

# Quarterly strategy profile

## Clean Energy Transition

December 31, 2023  
**Marketing material**  
 For professional investors only

### GENERAL INFORMATION

Composite inception:	May 31, 2007	Reference index <sup>1</sup> :	MSCI AC WORLD (\$\$) NRI
Base currency:	USD	Number of holdings <sup>2</sup> :	c. 50-60

### PORTFOLIO MANAGERS

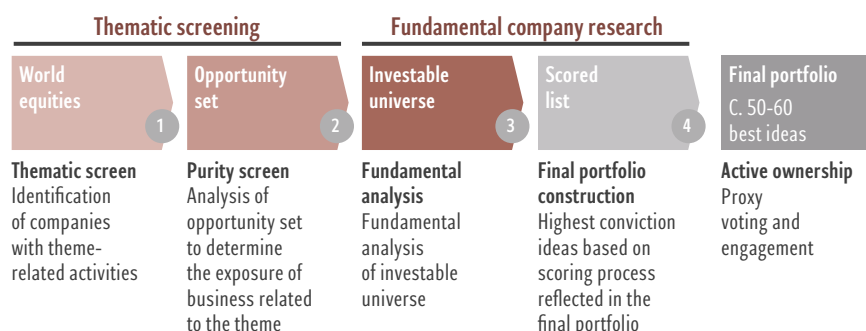
	INDUSTRY EXPERIENCE SINCE	FIRM EXPERIENCE SINCE
Xavier Chollet	1998	1998
Manuel Losa	2008	2019
Pam Liu	2007	2023
Guillaume Martin-Achard	2019	2019

### INVESTMENT PHILOSOPHY AND APPROACH

We believe that companies leading the clean energy transition will deliver a persistent return premium over the long term, as the market tends to over-emphasize short-term earnings estimates and underprices the persistency of secular growth driven by this transition. Understanding the whole clean energy transition value chain is vital to gauge the drivers of long-term growth and identify investment opportunities. These are not restricted to only companies in power production. They can also arise in transport, manufacturing, buildings, IT and energy infrastructure such as networks and grids.

Our strategy is secular-growth driven (we invest in companies with predictable value drivers, with a long-term horizon), focused (we are experts in our concentrated investment universe) and benchmark-unconstrained (we follow an active, pure bottom-up and forward-looking approach without constraints with regards to sectors, sizes, regions or styles).

### INVESTMENT PROCESS OVERVIEW<sup>3</sup>



### BENEFITS OF THE STRATEGY

- The Clean Energy Transition strategy gives exposure to underestimated long-term persistent growth in companies driven by the clean energy transition.
- The strategy supports the structural change towards a sustainable and low-carbon economy.
- The portfolio reflects the investment team's highest convictions reached through an active, pure bottom-up and forward-looking approach, unconstrained by any benchmark.

1 The strategy is not constrained by MSCI ACWI which is shown for comparison purposes only. The index does not influence portfolio construction and the strategy's investment universe extends beyond the components of the index. Alternative global equity indexes are equally appropriate.

2 Typical number in normal market conditions.

3 These investment guidelines are internal guidelines which are subject to change at any time and without any notice. Pictet AM Responsible Investment approach: [https://documents.am.pictet/?cat=regulatory-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=regulatory-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

Source: Pictet Asset Management

### COMPOSITE PERFORMANCE

For illustrative purposes

#### Per period and calendar year, % in USD

	COMPOSITE (NET)	COMPOSITE (GROSS)	REFERENCE INDEX (NET)
QTR	15.18	15.38	11.03
2023	27.42	28.22	22.20
2022	-25.22	-24.42	-18.36
2021	12.71	13.51	18.54
2020	54.79	55.59	16.25
2019	36.24	37.04	26.60
2018	-17.88	-17.08	-9.41
2017	25.95	26.75	23.97
2016	2.72	3.52	7.86
2015	-10.98	-10.18	-2.36
2014	-1.48	-0.68	4.16
2013	36.77	37.57	22.80

#### Annualized, % in USD

	COMPOSITE (NET)	COMPOSITE (GROSS)	REFERENCE INDEX (NET)
1 year	27.42	28.22	22.20
2 years	-2.36	-1.56	-0.12
3 years	2.43	3.23	5.75
5 years	17.79	18.59	11.72
10 years	7.77	8.57	7.93
SI	3.84	4.64	5.72

The net of fees return in this case reflects the deduction of the management fee of 0.80% per annum (which may be lower than the management fee used to calculate the net-of-fees GIPS Compliant return) and is presented as supplemental information.

