

01.10.2022 - 30.09.2023

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Pictet - Sovereign Short-Term Money Market EUR**

Legal entity identifier: **549300VAPISFDQ8EQ771**

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

DID THIS FINANCIAL PRODUCT HAVE A SUSTAINABLE INVESTMENT OBJECTIVE?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : ____%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective : ____%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics of this financial product were promoted using:

- Best-in-class:

The fund invested in securities of issuers with low sustainability risks while avoiding those with high sustainability risks, reducing the investment universe by at least 20%. The investment universe is composed of investment grade sovereign bonds.

No reference index has been designated for the purpose of attaining the environmental or social characteristics promoted by the fund.

- Norms- and values-based exclusions:

The fund excluded issuers that have significant activities with adverse impacts on society or the environment or are in severe breach of international norms as detailed below:

Company Exclusions based on Controversial Activities and Revenue Thresholds

Activity	Revenue Thresholds
Fossil Fuels and Nuclear Energy	
Thermal Coal Extraction	>25%
Thermal Coal Power Generation	>25%
Oil & Gas Production	>25%
Oil Sands Extraction	>10%
Shale Energy Extraction	>10%
Off-shore Arctic Oil & Gas Exploration	>10%

Company Exclusions based on Controversial Activities and Revenue Thresholds

Nuclear Power Generation	>50%
Weapons	
Production of controversial weapons[1]	>0%
Military Contracting Weapons	>10%
Military Contracting Weapon-Related Products and/or Services	>50%
Small Arms Civilian Customers (Assault Weapons)	>10%
Small Arms Civilian Customers (Non-Assault Weapons)	>10%
Small Arms Military/Law Enforcement Customers	>25%
Small Arms Key Components	>25%
Other Controversial Activities	
Adult Entertainment Production	>10%
Gambling Operations	>10%
Genetically Modified Plants and Seeds Development	>25%
Genetically Modified Plants and Seeds Growth	>25%
Pesticides Production	>10%
Pesticides Retail	>10%
Tobacco Products Production	>10%
Company Exclusions based on Breaches of International Norms	
Companies in severe breach of UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption	Excluded
Country Exclusions	
Countries (i) listed as State Sponsors of Terrorism as defined by the Office of Foreign Assets Control[2] or (ii) subject to EU financial sanctions targeting central banks and/or State-Owned enterprises (SOEs)	Excluded
Countries (i) classified as very high or high risk in the Fragile State Index or (ii) affected by violent conflict as defined by the World Bank	Yes
Countries (i) listed under "alert" on the Fragile State Index or (ii) subject to export related sanctions by the EU	Watchlist[3]

[1] Controversial weapons include anti-personnel mines, cluster munitions, biological & chemical weapons (including white phosphorous) and nuclear weapons from countries not signatory to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

[2] "State Sponsors of Terrorism" is a designation applied by the United States Department of State to countries that repeatedly provided support to acts of international terrorism.

[3] In addition to hard exclusions, Pictet Asset Management maintains a watchlist including countries that require additional due diligence by investment teams prior to investment.

For further details please refer to Pictet Asset Management's Responsible Investment policy (Appendix B).

- Active ownership:

No engagements have been conducted during the reference period.

How did the sustainability indicators perform?

Over the reporting period the sustainability indicators performed as follows:

Reduction of the investment universe based on ESG factors

The fund reduced its investment universe by removing at least 20% of issuers with the highest sustainability risks and/or principle adverse impacts on society or the environment.

Sustainability risks are ESG related risk or conditions that could cause a material negative impact on the value of investments if they were to occur. Sustainability risks included but were not limited to the following: climate transition risk, climate physical risk, environmental risk, social risk, governance risk. Periodic reviews and risk controls are in place to monitor implementation.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Principal adverse impacts are negative, material, or likely to be material effects on sustainability factors that are caused, compounded by, or directly linked to investment decisions and advices. Such principle adverse impacts included among others, GHG emissions, air pollution, biodiversity loss, emissions to water, hazardous/ radioactive waste, social & employee matters and corruption & bribery.

- **Principle Adverse Impact (PAI)**

The fund used a combination of approaches to consider and, where possible, mitigate material adverse impacts of our investments on society and the environment, such as GHG emissions, air pollution, biodiversity loss, emissions to water, hazardous/ radioactive waste, human rights, labour standards, corruption and bribery and public health.

The degree and the way these impacts were considered depended on factors such as the specific context of the investment that is causing the adverse impact, or the availability of reliable data.

