



Supplement

Pictet AI Enhanced US Equity UCITS ETF

a sub-fund of

PICTET ICAV

**An Irish collective asset-management vehicle
and
an umbrella fund with segregated liability between sub-funds
formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015
and authorised by the Central Bank as a UCITS pursuant to the Regulations**

Dated 3 June 2026

Additional information to that contained in this Prospectus may be provided to third parties (i.e. stockbrokers/intermediaries) as to the investor profile to enable these third parties to comply with their legal or regulatory obligations.

Important Information

This Supplement contains information relating specifically to Pictet AI Enhanced US Equity UCITS ETF (the "**Fund**"), a fund of Pictet ICAV (the "**ICAV**"), an Irish collective asset-management vehicle and an umbrella fund with segregated liability between sub-funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the Regulations.

To the extent there is any inconsistency between the Prospectus and this Supplement with respect to this Fund, this Supplement shall prevail.

The ICAV may establish additional Funds from time to time, with the prior approval of the Central Bank, details of which will be set out in the Addendum to the Prospectus.

The Directors of the ICAV, whose names appear in the "Management of the ICAV – The Board of Directors" section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not, in the Directors' judgement, omit anything likely to materially affect the import of such information. The Directors accept responsibility accordingly.

As the price of Shares in each Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on their investment.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Fund may invest in financial derivative instruments (FDI) for investment purposes and for efficient portfolio management purposes (as detailed below). See section titled "Leverage, Risk Management and Exposure Monitoring" for details of the leverage effect of investing in FDI.

This is not a guide to the future volatility of the Fund and may move over time. Investors may also refer to the KIID/ KID for the most up-to-date SRRI/SRI measurement.

Investors should read and consider Appendix III to the Prospectus (entitled "*Risk Factors*") before investing in the Fund.

Profile of a typical investor

A typical investor has an investment horizon of 5 years or more and is prepared to accept a moderate level of volatility. This is not a guide to the future volatility of the Fund and may move over time. Investors may also refer to the KIID/KID for the most up-to-date SRRI/SRI measurement.

Definitions

Unless otherwise stated below, all defined terms used in this Supplement shall have the same meaning as in the Prospectus.

Base Currency means USD

Business Day means any day (other than a Saturday or Sunday) on which commercial banks are open for business in Switzerland, and such other day or days as the Directors may determine and notify in advance to Shareholders.

Dealing Day means each Business Day save where, for example: markets on which a Fund's Investments are listed or traded or markets relevant to the Index are suspended or closed; or where there is a public holiday in the relevant jurisdiction in which a delegate of the Investment Manager is based, provided there is at least one Dealing Day per fortnight, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale and/or redemption of Shares in the ICAV or any Fund in accordance with the provisions of the Prospectus and the Instrument.

The Investment Manager produces dealing calendars which detail in advance the Dealing Days for each Fund.

The dealing calendar may be amended from time to time by the Investment Manager where, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager).

The dealing calendar for each Fund (and each Share Class within a Fund) is available from the Investment Manager and will be set out on the Website.

Dealing Deadline means 16:00 (Irish time) on the relevant Dealing Day, or such other time for the relevant Dealing Day as may be determined by Directors (or their duly appointed delegates) and notified in advance to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.

Equity and Equity-Related Securities means common and preferred stocks, warrants, rights, REITs and depositary receipts (including ADRs, EDRs and GDRs).

Share Class	ISIN [^]	Currency	Share Class Name	Dividend Policy	Hedged	TER
	IE000DWHL026	USD	USD Acc	Accumulating	Unhedged	Up to 0.50% per annum
	IE0002DZHEE4	USD	USD Dist	Distributing	Unhedged	Up to 0.50% per annum
	IE0001B3NOC1	EUR	EUR Hedged Acc	Accumulating	Hedged	Up to 0.50% per annum

