Pictet AM Europe SA, the Fund Management Company, which receives the management fee directly from the funds.
4. **Management of Pictet AM Mutual funds:** Pictet AM Europe SA can partially or totally delegate to Pictet AM US the investment management of one or more non-US regulated funds. In this context, Pictet AM US will receive a part of the management fee received directly from the fund by Pictet AM Europe SA.

Item 6 Side-By-Side Management

Performance fees

Pictet AM US can enter into performance fee arrangements with “qualified clients”, and such fees are subject to individual negotiation with each such client. We will structure any performance or incentive fee arrangement to comply with Section 205(a)(1) of the Investment Advisers Act of 1940 (“The Advisers Act”) and Rule 205-3 thereunder.

In measuring clients' assets for the calculation of performance-based fees, Pictet AM US shall include realized and unrealized capital gains and losses.

The management of accounts with performance fees gives rise to the following conflicts of interest among others:

- Pictet AM US and its fund managers could have an incentive to favour clients that pay performance-based fees over those that do not. This incentive could, for example, affect our decision to effect securities transactions for some clients and not for others if we believe the transaction will be profitable (or to allocate a greater portion of a limited investment opportunity to such accounts).
- The receipt of performance fees may incentivize Pictet AM US and its fund managers to make investments that are riskier or more speculative than would otherwise be made if there were no performance fees, as these may generate a higher return.

Side-by-side management

We may manage other accounts with substantially similar investment strategies in the future either for Pictet AM US or other Pictet AM affiliates. This so-called side-by-side management of different accounts with similar investment strategies involves potential conflicts of interest. These potential conflicts include the favourable or preferential treatment of an account or a group of accounts, conflicts related to the allocation of investment opportunities, particularly with respect to securities that have limited availability, such as initial public offerings and new issues, and transactions in one account that closely follow related transactions in a different account (e.g. purchase of securities for an account after a purchase of the same securities for another account has increased the value of the securities).

In addition, individual fund managers can receive a higher performance related bonus from managing total return funds compared to managing long-only funds.

Therefore, the results of the investment activities for one account may differ significantly from the results achieved by Pictet AM US for other accounts.

We manage accounts with similar investment strategies which have different rates of management fees. Therefore, the accounts paying us the higher management fees incentivise us to favour them over the client accounts paying lower management fees.

We mitigate these conflicts in the following way:

- Our allocation policy requires that the trade allocation for each account should be pro-rata with the size of each client's order, after considering market convention e.g. standard lot size and uneconomic allocations. Regular compliance monitoring is carried out to ensure adherence to this policy.
- We aim to allocate investment opportunities fairly, and we monitor this on an on-going basis by reviewing the performance and risk indicators of similar accounts.

In certain circumstances, particularly when our affiliates launch a new product or provide the initial seed money, such products may be wholly or principally owned by our affiliates or their clients at the outset. The ownership interest of the Pictet Group in these products or funds may give us an incentive to favour them over other client accounts.

We exercise investment responsibility or take other actions for some clients that can differ from the management given, or the timing and nature of actions taken, for other clients. This can result in materially different positions in different accounts. However, we seek to ensure that over the long term, all clients are treated as fairly and equitably as possible relative to each other. Investment results for different accounts, including accounts that are generally managed in a similar style, can also differ as a result of other factors such as cash availability for an account, the timing of an account opening, additions or withdrawing of assets, or due to client investment restrictions. Some clients may not be able to participate at all in some investments in which other clients participate or may participate to a different degree or at a different time than other clients do.

Our portfolio strategies for some clients of Pictet AM US and other Pictet AM affiliates could conflict with our strategies for other clients and could affect the prices and availability of the securities and other financial instruments in which clients invest.

To address these conflicts, our policies and procedures provide that investment decisions are made without consideration of the pecuniary interests of any involved Pictet AM entities, and instead are made in accordance with our fiduciary duties to all client accounts. As discussed further in item 12 below, this generally means that all accounts managed with the same investment strategy will participate in a fair and equitable manner in investment opportunities that Pictet AM US allocates to the strategy, although different allocations could occur due to the different objectives, restrictions and situations of different clients, for example, due to the availability of cash, or where potential allocation to new issues may result in an uneconomic allocation, i.e. less than USD 10,000 for equity accounts, and where minimum investment amounts for fixed income instruments are not met.

Item 7 Type of clients

We expect to provide portfolio management services to:

- Unregulated foreign funds such as UCITS funds.

Item 8 Methods of Analysis, Investment Strategies and Risk of loss

Methods of analysis and Investment Strategies

Pictet AM US relies on various sources of information; primarily research received both from external providers as well as internally generated primary research. Sources of information utilised within our primary research process include the financial press, meetings with company management, analysts from other financial institutions (including brokers), and independent research providers, conference attendance and other research materials, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC and other regulators, company press releases and system generated information such as from Bloomberg Financial.

Although we will initially only manage an Emerging Local Currency Debt strategy, such strategy can include, but is not limited to long term purchase (securities held at least a year), short term purchase (securities sold within a year), short sales and covered options and / or spreading strategies. Although selling where securities purchased within a year, is not an investment strategy typically used, we can sell a security within 30 days of its acquisition as necessary or appropriate (e.g. to react to changing economic, political and / or market conditions and client needs, depending on the strategy managed). Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

We use derivative instruments such as futures, options, swaps and forward foreign exchange contracts for speculative investment purposes, for efficient portfolio management purposes (e.g. to facilitate the prompt investment of a large cash flow) and for hedging purposes to alter the duration and / or currency exposure of discretionary mandate portfolios to try to protect the client's assets against market events likely to have a negative impact on performance. The derivatives used include both exchange traded and over the counter ("OTC") derivatives.

