

Quarterly strategy profile

Global Emerging Debt

March 31, 2024
Marketing material
 For professional investors only

GENERAL INFORMATION

Composite inception:	November 30, 1998
Base currency:	USD
Reference index:	JPM EMBI GLOBAL DIVERSIFIED COMPOSITE (\$) (RID)

PORTFOLIO MANAGERS

	INDUSTRY EXPERIENCE SINCE	FIRM EXPERIENCE SINCE
Alper Gocer	1999	2016
Robert Simpson	2005	2019
Guido Chamorro	1997	2005

INVESTMENT PHILOSOPHY AND APPROACH

We believe that emerging market countries are at varying stages of economic, political and social development. This produces a huge dispersion in country level fundamentals, thus contributing to price inefficiencies. We also think that global macroeconomic factors can trigger short-term bouts of volatility and price inefficiencies. We therefore believe in an active, diversified and sustainable approach.

The strategy seeks to outperform the JP Morgan EMBI Global Diversified Composite index by 1-3% p.a.¹ through a complementary top-down assessment of the global risk environment and bottom-up country analysis. Our focus is by region and not by instrument, which allows a more comprehensive view of the opportunities set in each emerging debt market through key local perspective inputs and access to local liquidity. We make active decisions relative to the benchmark and have the freedom to significantly deviate from the benchmark to achieve the desirable risk-return profile.

INVESTMENT PROCESS OVERVIEW

We take an active, diversified and sustainable approach:

- A top-down view of the macro environment enables us to assess conditions for taking risk.
- Understanding the direction of a country's credit quality enables us to establish a bias.
- The right diversification and sizing of active trades helps avoid concentrated risk and significant additional volatility.
- The longer-term trajectory for emerging economies benefits from improving ESG factors; we believe it is essential to engage in an ongoing dialogue with governments on ESG issues.

BENEFITS OF THE STRATEGY

- Our Global Emerging Debt strategy gives exposure to the world's fastest growing economies.
- We believe it is an attractive solution for yield seeking investors.
- It shows low correlation with other asset classes.
- The strategy provides protection against local currency variations by primarily investing in US dollar-denominated debt.
- It benefits from the know-how of a dedicated team with over 20 years' experience in emerging market debt investing.

¹ This objective is based on the achievement of market assumptions approved by the portfolio management team. This target return does not in any way constitute a promise of future returns.

Source: Pictet Asset Management

COMPOSITE PERFORMANCE

For illustrative purposes

Per period and calendar year, % in USD

	COMPOSITE (NET)	COMPOSITE (GROSS)	REFERENCE INDEX (NET)
QTR	2.22	2.36	2.04
YTD	2.22	2.36	2.04
2023	8.09	8.64	11.09
2022	-15.93	-15.38	-17.78
2021	-3.41	-2.86	-1.80
2020	8.70	9.25	5.26
2019	15.03	15.58	15.04
2018	-5.32	-4.77	-4.26
2017	8.48	9.03	10.26
2016	8.82	9.37	10.15
2015	1.38	1.93	1.18
2014	7.56	8.11	7.43
2013	-5.69	-5.14	-5.25

Annualized, % in USD

	COMPOSITE (NET)	COMPOSITE (GROSS)	REFERENCE INDEX (NET)
1 year	9.71	10.26	11.28
2 years	-0.31	0.24	1.77
3 years	-1.79	-1.24	-1.40
5 years	0.99	1.54	0.71
10 years	2.87	3.42	3.05
SI	8.83	9.38	6.99

The net of fees return in this case reflects the deduction of the management fee of 0.55% 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 INFORMATION²

