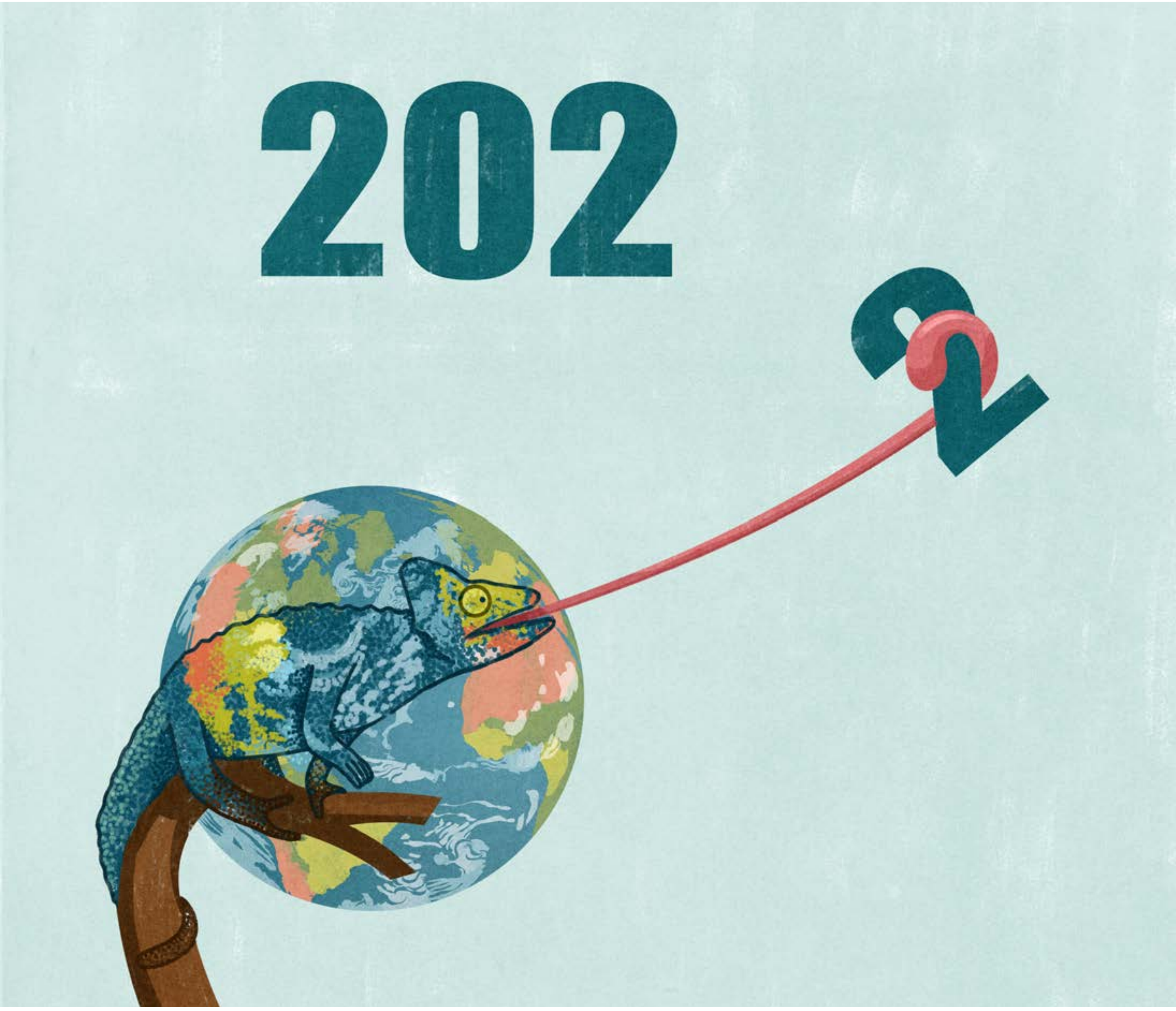
PICTET
1805

DECEMBER 2021

Outlook 2022

Perspectives



10 INVESTMENT THEMES FOR THE YEAR AHEAD

INTRODUCTION

The chameleon is a wonderful reptile that is commonly associated with an ability to change colour to adapt to its environment. However, chameleons also have eyes that can pivot and focus independently of one another, allowing them to observe two objects simultaneously but also providing a full 360-degree arc of vision. Adaptability and a broad range of vision are traits that will prove useful to investors in 2022, as uncertainties run high and the potential for sudden escalation ranges from health issues to geopolitics.