Investment Strategies & Material Risks

The following is a description of the investment strategies managed by Pictet AM US. At the end of this item, there is a discussion of the various risks related to this strategy.

Emerging Market Debt (hereafter "EMD"):

Our EMD team believes that:

- a top-down view of the macro environment enables us to assess how attractive conditions are for taking risk
- understanding the direction of a country's credit quality enables us to establish a bias
- in local currency debt markets, currency and interest rates are distinct sources of alpha, which should be managed separately
- success is improved by timing and disciplined management of stop and profit levels
- having the right diversification and sizing of active trades helps avoid concentrated risk and significant additional volatility
- the longer-term trajectory for EM economies is benefited by improving ESG factors and we believe it's important to engage in an ongoing dialogue with EM governments on ESG issues.

The EMD process is split into two stages:

- Stage 1 assesses the global temperature for taking risk and sets the tone for our country selection.
- Stage 2 is the implementation process and separates the key sources of risk. Once a country is selected, the currency and the interest rates of that country are examined independently.

Risks involved for EMD: (please see the end of item 8 for fuller risk descriptions)

- ⊗ Major risks
- ⊗ Specific risks for fixed income instruments
- ⊗ Specific risks for Emerging Market Debt.

Risk

Investing in securities involves the risk of loss that our client should be prepared to bear. These risks are described in more detail below.

1. Major risks.

Major investment risks generally include, but are not limited to:

1.1. Political, legal, tax, market or economic developments and foreign exchange risks

Client portfolios managed by Pictet AM US may be adversely affected by political developments and / or changes in local laws, taxes, foreign exchange controls, exchange rates, market or economic developments.

1.2. Investment risks

The investments within a client's portfolio are subject to normal market fluctuations and other risks which are inherent in investing in securities and we give no assurances that capital appreciation or income will be achieved. The value of investments and the income from them, and therefore the value of a client's portfolio, can go down as well as up. Our client is warned that it may not get back the amount invested. Furthermore, past performance of a strategy is not a guide to its future performance.

1.3. Valuation risk

Valuation risk is the financial risk that an asset is overvalued and is worth less than expected when it matures or is sold. Factors contributing to valuation risk can include incomplete data, market instability, financial modelling uncertainties and poor data analysis by the people responsible for determining the value of the asset.

1.4. Risks for derivative instruments

In the normal course of business, we can trade various financial derivative instruments and enter various derivative contracts including forward and future contracts, options, swaps, warrants, other derivative instruments, short sales, margin and leverage with different risk profiles. In some instances, we can also invest on behalf of our clients directly in such financial instruments to manage volatility and to hedge the currency exposure risk.

The markets in derivative instruments can be highly volatile, illiquid and difficult to price in some occasions. In addition, because of their complex nature, some derivatives may not always perform as intended on some occasions. Such instruments often carry a high degree of risk as they often involve a high degree of gearing or leverage so that a relatively small movement in the price of the underlying security can potentially result in a disproportionately large movement, unfavourable or favourable, in the price of the derivative in some instances. In certain circumstances, this may result not only in the loss of the original investment, but also in an unquantifiable further loss exceeding any margin deposit. This can increase the volatility of the portfolios which are invested in derivatives and can result in the liquidation of the portfolio when it is not advantageous to do so.

1.5. Volatility and illiquidity risks

Due to the above-mentioned risk of instability caused by social, political and economic developments, the prices for transferable securities in which the client invest can fluctuate significantly in short-term periods. Although Pictet AM US intends to invest predominantly on behalf of its client in listed securities or in securities traded on regulated markets some risk of illiquidity can still exist, due to the relatively undeveloped nature of certain stock markets, or the nature of certain small cap securities which the client may authorise Pictet AM US to trade in that, in crisis periods, can give rise to the suspension of the valuation of our client's securities, or to the removal of a liquid market for these stocks.

1.6. Currency exchange risks

Where a liability in one currency is to be matched by an asset in a different currency, or where the services to be provided under a client's agreement relate to an investment denominated in a currency other than the currency in which an account is valued, a movement of exchange rates can have a separate effect, unfavourable as well as favourable, on the gain or loss which would otherwise be experienced on the investment.

1.7. Counterparty risks

The insolvency or default of any other brokers involved in a transaction (including derivatives) for our client, can lead to positions being liquidated or closed out without our consent. In certain circumstances, our client may not get back the actual assets that we lodged as collateral on behalf of our client or it may have to accept any available payment in cash.

1.8. Capitalisation risks

Investments in small- and mid-capitalisation companies can be more volatile and more illiquid than investing in large-cap companies. Investments in small-cap companies have additional risks because these companies have limited product lines, markets or financial resources.

1.9. Concentration risk

If the investments of client's account are concentrated in issuers within the same country, state, geographic region, industry or economic sector, and adverse economic, business or political developments occur, this concentration of investments can affect the value of the investments of the client's account more than if its investments were not so concentrated.

1.10.Management risk

A strategy used by us may fail to produce the intended results for a client's account, including the risk of loss of the entire amount invested. There is no guarantee that the investment objective of an account managed by us will be achieved and investment results of the clients' account may vary substantially over time.