### IMPORTANT INFORMATION

The published performance represents past data. Past performance is not a guarantee or a reliable indicator of future performance. There is no guarantee that the same yields will be obtained in the future. The value and income of any of your investments may fluctuate with market conditions and may lose some or all its value. The portfolio may be affected by changes in currency exchange rates, which can have an adverse effect on the value or income of the portfolio.

QTR = Quarter; YTD = Year to Date;

SI = Since inception

Source: Pictet Asset Management

## REPRESENTATIVE PORTFOLIO INFORMATION<sup>4</sup>

### Statistics over 5 years

Beta <sup>5</sup>	1.27
Annualized volatility (%)	25.41
Information ratio <sup>5</sup>	0.51
Sharpe ratio	0.60
Max. drawdown (%)	-29.08
Turnover p.a. (%) <sup>6</sup>	33.62

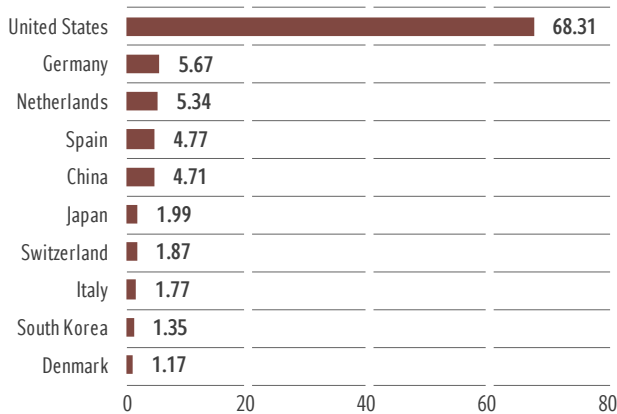
### Statistics as at quarter end

Weighted average market cap	USD 97,869 million
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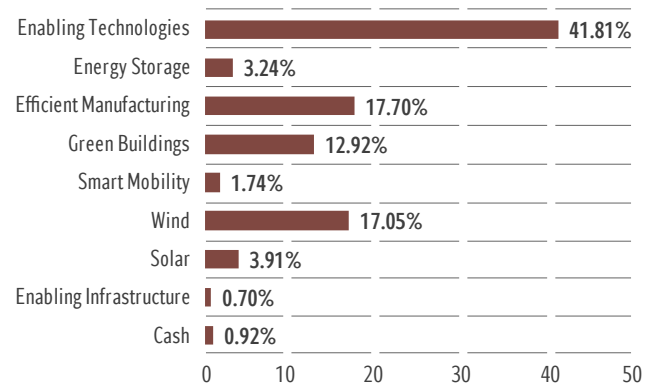
### Top 10 holdings (% of assets)<sup>7</sup>

NAME	COUNTRY <sup>8</sup>	%
On Semiconductor	United States Of America	5.21
Nextera Energy Inc	United States Of America	4.93
Nxp Semiconductors Nv	China	4.71
Marvell Technology Inc	United States Of America	4.65
Topbuild Corp	United States Of America	4.38
Applied Materials Inc	United States Of America	4.21
Trane Technologies Plc	United States Of America	4.18
Linde Plc	United States Of America	4.15
Ptc Inc	United States Of America	3.53
Synopsys Inc	United States Of America	3.45

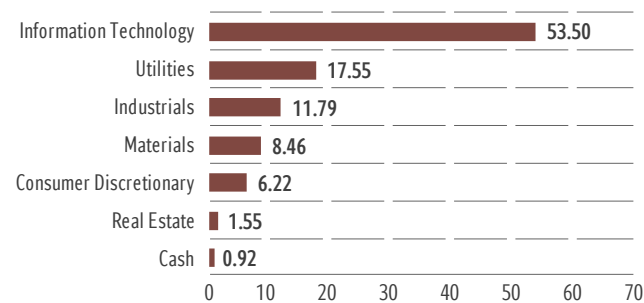
### Top 10 country risk exposure (% of assets)



### Strategy segments (% of assets)



### MSCI sector breakdown (% of assets)



<sup>4</sup> Portfolio information refers to a portfolio that is representative of the strategy presented in this document and included in the composite used in the Composite Performance section.

<sup>5</sup> Relative vs. MSCI ACWI index for comparison only.

