

WEEKLY VIEW

Inflation: we're not there yet

2 April 2024

Points to ponder for the Fed

César Pérez Ruiz
Chief Investment Officer

SUMMARY

Broadening market gains

Devil in the detail in PCE numbers

Soaring M&A

THE WEEK IN REVIEW

In a shortened week, US equity markets continued to grind forward, **with the S&P 500 managing a return of over 10% (in USD)ⁱ in Q1** as a whole thanks to excitement around AI, the prospect of rate cuts, a resilient US economy and improving earnings forecasts. **Signs that market gains were broadening out** beyond 'Big Tech' were on display last week, with the small-cap Russell 2000ⁱⁱ rising far more than the S&P500, while the Nasdaqⁱⁱⁱ dropped back slightly. Chinese and other Asian (ex Japan) markets struggled last week, as they did throughout Q1. Government bond markets were quiet last week, but **yields were still up over Q1 as a whole**. As testimony to the 'risk-on' mood, noninvestment-grade credits outperformed their investment-grade rivals in Q1. Despite the rise in US yields and high real rates, gold prices rose in Q1 and last week as did oil prices.

QUOTE OF THE WEEK

"The exact date of [the ECB's] first cut – April or the start of June – is of no existential importance...I firmly believe it should come in the spring, and independently of the US Federal Reserve calendar."

François Villeroy de Galhau, Governor of the Banque de France

KEY DATA

The headline personal consumption expenditures (PCE) index in the US rose to 2.5% annually in February while core PCE came in at 2.8%. Consumer spending surged 0.8% in February (up from 0.2% in January), while US GDP growth was revised up to an annualised 3.4% in Q4 from 3.2%.

Germany's GfK consumer confidence index climbed for the second consecutive month in March, but German retail sales fell more than expected in February (-1.9% from January and -2.7% from a year earlier), while five leading economic research institutes lowered their 2024 GDP forecast for Germany to 0.1% from an earlier projection of 1.3%.

The core consumer price index in the Tokyo region rose an annual 2.4% in March, down from 2.5% in February. The official purchasing managers indexes for Chinese manufacturing and nonmanufacturing rose in March, to 50.3 and 53, respectively.

MARKET VIEW

February PCE inflation figures in US came in more or less as expected, although an annualised three-month core PCE that rose to 3.5% (from 2.6% in January) may give the Fed pause for thought. In addition, climbing markets and M&A (see below) suggest financing conditions are not so bad despite successive rate rises. With Fed governor Christopher Waller saying there was "no rush" to cut rates, **questions will continue to be raised about the timing and extent of monetary easing in the US in the coming months.**

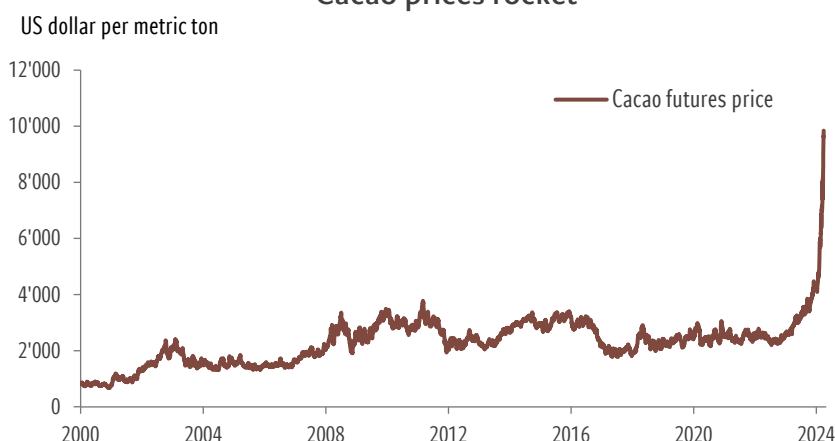
M&A deals worth at least USD10 bn more than doubled in Q1, to 11 from five a year before, while the total value of global M&A deals rose 30%. This points to a **revival in M&A deals after two years of subdued activity**. Big M&A deals are concentrated in the US for now, but we expect the pick-up to extend to European and Asia in the months to come.

