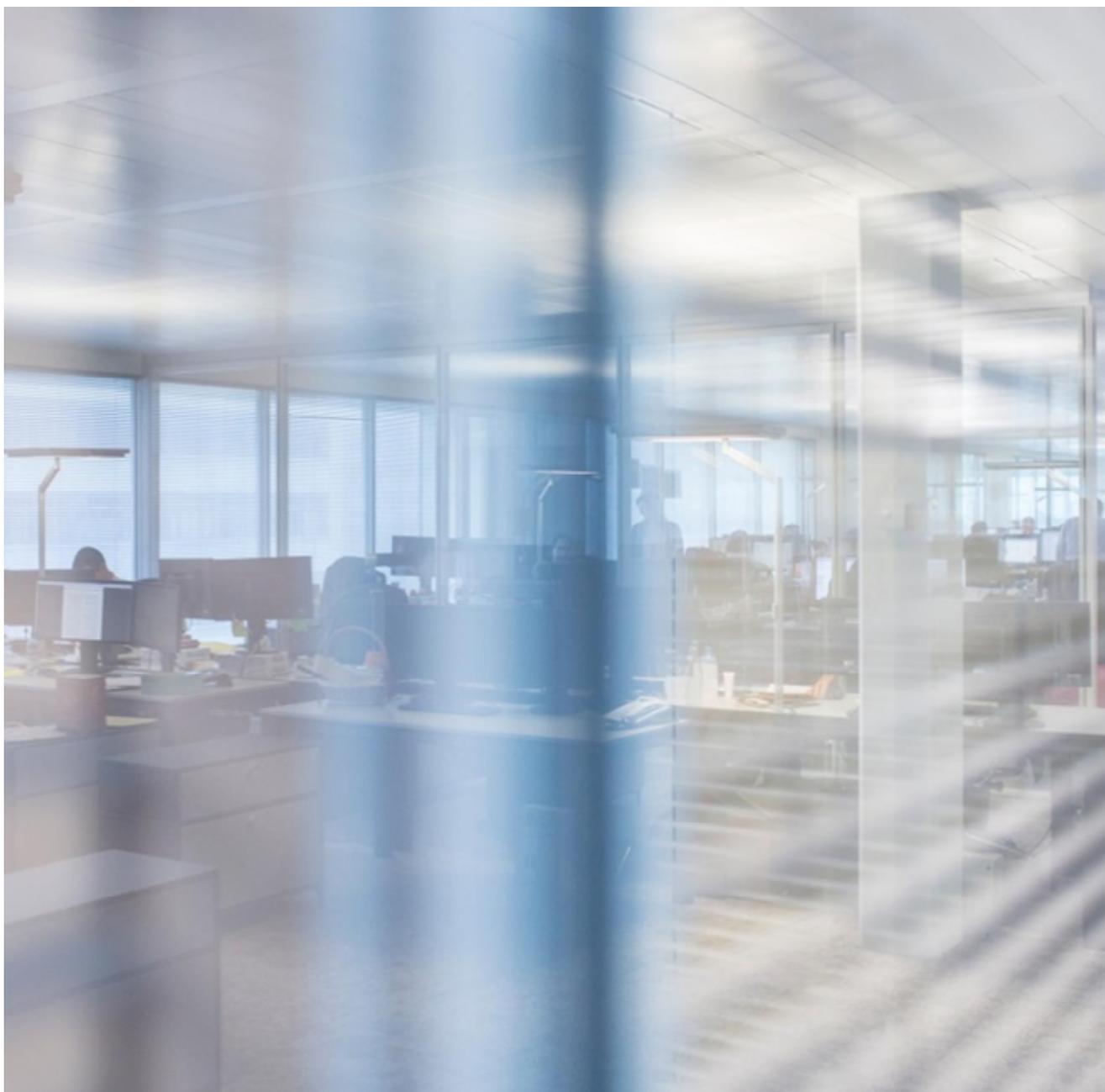


Independence of Financial Research

Banque Pictet S.A. | Pictet Wealth Management | Investment Platform | October 2020



