

Quarterly strategy profile

Global Fixed Income Opportunities

March 31, 2024
Marketing material
 For professional investors only

GENERAL INFORMATION

Composite inception:	March 31, 2018
Base currency:	USD
Reference index:	Customised GFIO ICE BofA Overnight rate Index (ICE SOFR) (RID)

PORTFOLIO MANAGERS

	INDUSTRY EXPERIENCE SINCE	FIRM EXPERIENCE SINCE
Andres Sanchez-Balcazar ¹	1997	2011
David Bopp ¹	2001	2004
Ossi Valtanen	1999	2020
Shah Malik	2016	2023

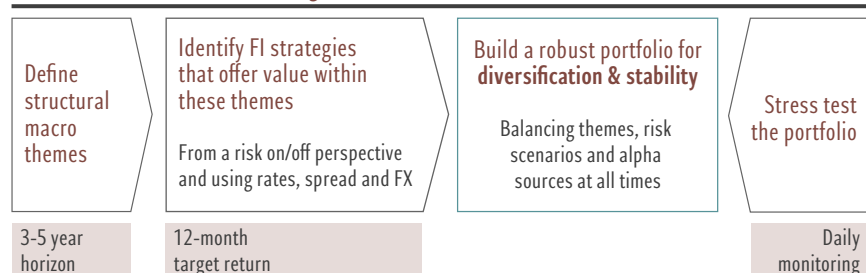
INVESTMENT PHILOSOPHY AND APPROACH

We believe that an unconstrained, flexible approach to global fixed income (FI) investing using the full spectrum of fixed-income instruments is an efficient way of achieving attractive returns while controlling downside risks.

The strategy seeks to achieve a return of 6%-8% over cash p.a. gross of fees², with an expected ex-ante volatility of 6%-10% p.a.. Our actively-managed strategy has a long-term investment horizon (goes beyond the economic cycle), is value-driven (independent of a central scenario or forecast) and robust (diversified and risk managed).

INVESTMENT PROCESS OVERVIEW³

Balanced and value-based investing



BENEFITS OF THE STRATEGY

- The Global Fixed Income Opportunities strategy looks globally for opportunities representing value.
- The strategy targets multiple sources of alpha, with high-conviction allocations, but maintains risk balance.
- It focuses on diversification to drive risk allocation and strengthen the portfolio.
- The strategy aims to benefit from market volatility.
- It offers low correlation with other asset classes and strategies.

¹ Co-lead investment manager.

² Over USD SOFR or equivalent in the relevant currency. 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.

³ These investment guidelines are internal guidelines which are subject to change at any time and without any notice.

⁴ Partial period.

Source: Pictet Asset Management

COMPOSITE PERFORMANCE

For illustrative purposes

Per period and calendar year, % in USD

	COMPOSITE (NET)	COMPOSITE (GROSS)	REFERENCE INDEX (NET)
QTR	2.29	2.39	1.34
YTD	2.29	2.39	1.34
2023	-3.04	-2.64	5.09
2022	-12.78	-12.38	1.65
2021	-2.97	-2.57	0.09
2020	7.87	8.27	0.53
2019	14.36	14.76	2.26
2018 (Apr-Dec) ⁴	2.30	2.60	1.64

Annualized, % in USD

	COMPOSITE (NET)	COMPOSITE (GROSS)	REFERENCE INDEX (NET)
1 year	0.24	0.64	5.32
2 years	-2.38	-1.98	4.03
3 years	-4.73	-4.33	2.70
5 years	-0.36	0.04	2.06
10 years	–	–	–
SI	0.97	1.37	2.09

The net of fees return in this case reflects the deduction of the management fee of 0.40% 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 INFORMATION⁵

Statistics over 5 years

Beta	3.16
Annualized volatility (%)	6.69
Information ratio	-0.33
Sharpe ratio	-0.35
Max. drawdown (%)	-21.61
Turnover (p.a.) ⁶	13.34

