

Product name: **Pictet - Biotech**

Legal entity identifier: **549300HEJK1QY30BWK41**

SUSTAINABLE INVESTMENT OBJECTIVE

Does this financial product have a sustainable investment objective?	
☒ Yes	☐ No
☐ It will make a minimum of sustainable investments with an environmental objective: ____%	☐ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy.	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☒ It will make a minimum of sustainable investments with a social objective: 67%	☐ with a social objective
☐ It promotes E/S characteristics, but will not make any sustainable investments	

Note: Pictet Asset Management uses a proprietary framework to define sustainable investments. Sustainable investments are calculated on a pass/fail basis including labelled bonds, general bonds from countries that reduce CO2 emissions or implement policies that may lead to meaningful improvement in reducing CO2 emissions, and securities from issuers with at least 20% combined exposure (as measured by revenue, EBIT, enterprise value or similar metrics) to economic activities that contribute to environmental or social objectives.

Please refer to Pictet Asset Management's Responsible Investment policy for further details on our Sustainable Investment Framework.



WHAT IS THE SUSTAINABLE INVESTMENT OBJECTIVE OF THIS FINANCIAL PRODUCT?

Main ways in which the fund seeks to achieve its sustainable objective:

- Positive impact:**

The fund seeks to achieve a positive social impact by investing in at least two-thirds of its total assets/total wealth in companies supporting the health of people with high innovation capacity. Better therapies can deliver true value to patients and healthcare systems alike. These companies are tackling high unmet medical needs and reduce the pressures on healthcare budgets through the reduction of hospital admissions or symptom management.

No reference index has been designated for the purpose of attaining the sustainable investment objective.

The fund invests mainly in companies whose significant proportion of their activities are related to new mechanisms of actions offering potential cures or management of diseases that were hard to treat before, technology platforms, research tools and services in the biotechnology value chain as well as the improvement of therapies or drugs and other relevant economic activities.

This is achieved by investing in securities financing economic activities that substantially contribute to social objectives such as:

- Social
 - Healthy Life
 - Water, Sanitation & Housing
 - Education & Economic Empowerment
 - Security & Connectivity

- **Norms- and values-based exclusions:**

The fund excludes issuers that are in severe breach of international norms or have significant activities with adverse impacts on society or the environment.

- **Active ownership:**

The fund methodically exercises its voting rights. The fund may also engage with the management of companies on material ESG issues and may discontinue investment if progress proves unsatisfactory.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

● What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Indicators the fund uses include:

- The percentage of the financial product's exposure to "sustainable investments" as defined in Article 2 (17) of SFDR
- Overall ESG profile
- Principal Adverse Impact (PAI) indicators such as exposure to issuers that are in severe breach of international norms or have significant activities with adverse E/S impacts on society or the environment
- The percentage of eligible company meetings where voting rights were exercised
- Engagement with companies

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

● How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The fund considers an investment sustainable if it does no significant harm to any E/S objective, which the investment team determines by applying exclusions. Exclusions allow the fund to remove economic activities and behaviours towards international norms that have high adverse impacts on society or the environment. Please refer to Pictet Asset Management's Responsible Investment policy for further details on excluded sectors and behaviours and exclusion thresholds.

— How have the indicators for adverse impacts on sustainability factors been taken into account?

The fund considers principal adverse impacts (PAIs) on sustainability factors through the exclusion of issuers associated with controversial conduct or activities. Exclusions allow the fund to remove economic activities and behaviours towards international norms that have high adverse impacts on society or the environment. How exclusions map to PAIs and their related indicators is set out in Pictet Asset Management's Responsible Investment policy.

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The fund excludes issuers that are subject to high or severe controversies in areas such as human rights, labour standards, environmental protection and anti-corruption, or in breach of UN Global Compact Principles or OECD Guidelines for Multinational Enterprises.



DOES THIS FINANCIAL PRODUCT CONSIDER PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS?

- ☒ Yes, the fund considers and, where possible, mitigates principal adverse impacts (PAIs) of its investments on society and the environment that are deemed material to the investment strategy through a combination of portfolio management decisions, exclusion of issuers associated with controversial conduct or activities, and active ownership activities.

Exclusions allow the fund to remove economic activities and behaviours towards international norms that have high adverse impacts on society or the environment.

Active ownership activities, which include engagement and proxy voting (where applicable), aim at positively influencing the issuer's ESG performance and to protect or enhance the value of investments. Engagement is conducted by the investment team either independently or as part of a Pictet-level initiative. Pictet-level initiatives focus on selected ESG topics as detailed in Pictet Asset Management's Responsible Investment report.