Covid remains ever capable of delivering negative surprises suddenly and rapidly, although hopefully less severely following the advent of vaccines and antiviral remedies. Precarious geopolitical tensions across the globe could also deteriorate at a moment's notice. And if markets detest something as much as uncertainty, it is surprise.

Central banks around the world sit at a major crossroads. Post-pandemic growth and employment has rebounded strongly in many key markets as the vaccine rollouts have unshackled economies. After years of ultra-loose monetary policy, central bankers in the US and UK have indicated that their economies are ready for a withdrawal of that life support. What the outcome will be introduces another uncertainty for markets in the year ahead.

However, 2022 could also bring some positive surprises. The pandemic created a profusion of savers, from the US and China to Europe and Japan. Economic growth would get a boost should they start spending even a fraction of this savings stockpile.

Surprises aside, supply bottlenecks should slowly ease over the course of the year, reducing upward pressure on the prices of goods. But more rapid wage growth could drive prices higher, especially in the US. So inflation that has been transitory in nature so far could become more static.

As the world shifts to a net-zero greenhouse gas emissions pathway, current investment in clean energy is not sufficient to meet the requirements necessary, so we can expect continued reliance on traditional energy sources and the potential expansion of nuclear during the transition.

Our central scenario holds that the current cycle is set to continue. With low inventory levels across key sectors, we expect a positive year for returns, with equities and alternatives (especially real assets) taking the lead in the given environment. In particular within the former, companies with pricing power – the ability to pass on rising costs to their end customers – are well positioned. In this fully charged environment, we must remain flexible and tactical in our portfolios, which is why 2022 will be the year of the chameleon.

CONTENTS

1

IT'S NOT OVER 'TIL IT'S OVER

The never-ending Covid story

Covid should progressively evolve from a pandemic to an endemic, meaning societies will learn to deal with regular outbreaks over time, like the seasonal flu. Covid-related fatalities should remain low as herd immunity builds in the meantime. Countries with a 'zero Covid' stance will eventually need to re-examine the economic costs these policies have vis-à-vis any benefits.

However, new Covid outbreaks will continue to elicit reactions from the authorities and financial markets in turn. This will drive heightened market **volatility**, widening the potential possibilities for volatility trades and **active management**. Indeed, significant volatility discrepancies within and between asset classes could open up windows of opportunity.

Active managers can benefit from uncertainty as well as volatility by focusing on selecting companies with the strongest long-term fundamentals. This is particularly true in the **health care** sector, where relative valuations are attractive. Healthcare stocks underpinned by structural growth and capable of generating high cash flow can provide a **defensive** tilt to portfolios, while pharmaceutical and managed-care companies are well suited to inflationary pressure. More broadly, we look for assets that can provide consistent dividends and stable earnings throughout the economic cycle.

Active managers can benefit from uncertainty as well as volatility.

2

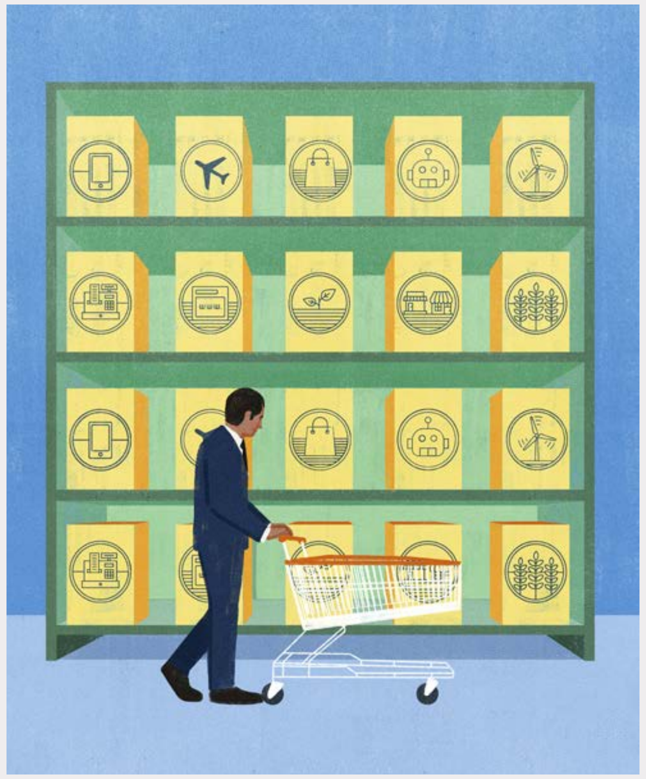
FROM JUST IN TIME TO JUST IN CASE

Corporate underinvestment has exacerbated structural scarcities and capital expenditure is due for a revival