1.11.Cyber security risk

With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, a company in which we have invested on behalf of our client, or we may be prone to operational and informational security risks resulting from breaches in cyber security ("cyber-attacks"). A cyber-attack refers to both intentional and unintentional events that may cause us or the invested company to lose proprietary information, suffer data corruption, or lose operational capacity. Cyber-attacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices that are used to service our operations through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on our firm or invested company's websites (i.e. efforts to make network services unavailable to intended users). In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on our firm or invested company's systems.

Cyber security failures or breaches by our firm or an invested company's affiliates or service providers, may cause disruptions and impact the business operations, potentially resulting in financial losses to our firm or the invested company, impediments to trading, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. In addition, substantial costs can be incurred in attempting to prevent any cyber incidents in the future.

1.12.Restricted Investment risks

Restricted securities are those that may not be sold to the public without effective registration statement under the U.S. Securities Act of 1933, as amended, or if they are unregistered, may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. These restrictions could prevent a client's account from promptly liquidating unfavourable positions and subject such client's account to substantial losses.

1.13. Public health risks

Managed accounts could be materially adversely affected by the widespread outbreak of infectious diseases or other public health crises, including the Covid-19 pandemic. Public health crises such as the Covid-19 pandemic, together with any containment or other remedial measures undertaken or imposed, could have a material and adverse effect on managed accounts and their investments. Such events could adversely impact (a) Pictet AM staff managing accounts, and (b) issuers, markets and economies over the short and long-term with potential material adverse effects on the value of investments, including in ways that cannot necessarily be foreseen.

2. Specific risks related to fixed income instruments

In addition to the major risks, there are some specific risks for fixed income investments, and the main ones are defined below:

2.1 Interest risk

Interest rate risk is the risk borne by an interest-bearing asset, such as a bond, due to the variability of interest rates. In general, as rates rise, the value of a fixed rate bond will fall, and vice versa.

2.2 Duration risk

The duration risk is how the price of a fixed income instrument changes in response to interest rate changes. As interest rates change, the price does not change linearly, but rather is a convex function of interest rates which will affect the value of the price of the fixed income instrument.

2.3 Credit risk

The credit risk is an investor's risk of loss of a fixed income instrument arising from a borrower who does not make payments as promised. This risk can impact the coupon paid and / or the principal which may cause a decrease in the value of the investment. There are three types of credit risk:

- Default risk is the risk that the issuer will default on its payments, which jeopardizes both interest and principal.

- Credit spread risk results because the market perceives that the issuer is in weaker financial health and may have trouble maintaining payments in the future, resulting in a larger spread between bid and ask prices in the secondary market.
- Downgrade risk is the risk that the current credit rating will be downgraded by one or more of the credit rating agencies.

2.4 Liquidity risk

This is the spread between the bid and ask prices for a security being offered in the secondary market. If there is not much interest in the security, then the bid-ask spread can widen, resulting in the price of the sold security being significantly less than other similar recent transactions even when there is no change in any other significant factor. Small or mid capitalized securities or high yield bonds often have low average daily traded value that require longer than average time to sell positions.

2.5 Reinvestment risk

Reinvestment risk is based on the assumption that cash flows from a fixed-income security are reinvested, so that interest can be earned on interest, and, thus, the risk is that the reinvested money will not earn the same rate of return as the original investment.

2.6 Legal and regulatory risk

Legal and regulatory risk is the risk of financial or reputational loss that can result from lack of awareness or misunderstanding of, ambiguity in, or reckless indifference to, the way law, regulation and their evolutions apply to your business, its relationships, processes, products and services including the price of a security. In addition, law, regulation and their evolution can also impact our investment process and the performance of our managed accounts.

The second type of legal risk occurs because tax-exempt securities have to satisfy specific legal requirements, and if it is later determined that the security does not satisfy these requirements, its tax-exempt status can be eliminated, which would reduce not only the effective return of the securities after taxes, but it would reduce the price of the security in the secondary market because its taxable yield / dividend would have to equal the taxable yield / dividend of other, comparable securities.

3 Specific risks related to emerging market debt

There are some specific risks for emerging markets equities and debt portfolios, and the main ones are defined below:

3.1 General emerging markets risks

Our clients should be aware that, due to the social, political and economic situations in emerging countries, investment in emerging market securities presents greater risk and is intended only for investors who are able to bear and assume this increased risk. Emerging market securities are generally only suitable for investors seeking a long-term investment.

Investing in emerging market securities is subject to other risks including:

- Political and economic risks
- Capital repatriation restrictions
- Weaker accounting standards
- Counterparty risks and
- Volatility and / or illiquidity risks in the markets of the emerging countries.

The two latter risk types have already been described in the major risks section, but their impact and / or occurrence can even be greater for emerging markets than for developed ones. These other three risks are described in more detail below.

3.2 Political and economic risks

In most of the emerging countries in which Pictet AM US invests on behalf of its client, the governments have implemented or are implementing policies of economic and social liberalisation. Although it is presumed that these reforms should be beneficial to these economies in the long term, there is no guarantee that these reforms will be maintained or that they will achieve the expected results. These reforms can be challenged or slowed by political or social events, or by national or international armed conflicts. All these political risks can affect the capital gains objectives set for our client investing in emerging countries.