Introduction

The following information applies to financial research, published by the Research department of the Pictet Wealth Management division (hereinafter “PWM”) at Banque Pictet & Cie SA (hereinafter “the Bank”), in compliance with laws, regulations, and relevant international standards applicable to research. This information summarizes the internal procedures and policies, including standards of good practice, designed to assist in identifying conflicts of interest that might affect the impartiality of research. If a conflict of interest cannot be avoided in an individual instance or cannot be satisfactorily resolved in accordance with the Code of Ethics & Professional Conduct, the Bank will forgo publication of research reports on the company in question.

Ethical Values

Financial analysts dedicated to research are required to observe high standards of integrity and ethical behaviour. Each employee is obliged to adhere to the ethical values defined in the Bank’s Code of Ethics & Professional Conduct and always commits to act in good faith, responsibly, with competence and diligence abiding by all applicable laws, rules and regulations as well as the internal procedures & directives of the Bank.

Financial analysts are independent and separate, from an organisational, hierarchical and functional perspective, from the units that are responsible for issuing and trading securities including proprietary trading. Financial analysts may not hold executive office or have some other significant influence at the company being analysed and are generally prohibited from acquiring, either directly or via third parties for their own account any securities of the company being analysed.

Financial analysts may not accept any requests to produce research reports for which the result has been defined in advance and may not accept any privileges, gifts or other favours offered to them by companies they analyse. Similarly, Financial analysts may not give any promises to publish favourable research reports, a specified rating or a specified price target. Additionally, if a Financial analyst receives any kind of non-public information in the course of their activity, they will decide on how to proceed in agreement with the Bank’s Compliance department.

If the Bank holds for its own account more than 50% of the voting rights of a listed company, it may not include that company in its own financial research.



Equity and Credit Research Units

The Equity and Credit Research Unit (hereinafter “**Research Unit**”) is organizationally, hierarchically and functionally separate from the securities trading (incl. proprietary trading) and sales department as well as the credit department. The Research Unit includes the Equity Research (**ER**) team and the Fixed Income Research (**FIR**) team.

HR Compliance unit monitors the transactions conducted by Financial analysts and ensures that they comply with the Bank’s Code of Conduct and others internal applicable directives.

Moreover, financial analysts’ remuneration is not linked to any targets related to companies analysed or any specific transactions in securities trading or selling.

Preparation and distribution

The Bank’s policy is only to publish financial research that is impartial, independent, clear, fair and not misleading.

The Financial analyst may not provide the company being analysed with any research for approval before those results are published.

Methodology

Top-down macroeconomic research, forecast and investment recommendations

The fundamental assessment is derived using a top-down approach. Based on a quantitative and qualitative assessment of real economy and monetary indicators, the Chief Investment Officer (hereinafter “**CIO**”), Asset Allocation & Macro Research (hereinafter “**AA&MR**”) teams provide macroeconomic research views on the major economies and asset-classes and the CIO Office infers its consequences for portfolio on shorter term horizon. These teams focus and adapt the research views to the needs of the Bank’s clients; they provide in-depth analysis on topics for both the Bank’s asset allocation as well as theme-oriented research.

In doing so, they may provide forecasts on gross domestic product (**GDP**), growth, inflation, interest rates, exchange rates, central bank policies, as well as other technical indicators (e.g. fund flows, cash allocations, etc.). They also offer geopolitical analysis for the covered markets and they provide economic analysis in a variety of thematic areas for different asset classes.



The views and forecasts of Global Investment Committee, headed by the CIO, flow into the investment process and are provided to the other asset classes as one input factor for their recommendations. Forecasts are reviewed regularly and if necessary, in ad hoc meetings. The views and forecasts are regularly communicated.