<sup>6</sup> Turnover: Please note that the above turnover figure represents the 5Y average of 1Y rolling Cashflow-Adjusted Turnover, which is calculated weekly as  $[(\text{Purchases} + \text{Sales}) - (\text{Absolute value of Net Cashflow})] / 2 / \text{Average Market Value}$ .

<sup>7</sup> The mentioned financial instruments are provided for illustrative purposes only and shall not be considered as a direct offering, investment recommendation or investment advice. Reference to a specific security is not a recommendation to buy or sell that security.

<sup>8</sup> Refers to country risk exposure.

Effective allocations are subject to change and may have changed since the reporting date.

Source: Pictet Asset Management

## Risk considerations

The portfolio may be exposed to the following risks which may negatively impact its performance:

- Financial Derivatives risk: the leverage resulting from derivatives amplifies losses in certain market conditions.
- Counterparty risk: losses occur when a counterparty does not honor its obligations related to contracts such as over-the-counter derivatives.
- Investments in emerging markets are generally more sensitive to risk events, such as changes in the economic, political, fiscal and legal environment, as well as fraud.
- Investments in Mainland China may be subject to capital restrictions and trading quotas (e.g. QFII and RQFII regimes). The Compartment may encounter difficulties or delays in enforcing its rights in the event of disputes.
- Chinese “Stock Connect” trading programs may be subject to additional risks related to ownership rights, clearing & settlement, trading quotas and operational issues.
- Operational risk: losses resulting from human errors, system failures, incorrect valuation and safekeeping of assets.
- Sustainability risk: ESG related risk events or conditions could cause a material negative impact on the value of the investment if they were to occur.

## COMPOSITE DISCLOSURE

For illustrative purposes only

Composite: Thematic Equities ‘Clean Energy’ Consolidated  
 Benchmark: MSCI AC WORLD (\$) NRI  
 Currency: USD  
 Returns as of: December 31, 2023  
 Inception date: May 31, 2007  
 Creation date: June 15, 2007

PERIOD	COMPOSITE RETURN (NET %) <sup>9</sup>	COMPOSITE RETURN (GROSS %)	BENCHMARK RETURN (%)	COMPOSITE 3YR STANDARD DEVIATION (GROSS % P.A.) <sup>10</sup>	BENCHMARK 3YR STANDARD DEVIATION (GROSS % P.A.) <sup>10</sup>	NUMBER OF PORTFOLIOS <sup>11</sup>	COMPOSITE ASSETS (USD M) <sup>11</sup>	COMPOSITE DISPERSION (%)	TOTAL FIRM ASSETS (USD M) <sup>11</sup>
2023	26.78	28.22	22.20	26.36	16.50	2	5,113	–	259,262
2022	-26.62	-24.42	-18.36	28.32	20.14	2	4,247	–	235,637
2021	11.63	13.51	18.54	21.19	17.08	1	6,053	–	283,101
2020	54.01	55.59	16.25	22.49	18.38	1	3,592	–	251,670
2019	35.39	37.04	26.60	14.89	11.38	2	1,621	–	206,994
2018	-18.33	-17.08	-9.41	13.47	10.71	1	1,303	–	172,139
2017	24.95	26.75	23.97	14.29	10.46	1	1,464	–	195,459
2016	1.88	3.52	7.86	15.23	11.16	1	1,015	–	157,225
2015	-11.66	-10.18	-2.36	14.81	10.87	1	1,035	–	144,971
2014	-2.35	-0.68	4.16	13.02	10.69	1	906	–	151,591
2013	35.63	37.57	22.80	17.04	14.21	1	766	–	150,803

9 The net-of-fees returns are not “swing factor” adjusted and are based on the capital-weighted aggregation of the different portfolios included in this composite. As a consequence, they don’t reflect the real net-of-fees return of any given portfolio.

10 Ex-post standard deviation; not presented if less than 36 months returns are available.

11 As of end of period.

Past performance is not a guarantee or a reliable indicator of future performance.

Source: Pictet Asset Management

## Disclosures

### Composite description

The composite encompasses portfolios that apply a capital growth strategy by investing at least two-thirds of their total assets or wealth in shares issued by companies that contribute to the reduction of carbon gases. The portfolios in the composite are managed according to the investment policy set by Pictet Asset Management. For Thematic equity composites, ‘Benchmark’ should be understood as being a ‘Reference Index’. No benchmark is defined because the investment strategy does not adopt any benchmark. The presented returns of the MSCI AC World (\$) NRI index are provided solely for reference and comparison purposes as supplemental information.