Global demand rebounded so strongly in 2021 that supply/demand imbalances emerged. Years of declining investment in sectors like oil exacerbated the problem. The housing market has also failed to keep pace with demand. At the same time, demand itself has been uneven, with demand for goods rising much faster than for services.

Cash-rich companies supported by strong consumer demand could begin increasing capital expenditure to avoid future supply shortages such as we saw in 2021. Alternatively, they could deploy these cash piles into new mergers and acquisitions (M&A). An increase in M&A will provide more opportunities for **event-driven** hedge fund strategies which can arbitrage any pricing inefficiencies that occur around such corporate events.

The combination of underinvestment and last year's supply scares position the industrial sector particularly well as a potential recipient of increased corporate spending. With a rising number of the world's corporations committing to net-zero greenhouse gas emissions, current levels of infrastructure investment fall well short of what is needed to ensure a smooth energy transition.



An increase in M&A will provide more opportunities for event-driven hedge-fund strategies.

3

LOCKED AND LOADED

A cash-rich US consumer bodes well for future spending

With consumers in the US and elsewhere sitting on top of plenty of cash thanks to government handouts and lockdowns, we believe strong consumer spending in the main developed economies will continue. Progressive improvement in employment and rising use of consumer credit should further reinforce this trend.

Pandemic-driven hoarding and fear of bottlenecks focused consumer demand on goods. But as economies have reopened, we believe the composition of demand will increasingly shift towards services.

This revival of spending on services should benefit **value stocks** in industries like tourism and hospitality. We will be monitoring such industries and companies that fell out of favour among investors during the pandemic and remain undervalued. Cyclical value stocks in general are due a revival as the increase in real long-term bond yields diminishes the attractiveness of growth stocks. While we expect tighter monetary policies from major central banks like the Federal Reserve and Bank of England, we do not expect them to derail economic growth in a way that would irreversibly damage the investment case for cyclical value stocks.

A revival of spending on services should benefit value stocks in industries like tourism and hospitality.

4

THE GREAT RESIGNATION

An oversupply of jobs openings puts upward pressure on inflation and yields

Workers in the US and parts of Europe are leaving their jobs in droves, as a rising number decide to start their own businesses, the baby boomer generation reaches retirement and a general mismatch between labour demand and supply continues. Labour shortages – and a languishing labour participation rate – could continue to drive both inflation and bond yields higher in certain countries.

Taking this into account, we continue to look for companies with **pricing power**. Pricing power means that a business can pass on rising input costs to their end consumers through higher prices, thereby withstanding pressure on margins caused by higher inflation. Typically these are companies with a strong brand, superior product mix and high-quality management that makes their products or services less vulnerable to substitution from competitors.

Real assets like real estate (including logistics centres and select commercial real estate) and infrastructure, which we prefer to access via **private equity**, should also provide some inflation protection to portfolios. Because they tend to have low correlation with listed markets, in general, private assets can help improve a portfolio's risk/return profile, while also adding a degree of protection against inflation.

Senior US leveraged loans are well positioned, too. These loans, which are typically extended to highly levered borrowers, tend to carry a variable rate, which removes duration risk. US leveraged loans also offer a comfortable spread cushion, which should provide some relative protection when the Federal Reserve begins raising interest rates, as we expect in 2022.

As interest rates rise, so should the interest income of financial institutions. This could make income-providing **financial contingent convertibles** (Co Co bonds and AT1s), which offer higher yields than traditional bonds – more attractive from a risk-return perspective.

5

THE SLOW UNBUNDLING

Policy and macroeconomic decoupling is underway between the US and China

The world's two biggest economies are drifting further apart across multiple facets. We believe 2022 will see further progression of this dispersion between China and the US in terms of inflation, monetary policies (including the size of central bank balance sheets), Covid policies, growth momentum and strategic priorities. This unbundling will have consequences for developed- and emerging-market assets alike.