Equity Research team

At a sector, region and stock level, the analysis implies both, qualitative and quantitative factors. The research process combines a top down overlay with a bottom up analysis in order to identify investment themes resulting in single stock recommendations that are likely to outperform the relevant market benchmark. The recommendation considers the relative attractiveness of individual stocks within the sector/industry with respect to several factors such as earnings growth, profitability, balance-sheet structure and high governance, environmental and social standards.

The valuation methodologies applied include discounted cash flow calculations (DCF) and valuation multiples (e.g. price/earnings, EV/EBITDA, price/book value). The price target could be derived from a single or multiple valuation methods. In the latter case, the analyst applies a weight to the output from each valuation method to arrive at a weighted average price target.

Equity Ratings and Recommendations

The stock recommendations are dependent on the expected relative performance of the individual stocks on a 1-3 years 12-month investment horizon and these are “Strong Buy”, “Buy”, “Hold”, “Caution”, “Sell” and “PWM Universe”.

PWM EQUITY RATINGS

Rating	Description
Strong Buy	Instruments categorised as Strong Buy are our top convictions over a 1 to 3 years' time horizon. These instruments are expected to strongly outperform their benchmark or sector during this period.
Buy	Instruments categorised as Buy have significant likelihood to outperform their benchmark or sector on a 1 to 3 years' time horizon.



PWM EQUITY RATINGS

Hold	Instruments categorised as Hold are expected to perform in-line with their benchmark or sector on a 1 to 3 years' time horizon.
Caution	Instruments categorised as Caution are expected to underperform their benchmark or sector on a 1 to 3 years' time horizon.
Sell	Instruments categorised as Sell could: 1) be expected to significantly underperform their benchmark or sector on a 1 to 3 years' time horizon; or 2) not fulfil our due diligence standards; or 3) pose an increased risk from an investment/liquidity/reputational perspective.
PWM Universe	Instruments categorized as PWM Universe are within our Investable Universe but we have no active recommendations on them.

Fixed Income Research

The fixed income research is based on a regular assessment of fundamental data and market levels. The analysis is quantitative and qualitative in nature. In this regard, the analysis covers a wide spectrum of issuers. With respect to the assessments of issuers' credit profiles, the analysis is the final product of a classic credit analysis protocol, appraisals by the ratings agencies, evaluations of sentiment and bond technical as well as relative value. The fundamental analysis focusses on credit quality and contains an assessment of possible event risks (process risks, acquisitions, etc.).

Bond Ratings and Recommendations

The bond recommendations are "Strong Buy", "Buy", "Hold", "Caution", "Sell" and "PWM Universe"

PWM BOND RATINGS

Rating	Description
Strong Buy	Instruments categorised as Strong Buy are our top convictions over a 1 to 3 years' time horizon. These instruments are expected to strongly outperform their benchmark or sector during this period.

PWM BOND RATINGS

Buy	Instruments categorised as Buy have significant likelihood to outperform their benchmark or sector on a 1 to 3 years' time horizon.
Hold	Instruments categorised as Hold are expected to perform in-line with their benchmark or sector on a 1 to 3 years' time horizon.
Caution	Instruments categorised as Caution are expected to underperform their benchmark or sector on a 1 to 3 years' time horizon.
Sell	Instruments categorised as Sell could: 1) be expected to significantly underperform their benchmark or sector on a 1 to 3 years' time horizon; or 2) not fulfil our due diligence standards; or 3) pose an increased risk from an investment/liquidity/reputational perspective.
<i>PWM Universe</i>	<i>Instruments categorized as PWM Universe are within our Investable Universe but we have no active recommendations on them.</i>

Individual bonds are assessed based on the issuer's credit view, bond specific factors and relative value considerations as well as on forecasts for total returns on an approximately 3–6-month horizon.

Methodology Review

This document will be reviewed at least every year or as changes in the Research methodology occurs.

Copyright © 2020 Banque Pictet SA and/or its affiliates. All rights reserved.

