

## Pictet - Global Megatrend Selection - P HKD

### 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	25.02.2014
Launch date	25.02.2014
Share class currency	HKD
Compartment currency	USD
ISIN	LU1032529114
Reference index	MSCI AC World (HKD)
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](http://assetmanagement.pictet)

---

#### Important Information

This marketing material is issued by the Fund Management Company, Pictet Asset Management (Europe) S.A., a company authorized and regulated by the Luxembourg regulator "Commission de Surveillance du Secteur Financier". It is neither directed to, nor intended for distribution or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. The information contained in this document is for information purposes only. It cannot be used as a basis for subscription and does not form part of a contract. The latest version of the fund's prospectus, Key Investor Information Document, annual and semi-annual reports must be read before investing. They are available in English and in the local language of each country where the compartment is registered, free of charge on [www.assetmanagement.pictet](http://www.assetmanagement.pictet) or at Pictet Asset Management (Europe) S.A., 15 avenue J.F. Kennedy, L-1855 Luxembourg, or at the office of the Fund local agent, distributor or centralizing agent if any. In Switzerland, the representative agent is Pictet Asset Management S.A. and the paying agent is Banque Pictet & Cie S.A. Pictet Asset Management (Europe) S.A. has not taken any steps to ensure that the securities referred to in this document are suitable for any particular investor and this document is not to be relied upon in substitution for the exercise of independent judgment. Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Before making any investment decision, investors are recommended to ascertain if this investment is suitable for them in light of their financial knowledge and experience, investment goals and financial situation, or to obtain specific advice from an industry professional. Holdings do not represent the full portfolio. There is no guarantee that these securities will be held in the future and you should not assume that investment in the securities listed was, or will be profitable. Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time. For hedged share classes, only the compartment's consolidation currency is hedged into the share class currency. Foreign exchange exposure, resulting from assets in the portfolio which are not denominated in the consolidation currency, can remain. NAVs relating to dates on which shares are not issued or redeemed ("non-trading NAVs") in your country may be published here. They can only be used for statistical performance measurements and calculations or commission calculations and cannot under any circumstances be used as a basis for subscription or redemption orders. The published performance represents past data. Past performance may not be a reliable guide to 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 fund may be affected by changes in currency exchange rates, which can have an adverse effect on the value or income of the fund. Performance is shown based on the share class NAV per share (in the share class currency) with dividends reinvested (for distributing share classes), including actual ongoing charges, and excluding subscription/redemption fees and taxes borne by the investor. Inflation was not taken into account. As a subscription fee calculation example, if an investor invests EUR 1000 in a fund with a subscription fee of 5%, he will pay to his financial intermediary EUR 47.62 on his investment amount, resulting with a subscribed amount of EUR 952.38 in fund shares. In addition, potential account keeping costs (by your custodian) may reduce the performance. Indices do not include fees or operating expenses and you cannot invest in them.

Any index data referenced herein remains the property of the Data Vendor. Data Vendor Disclaimers are available on [assetmanagement.pictet](http://assetmanagement.pictet) under "Resources" section.

No part of this material may be copied or redistributed without Pictet Asset Management prior written consent. ©2019 Pictet