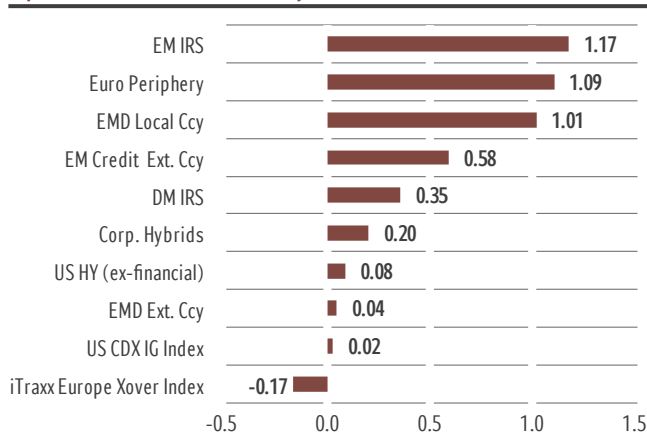
Statistics as at quarter end

Weighted average modified duration (years)	6.10
Yield to maturity (%)	0.06
Average coupon (%)	0.05
Average credit rating	BAA2

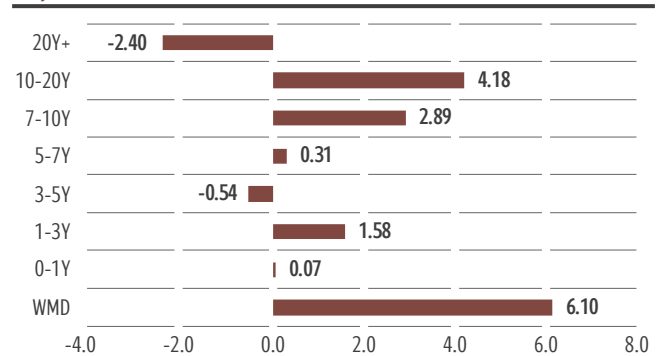
Top 10 issuers (MV% of assets)⁷

ISSUER	COUNTRY	%
Spain	Spain	7.6
Peru	Peru	5.4
Mexico	Mexico	3.8
Brazil	Brazil	3.8
Indonesia	Indonesia	2.8
Cooperatieve Rabobank Ua	Netherlands	2.5
USA	USA	2.4
Comision Federal De Electricid	Mexico	2.4
Axa Sa	France	2.3
Holcim Ag	Switzerland	2.1

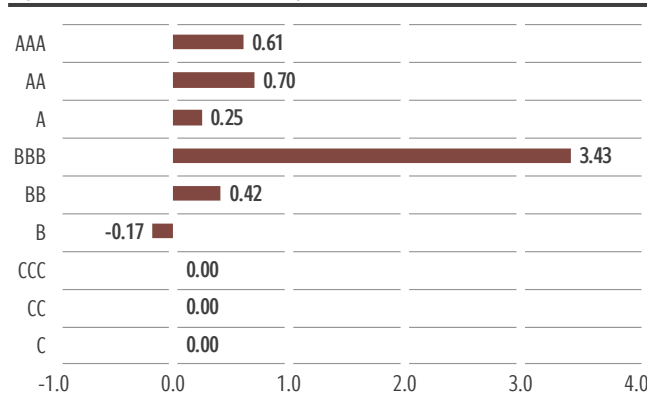
Sector breakdown - Top and bottom 5 (Spread duration contribution in years)



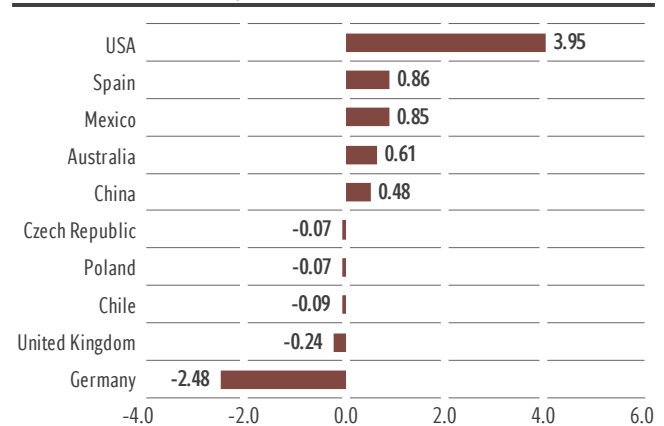
Duration contribution (in years)