How exclusions and entity-level initiatives map to PAIs and their related indicators is set out in Pictet Asset Management's Responsible Investment policy.

- ☐ No



WHAT INVESTMENT STRATEGY DOES THIS FINANCIAL PRODUCT FOLLOW?

Objective:

To increase the value of your investment while seeking to achieve a positive social impact.

Reference index:

MSCI AC World (USD), an index that does not take into account environmental, social and governance (ESG) factors. Used for risk monitoring, performance objective and performance measurement.

Portfolio assets:

The fund invests at least two-thirds of its net assets in equities of companies operating in the medical biotechnology sector. The fund may invest worldwide, including in emerging markets and Mainland China, although most of investments are concentrated in the United States of America and Western Europe.

Derivatives and structured products:

The fund may use derivatives to reduce various risks (hedging) and for efficient portfolio management, and may use structured products to gain exposure to portfolio assets.

Investment process:

In actively managing the fund, the investment manager uses a combination of market and fundamental company analysis to select securities that it believes offer favourable growth prospects at a reasonable price. The investment manager considers ESG factors a core element of its strategy by seeking to invest mainly in economic activities that contribute to a social objective whilst avoiding activities that adversely affect society or the environment. Voting rights are methodically exercised and there may be engagement with companies to positively influence ESG practices. For further information, please refer to our exclusion framework in the Responsible Investment policy, SFDR product category Article 9. The portfolio composition is not constrained relative to the benchmark, so the similarity of the fund's performance to that of the benchmark may vary.

Fund currency:

USD

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The fund's binding elements include:

- at least 80% of sustainable investments, i.e. investments in companies that have a significant exposure to activities such as new mechanisms of actions offering potential cures or management of diseases that were hard to treat before, technology platforms, research tools and services in the biotechnology value chain as well as the improvement of therapies or drugs and other relevant economic activities (as measured by revenue, enterprise value, earnings before interest and tax, or similar)
- exclusion of issuers that:
 - are involved in the production of controversial weapons including anti-personnel mines, cluster munitions, biological and chemical weapons, nuclear weapons and depleted uranium
 - derive a significant portion of their revenue from activities detrimental to society or the environment such as thermal coal extraction. Please refer to Pictet Asset Management's Responsible Investment policy for further details on excluded activities and revenue thresholds.
 - severely violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption
- the exclusions for EU Paris-aligned Benchmarks
- a better ESG profile than the reference index
- ESG criteria analysis of eligible securities that covers at least 90% of net assets or the number of issuers in the portfolio

To ensure ongoing compliance, the fund monitors the ESG profile of all securities and issuers that form part of the minimum percentage of sustainable investments stated in "What is the asset allocation planned for this financial product?". The fund draws on information from various sources, such as proprietary fundamental analysis, ESG research providers, third-party analyses (including those from brokers), credit rating services and financial and general media. Based on this information, the investment manager may decide to add or discontinue certain securities, or increase or decrease its holdings in certain securities.

● What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The good governance practices criteria apply to issuers of all corporate investments of the fund. To determine whether a company meets minimum requirements for good governance practices under SFDR, Pictet Asset Management ensures that companies it invests in do not have severe controversies or UN Global Compact breaches that are linked to various topics including sound management, employee relations, remuneration of staff and tax compliance. How breaches to UNGC principles and severe controversies map to good governance practices is set out in Pictet Asset Management's Responsible Investment policy.



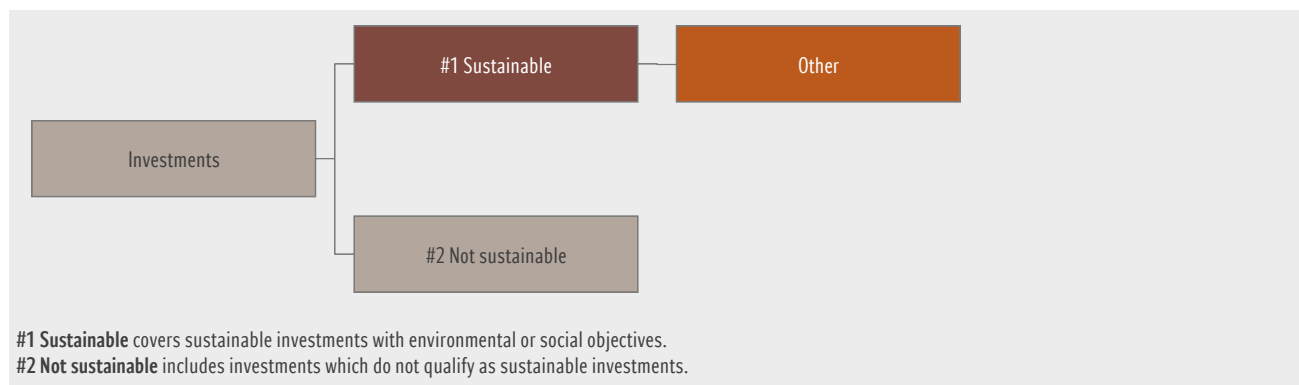
WHAT IS THE ASSET ALLOCATION AND THE MINIMUM SHARE OF SUSTAINABLE INVESTMENTS?