France's budget deficit climbed to 5.5% last year, outstripping forecasts, forcing the government to scramble for savings. Together with the court decision late last year that forced the German government to freeze new budget spending, **we believe fiscal tightening is one of the main risks to the recovery of the euro area economy.**

Expensive Easter chocs

The rise in cocoa futures to a record high of almost USD10,000 per tonne has increased the price of chocolate for consumers this year. Poor harvests in West Africa, coupled with new EU environmental regulations, have challenged cacao farmers and contributed to a deficit in global supply. Despite efforts by some countries to boost production, it takes about five years for a newly planted cacao tree to start producing pods, leaving the supply situation precarious.

Cacao prices rocket



Source: Pictet Wealth Management, Bloomberg Finance L.P., as of 27.03.2024

Asset class performance

Stock Markets	Last close	1 week change %	YTD%%
Dow Jones*	39,807	0.84%	5.62%
S&P500*	5,254	0.39%	10.16%
NASDAQ Comp*	16,379	-0.30%	9.11%
MSCI World Small Cap \$*	550	1.63%	3.97%
MSCI Europe*	172	0.54%	6.99%
MSCI EMU*	168	0.95%	9.95%
SMI*	11,730	0.67%	5.32%
MSCI China \$*	54	0.30%	-2.24%
Nikkei*	40,369	-1.27%	20.63%
CBOE Volatility (VIX)*	13	-0.38%	4.50%

Currency, Commodity, Rates	Last close	1 week change %	YTD%
EURUS**	1.080023939	-0.15%	-2.23%
GBPUS**	1.26325	0.24%	-0.91%
USDCHF**	0.900692658	0.27%	7.01%
USDJPY**	151.3450228	-0.01%	7.35%
USDCNY**	7.22746883	-0.01%	1.91%
EURCHF**	0.972769632	0.13%	4.63%
Gold**	2229.87	2.98%	8.09%
Silver**	24.9631	1.17%	4.91%
Crude Oil**	83.96001	3.53%	16.79%
US Investment Grade	3235.5	0.14%	-0.09%
US High Yield	1613.754	0.05%	1.49%
EU Investment Grade	278.45	0.21%	0.39%
EU High Yield	358.147	0.16%	1.62%
Swiss Bond Index	128.11	-0.03%	0.65%

Source: Pictet as of 29.03.2024. Past performance should not be taken as a guide to or guarantee of future performance. Performances and returns may increase or decrease as a result of currency fluctuations. This table may contain information about financial instruments or issuers but does not set out any direct or implied recommendation whatsoever (either general or personalized). YTD stands for year to date. *measured on a non Total Return basis. ** showing mid price numbers.

WHAT TO WATCH THIS WEEK?

TUESDAY

US: Factory orders (Feb)
Germany: Provisional CPI (March)

WEDNESDAY

EU: Flash CPI and unemployment rate (Mar)
US: ISM Services PMI index, ADP private payrolls (Mar)

THURSDAY

Switzerland: CPI (Mar)
EU, Japan, US, UK: Final S&P Global Services PMI (Mar)

FRIDAY

US: Nonfarm payrolls (Mar)
EU: Retail sales (Feb), German manufacturing orders (Feb), French industrial production (Feb)

Glossary of Risks

Derivative and Leverage risks: Investing in derivative instruments or leveraging an investment could potentially lead to a high degree of financial risk. A movement in the price of an underlying security, investment, interest rate or benchmark may result in proportionally larger movement in the price of the derivative instrument or investment and losses may in certain circumstances exceed the cost of the investment. In addition, there is a potential risk of default by a counterparty and the risk that that these products may not be liquid.

Commodity risk: The value of commodity linked instruments may fluctuate substantially due to changes in supply and demand and/or due to political, economic and market events.

Company Specific risk: Company-specific risk (or unsystematic risk) is specific to an individual company. For example, the stock market or the share prices of comparable companies may rise yet certain company-specific news can have a negative influence on the share price. This company-specific news can include negative events such as strikes, management crises and poor annual results as well as positive news such as the winning of a major order, innovative products and a favorable market. Company may affect the fluctuation in the share price (volatility) and cannot be foreseen.