Although their earnings dynamics have lagged, **Southeast Asian equities** appear well positioned to catch up with their peers outside of the region. Because of their economies' close ties to China's, undervalued Southeast Asian equities could also offer investors exposure to any Chinese growth revival, without having to take direct exposure to China. In the longer run, they could also benefit from the ongoing relocation of major manufacturing facilities away from China. Alternatively, **European companies** with exposure to the Chinese market could also offer investors access to any Chinese economic stimulus efforts. And should that fail to materialise, the fading growth gap between China and Europe will make euro-area equities more attractive on a relative basis.

The unbundling could also extend to the US and Europe. The US economy rebounded more steadily and robustly in 2021, leading the US central bank to turn more hawkish and making the US dollar stronger. This could be an opening for European equities, which offer a significant valuation discount to US equities, even on a sector-adjusted basis.

Southeast Asian equities appear well positioned to catch up with their peers outside of the region.

6

TOO BIG TO FAIL

China's economic growth is moderating meaningfully and the deleveraging of its property market will be critical to the Chinese consumer outlook

In China, regulatory crackdowns and the authorities' moves to rein in overly indebted sectors have triggered considerable economic upheaval. A key focus in 2022 will be on how ongoing issues in the heavily indebted Chinese real estate sector unfold and how those issues impinge on domestic consumption.

Compared to the US, housing-related spending in China accounts for a much larger percentage of personal consumption. At the same time, construction and property-related activity makes up a large share (close to 30% by some estimates) of Chinese gross domestic product (GDP). These dynamics make the Chinese property sector 'too big to fail', and there are already indications that Chinese authorities have taken discreet action to contain damage from the problems incurred at the most highly indebted real-estate companies.

Interestingly, there has been a notable lack of contagion from the real-estate-dominated Chinese high-yield market to the rest of the **Asian credit** universe. We continue to favour Asian credits, given their superior risk-adjusted returns potential (i.e. potential returns per unit or risk taken).

We continue to favour Asian credits, given their superior risk-adjusted returns potential.

7

WHO PAYS THE BILL?

The implications of massive fiscal spending packages around the world remain relevant

This investment theme from 2021 maintains its relevance as concerns around high private and public indebtedness continue to grow. The challenge of funding the huge cost of the pandemic and the energy transition remain as pertinent as ever.

As governments adopt various measures to address their respective challenges, market correlations in equities could decline. So could the historical correlations between other asset classes. Because of this, we continue to believe in the potential of actively managed **macro hedge fund strategies** that take positions on fixed income, currency and equity markets to generate alpha.

From a top-down perspective, Japanese equities appear favourably positioned in 2022. The recently unveiled Japanese economic stimulus package worth 10% of GDP will boost spending by households that are already sitting on significant amounts of excess cash. We believe Japan will be one of the few major economies where economic growth could accelerate in 2022. This could potentially push returns on **Japanese equities** to catch up to the levels prevailing in other developed markets.

Differing responses to these challenges mean further breakdowns in the correlations between individual markets could be on the horizon.

8

GREEN MARSHALL PLAN

With clean-energy investment lagging, the carbon transition presents investors with both interim and long-term opportunities

In the wake of November's COP26 global conference on climate change, this is another 2021 investment theme that remains relevant. While the challenges posed by global warming are momentous, annual global investment in clean energy must grow exponentially to smooth the transition to net-zero greenhouse gas emissions. Meanwhile, the energy crunch of late 2021 has brought nuclear power (which is not renewable but cleaner from a carbon-emissions perspective than burning fossil fuels) back to the table.

Massive post-pandemic fiscal packages around the world are largely focused on building or modernising various types of **infrastructure**. Government spending bills in the US and EU (The NextGenerationEU plan emphasises facilitating the EU's energy and digital transition) are key examples.

The factors that support this theme also lend themselves favourably to bonds that meet strict ESG (environmental, social and governance) criteria. We closely scrutinise **ESG bonds** that have a focus on renewable energy, pollution reduction or climate change adaptation and that tie the issuer to measurable Sustainable Development Goals.

Massive post-pandemic fiscal packages around the world are largely focused on building or modernising various types of infrastructure.