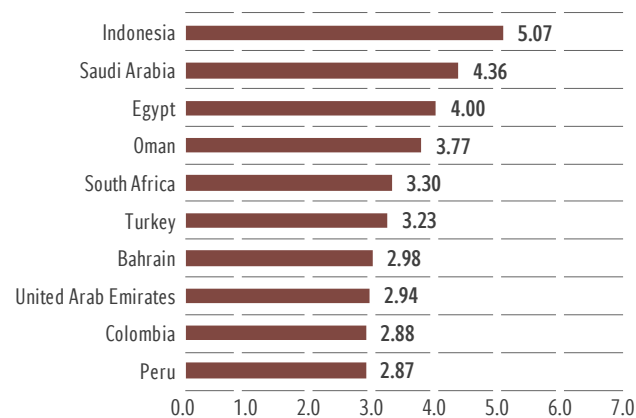
Statistics over 5 years

Annualized volatility (%)	11.85
Information ratio	0.49
Sharpe ratio	-0.05
Max. drawdown (%)	-23.69
Turnover (p.a. %) ³	7.52

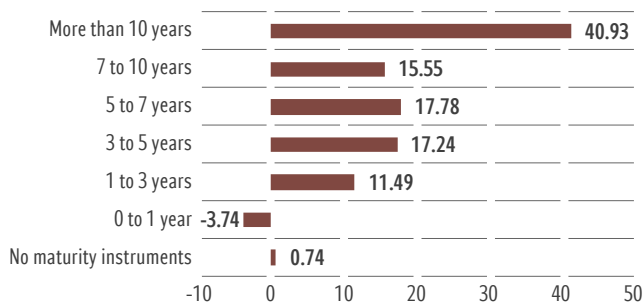
Statistics as at quarter end

Weighted avg. modified duration (years)	7.04
Yield to maturity (%)	6.83
Average coupon (%)	5.52
Average credit rating	Ba2/BB

Top 10 country exposure (MV% of assets)



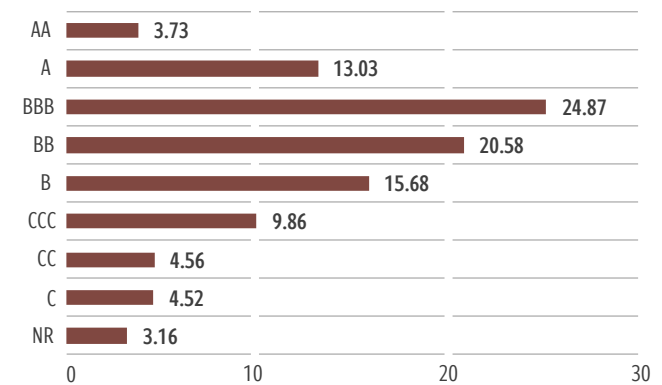
Maturity breakdown (MV% of assets)



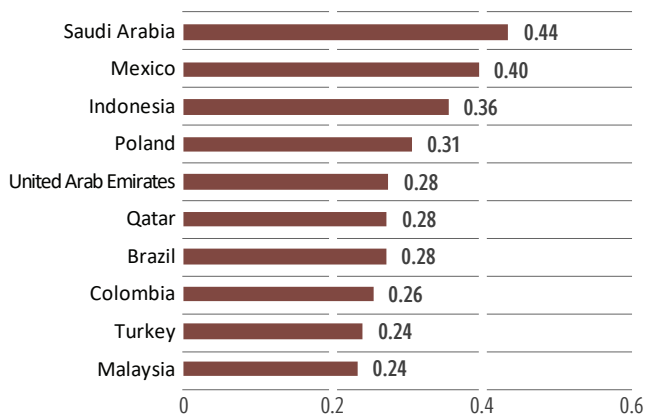
Top 10 issuers (MV% of assets)⁴

ISSUER	COUNTRY	%
Kingdom Of Saudi Arabia	Kingdom Of Saudi Arabia	4.08
Republic Of Turkey	Republic Of Turkey	4.03
Egypt	Arab Republic of Egypt	4.00
Indonesia	Republic Of Indonesia	3.72
South Africa	Republic Of South Africa	3.30
Sultanate Of Oman	Sultanate of Omam	3.06
Bahrain	Kingdom of Bahrain	2.98
Colombia	Republic Of Colombia	2.88
Poland	Republic Of Poland	2.85
Peru	Republic of Peru	2.75

Quality ratings breakdown (MV% of assets)



Active country duration allocation (years)⁵



² 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.