Concentration risk: identifying the risk in a portfolio arising from a concentration to a single asset, counterparty, sector or country.

Counterparty/issuer risk: Risk to lose part or all of an investment due to insolvency of the issuer of the financial instrument. This risk is particularly relevant for structured products, derivatives and certain ETFs (Exchange traded Funds).

Country risk: Country risk should be considered when investing in a foreign country and in particular in emerging markets. E.g. investment in the shares of a foreign company which is subject to nationalization or the inability to repatriate proceeds of an investment due to capital controls.

Credit and default risk: A decline in the financial health of an issuer of a fixed income security can lead to an inability or unwillingness to repay a bond or meet a contractual obligation (interest or principal repayment). This causes the value of its bonds to fall or become worthless.

Currency/exchange rate risk: Where the reference currency is different from the currency of the investment, foreign exchange rate movements will directly impact (positively or negatively) the value/price or income of the holdings. Funds which try to hedge to a reference currency can mitigate the direct impact of currency movements but cannot completely isolate the indirect effect of foreign exchange movements. When investing in Structured Product, investors may benefit from an embedded hedge of the underlying currency risk called Quanto.

Economic risk: The economic cycle and macroeconomic situation of a country, a region or the global economy can have a significant influence on prices of financial instruments.

Emerging market risk: There is a greater risk associated with emerging markets; liquidity may be less reliable and price volatility may be higher than that experienced

in more developed economies which may result in sudden and large falls in value. Emerging markets have less sophisticated rules regarding clearing and settlement of transactions and investors' protection.

High yield bond risk: Portfolio with high exposures to non-investment grade debt instruments (S&P/Moody's Credit Rating: BB+ and below) have a higher exposure to Credit and Default risk.

Inflation risk: Inflation risk should be considered in particular when investing in emerging markets or fixed rate investments. Inflation is defined as the rate at which prices increase in an economy. Inflation may cause a currency to depreciate and reduce the real returns of investments and financial instruments.

Interest rate risk: Changes in interest rates will usually result in the values of bonds and other debt instruments moving in the opposite direction (e.g. a rise in interest rates likely leads to fall in bond prices). The longer the maturity of the bond (which is the time when its principal is due to be reimbursed) the higher the interest rate risk. This is the commonly referred to as duration risk.

Liquidity risk: When market conditions are unusual or a market is characterized by particularly low volumes, the portfolio may encounter difficulties in valuing and/or trading some of its assets. For Funds there might be liquidity constraints where subscriptions and redemptions are not available daily or where lockups apply, meaning that investors are subject to market risk during interim pricing periods and may not be able to access funds on short notice. For Structured Products, liquidity risk could materialize before maturity as investors may have difficulties selling the product on the secondary market. The investor may receive less than his initial investment if the product is sold on the secondary market (in case of unfavorable evolution of the parameters impacting the product market value).

Market risk: Financial instruments are subject to price fluctuation/volatility and to political and economic risks which may have significant impact on the financial instrument/portfolio's performance.

Political risk: Countries where political leadership is either unstable or where it exerts a very strong influence on markets and business practices may be subject to greater volatility. Political risk may include potential for currency controls which would disrupt the financial markets within that country.

Reinvestment risk: The risk that coupons from a bond will not be reinvested at the same interest rate as when the bond was issued. This risk is related to the fluctuations of interest rates, where an increase in interest rates will be positive for the investor and a decrease unfavorable.

Risks linked to costs/charges: All investments incur various charges whether the investment return are positive or negative. When investment return are very low or negative, these charges can significantly impact the overall return.

Smaller Company risk: Securities of smaller companies may be less liquid than larger companies. Securities of smaller companies may be more price volatile and involve greater risk.

Sustainability risk: The risk arising from any environmental, social or governance events or conditions that, were they to occur, could cause a material negative impact on the value of the investment. Specific ESG/sustainability risks will vary for each compartment and asset class, and include but are not limited to the following:

Climate Transition risk: The risk posed by the exposure to issuers that may potentially be negatively affected by the transition to a low carbon economy due to their involvement in exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services. Transition risk may result from several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes. Transition risks may negatively affect the value of investments by impairing assets or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Climate Physical risk: The risk posed by the exposure to issuers that may potentially be negatively affected by the physical impacts of climate change.