## Compliance with GIPS, verification and inception date

Pictet AM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Pictet AM has been independently verified by PricewaterhouseCoopers for the periods from December 31, 1990 to December 31, 2022. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firmwide basis. Verification does not provide assurance on the accuracy of any specific performance report.

## Definition of the firm and investment discretion

For the purpose of complying with GIPS, the Firm is defined as Pictet Asset Management (Pictet AM) and comprises all assets managed in Switzerland by Pictet Asset Management S.A. (including its branches), in the United Kingdom by Pictet Asset Management Limited (including its branches), in Italy by Pictet Asset Management Ltd Succursale Italiana, in Hong Kong by Pictet Asset Management (Hong Kong) Limited, in Japan by Pictet Asset Management (Japan) Ltd and in Singapore by Pictet Asset Management (Singapore) Pte Ltd.

Portfolios must have a minimum size of 10,000,000 US Dollar in order to be included in the composite. Portfolios are excluded from the composite if their market value falls below 7,000,000.

## Calculation of return of the portfolio, composite and benchmark

Segregated portfolios returns are calculated gross of fees; i.e. after deduction of transaction fees (brokerage, stamp duties, etc.), but before deduction of management fees, and custody charges. Pictet AM bundled all-in fees may include management fees, Pictet's handling fees, as well as Pictet's custody charges. In some rare cases, correspondent fees are also included. Since January 01, 2006, the transaction cost portion of the Pictet AM all-in fees is treated on a net basis. Reclaimed withholding taxes are taken into account at the time of their payment. Income of all funds are accounted for net of withholding tax. However, since 1996 Swiss Equity and Swiss Bond composites are calculated gross of withholding tax. Returns of Swiss Balanced composites are calculated net of withholding tax prior to December 31, 2001 and gross of withholding tax from January 01, 2002. Fixed Income securities are accounted for on an accrual basis and dividends as well from July 01, 2010.

The monthly composite performance is calculated by weighing the performance of each individual portfolio by its respective value within the composite at the beginning of the month. These monthly returns are geometrically linked to generate returns for time periods longer than one month. All transactions are taken into consideration on their trade date.

The performance of all pooled portfolios is calculated on a daily basis using the Net Asset Values (NAV) per share. These figures are calculated gross of fees by adding back the Total Expense Ratio (TER) to the NAV based return. The NAV calculation fully accounts for all revenues on an accrued basis.

The benchmark is rebalanced on a monthly basis using the weighted average returns of the benchmarks of all of the portfolios included in the composite. The components that constitute the portfolio-weighted custom benchmark, including the weights that each component represents, are available for prior periods upon request.

## Use of derivative instruments

Portfolios within the composite are not leveraged. However, derivatives may be used for tactical reasons.

## Calculation of risk measures

Composite dispersion is calculated as the equal-weighted standard deviation of the portfolio returns within the composite if there have been more than 4 portfolios in the composite during the entire reporting period. The three year ex-post standard deviation of the composite and the benchmark is not presented if less than 36 months returns are available. The Sharpe ratio measures the excess return on a risk free investment for a consented risk. In the case of the Sharpe ratio, the risk is calculated from the volatility. The Tracking Error indicates how closely a portfolio follows the index to which it is benchmarked. The Information Ratio measures risk relative to benchmark. The Beta defines the sensitivity of the portfolio to market movements. The presented risk measures are using the same return type than the performance numbers presented in this report.

The risk-free rate used to calculate the additional risk measures is the Treasury Bill \$ 3M ESD.

## Other information

A detailed description of the Thematic Equities investment approach and a full list of all Pictet AM's composites descriptions is available on request. Additional information regarding policies for calculating and reporting returns, valuing portfolios and preparing compliant presentations are available upon request. Due to a regulatory change and the increasing importance of emerging markets in global equity allocation, the 'Reference Index' has been changed retrospectively from the MSCI World to the MSCI ACWI index on January 01, 2020. The strategy is not constrained by MSCI ACWI which is shown for comparison purposes only. The index does not influence portfolio construction and the strategy's investment universe extends beyond the components of the index. Alternative global equity indexes are equally appropriate.

Net Dividend Reinvested Indices show the dividends reinvested after adjustments for withholding taxes based on Luxembourg domicile.

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