3.3 Capital repatriation restrictions

The repatriation of capital regarding investments made in certain securities or countries can be sometimes restricted during certain times from the date of such investments or even indefinitely. If Pictet AM US is unable to repatriate capital from the client's investments, in whole or in part, this can have an adverse effect on the cash flows of our client and its result.

3.4 Weaker accounting standards

In some emerging markets, the applicable accounting and auditing standards are not as strict as those applied in the USA. Consequently, the accounting and financial information on the companies in which our client is invested can be more cursory and less reliable.

Item 9 Disciplinary Information

Pictet AM US has no information to report in response to this item.

Item 10 Other Financial Industry Activities and Affiliations

Registration as a broker dealer

Pictet AM US is not a broker dealer but an investment adviser which is part of the Pictet Group.

Registration with the National Futures Authority

Pictet AM US is neither registered as a Futures Commission Merchant, Commodity Pool Operator, nor a Commodity Trading Advisor and is not an associated person of any such registered entities.

Material affiliates of Pictet AM US, their material conflicts and how they are addressed

Listed below are the Pictet Group legal entities with which Pictet AM US has a relationship or arrangement that is material to our advisory business, or to our clients.

The material conflicts, arising from our business relationships with our affiliated entities, are set out below together with details of how they are managed.

1. *The execution of orders by affiliated brokers.*

Pictet AM US may use the broker-dealer services of Pictet Group brokers on a limited basis for our non-US client accounts, but our clients may request that trades are not executed using such brokers. If Pictet Group brokers are used, they must comply with our best execution policy, and only charge an arms-length commission or spread. There is regular monitoring of these requirements.

2. *The use of Pictet AM Group affiliates to execute orders or place orders for execution into the market.*

Where Pictet AM US directs client orders to other Pictet AM trading desks for trade execution, these trades must be executed in accordance with the Pictet AM Best Execution Policy, and there is no additional cost to clients for this service. There is regular monitoring of adherence to this Best Execution Policy. All Pictet AM entities act solely as agent, and do not charge any commission or mark-up additional to that charged by the executing broker.

The Pictet AM Group trading desks execute orders or place orders for execution only for its clients and those of the Pictet AM group of companies.

3. *The potential sharing or leakage of sensitive information relating to our client, its investment and trading activities to non Pictet AM affiliates.*

All Pictet AM companies have robust “Chinese Walls” in place to mitigate and reduce potential conflicts arising, which include:

- Physical access controls restricting access to Pictet AM premises to Pictet AM staff.
- Controls restricting systems access to sensitive investment management and trading information to the relevant investment teams only.
- The use by Pictet AM of separate systems for portfolio management, trading and investment accounting from the rest of the Pictet Group, with strict controls in place to prevent any access by non-Pictet AM staff to Pictet AM systems.
- There are no shared employees between Pictet AM and the rest of the Pictet Group who carry out activities of portfolio management, operations or trading for Pictet AM and other parts of the Pictet Group.

4. *Referrals of clients to other Pictet Group entities.*

- Pictet AM US can refer clients to other Pictet Group entities. The Pictet AM entity that will sign the contract with the referred client will receive the fees and use a portion of the fee to remunerate Pictet AM US.

In addition:

- All the compliance activities of the Pictet AM group are supervised by the Global Co-Heads of Pictet AM Compliance, to ensure that a common standard is applied to all Pictet AM entities providing key services to Pictet AM US.
- All Pictet AM entities are subject to the Pictet AM Code of Ethics, Core Compliance Manual, together with relevant Compliance and Business Risk Policies and Procedures, or the equivalent thereof. These set the required high professional standards of behaviour that all Pictet AM employees are expected to follow in the conduct of their personal and professional affairs in compliance with the SEC rules and those of any other regulators to whom these entities are subject to.
- There is also a compliance monitoring programme in place that is reasonably designed to ensure that the activities carried out by related entities to Pictet AM US are carried out in compliance with all relevant rules and regulations.

Pictet Asset Management Limited (Pictet AM Ltd)

Pictet AM Ltd, is the parent company of Pictet AM US and is registered as an investment adviser with the SEC and is authorized and regulated by the Financial Conduct Authority in the United Kingdom.

Pictet AM Ltd's business mainly comprises managing a wide range of equity, fixed income and multi asset strategies, including total return, on behalf of institutional clients and collective investments. Pictet AM US can refer to Pictet AM Ltd clients wanting to invest in strategies managed by Pictet AM Ltd. Furthermore, Pictet AM Ltd also shares research with Pictet AM US for the Emerging Market Debt strategies.

Pictet Asset Management SA ("Pictet AM SA")

Pictet AM SA is registered as an investment adviser with the SEC and is regulated in Switzerland by the Swiss Financial Markets and Supervisory Authority ("FINMA").

Pictet AM SA manages a wide range of equity, fixed income and multi asset strategies including total return.

Pictet AM US refer to Pictet AM SA clients wanting to invest in strategies managed by Pictet AM SA.

Pictet AM SA is the Manager to two no-load Delaware Limited Liability Companies ("LLC") for whom Pictet AM Ltd acts as investment adviser. These are diversified and open-ended investment companies called:

- Pictet International Equity Fund LLC
- Pictet International Equity Opportunities Fund LLC.

Pictet AM SA is also the manager and investment advisor of two hedge funds domiciled in the Cayman Islands that are available to US investors.:

- Agora Master Fund LP
- Alphanatics Master Fund LP

Pictet AM Ltd and Pictet AM Singapore acts as sub investment adviser for Alphanatics Master Fund LP.