The fund mainly invests in government bonds during the reference period. In case of investments in non-sovereign bonds and in line with Pictet Asset Management's exclusion policy outlined in the firm's Responsible Investment Policy (see table above for excluded activities and applied exclusion thresholds), the fund did not have any exposure to companies that derived a significant portion of their revenue from activities detrimental to society or the environment:

Controversial activities (weighted-average company revenues, in %)*:

	Fund (%)	Reference Index (%)
Fossil fuels and nuclear energy	0.00	0.00
Weapons	0.00	0.00
Other controversial activities	0.00	0.00
Not applicable:	59.15	0.00
Not covered:	0.00	0.00

**Fossil fuels and nuclear energy include thermal coal extraction and power generation, oil & gas production and extraction, shale energy extraction, off-shore arctic oil & gas exploration, and nuclear power generation. Weapons include military contracting (weapon and weapon related services), and small arms (civilian customers (assault/ non-assault weapons, military law enforcement, key components). Other controversial activities include tobacco production, adult entertainment production, gambling operation, GMS development or growth, pesticides production or retail. Exposures are based on third-party data and may not reflect our internal view. Pictet Asset Management retains full discretion over the implementation of exclusion criteria and reserves the right to deviate from third-party information on a case-by-case basis in instances where it is deemed incorrect or incomplete.*

Source: Pictet Asset Management, Sustainalytics.

In addition, the fund excluded issuers that had exposure to:

- (i) PAI 10: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
- (ii) PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- **...and compared to previous periods?**

This question will be addressed in future annual reports due to lack of a track record.



How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

The fund considered and, where possible, mitigated adverse impacts that were deemed material to the investment strategy. Such adverse impacts included but were not limited to GHG emissions, air pollution, biodiversity loss, emissions to water, hazardous/radioactive waste, social and employee matters and corruption and bribery and were addressed through a combination of:

- (i) portfolio management decisions

The investment team scored holdings according to an assessment of Environmental, Social & Governance risks as part of the fund's scoring framework. Scores are determined on a qualitative basis by the investment managers, informed by fundamental research and quantitative ESG data - including

human rights,
anticorruption and
antibribery matters.

data on Principle Adverse Impact, ESG data provided by the companies and data provided by third-party ESG data providers. The investment team's scoring process was a key component of the compartment's portfolio construction process, determining target weights in the portfolio.

(ii) exclusion of issuers associated with controversial conduct or activities

The fund did not have any exposure to (i) companies that derived a significant portion of their revenue from activities detrimental to society or the environment as defined in Pictet Asset Management's responsible investment policy and/or (ii) companies that severely violated the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption and controversial weapons or (iii) countries subject to international sanctions see also detailed information on exclusions in Pictet Asset Management's responsible investment policy.



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01.10.2022 - 30.09.2023

LARGEST INVESTMENTS	SECTOR	% ASSETS	COUNTRY
CP FMS WERTMANAGE Zero % 03.04.2023	Financial	2.5	Germany
CANADA T-BILL ZERO% 13.04.2023 Uns	Sovereign	2.1	Canada
DENMARK T-BILL ZERO% 01.06.2023 Uns	Sovereign	2.0	Denmark
SWEDISH T-BILL ZERO% 18.01.2023 Uns	Sovereign	2.0	Sweden
CP LANDWIRT RENTEN Zero % 03.05.2023	Quasi & Foreign Government	1.7	Germany
EU BILL ZERO% 07.04.2023 Uns	Sovereign	1.7	Supranational
DUTCH TSY CERT ZERO% 30.01.2023 Uns	Sovereign	1.6	Netherlands
CP LANDWIRT RENTEN Zero % 28.04.2023	Quasi & Foreign Government	1.5	Germany
EU BILL ZERO% 06.01.2023 Uns	Sovereign	1.5	Supranational
DENMARK T-BILL ZERO% 01.03.2023 Uns	Sovereign	1.4	Denmark
CP KINGDOM NETHERL Zero % 17.01.2023	Sovereign	1.2	Netherlands
DENMARK T-BILL ZERO% 01.09.2023 Uns	Sovereign	1.2	Denmark
CANADA T-BILL ZERO% 19.01.2023 Uns	Sovereign	1.1	Canada
CP EURO INVEST BK Zero % 03.07.2023	Financial	1.1	Supranational
CP KINGDOM NETHERL Zero % 06.04.2023	Sovereign	1.1	Netherlands

Source: Pictet Asset Management, Merrill Lynch.