9

THE GREAT ESCAPE

Central banks around the world are abandoning loose monetary policies

Like the prisoners of war in the film *The Great Escape*, since the pandemic, central banks have had little room to manoeuvre outside of loose monetary policies. But as economies have recovered and inflation increases, central banks are gradually exiting the current policy framework. Depending on how Covid develops, we expect this trend to continue in 2022, with the US Federal Reserve possibly beginning to raise its policy rates toward the middle of the year.

A higher cost of debt and possible slowdown in corporate and economic growth could ensue as a result. However, we expect nominal short-term interest rates to remain below inflation for some time, thereby keeping real rates in negative territory.

The number of high-yield issuers upgraded to investment grade (i.e. 'rising stars') has outpaced the number of issuers that have been downgraded from investment grade to high yield. We believe that top-quality issues of this kind are well placed to sustain the risk of higher bond yields driven by central bank tightening in 2022. Our focus on '**rising stars**', which personify another kind of 'Great Escape', thus remains in place from last year.

We believe that top-quality issues of *rising stars* are well placed to sustain the risk of higher bond yields driven by central bank tightening in 2022.

—POLICYMAKERS—

10

INCOME REPRESSION CONTINUES

With bond yields below nominal GDP, we are happy to remain underweight government bonds

Policy decisions have driven government bond returns lower than inflation. This income repression looks set to continue if bond yields stay below nominal GDP growth and real rates (nominal interest rates minus inflation) remain low or negative. With the returns outlook for developed-market government bonds set to remain subdued, income-seeking investors must seek alternatives.

In this context, a growing percentage of equities offer dividend yields higher than corporate bond yields. We continue to like '**dividend growers**' – companies that can increase dividend payouts to investors in a sustainable way.

We also see income opportunities in foreign-exchange markets. Tightening monetary policy in countries with sound fundamentals has created a number of **high-quality cyclical currencies** that offer an attractive interest rate for holding them and can provide portfolio diversification benefits.

We continue to like 'dividend growers' – companies that can increase dividend payouts to investors in a sustainable way.

DISCLAIMERS

Distributors: Banque Pictet & Cie SA, Route des Acacias 60, 1211 Geneva 73, Switzerland and Pictet & Cie (Europe) SA, 15A, avenue J. F. Kennedy, L-1855 Luxembourg/B.P. 687 L-2016 Luxembourg.

Banque Pictet & Cie SA is established in Switzerland, exclusively licensed under Swiss Law and therefore subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA).

Pictet & Cie (Europe) SA is established in Luxembourg, authorized and regulated by the Luxembourg Financial Authority, Commission de Surveillance du Secteur Financier.

This marketing communication is not intended for persons who are citizens of, domiciled or resident in, or entities registered in a country or a jurisdiction in which its distribution, publication, provision or use would violate current laws and regulations.

The information, data and analysis furnished in this document are disclosed for information purposes only. They do not amount to any type of recommendation, either general or tailored to the personal circumstances of any person. Unless specifically stated otherwise, all price information is indicative only. No entity of the Pictet Group may be held liable for them, nor do they constitute an offer or an invitation to buy, sell or subscribe to securities or other financial instruments. The information contained herein is the result neither of financial analysis within the meaning of the Swiss Bankers Association's Directives on the Independence of Financial Research, nor of investment research for the purposes of the relevant EU MiFID provisions. All information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness.

Except for any obligations that any entity of the Pictet Group might have towards the addressee, the addressee should consider the suitability of the transaction to individual objectives and independently assess, with a professional advisor, the specific financial risks as well as legal, regulatory, credit, tax and accounting consequences.

Furthermore, the information, opinions and estimates in this document reflect an evaluation as of the date of initial publication and may be changed without notice. The Pictet Group is not under any obligation to update or keep current the information contained herein. In case this document refers to the value and income of one or more securities or financial instruments, it is based on rates from the customary sources of financial information that may fluctuate. The market value of financial instruments may vary on the basis of economic, financial or political changes, currency fluctuations, the remaining term, market conditions, the volatility and solvency of the issuer or the benchmark issuer. Some investments may not be readily realizable since the market in the securities can be illiquid. Moreover, exchange rates may have a positive or negative effect on the value, the price or the income of the securities or the related investments mentioned in this document. When investing in emerging countries, please note that the political and economic situation in those countries is significantly less stable than in industrialized countries. They are much more exposed to the risks of rapid political change and economic setbacks.