The four above funds are “Private Funds” as defined under SEC rule 203 (b)(3) – 1, and are only to be marketed to “accredited investors” as defined in Regulation D.

Pictet AM US use the services of the trading desks of Pictet AM SA or Pictet AM Sing (see below) to execute orders or place orders for the execution of orders for our clients.

Pictet Asset Management (Singapore) Pte Ltd (“Pictet AM Singapore”)

Pictet AM Singapore is an affiliate company of Pictet AM Ltd which is registered with the Monetary Authority of Singapore and the SEC.

We use the services of a dedicated trading desk at Pictet AM Singapore to execute orders or place orders for the execution of transactions mainly in Asian fixed income securities. The purpose of this arrangement is to utilize a trading desk in the same time zone as the relevant markets that are being invested in.

In addition, the Emerging Market Debt products offered by Pictet AM US are partially advised by staff based in Pictet AM Singapore that mainly focus on the Asian fixed income markets. These managers solely provide investment advisory and research services to fixed income clients of the Pictet AM group of companies.

Pictet Asset Management (Europe) SA (“Pictet Europe”)

Pictet Europe is regulated by the Luxembourg Financial Authority, Commission de Surveillance du Secteur Financier, and is the Luxembourg based affiliate of Pictet AM US. Pictet Europe is the Fund Management Company of the Pictet AM Group Luxembourg mutual funds which are neither marketed to nor target US clients. Pictet Europe has delegated the management of one of its mutual funds to Pictet AM US.

Pictet & Cie (Europe) SA

Pictet & Cie (Europe) SA is licensed as a bank with the Commission to Surveillance of the Finance Sector in Luxembourg. It is engaged in the provision of asset management and custodial services. Once registered, Pictet AM US will manage Luxembourg regulated UCITS funds whose custodian is Pictet & Cie (Europe) SA.

Banque Pictet & Cie SA

Banque Pictet & Cie SA is licensed as a bank and broker dealer with the Swiss Financial Market Supervisory Authority FINMA. It is engaged in the provision of asset management, custodial and broker dealer services, and may provide general research information to Pictet AM US and can refer or delegate clients to Pictet AM US.

Pictet AM US can use the broker-dealer services of Banque Pictet & Cie SA on a limited basis for non-US client accounts, but any client may request that Banque Pictet & Cie SA not be used as broker for their accounts. If Banque Pictet & Cie SA is used as a broker, it must comply with our best execution policy.

Banque Pictet & Cie SA also provides certain administrative, support and IT services to Pictet AM US. Otherwise, there is no material business relationship between Pictet AM US and Banque Pictet & Cie SA.

Item 11 Code of Ethics, Participation or Interest in client Transactions and Personal Trading

Code of Ethics

We strive to adhere to the highest industry standards of conduct based on the principles of professionalism, integrity, honesty and trust and we have adopted a Code of Ethics (“Code”) under SEC Rule 204A-1 to help us meet these standards and prevent conflicts of interest. All our staff and connected persons must comply with the Code, which covers the following key areas:

- Personal account dealing rules
- Gifts and entertainment
- Protecting the confidentiality of client information
- Dealing with personal conflicts of interest
- Respecting Pictet AM US corporate confidential information.

Our staff are required to follow Pictet AM’s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Pictet AM US and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Pictet AM US’s client. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of Pictet AM US will not interfere or conflict with:

- making decisions in the best interests of advisory clients, and
- implementing such decisions

while, at the same time, allowing employees to invest for their own accounts.

Under the Code, certain classes of securities have been designated as exempt transactions from Compliance's pre-approval, based upon a determination that trading these would not materially interfere or conflict with the best interests of our clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics, to manage conflicts of interest between us, our staff and our clients.

Some entities of the Pictet Group undertake trading for their own accounts. This is managed by dedicated teams within those entities who have no responsibility for managing assets or executing trades on behalf of Pictet AM US clients. Furthermore, Pictet AM US does not undertake any proprietary investment, nor do other entities of the Pictet Group conduct any proprietary investment on behalf of Pictet AM US or any other Pictet AM entity.

Some entities of the Pictet Group can buy or sell securities for their own accounts that Pictet AM US may have bought or sold on behalf of its clients. However, there are strict Chinese walls in place between Pictet AM US and those other group entities, including separate staff, accounting and trading systems, so that the staff of those group entities that manage this type of account have no access to the orders, transactions or positions of our clients.

Pictet AM US and its affiliates may recommend to or purchase or sell on behalf of our client, securities or other investment products in which Pictet AM US, its affiliates, or other related persons have a financial interest as investment manager, general partner, or as a co-investor in such investment products.

In addition, due to the nature of its clientele, Pictet AM US occasionally places orders in securities issued by clients of Pictet AM US or another Pictet AM affiliate but regular monitoring of trading in such securities are carried out to ensure it is consistent with our procedures for the management of inside information.

Where it is permitted by, and in the best interests of both clients, one of the SEC registered Pictet AM entities can decide to cross securities from one client to another. These trades are executed by external brokers at an independently determined market price and usually at lower than normal broker commissions. No Pictet AM entity will receive fees for such transactions. ERISA plan clients and US 1940 Act Investment Companies cannot participate in cross trades.

Pictet AM US's client can request a copy of the firm's Code of Ethics by contacting David Cawthrow, Global Co-Head of Compliance of Pictet AM at +44 207 847 5040 or by email at dcawthrow@pictet.com.