Physical risk includes acute risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss. Physical risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Environmental risk: The risk posed by the exposure to issuers that may potentially be affected by environmental degradation and/or depletion of natural resources. Environmental risk may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, loss of biodiversity or damages to ecosystems. Environmental risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Social risk: The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labor standards, human rights violations, damages to public health, data privacy breaches, or increased inequalities. Social risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

Governance risk: The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders' rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of

judicial Independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflicts of interest, reputational damages, increased liabilities or loss of investor confidence.

Our investments take into account Sustainability Risks, by integrating in the investment process Environmental Social and Corporate Governance (ESG) factors, based on proprietary and third-party research, to evaluate both investment risks and opportunities. Consequent impacts to the occurrence of Sustainability Risks can be many and varied according to a specific risk, region or asset class. Generally, when a Sustainability Risk occurs for an asset, there will be a negative impact and potentially a partial or total loss of its value. However, the integration of Sustainability Risks analysis should mitigate the impact of such risks on the value of the investments and could help enhance long-term risk adjusted returns for investor.

Special Risks in Securities Trading: Please always refer to the following publication of the [Swiss Banking Association](#)

Funds: Before investing, please always read the relevant Fund documentation (e.g. prospectus, simplified prospectus and any available key information document ("KIDs")) containing information about the Fund and its specific risks. These documents can be obtained free of charge upon request.

Structured Products: The value of structured products may depend not only on the performance of the underlying asset, but also on the credit rating of the issuer. The investor is exposed to the risk of insolvency of the issuer/guarantor (counterparty). Before investing, please always read the relevant product documentation (issuance program, final terms/term sheet, prospectus, simplified prospectus) containing information about the product, the prospects for profits and losses and the risks. Structured products are not collective investment schemes within the mean of the Swiss Federal Act on Collective Investment Schemes (CISA) and are therefore not subject to the regulation of the CISA or the supervision of the Swiss Financial Market Supervision Authority FINMA.

Risks of Private Equity: Private Equity investments are often made at an early stage or turning point of a company's development, when the chances of success are uncertain and the risks therefore high. Thus, the valuation of a Private Equity investment is very volatile. The company's development may be highly dependent on the role of certain key persons in the management, development or restructuring of the company's business activities. The performance of a Private Equity investment may be affected by a change in any such key person, and such key persons may face conflicts of interests. Business and financial projections may not always be reliable. The company is usually not bound to follow a given strategy or report to investors on its actions and decisions; investors have no rights or powers to take part in the management of the company. The ability of the company to obtain financing and the financing instruments chosen (which may involve significant leverage) often have a significant impact on the performance of the Private Equity investment.

Risks of Private Real Estate: Local environmental, economic, political and legal conditions have a significant impact on the ability to sell, build, lease or otherwise use a property and on operating income and expenses (e.g. infrastructure and transportation in the area, overbuilding, unemployment rate, credit conditions and interest rates, zoning laws and other building regulations, real property taxes, natural disasters). The forms of real estate ownership may vary depending on the relevant jurisdiction; thus, an investment in Private Real Estate may not entitle the investor to full and unlimited ownership rights to the relevant real estate. Some countries may have regulations that limit or preclude foreign investments in real estate. Local conditions may vary substantially during the time of investment and their impact depends on the type of property (e.g. residential, commercial, unbuilt land or underdeveloped real property). Correction of defects or improvements on the property may be needed with significant charges attached, which can be unpredictable at the time of the initial investment. Real estate properties may be subject to certain losses of a catastrophic nature (e.g. fire, flood, earthquake, terrorist attack); investors have no assurance that such a loss would be covered by an insurance policy.

Risks of Private Debt: In order to achieve investment objectives, investments may include debt instruments. As a general rule the lender bears the risk of default by the borrower and of the underlying asset securing (or financed through) the loan depreciating in value. On the other hand, the lender may also bear the risk of a prepayment, i.e. the risk that the borrower repays the loan earlier than expected, potentially reducing the lender's income. Private Debt investments are particularly sensitive to credit conditions and interest rates on the markets and thus to inflation and deflation (among other factors).