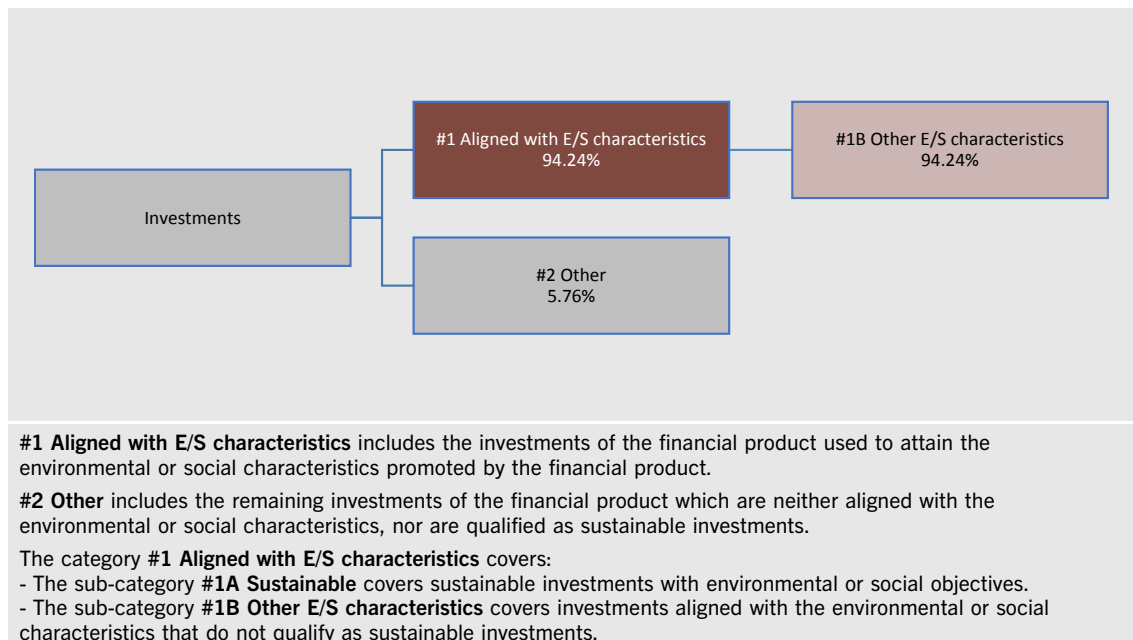
What was the proportion of sustainability-related investments?

0.00%

Asset allocation describes the share of investments in specific assets.

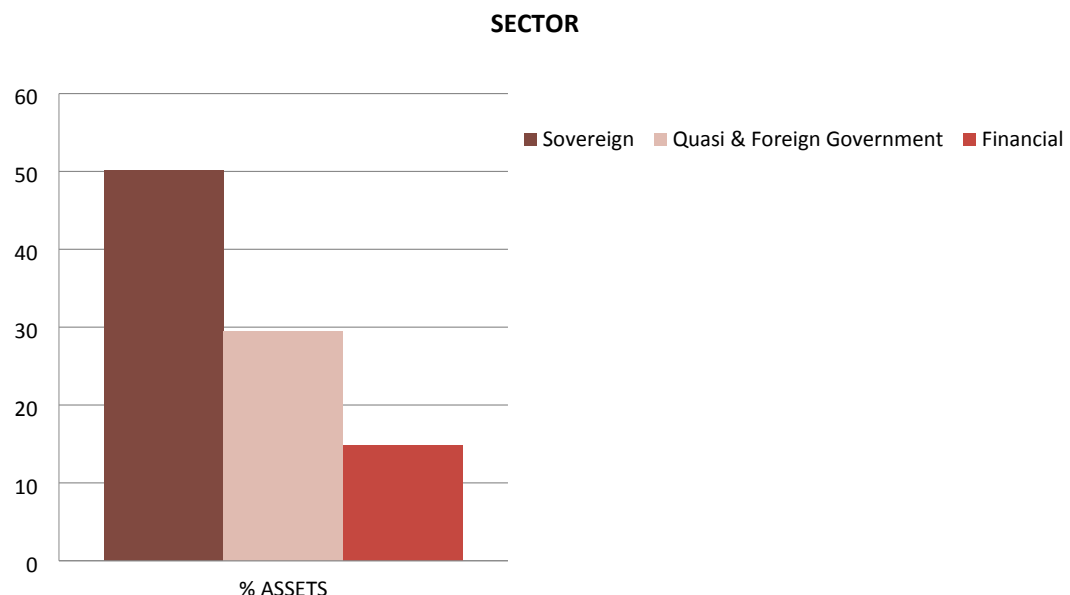
What was the asset allocation?

The fund was 94.24% aligned with E/S characteristics (#1 Aligned with E/S characteristics) and had 5.76% invested in Other (#2 Other). 0.00% were allocated to Sustainable Investments (#1A Sustainable Investments) and the remainder was invested in investments aligned with other environmental and/or social characteristics (#1B Other E/S characteristics).



Source: Pictet Asset Management.

● In which economic sectors were the investments made?



Source: Pictet Asset Management, Merrill Lynch.