Asset allocation describes the share of investments in specific assets.

The fund allocates at least 80% of its assets to Sustainable investments (#1 Sustainable) and up to 20% to Not sustainable investments (#2 Not sustainable). At least 67% of its assets is allocated to social objectives. The minimum share of sustainable investments with an environmental objective is 0%. While the fund does not explicitly target a minimum investment in environmental objectives, the fund may invest in companies with an environmental objective.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



- Pictet Asset Management uses a proprietary framework to define sustainable investments. Sustainable investments are calculated on a pass/fail basis including labelled bonds, general bonds from countries that reduce CO2 emissions or implement policies that may lead to meaningful improvement in reducing CO2 emissions, and securities from issuers with at least 20% combined exposure (as measured by revenue, EBIT, enterprise value or similar metrics) to economic activities that contribute to environmental or social objectives.

Please refer to Pictet Asset Management's Responsible Investment policy for further details on our Sustainable Investment Framework.

- Whilst the fund includes achieving a positive environmental or social objective, its investment policy does not target specifically EU Taxonomy aligned investments as defined by the technical screening criteria of the Taxonomy Regulation.

How does the use of derivatives attain the sustainable investment objective?

The fund does not use derivatives to achieve its sustainable investment objective. However, exclusions are applied to all types of securities (equities, bonds, convertible bonds) issued by excluded entities, including participation notes and derivatives issued by third parties on such securities.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not currently commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.

To comply with the EU taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?¹

☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

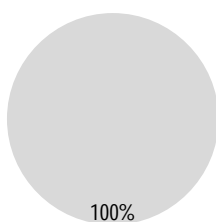
The fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy, however, these investments may form part of the portfolio.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

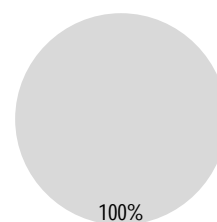
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy-aligned: Fossil gas
■ Taxonomy-aligned: Nuclear
■ Taxonomy-aligned: (no gas and nuclear)
■ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy-aligned: Fossil gas
■ Taxonomy-aligned: Nuclear
■ Taxonomy-aligned: (no gas and nuclear)
■ Non Taxonomy-aligned



This graph represents 100% of the total investments**

* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

** The percentage is purely indicative and may vary.

● What is the minimum share of investments in transitional and enabling activities?

0%

The fund does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective is 0%. While the fund does not explicitly target a minimum investment in environmental objectives, the fund may invest in companies with an environmental objective. The sum of investments with a social and environmental objective will be at least 80%

What is the minimum share of sustainable investments with a social objective?

The minimum share of sustainable investments with a social objective is 67%. The sum of investments with a social and environmental objective will be at least 80%.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The fund's "not sustainable" investments include cash, cash equivalent and derivatives. The allocation to such assets may increase in extreme market conditions as stated in the "Investment restrictions" section in the general part. Where relevant, minimum environmental or social safeguards apply to the underlying securities.



IS A SPECIFIC INDEX DESIGNATED AS A REFERENCE BENCHMARK TO MEET THE SUSTAINABLE INVESTMENT OBJECTIVE?

No reference index has been designated for the purpose of attaining the sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

Not applicable.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.

How does the designated index differ from a relevant broad market index?

Not applicable.

Where can the methodology used for the calculation of the designated index be found?

Not applicable.



WHERE CAN I FIND MORE PRODUCT SPECIFIC INFORMATION ONLINE?

More product-specific information can be found on the website:

https://documents.am.pictet/?isin=LU0090689299&dtyp=SFDR_DISCLOSURE&dla=en&cat=marketing-permalink

Pictet Asset Management's Responsible Investment policy:

https://documents.am.pictet.com/library/en/other?documentTypes=RI_POLICY&businessLine=PAM