This glossary does not describe all risks inherent to investments in financial instruments but it only provides basic information about what we perceive to be the most relevant and material risks. You should never enter into any investment transaction if you don't understand all the risks related to the specific transaction and its impact on your portfolio.

Other index and data provider disclaimers:

Any index data referenced herein remains the property of the Data providers. Data providers Disclaimers are available on this link or QR Code:

<https://www.pictet.com/3rd-party-data-providers>



Other glossary of terms:

Available on this link or QR Code: <https://www.pictet.com/content/dam/www/documents/legal-and-notes/PWM-Glossary-of-terms-EN.pdf.coredownload.pdf>



Legal disclaimer:

This is a marketing communication (herein after the "Document") and shall only be read and/or used by its addressee. It is not intended for and shall neither be provided to nor used by 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. It does not constitute an advice, offer, an invitation to offer or solicitation to buy, sell or subscribe for any securities, commodities, derivatives, or other financial instruments (collectively referred to as "Investment(s)") or to enter into any legal relations or agreement, nor as advice or recommendation with respect to any Investment(s). The Instrument(s) mentioned in this Document might not be registered with or approved by the relevant regulatory authority. Public distribution may therefore not be permitted, and private placements may be restricted to specific type of investor. Offerings are only allowed in accordance with the applicable local laws and regulations. Detailed selling restrictions of the relevant Investment(s) may apply and need to be considered. This Document is intended for general circulation, and it is not directed at any particular person. This Document does not set forth a personal recommendation tailored to the needs, knowledge and experience, sustainability preferences, if any, objectives, and financial situation of any individual or company. This Document and/or the Investment(s) mentioned herein might not be suitable for the addressee and should not be considered as a suitability report as the bank has not received all the necessary information on the addressee to complete its suitability assessment that covers the addressee's knowledge and experience, tolerance to risk, sustainability preferences, if any, investment needs and the addressee's ability to absorb financial risk. Therefore, the bank accepts no fiduciary duties to any investor in this regard, except as required by applicable laws and regulations. Investor should seek independent financial advice regarding the appropriateness of investing in any Investment(s) or adopting any strategies discussed in this Document. Should the investor decide to proceed to any transaction in relation to an Investment(s) referred to herein, this will be his sole responsibility, and the suitability /appropriateness of the transaction and other specific financial risks as well as any legal, regulatory, credit, tax and accounting consequences should be assessed by an expert. This Document is not to be relied upon in substitution for the exercise of independent judgment, its addressee is fully responsible for his Investment(s). Furthermore, the bank makes no representations and gives no advice concerning the appropriate accounting treatment or possible tax consequences of any Investment(s). The information contained herein is not the result of independent financial analysis and does therefore not qualify as financial research. The information, tools and material presented in this Document are provided for information purposes only and the bank cannot be held liable for any fluctuation of the price of the securities. All information and opinions expressed in this Document were obtained in good faith from sources

believed to be reliable. Prices, values, or returns of any Investment(s) mentioned in this Document are based on the bank's customary sources of financial data. Unless specifically stated otherwise, such information and opinions are indicative only and may change without notice. The bank is under no obligation to update the information contained in this Document and no representation or warranty, express or implied, is made as to its accuracy or completeness. Accordingly, the bank accepts no liability for loss arising from the use of or reliance on this Document presented for information purposes only. The market value of Investment(s) may fall as well rise without notice, on the basis of economic, financial or political changes, the remaining term to maturity, market conditions, the volatility and solvency of the issuer or the benchmark issuer. Some Investment(s) may not be readily realisable as the relevant market may be illiquid. Moreover, exchange rates may have a positive or negative effect on the value, the price or the return of the respective Investment(s) mentioned in this Document. The political and economic situation in emerging countries is significantly less stable than in industrialised countries and related Investment(s) are exposed to higher risks and volatility. Forecasts and past performance are not reliable indicators or guarantees of future results. No representation or warranty expressed or implied in this Document is made by the bank regarding future performances. Accordingly, the investor must be willing and able to assume all risks and may receive back less than originally invested. Any performance shown does not consider commissions and costs (which negatively impact the performance). The investor shall only take investment decisions when he fully understands the relevant Investment(s) and the involved risks. In particular, the relevant Investment(s) documentation (such as the issuance program, final terms, prospectus, simplified prospectus, private placement memorandum and key (investor) information document) 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. If this Document contains a link to an Investment(s) documentation including Swiss Key Information Document or a Key Information Document of a Package Retail and Insurance-based Investment Products ("KIDs"), please note that respective Investment(s) documentation may change without notice. In order to access the most recent version of the respective KID/other Investment(s) document, the investor shall click on the link immediately before confirming to the bank his decision to invest. If the investor has not been provided with a link to access the relevant document, or if he is in any doubt as to what the latest version of the respective KID/other Investment(s) document is, or where it can be found, he shall ask his usual bank contact. If the bank is not the manufacturer of the Investment(s), the KID/other documents is provided by a third party (the "Third Party Document").