Past performance must not be considered an indicator or guarantee of future performance, and the addressees of this document are fully responsible for any investments they make. No express or implied warranty is given as to future performance. Moreover, forecasts are not a reliable indicator of future performance. The content of this document can only be read and/or used by its addressee. The Pictet Group is not liable for the use, transmission or exploitation of the content of this document. Therefore, any form of reproduction, copying, disclosure, modification and/or publication of the content is under the sole liability of the addressee of this document, and no liability whatsoever will be incurred by the Pictet Group. The addressee of this document agrees to comply with the applicable laws and regulations in the jurisdictions where they use the information reproduced in this document.

Distributor: Pictet & Cie (Europe) S.A., London branch ('Pictet London Branch')

This is a marketing communication distributed by Pictet London Branch.

This document sets forth neither a personal recommendation tailored to the needs, objectives and financial situation of any individual or company (investment advice as defined in the Financial Conduct Authority's Handbook of rules and guidance (the 'FCA Handbook')), nor the results of investment research within the meaning of the FCA Handbook. Moreover, it does not constitute an offer, or an invitation to buy, sell or subscribe to securities or other financial instruments, nor is it meant as a proposal for the conclusion of any type of agreement. Furthermore, this document should not be considered a suitability report as Pictet London Branch has not received all the necessary information on the recipient to complete its suitability assessment that covers the recipient's knowledge and experience, tolerance to risk, investment needs and the recipient's ability to absorb financial risk. Should its addressee decide to proceed to any transaction in relation to a financial product referred to herein, this will be in his sole responsibility, and the suitability/appropriateness of the transaction and other financial, legal and tax aspects should be assessed by an expert.

Any information contained in this document is disclosed for information purposes only, and neither the producer nor the distributor can be held liable for any fluctuation of the price of the securities. No express or implied warranty is given as to future performance. The opinions expressed reflect an objective evaluation of information available to the general public, such as rates from customary sources of financial information. The market value of securities mentioned may vary on the basis of economic, financial or political changes, the remaining term, market conditions, the volatility and solvency of the issuer or the benchmark issuer. Moreover, exchange rates may have a positive or negative effect on the value, the price or the income of the securities or the related investments mentioned in this document. It is also expressly noted that forecasts are not a reliable indicator of future performance, while past performance is not a reliable indicator of future results.

You shall only take investment decisions when you fully understand the relevant financial product and the involved risks. In particular, the relevant product documentation (such as the issuance program, final terms, prospectus, simplified prospectus and key (investor) information document), as well as Appendix 4: Risk Warnings Relating to Trading in Financial Instruments of the Terms and Conditions of Pictet London Branch, shall be read. Structured products are complex financial products and involve a high degree of risk. The value of structured products depends not only on the performance of the underlying asset(s), but also on the credit rating of the issuer. Furthermore, the investor is exposed to the risk of default of the issuer/guarantor.

In respect of any product documentation, including key information documents of Packaged Retail and Insurance-based Investment Products ('KIDs') and key investor information documents of Undertakings for Collective Investment in Transferable Securities ('KIIDs'), please note that these may change without notice. You should therefore ensure that you review the latest version of them prior to confirming to Pictet London your decision to invest. If you have been provided with a link to access the respective KID/KIID/other product document, you should therefore click on the link immediately before confirming to Pictet London Branch your decision to invest, in order to review the most recent version of the respective KID/KIID/other product document. If you have not been provided with a link to access the relevant document, or if you are in any doubt as to what the latest version of the respective KID/KIID/other product document is, or where it can be found, please ask your usual Pictet London Branch contact.

Pictet London Branch is not the manufacturer of the product(s) and the KID/KIID/other product document is provided by a third party. The KID/KIID/other product document is obtained from sources believed to be reliable. Pictet London Branch does not make any guarantee or warranty as to the correctness and accuracy of the data contained in the KID/KIID/other product document. Pictet London Branch may not be held liable for an investment decision or other transaction made based on reliance on, or use of, the data contained in the KID/KIID/other product document.

By subscribing to the product(s) proposed herein, you acknowledge that you have (i) received, in good time, read and understood any relevant documentation linked to the product(s), including, as the case may be, the respective KID/KIID/other product document; (ii) taken note of the product(s) restrictions; and (iii) meet the applicable subjective and objective eligibility conditions to invest in the product(s).