Gifts and Entertainment

Service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We, and our affiliates, enter into business transactions

and relationships on behalf of a client with the providers of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service providers for clients. To address this conflict, we have adopted policies and procedures to monitor and limit gifts and entertainment given and received by our principals and employees.

We also have policies and procedures in place to monitor the US political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 of the Investment Advisers Act of 1940.

Side Letters

This section is not applicable.

Disclosure of Portfolio and Other Information

We or our Pictet AM affiliates sometimes provide portfolio holdings information to investors or entities that have been retained by investors in our managed fund to evaluate portfolio risk and for regulatory reporting purposes. We or our Pictet AM affiliates provide this information in our sole discretion and reserve the right to cease providing information at any time. We make reasonable efforts to preserve the confidentiality of the information we provide, such as by entering into non-disclosure agreements, but we cannot guarantee that the entities to which we provide information will fulfil their confidentiality obligations.

In the course of conducting due diligence, investors in our managed funds periodically request information pertaining to their investments made with us. When we respond to these requests, we can provide information that is not generally made available to other investors in the same fund. When we provide this information, we do so without an obligation to update the information provided. However, we endeavour to provide the information requested in the most current form available in compliance with our Portfolio Information Disclosure Policy.

Item 12 Brokerage Practices

Pictet AM US does not have a trading desk and delegates the placement of our client orders to other SEC registered Pictet AM entities. Please find below the brokerage policies our SEC registered Pictet AM entities.

General brokerage practices

In our capacity as discretionary investment manager, we have the authority to determine the securities, and the amounts of securities, to be bought or sold for a client's account, subject to compliance with the client's investment objectives and guidelines.

As Pictet AM US delegates the placement of client orders to Pictet AM SA, Pictet AM Ltd and Pictet AM Singapore ("Pictet AM Trading Affiliates"), these affiliates have the discretionary authority to select the brokers, dealers and banks through which transactions for our clients are executed, as well as the commission rates and spreads to be paid.

All brokers used must be approved by the Pictet Group Counterparty Risk Committee under the delegated authority of the Group Treasury Committee. When assessing a broker, the Group Counterparty Risk Committee takes a risk-based approach which considers both quantitative and qualitative factors such as the broker's financial strength, its regulator and if the broker is used for delivery versus payment or more complex security deliveries. Each assessment is bespoke, with a different emphasis on various evaluation criteria according to the market and nature of future transactions.

Our Pictet AM Trading Affiliates may use affiliated brokers as described in item 10 above on a limited basis. In all instances, affiliated brokers are not paid more than a standard rate or spread in the case of securities that are dealt net of commission such as fixed interest securities. Any client may request that an affiliated broker is not used to execute transactions for its account. Our Pictet AM Trading Affiliates carry out regular monitoring to ensure that best execution is achieved on trades executed via affiliated entities, and of the volumes of transactions executed by such entities.

Where advantageous, our Pictet AM Trading Affiliates will deal directly with the market maker in a security. They do not enter into express or implied agreements with brokers based on their or our interest in receiving client referrals.

Best execution

Pictet AM has a Best Execution Policy, which sets out the most important and relevant execution factors we take into account in complying with our best execution obligations i.e. to ensure that our client trades achieve the best possible result on a consistent basis, where we either execute our client's order directly on a trading venue or place the order with an approved broker for execution on their behalf.

Pictet AM Trading Affiliates, (Pictet AM SA for fixed income transactions) monitor the effectiveness of our best execution policy and execution arrangements to identify, and where appropriate, correct any deficiencies. This will include an assessment of whether the execution venues included in our policy continue to provide the best possible result for our clients.

Pictet AM reviews its best execution policy at least annually and whenever a material change occurs that affects its ability to continue to obtain the best possible results for its clients on a consistent basis.

The Pictet AM Trade Execution Committees for Equities and Fixed Income are responsible for overseeing the best execution arrangements and policy within Pictet AM.

In addition, on-going compliance with our best execution policy is monitored firstly by the traders, and, secondly by Compliance of our affiliate Pictet AM SA for fixed income trades.

Research

Portfolio transactions can be executed through brokers who have provided research and investment ideas if otherwise consistent with the achievement of best execution, but the over-riding factor in the selection of a broker is the achievement of best execution.

Following the implementation of the European Union Markets in Financial Instrument Directive II (“MiFID II”) on 3rd January 2018, all research used for the benefit of fixed income strategies managed by Pictet AM is paid for from Pictet AM’s own Profit & Loss account and is no longer paid for using clients’ dealing commissions.

Research is bought for the benefit of clients of Pictet AM US by the managers and analysts responsible for a defined set of products and portfolios. A budget is calculated for each team using the Pictet AM approach and parameters. This budget is reviewed by the CIO and approved by the Research Committee, who oversee all research budgets and review these budgets on a quarterly basis.

Brokerage for client referrals

We do not receive client referrals from brokers and there are no such arrangements in place.

Directed brokerage

Although it strongly discourages the practice of directed brokerage, Pictet AM may agree with a client’s request to direct brokerage transactions for the client’s account to a specific broker or brokers. However, directed brokerage at the request of clients may impede the achievement of best execution on portfolio transactions by:

- Impairing our ability to negotiate costs and other terms on behalf of directed brokerage clients.
- Denying to directed brokerage clients the benefit of our experience in selecting broker-dealers who can efficiently execute difficult trades.
- Limiting directed brokerage clients’ opportunities to obtain lower transaction costs and better prices by aggregating their orders with orders for other clients.
- Receiving less favourable prices on securities transactions to the extent that we must place transaction orders for directed brokerages clients after placing aggregated orders for other clients.