The Third-Party Document is obtained from sources believed to be reliable. The bank does not make any guaranty or warranty as to the correctness and accuracy of the data contained in the Third-Party Document. The bank 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 Third-Party Document. Should the investor subscribe to the Investment(s) marketed herein, he acknowledges that he has (i) received, in good time, read and understood any relevant documentation linked to the Investment(s), including, as the case may be, the respective KID/other document; (ii) taken note of the Investment(s) restrictions; and (iii) met the applicable subjective and objective eligibility conditions to invest in the Investment(s). The Bank may, if necessary, rely on these acknowledgements and receive the investor's orders, to transmit them to another professional, to execute them and sign, on the investor's behalf, any documents or certificates needed to subscribe to the Investment(s), according to the relevant clauses of the investor's mandate as well as the General Conditions or Terms and Conditions of the bank. Further, by subscribing to the Investment(s), the investor agrees to indemnify and hold harmless the bank for any and all claims, losses and damages it may incur in connection with his Investment(s). Any form of reproduction, copying, disclosure, modification and/or publication of this Document in any form or by any means whatsoever is not permitted without the prior written consent of the bank and no liability whatsoever will be incurred by the bank. 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.

All right reserved. Copyright 2024

Distributor: Banque Pictet & Cie SA, route des Acacias 60, 1211 Genève 73, Switzerland, is established in Switzerland and licensed under Swiss Law and therefore subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, 3003 Berne, Switzerland. The information contained in this Document is not the result of independent financial analysis and does therefore not qualify as financial research within the meaning of the Swiss Bankers Association's Directives on the Independence of Financial Research, nor as investment research for the purposes of the relevant EU MiFID provisions. The investor shall only take investment(s) decisions when he fully understands the relevant Investment(s) and the involved risks. Therefore, he shall read the brochure "Risk Involved in Trading Financial Instruments" of the Swiss Bankers Association. Structured products do not qualify as collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority (FINMA).

Distributor: Bank Pictet & Cie (Europe) AG, is a credit institution incorporated under German law with head office Neue Mainzer Str. 2-4, 60311 Frankfurt am Main, Germany, authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht, the German Federal Financial Supervisory Authority (BaFin).

Bank Pictet & Cie (Europe) AG, succursale de Luxembourg, is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the Luxembourg Financial Authority, Commission de Surveillance du Secteur Financier (CSSF);

Bank Pictet & Cie (Europe) AG, succursale de Paris, is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the ACPR (Autorité de Contrôle Prudentiel et de Résolution) and the AMF (Autorité des Marchés Financiers);

Bank Pictet & Cie (Europe) AG, succursale italiana, is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the Consob (Commissione Nazionale per le Società e la Borsa);

Bank Pictet & Cie (Europe) AG, succursale en España, is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the Bank of Spain and CNMV (Comisión Nacional del Mercado de Valores);

Bank Pictet & Cie (Europe) AG, succursale de Monaco, is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is subject to limited regulation by the Commission for the CCAF (Control of Financial Activities). This Document sets forth neither an investment advice under MiFID, nor the results of investment research within the meaning of MiFID. The investor shall only take investment(s) decisions when he fully understands the relevant Investment(s) and the involved risks. Therefore, the investor shall read the brochure "General description of risks pertaining to financial instruments".