Pictet London Branch may, if necessary, rely on these acknowledgements and receive your orders, to transmit them to another professional, or to execute them, according to the relevant clauses of your mandate, as well as the Terms and Conditions of Pictet London Branch.

The content of this document shall only be read and/or used by its addressee. Any form of reproduction, copying, disclosure, modification and/or publication in any form or by any means whatsoever is not permitted without the prior written consent of Pictet London Branch and no liability whatsoever will be incurred by Pictet London Branch. The addressee of this document agrees to comply with the applicable laws and regulations in the jurisdictions where they use the information provided in this document.

Pictet London Branch is a branch of Pictet & Cie (Europe) S.A.. Pictet & Cie (Europe) S.A. is a société anonyme (public limited liability company) incorporated in Luxembourg and registered with the Luxembourg Registre de Commerce et des Sociétés (RCS no. B32060). Its head office is at 15A, avenue J.F. Kennedy, L-2016 Luxembourg. Pictet London Branch is registered as a UK establishment with Companies House (establishment number BR016925) and its UK establishment office address is Stratton House 6th Floor, London, 5 Stratton Street, W1J 8LA.

Authorised and regulated by the Commission de Surveillance du Secteur Financier. Deemed authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

Distributors: Bank Pictet & Cie (Asia) Ltd ('BPCAL') in Singapore and/or Banque Pictet & Cie SA, Hong Kong Branch ('Pictet HK Branch') in Hong Kong.

The information, tools and material presented in this document are provided for information purposes only and are not to be used or considered as an offer, an invitation to offer or solicitation to buy, sell or subscribe for any securities, commodities, derivatives, (in respect of Singapore only) futures, or other financial instruments (collectively referred to as 'Investments') or to enter into any legal relations, nor as advice or recommendation with respect to any Investments. This document is intended for general circulation and it is not directed at any particular person. This document does not have regard to the specific investment objectives, financial situation and/or the particular needs of any recipient of this document. Investors should seek independent financial advice regarding the appropriateness of investing in any Investments or adopting any strategies discussed in this document, taking into account the specific investment objectives, financial situation or particular needs of the investor, before making a commitment to invest.

BPCAL/Pictet HK Branch has not taken any steps to ensure that the Investments referred to in this document are suitable for any particular investor, and accepts no fiduciary duties to any investor in this regard, except as required by applicable laws and regulations. Furthermore, BPCAL/Pictet HK Branch makes no representations and gives no advice concerning the appropriate accounting treatment or possible tax consequences of any Investment. Any investor interested in buying or making any Investment should conduct its own investigation and analysis of the Investment and consult with its own professional adviser(s) as to any Investment including the risks involved.

This document is not to be relied upon in substitution for the exercise of independent judgment. The value and income of any Investment mentioned in this document may fall as well rise. The market value may be affect ed by, amongst other things, changes in economic, financial, political factors, time to maturity, market conditions and volatility, and the credit quality of any issuer or reference issuer. Furthermore, foreign currency rates of exchange may have a positive or adverse effect on the value, price or income of any Investment mentioned in this document. Accordingly, investors must be willing and able to assume all risks and may receive back less than originally invested.

Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, expressed or implied, is made by BPCAL/Pictet HK Branch regarding future performance.

This document does not constitute the investment policy of BPCAL/Pictet HK Branch, or an investment recommendation, and merely contains the different assumptions, views and analytical methods of the analysts who prepared them. Furthermore, the information, opinions and estimates expressed herein reflect a judgment at its original date of publication and are subject to change without notice and without any obligation on BPCAL/Pictet HK Branch to update any of them. BPCAL/Pictet HK Branch may have issued or distributed other reports or documents that are inconsistent with, and reach different conclusions from, the information presented in this document.

While the information and opinions presented herein are from sources believed to be reliable, BPCAL/Pictet HK Branch is not able to, and do not make any representation or warranty as to its accuracy or completeness. Accordingly, BPCAL/Pictet HK Branch accepts no liability for loss arising from the use of or reliance on this document presented for information purposes only. BPCAL/Pictet HK Branch reserves the right to act upon or use any of the information in this document at any time, including before its publication herein.