In addition, such brokers may not have been subject to the due diligence and approval of the Pictet Group Counterparty Risk Committee as described earlier in this section.

Trade aggregation

When buying and selling securities and other investment products for clients, Pictet AM generally aggregate multiple transactions into one order so that as many eligible clients may participate equally over time on a fair and equitable basis, in terms of best available cost, efficiency and terms. Each client that participates in an aggregated order participates at the average price. However, in some instances where aggregation is not possible, certain client accounts may trade the same securities after other client accounts, and this can impact the execution prices obtained by different clients. In the case of the partial execution of an aggregated order, the executed trades and related external broker commissions are normally allocated on a pro rata basis subject to complying with market conventions on minimum fill and increments, and to avoid uneconomic allocations.

Clients' orders are only aggregated with other Pictet AM clients' orders and not with orders for the clients of other Pictet Group entities nor any Pictet AM or Pictet group entity, nor their employees. Aggregation may on occasion work to the disadvantage of a client in relation to an order. Trade allocations are monitored by the Compliance department on a periodic basis.

Reallocations

Occasionally, Pictet AM Trading Affiliates reallocate transactions to correct an error in the original order or the original allocation. Pictet AM have procedures in place and carry out compliance monitoring to ensure that such reallocations are carried out fairly and in full compliance with our fiduciary duty.

Trade Errors

Pictet AM have established policies and procedures for the handling of errors in client accounts. Pursuant to these policies and procedures, Pictet AM aims to correct errors as soon as practicable after discovery and will always ensure that clients do not suffer any loss as a result of the error.

All errors are overseen by the Business Risk Department, who report all identified errors and breaches for scrutiny by the Pictet AM Business Risk & Compliance Committee, and the Pictet AM Risk Committee.

Item 13 Review of Accounts

The fund managers have day-to-day responsibility for supervision of the clients account, including complying with investment restrictions which are also independently monitored by Pictet AM SA Compliance department on a daily basis, and they also ensure that any appropriate corrective actions are promptly carried out and that breaches are reported to the client.

In addition, Pictet AM carry out formal risk and performance reviews of all products on a periodic basis where the performance and risk characteristics of the portfolio are reviewed by a committee usually consisting of:

- Co-CEO / Head of Investment
- The Head of the investment team under review, together with the Senior Portfolio Managers from that team
- The Head of the Pictet AM Investment Risk and Performance Analysis Department
- The Chief Investment Officer of the investment team under review
- The Risk Manager or its deputy for the relevant investment team.

In addition, the CEO and Chief Risk Officer may attend such meetings on an ad hoc basis, especially for significant strategies.

Pictet AM's standard reporting package for segregated clients includes the following:

1. A monthly report, except for quarter ends, that includes a valuation, transaction statement and a performance summary. These statements describe all assets held, the quantity and market price in local currency for each position and the market value of the account expressed in the client's base currency translated at the current rates of exchange. Positions are broken down by type of asset and by market value or currency of denomination. All changes in holdings and income and expense items are listed by date.
2. A quarterly report, which provides the information included in the monthly report as at the quarter end, together with (a) a Fund Manager's report, including a review of fund performance together with performance attribution, and (b) an Investment review and outlook.

Please note that the valuation of a client account will be generated by Pictet AM's investment accounting and portfolio management systems. Therefore, there is a risk that on occasions, there are differences in the valuation of assets by Pictet AM's systems and the valuation by the client's custodian.

Whilst the above is the standard reporting package, Pictet AM can provide alternative reporting to satisfy the differing reporting requirements of its clients.

Following formal reviews and from time to time, additional supplementary information and reports are prepared for the client, highlighting characteristics such as average maturity, regional asset mix, largest holdings, etc.

Item 14 Client Referrals and Other Compensation

Pictet AM US markets its services via its own Business Development Department, or the Business Development departments of other Pictet AM Group companies. These staff are paid a salary, a profit

share based on the Pictet Group's results and a bonus. The criteria used in determining the size of a member of the Business Development staff's bonus, are:

- Net new revenues introduced during the year.
- Gross new revenues introduced during the year.
- Qualitative and / or soft scores, including for example teamwork.

There is also a potential deduction to bonuses in the event of a poor Compliance score by individuals.

Pictet AM US will be remunerated by another SEC registered Pictet AM entity for the institutional clients introduced by Pictet AM US who sign an investment management agreement with such other SEC registered Pictet AM entity. Pictet AM US does not deduct fees from any Pictet AM Affiliate clients' assets or bill such clients for any fees incurred.

Prospects successfully referred to Pictet AM Affiliates as clients do not pay Pictet AM US any fees in advance and supervised persons do not accept compensation from such clients of Pictet AM Affiliates for any reason related to the sale of securities or other investment products.

Item 15 Custody

Pictet AM US does not have direct custody of client assets.

US clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian, that holds and maintains their managed assets. Pictet AM US urges its clients to carefully review such statements and compare such official custodial records to the account statements that clients receive from us as described in section 13. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 Investment Discretion

Pictet AM US usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and investment restrictions for the particular client account.