Distributor: Bank Pictet & Cie (Europe) AG, London Branch ("Pictet London Branch"). Pictet London Branch is a branch of Bank Pictet & Cie (Europe) AG. Bank Pictet & Cie (Europe) AG is a credit institution incorporated in Germany and registered with the Handelsregister, the German Commercial Register under the no. HRB 131080. Its head office is at Neue Mainzer Str. 2-4, 60311 Frankfurt am Main, Germany. Bank Pictet & Cie (Europe) AG is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht, the German Federal Financial Supervisory Authority (BaFin). 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, 5 Stratton Street, London W1J 8LA. Authorised by the Prudential Regulation Authority (PRA) and subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the Prudential Regulation Authority. Details about the extent of the regulation by the Prudential Regulation Authority are available from Pictet London Branch on request. This Document sets forth neither an 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. The investor shall only take investment decisions when he fully understands the relevant Investment(s) and the involved risks. Therefore, the investor shall read Appendix 4 of the Terms and Conditions of Pictet London branch: Risk Warnings Relating to Trading in Financial Instruments.

Distributor: Pictet Bank & Trust Limited is licensed and regulated by the Central Bank of The Bahamas and the Securities Commission of The Bahamas. Its registered office is situated at Building 1, Bayside Executive Park, West Bay Street & Blake Road, Nassau, New Providence, The Bahamas. The investor shall only take investment decisions when he fully understands the relevant Investment(s) and the involved risks. Therefore, the investor shall read the brochure "Risk Involved in Trading Financial Instruments" of the Swiss Bankers Association.

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 to any Investment(s) or to enter into any legal relations, nor as advice or recommendation with respect to any Investment(s). 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. BPCAL/Pictet HK Branch may have issued or distributed other reports or documents that are inconsistent with, and reach different conclusion from, the information presented in this Document. 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 Investment(s) mentioned herein, and may or may not have relationships with the issuers of or entities connected with Investment(s) mentioned in this Document. BPCAL/Pictet HK Branch and their affiliates (or employees thereof) may have material interests that conflict with the interests of the addressee of this Document. In these respects, 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 the addressee and such information may have been acted upon by such recipients or by 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 2001 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 1970 of Singapore, an exempt financial adviser under the Financial Advisers Act 2001 of Singapore 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 the addressee does not want Pictet HK Branch to use his personal information for marketing purposes, he can request Pictet HK Branch to stop doing so without incurring any charge to the addressee. To make this request, please contact the Data Protection Officer by e-mail at asia-data-protection@pictet.com or by post to the address of Pictet HK Branch provided below. In distributing an Investment(s) as agent for a third-party service provider, Pictet HK Branch distributes the Investment(s) for the third-party service provider and the Investment(s) is an Investment(s) 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 the addressee 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 the addressee; however, any dispute over the contractual terms of the Investment(s) should be resolved directly between the third-party service provider and the addressee. Banque Pictet & Cie SA is a limited liability company incorporated in Switzerland. It is an authorised 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. Investors are advised to exercise caution in relation to the Investment(s). If the investor is in any doubt about any of the contents of this Document, he 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.

For information about personal data protection, please refer to the Pictet Group's Privacy Notice available at <https://www.pictet.com/privacynotice>.

i) Source: Pictet WM AA&MR, Thomson Reuters. Past performance, S&P 500 Composite (net 12-month return in USD): 2019, 31.5%; 2020, 18.4%; 2021, 28.7%; 2022, -18.1%; 2023, 26.3%

ii) Source: Pictet WM AA&MR, Thomson Reuters. Past performance, Russell 2000

(net 12-month return in USD): 2019, 25.5%; 2020, 20.0%; 2021, 14.8%; 2022, -20.4%; 2023, 16.9%.

iii) Source: Pictet WM AA&MR, Thomson Reuters. Past performance, Nasdaq Composite (net 12-month return in USD): 2019, 36.7%; 2020, 44.9%; 2021, 22.2%; 2022, -32.5%; 2023, 44.6%.