

Pictet - Global Megatrend Selection - P USD

Risk and reward profile

Don't take unnecessary risks.
 Read the Key Investor
 Information Document.



Market review

Equities ended the month sharply lower for a second time in a row after Russia's invasion of Ukraine triggered severe Western sanctions, which include blocking Russian banks from the SWIFT global payments system. Emerging European stocks were hit the hardest with a loss of over 6%, while European equity markets also suffered a decline of over 5% in local currency terms. Stocks in the UK, Latin America and Pacific Asia defied selling pressure. IT and communication stocks were the worst performing sectors after US tech giants reported mixed earnings results. Facebook parent Meta recorded the worst single-day fall in its history after reporting slower user growth in its Facebook app. Netflix and Spotify also suffered heavy sell-offs. Energy and material stocks ended the month higher after oil prices jumped 11% following the Russian crisis. Defensive sectors, such as healthcare, staples and utilities, were flat. Global bonds failed to capitalize on heightened investor risk aversion as concerns persisted over the possibility of aggressive interest rate hikes in the US and higher global inflation. Government bonds in the US, Eurozone, Switzerland and the UK fell around 2%, emerging local and dollar currency debt saw sharper declines. The Russian ruble fell to a record low against the dollar, losing a third of its value at one point.

Performance analysis

The strategy slightly outperformed the MSCI ACWI, which has returned -2.58% in USD. Top contributors were Clean Energy, Health, Nutrition, Timber and Human while SmartCity, Digital, Water, Robotics, Biotech, Premium Brands and Security detracted from performance.

Portfolio activity - overweightings & underweightings

We rebalanced the portfolio during the month to reach the strategic weights of the underlying themes.

Market outlook

Just as the Covid crisis has begun to fade, a conflict in Ukraine is erupting. The question is to what extent will Russia's invasion undermine the global economic recovery. Some global industries will be directly affected, but it is the second-round effects on European inflation and consumer confidence that also need to be monitored. Still, our business cycle indicators point to a positive outlook for the global economy, with all major economies expected to grow between 3% and 5%. The Russian-Ukrainian conflict might push out some of the more hawkish elements at the world's major central banks. So while the trend clearly remains towards monetary tightening, it could be at a slower pace than the markets have been pricing. World retail sales may have peaked, but they remain above trend. Industrial production and exports are accelerating. Services affected by Covid are poised to boom, not least travel and mass events. The US economy, which is least likely to be affected by Ukraine, shows strong underlying consumer demand and a resilient housing sector. Europe is vulnerable to its reliance on Russian gas, but the overall trend is towards recovery and monetary policy is likely to remain supportive, while China is starting to recover. Even with the latest spike in oil prices, inflation should peak towards the end of the first quarter or early in the second across all major regions.

Portfolio strategy

Global Megatrend Selection is a unique investment solution for investors looking to gain exposure to promising investment themes supported by strong secular trends. The strategy invests in a combination of Pictet's thematic investment strategies: Biotech, Clean Energy, Digital, Health, Human, Nutrition, Premium Brands, Robotics, Security, SmartCity, Timber and Water.

General information

Legal form	Sub-fund of a SICAV
Regulatory status	UCITS
Domicile	Luxembourg
Inception date	31.10.2008
Launch date	31.10.2008
Share class currency	USD
Compartment currency	USD
ISIN	LU0386859887
Reference index	MSCI AC World (USD)
Min. investment horizon (year(s))	5

Fees

Ongoing charges (OCR)	2.01%
Performance fee (excluded from OCR)	-
Management fee (included in OCR)	1.60%
Max. conversion fee	2.00%
Max. subscription fee	5.00%
Max. redemption fee	3.00%

Management team

Hans Peter Portner

Source: Pictet Asset Management

Further information can be found in the prospectus.

Pictet Asset Management

For further information,
please visit our website
assetmanagement.pictet

Important Information

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