We are evaluating the availability and the quality of data that would allow us to disclose more granular information in future reports on sectors and sub-sectors of the economy that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

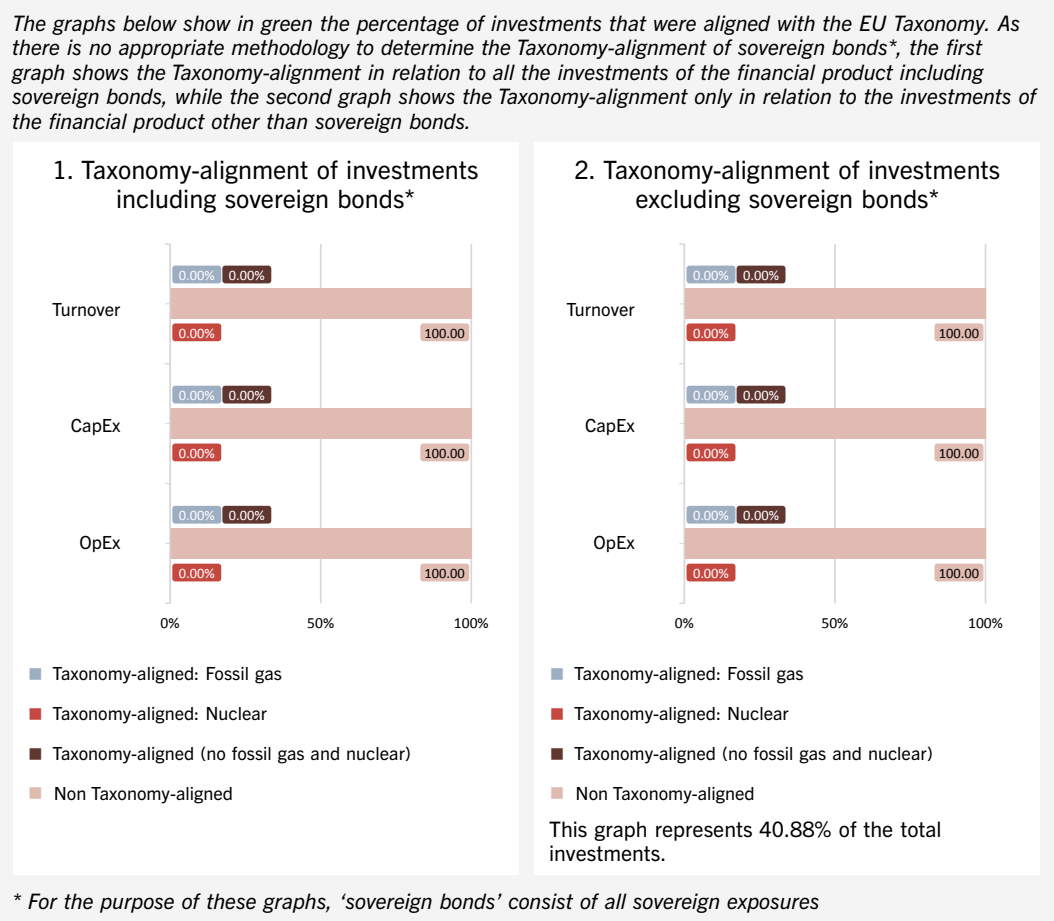
Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**
 - ☐ Yes:
 - ☐ In fossil gas ☐ In nuclear energy
 - ☒ No



- **What was the share of investments made in transitional and enabling activities?**

Not applicable.
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

0.00%



¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of socially sustainable investments?

0%



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The fund’s “other” investments included cash positions primarily held for meeting daily liquidity and risk management purposes as allowed and foreseen by the fund’s investment policy. Where relevant, minimum environmental or social safeguards apply to the underlying securities.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period, the attainment of the sustainable investment objective was met by following the investment strategy and adhering to the binding elements.

The fund’s binding elements include:

- exclusion of issuers that:
 - are involved with nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and other controversial weapons
 - derive a significant portion of their revenue from activities detrimental to society or the environment, such as thermal coal extraction and power generation, unconventional oil and gas exploration and production, conventional oil and gas production, nuclear power generation, conventional weapons and small arms, military contracting weapons and weapon-related products and services, tobacco production, adult entertainment production, gambling operations, genetically modified organisms development/growth, pesticides product/retail. Please refer to Pictet Asset Management's Responsible Investment policy for further details on exclusion thresholds applicable to the above activities
 - severely violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption
 - overweight securities with low sustainability risks
- ESG criteria analysis of eligible securities that covers at least 80% of net assets or the number of issuers in the portfolio



How did this financial product perform compared to the reference benchmark?

No reference index has been designated for the purpose of attaining the environmental or social characteristics promoted by the fund.

- **How did the reference benchmark differ from a broad market index?**
Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
Not applicable.
- **How did this financial product perform compared with the reference benchmark?**
Not applicable.
- **How did this financial product perform compared with the broad market index?**
Not applicable.

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