³ Turnover: Please note that the above turnover figure represents the 5Y average of 1Y rolling Cashflow-Adjusted Turnover, which is calculated monthly as [(Purchases + Sales - (Absolute value of Net Cashflow))/2]/Average Market Value.

⁴ 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.

⁵ Countries excluded if less than 0.05 Weighted Modified Duration in absolute terms. Maximum of top 10 active country allocations only for the purpose of this document. Effective allocations are subject to change and may have changed since the reporting date.

MV = Market value

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.
- Liquidity risk: markets with low volumes result in difficulties valuing and/or trading some assets.
- Counterparty risk: losses occur when a counterparty does not honour its obligations related to contracts such as over-the-counter derivatives.
- Credit risk: sudden losses may occur when issuers of debt securities default on their payment obligations.
- 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.
- Sukuk investments may lead to losses because of the lack of uniform regulatory standards and weak legal frameworks for settling disputes and defaults, among other risks.
- 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: Emerging Debt 'Core' Consolidated
 Benchmark: 100% JPM EMBI GLOBAL DIVERSIFIED COMPOSITE (\$) (RID)
 Currency: USD
 Returns as of: March 31, 2024
 Inception date: November 30, 1998
 Creation date: March 31, 2001

PERIOD	COMPOSITE RETURN (NET %) ⁶	COMPOSITE RETURN (GROSS %)	BENCHMARK RETURN (%)	COMPOSITE 3YR STANDARD DEVIATION (GROSS % P.A.) ⁷	BENCHMARK 3YR STANDARD DEVIATION (GROSS % P.A.) ⁷	NUMBER OF PORTFOLIOS ⁸	COMPOSITE ASSETS (USD M) ⁸	COMPOSITE DISPERSION (%)	TOTAL FIRM ASSETS (USD M) ⁸
2024 YTD	2.36	2.36	2.04	10.58	10.85	2	1,998	–	272,443
2023	7.93	8.64	11.09	10.54	10.85	2	2,095	–	270,991
2022	-15.89	-15.38	-17.78	13.24	13.55	2	2,591	–	235,637
2021	-3.54	-2.86	-1.80	11.04	10.83	2	3,289	–	283,101
2020	8.47	9.25	5.26	11.11	10.88	2	3,893	–	251,670
2019	14.70	15.58	15.04	5.43	4.92	2	3,719	–	206,994
2018	-5.51	-4.77	-4.26	5.38	5.54	2	4,129	–	172,139
2017	8.10	9.03	10.26	4.57	5.10	3	7,606	–	195,459
2016	8.52	9.37	10.15	5.07	5.86	2	7,576	–	157,225
2015	1.07	1.93	1.18	5.75	6.63	2	5,788	–	144,971
2014	7.23	8.11	7.43	6.28	7.14	2	5,818	–	151,591
2013	-6.01	-5.14	-5.25	6.57	7.52	4	5,158	–	150,803

⁶ 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.

⁷ Ex-post standard deviation; not presented if less than 36 months returns are available.

⁸ 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 actively managed portfolios invested in JP Morgan 'Core' instruments. The composite is currently measured against the 100% JPM EMBI GLOBAL DIVERSIFIED COMPOSITE (\$) (RID) benchmark. For historical benchmark changes please refer to the GIPS Composite Report Benchmark Composition section.

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 Emerging Debt 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.

Benchmark changes

CHANGE TYPE	EFFECTIVE DATE	BENCHMARK	REASON
Benchmark at inception	November 30, 1998	50% ELMI+ & 50% EMBI+ (Total Return Index)	—
Change of benchmark	January 31, 2002	100% JPM EMBI GLOBAL DIVERSIFIED COMPOSITE (\$) (RID)	The new benchmark more adequately reflects the investment strategy of the portfolios within the composite.



For more information
Pictet Asset Management
assetmanagement.pictet

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