BPCAL/Pictet HK Branch and its affiliates (or employees thereof) may or may not have long or short positions in, and buy or sell, or otherwise have interest in, any of the Investments mentioned herein, and may or may not have relationships with the issuers of or entities connected with Investments mentioned in this document. BPCAL/Pictet HK Branch and their affiliates (or employees thereof) may act inconsistently with the information and/or opinions presented in this document.

The information used to prepare this document and/or any part of such information, may have been provided or circulated to employees and/or one or more clients of BPCAL/Pictet HK Branch before this document was received by you and such information may have been acted upon by such recipients or by BPCAL/Pictet HK Branch.

This document is provided solely for the information of the intended recipient only and should not be reproduced, published, circulated or disclosed in whole or in part to any other person without the prior written consent of BPCAL/Pictet HK Branch.

Singapore

This document is not directed to, or intended for distribution, publication to or use by, persons who are not accredited investors, expert investors or institutional investors as defined in section 4A of the Securities and Futures Act (Cap. 289 of Singapore) ('SFA') or any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject BPCAL and any of its affiliates or related corporations to any prospectus or registration requirements.

BPCAL is a wholesale bank regulated by the Monetary Authority of Singapore ('MAS') under the Banking Act Cap. 50 of Singapore, an exempt financial adviser under the Financial Advisers Act Cap. 110 of Singapore ('FAA') and an exempt capital markets licence holder under the SFA. Please contact BPCAL in Singapore in respect of any matters arising from, or in connection with this document.

Hong Kong

This document is not directed to, or intended for distribution, publication to or use by, persons who are not 'professional investors' within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made thereunder (the 'SFO') or any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject Pictet HK Branch and any of its affiliates or related corporations to any prospectus or registration requirements. If you do not want Pictet HK Branch to use your personal information for marketing purposes, you can request Pictet HK Branch to stop doing so without incurring any charge to you. In distributing investment products as agents for third party service providers, Pictet HK Branch is an agent of the third party service provider and the product is a product of the third party service provider but not Pictet HK Branch. In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between Pictet HK Branch and you out of the selling process or processing of the related transaction, Pictet HK Branch is required to enter into a Financial Dispute Resolution Scheme process with you; however any dispute over the contractual terms of the product should be resolved between directly the third party service provider and you.

Banque Pictet & Cie SA is a limited liability company incorporated in Switzerland. It is an authorized institution within the meaning of the Banking Ordinance and a registered institution (CE No.: BMG891) under the SFO carrying on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. The registered address of Pictet HK Branch is 9/F., Chater House, 8 Connaught Road Central, Hong Kong.

Warning: The content of this document has not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. Please contact Pictet HK Branch in Hong Kong in respect of any matters arising from, or in connection with this document.

Distributor: Pictet Bank & Trust Limited, where registered office is located at Building 1, Bayside Executive Park, West Bay Street & Blake Road, Nassau, New Providence, The Bahamas.

The document is not directed to, or intended for distribution or publication to or use by persons who are not Accredited Investors (as defined in the Securities Industry Regulations, 2012) and subject to the conditions set forth in the Securities Industry Regulations, 2012 or to any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject Pictet Bank & Trust Limited to any prospectus or registration requirements. Pictet Bank & Trust Limited is incorporated in The Bahamas with limited liability. It is a bank and trust company that is licensed in accordance with the Banks and Trust Companies' Regulation Act and is regulated by the Central Bank of The Bahamas. Additionally, Pictet Bank & Trust Limited is registered with the Securities Commission of The Bahamas as a Broker Dealer II and is approved to (i) Deal in Securities 1.(a) & (c); (ii) Arrange Deals in securities; (iii) Manage Securities ; (iv) Advise on Securities.

Warning: The content of this document has not been reviewed by any regulatory authority in The Bahamas. You are, therefore, advised to exercise caution when processing the information contained herein. If you are in any doubt about any of the content of this document, you should obtain independent professional advice.

PERSP ANG 0122

Follow us on LinkedIn to receive our latest news.
linkedin.com/company/pictet-wealth-management

Follow Pictet Wealth Management on our blog.
perspectives.pictet.com

Follow us on Twitter for fast-paced
and opinionated updates from our
investment specialists and analysts.
twitter.com/pictetwm

Subscribe to our YouTube channel
to receive the latest interviews with
Pictet's specialists discussing investment
strategies and macroeconomics.
youtube.com/pictetwm