Investment rating breakdown (Spread duration contribution in years)⁸



Country breakdown - Top and bottom 5 (Duration contribution in years)⁹



⁵ 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.

⁶ 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.

⁷ 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.

⁸ For CDS (credit default swaps), spread duration is used.

⁹ Countries excluded if less than 0.05 duration contribution in absolute terms.

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.
- Counterparty risk: losses occur when a counterparty does not honor 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.
- 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.
- 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.
- Contingent Convertible (“CoCo”) investments may result in losses when regulatory or issuer-motivated triggering events cause a total loss of the investment or a conversion to equity.
- 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: Global Fixed Income Absolute Return Customized Higher Risk Pooled
 Benchmark: 100% GFIOICESOFR_BM (CUSTOM GFIO ICE SOFR) (RID)
 Currency: USD
 Returns as of: March 31, 2024
 Inception date: March 31, 2018
 Creation date: April 27, 2018

PERIOD	COMPOSITE RETURN (NET %) ¹⁰	COMPOSITE RETURN (GROSS %)	BENCHMARK RETURN (%)	COMPOSITE 3YR STANDARD DEVIATION (GROSS % P.A.) ¹¹	BENCHMARK 3YR STANDARD DEVIATION (GROSS % P.A.) ¹¹	NUMBER OF PORTFOLIOS ¹²	COMPOSITE ASSETS (USD M) ¹²	COMPOSITE DISPERSION (%)	TOTAL FIRM ASSETS (USD M) ¹²
2024 YTD	2.34	2.39	1.34	6.09	0.66	1	12	–	272,443
2023	-3.54	-2.64	5.09	6.07	0.65	1	52	–	270,991
2022	-13.10	-12.38	1.65	7.49	0.32	1	100	–	235,637
2021	-3.01	-2.57	0.09	6.30	0.29	1	360	–	283,101
2020	6.81	8.27	0.53	–	–	1	483	–	251,670
2019	13.09	14.76	2.26	–	–	1	326	–	206,994
2018 (Apr - Dec) ¹³	2.11	2.60	1.64	–	–	1	89	–	172,139

10 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.

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

12 As of end of period.

13 Partial 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 whose objective is to achieve absolute returns by investing primarily in any form of debt securities (such as government or corporate bonds, convertible bonds, inflation-indexed bonds, ABS, MBS), money market instruments and currencies. The compartment may invest directly or indirectly in any country (including emerging countries), in any economic sector and in any currency. The composite is measured against the 100% GFIOICESOFR_BM (CUSTOM GFIO ICE SOFR) (RID) benchmark.

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

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 gross-of-fees return of pooled portfolios is calculated on the basis of the daily “unswing” Net Asset Value (NAV) per share that does not reflect additional “swing factor” charges applied to subscriptions and redemptions, and by adding back the daily accrued Total Expense Ratio (TER). 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 threeyear 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 Global Fixed Income Active 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	March 31, 2018	100% USD LIB 1M RID (USD LIBOR 1M) (RID)	—
Change of benchmark	September 30, 2021	100% CUSTGFIO5OF_RID (CUSTOM GFIO 5OFR) (RID)	Benchmark change to better reflect the investment strategy of the underlying portfolio(s).
Change of benchmark	September 30, 2023	100% GFIOICESOFR_BM (CUSTOM GFIO ICE SOFR) (RID)	Benchmark change to better reflect the investment strategy of the underlying portfolio(s).



For more information
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assetmanagement.pictet

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