

## Pictet - Quest Global Sustainable Equities - I dy USD

### Risk and reward profile

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

Lower Risk	Higher Risk
1   2   3   4   5	6   7
Typically lower rewards	Typically higher rewards

### Market review

Markets were in turmoil towards the end of February following Russia's invasion of Ukraine, which triggered severe sanctions from Western countries, including blocking Russian banks from the Swift global payments system. Investors' focus quickly shifted from the implications of hawkish central banks earlier in the month to geopolitical tensions, impacts of higher commodity prices, worsening sentiment, and dampening growth and rate hike expectations. Developed Markets equities declined 2.5 per cent in the month, leaving them 7.7 per cent down for the year in USD. Within DM, UK equities were up slightly, US equities fell 3.0 per cent while Europe ex-UK was hit the hardest. Emerging Markets equities fell 3.0 per cent with Russian equities collapsing and becoming untradeable by the end of the month. Latin American equities defied the broader selling and ended the month higher. Commodities rallied led by sharply higher oil and natural gas prices. In DM, in terms of styles, value outperformed growth and defensives held better. Energy was the best performing sector followed by Materials. IT, Consumer Discretionary and Communication Services were the biggest decliners. Amazon, Exxon, Chevron, Raytheon, AbbVie, and Freeport McMoRan were the biggest contributors to benchmark performance. Meta, Microsoft, Apple, PayPal, Tesla and Home Depot were the main detractors.

## Performance analysis

The fund underperformed the reference benchmark MSCI World in the month. Among the main detractors to fund performance was the strategy's large underweight exposure to the Energy sector, which benefited from the rise in oil and energy prices on the back of the Russia-Ukraine conflict. In addition, stock selection within Financials and Health Care also weighed on returns in the month. On the positive side, although not fully offsetting the detractors, were the strong stock selection effects in IT and Communication services. From a country perspective, selection effects within the US accounted for a large part of the underperformance in the month. At a single stock level, the top contributors to performance were the overweight positions in Sanofi, Travelers, and Coca-Cola, the underweight in Apple and not investing in Meta and PayPal. The overweight positions in Home Depot, which hinted of a softer outlook for this year, Allianz, Pfizer, KKR, Target, and Accenture were the main detractors in the month. Within our 4P style-framework, Price, Protection were positive contributors while Profitability and Prudence detracted.

## Portfolio activity - overweightings & underweightings

As of the end of February, the fund is overweight in Financials, Health Care, IT and Real Estate. Major underweight sectors are Communication Services, Energy, Materials and Utilities. Region-wise, Switzerland remains the largest overweight followed by Sweden and Spain. The US, the UK, and France are the main underweight countries. Sanofi, Public Storage, Texas Instruments, ADP, Amgen, and Coca-Cola are among the largest active weights in the portfolio. Mega-caps round out the underweights with Apple, Meta (Facebook), Microsoft, Tesla, Nvidia and Alphabet among the largest. As a reminder, in January the strategy moved away from an equal-weight 4P profile within our proprietary framework by upgrading Price funded by a modest reduction in the weights of Profit and Protection dimensions.

## Market outlook

Markets are likely to remain volatile as long as the Russia/ Ukraine geopolitical risks continue to be elevated. While the direct impact of the crisis on corporate earnings are likely to be limited, indirect risks appear more substantial through higher and persistent inflationary pressures, dampening economic growth and confidence, contagion effects of sanctions, global supply-chains and trade disruptions and a risk of policy mistakes. US growth will be less adversely impacted, but the risks to European economies are higher given proximity, energy dependencies, and financial linkages to the conflict region. EM countries geared to higher commodity prices might see some respite while net commodity importers will feel the impact of higher costs. Russia will be dropped from EM benchmarks as the market becomes un-investable. The crisis is also likely to see a dovish reassessment of monetary policy by central banks to various degrees and more sharply in the Eurozone. In this context, quality and defensive stocks with strong pricing power be able to pass on higher costs and those less likely to be impacted should economic growth slows down sharply are a better refuge. The US is more attractive vs. Europe and within Europe, the UK and Swiss equities are better positioned we believe. In EM, China continues to look attractive given the accommodative monetary policy stance and valuations.

## Portfolio strategy

The fund provides investors the opportunity to benefit from a robust investment strategy, systematically taking advantage of mispricing in the equity markets, resulting from structural and behavioural biases. By investing in high-quality companies with superior long-term fundamentals, the fund aims for steady capital growth while limiting downside risks due to short-term price distortions. We assess a company's investment potential through a proprietary framework that focuses on four key determinants of Defensiveness: Profitability, Prudence, Protection and Price. Our portfolio construction aims to achieve maximum return for a given level of risk. With its embedded focus on a "quality with value" approach, the fund offers smoother yet attractive long-term performance.

---

## General information

Legal form	Sub-fund of a SICAV
Regulatory status	UCITS
Domicile	Luxembourg
Inception date	04.09.2013
Launch date	04.09.2013
Share class currency	USD
Compartment currency	USD
ISIN	LU0953042065
Reference index	MSCI World (USD)
Min. investment horizon (year(s))	5

## Fees

Ongoing charges (OCR)	0.78%
Performance fee (excluded from OCR)	-
Management fee (included in OCR)	0.50%
Max. conversion fee	2.00%
Max. subscription fee	5.00%
Max. redemption fee	1.00%

## Management team

---

Laurent Nguyen

---

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