Pictet AM affiliates try to manage different client accounts within the same product grouping in a similar manner. However, this will always be carried out in accordance with the investment guidelines provided by Pictet AM clients. Our institutional clients usually determine in conjunction with the

relevant Pictet AM entity who signed the management agreement the investment constraints to be followed in the management of their assets.

For regulated and unregulated funds, Pictet AM authority to trade securities may also be limited by certain federal securities and tax laws and regulations that require the diversification of investments.

Investment guidelines and restrictions must be provided to Pictet AM US in writing prior to the commencement of investment management activities.

Item 17 Voting client Securities

Pictet AM US only offers a fixed income strategy, therefore we are unlikely to perform proxy voting for our client. However, Pictet AM's voting policy is disclosed below for the sake of transparency.

Pictet AM voting policy is based on generally accepted standards of best practice in corporate governance including board compensation, executive remuneration, risk management and shareholder rights.

As the long-term interests of shareholders are the paramount objective in exercising votes, Pictet AM do not always support the management of investee companies and may vote against management from time to time. We also reserve the right to deviate from our voting policy to consider company-specific circumstances.

To assist Pictet AM in the exercising of proxy votes, Pictet AM uses the services of third-party specialists whose expertise and international experience allows us to vote at all relevant company meetings worldwide.

The following principles are used in defining the scope of accounts and securities eligible for proxy voting:

1. For actively managed funds, Pictet AM aims to vote on 100% of equity holdings.
2. For passive strategies, Pictet AM aims to vote on 80% by weight of underlying benchmarks. This target may be revised upwards or downwards for specific strategies depending on factors such as portfolio size, geography or market capitalisations.
3. For segregated accounts, including mandates and third-party (i.e. sub-advisory) mutual funds managed by Pictet AM, clients who want to delegate the exercise of voting rights to Pictet AM have the choice between Pictet AM's policy or their own voting policy.

Conflicts of interest related to proxy voting are included in our conflicts of interest policy.

Please refer to <https://www.am.pictet/en/globalwebsite/global-articles/2020/expertise/esg/proxy-voting> for more information about voting activity by Pictet AM entities. This information is also available at portfolio level for open-ended funds and segregated accounts.

Item 18 Financial Information

This item is not applicable.

We are required in this item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet our contractual and fiduciary commitments to clients, and we have not been the subject of bankruptcy proceedings.

We do not require or solicit the prepayment of fees.

Privacy Notice

We Take Important Steps to Help Safeguard the Information We Collect about Our clients

At Pictet Asset Management US (“Pictet AM”) we are committed to safeguarding our clients’ personal information. This notice describes the personal information we collect regarding an individual’s current or former relationships with Pictet AM and how we handle and protect it. As part of our normal business practices, we distribute our Privacy Notice annually or when significant changes are made to it.

Why and How We Collect Personal Information?

We collect personal information to enable us to provide products and services to our clients and in order to conduct our business. For example, we collect personal information to:

- Help us evaluate the needs of our clients and comply with our regulatory obligations;
- Process requests and transactions;
- Provide our clients with an effective and efficient service.

We collect information from a variety of sources, including:

- Account opening documentation and other forms submitted which provide information such as the name, address, email address, and telephone numbers of individuals that represent our clients and assets of our clients;
- Our clients’ transactions or communications with us and our affiliated companies.

Who Has Access to Personal Information?

We maintain personal information about our clients, their representatives and authorized persons on our client database. Access to this database is restricted to employees of Pictet AM.

How We Protect Personal Information?

Our Code of Ethics, which applies to all employees restricts the use of client information and requires that it be held in the strictest confidence and be used for valid business purposes only. The Code of Ethics also requires that all employees follow established procedures for the protection of client information. We maintain physical, electronic and procedural safeguards (including firewalls, user authentication systems and access control mechanisms) to protect personal information and to comply with all applicable laws and regulations.

Why and How We Share Information with Our Affiliates?

Personal information about our clients, their representatives and authorized persons may be shared with a number of our affiliates, as described above, and as required or permitted by applicable law.

By contracting with Pictet AM US, our clients hereby authorize Pictet AM US to grant prompt read-only access to Pictet AM Ltd, Pictet AM Singapore and Pictet AM SA to the assets of our clients at for the purpose of on-going monitoring of the activities of our clients.

Why and How We Share Information with Non-affiliated Third Parties?

We do not and will not rent or sell the personal information of our clients, their representatives or authorized persons. However, we can share this information with companies that we hire to perform services for us, such as providers of proxy voting, class action administration services and providers of client servicing systems. In these cases, we require these non-affiliated third parties with whom we share personal information to agree to limit the use of such information to the purposes for which it was provided, and to have adequate systems and controls to ensure the security of information provided to, or held by them.

Finally, we may disclose personal information to others, including non-affiliated companies and regulatory authorities, as required or permitted by applicable law, for example:

- To comply with investigations by regulatory authorities or law enforcement agencies e.g. anti-money laundering investigations;
- To protect against or prevent fraud, unauthorized transactions, claims or other liabilities;
- To legal or other professional advisors, for example for the completion of statutory audits and ISAE 3402 examinations;
- To providers of certain financial products (e.g. issuers of structured products) who may require the disclosure of certain client information, including details of identification. Where client agreements permit and applicable laws allows, we require such providers to agree to strictly limit their use of the information only to the purpose for which it is provided;
- Where required by counterparties for regulatory or risk management purposes, when opening trading agreements, such as ISDA's.

Last updated: 15 December 2020