Initial Offer Period	The Initial Offer Period of the Shares is open from 4 June 2026 to 4 December 2026. Thereafter, the Fund shall be continuously open for subscriptions on each Dealing Day and Shares will be available at the prevailing Net Asset Value per Share calculated as at the Valuation Point on the relevant Dealing Day.
Initial Issue Price	Approximately USD 10 Following the close of the Initial Offer Period, Shares will be available at the prevailing Net Asset Value per Share calculated as at the Valuation Point on the relevant Dealing Day.
Minimum Redemption Amount	USD 500,000 or 50,000 Shares or such other amount as may be determined by the Directors. Investors will be notified of any change to the Minimum Redemption Amount.
Minimum Subscription Amount	USD 500,000 or 50,000 Shares or such other amount as may be determined by the Directors. Investors will be notified of any change to the Minimum Subscription Amount.
Settlement Date	means, in respect of subscriptions, within one (1) Business Day after the relevant Dealing Day and, in respect of redemptions, generally within one (1) Business Day after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate) and in any event will occur within a maximum of ten Business Days of the Dealing Deadline. If a market is closed for trading or settlement on any Business Day during the period between the relevant Dealing Day and the expected Settlement Date (inclusive), and/or settlement in the currency of the relevant Share Class is not available on the expected Settlement Date, there may be corresponding delays to the settlement deadline.
Sustainability Risks	means transition risks (arising from the shift to a low-carbon economy), physical risks (stemming for example from global warming, extreme weather events, wildfires), environmental risks (such as resource depletion and pollution), social risks (including poor labour standards and human rights violations), and governance risks (resulting from weak corporate structures such as 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).
Valuation Point	means 11pm (Irish time) on each Business Day.
Website	means https://am.pictet.com/ Information on portfolio composition and the net asset value shall be made available on the Website on each Dealing Day.

^ The Directors of the ICAV may create new Share Classes from time to time, provided that the creation of any such new Share Classes is notified in advance to and cleared by the Central Bank. A separate pool of assets will not be maintained for each of the Share Classes.

1 Information on the Fund

1.1 Investment Objective, Investment Policy and Strategy

Investment Objective

The Fund seeks long-term capital appreciation.

Investors should be aware that their capital is at risk and that there is no guarantee that the investment objective will be achieved over any time period.

Investment Policy and Strategy

The Fund is an actively managed UCITS ETF which seeks to achieve its objective by investing in a diversified portfolio of Equity and Equity-Related Securities of companies located in the United States of America. The Fund will not be concentrated on any specific industry or sectors.

As discussed further below, the Fund may invest in Equity and Equity-Related Securities of any market capitalisation of companies listed in the S&P 500 Index (the "**Index**"). The Fund may hold some securities which are not underlying constituents of the Index where such equity and equity related securities provide similar performance (with matching risk profile) to certain securities that make up the Index but are considered by the Investment Manager to present a better investment opportunity. However, from time to time the Fund may hold all constituents of the Index.

The Equity and Equity-Related Securities in which the Fund invests will be listed on stock exchanges or regulated markets included in the list of Markets set out in Appendix II of the Prospectus.

The Fund may also use financial derivative instruments, namely index futures (for liquidity management and efficient portfolio management purposes) and warrants (for investment purposes). Further details on the use and purpose of such derivatives are provided under "Use of Derivatives, Efficient Portfolio Management Techniques and Leverage" below.

The Index

The Index represents the large-cap segment of the U.S. equity market, comprising 500 leading companies and covering approximately 80% of available market capitalisation.

The Fund is actively managed with reference to the Index. The Investment Manager has discretion to select the Fund's investments and in doing so, the Investment Manager will refer to the Index when constructing the Fund's portfolio, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Index) taken by the Fund remains appropriate given the Fund's investment objective and policy.

Under normal market conditions, at least 80% of the Fund's net assets will be invested in Equity and Equity-Related Securities of U.S. companies that are constituents of the Index. The Fund is expected to have a 40-50% active share versus the Index meaning that approximately 40-50% of the Fund's portfolio is expected to differ from the Index in terms of the securities held and/or their weightings.

The Investment Manager may also use its discretion to invest in securities not included in the Index in order to take advantage of specific investment opportunities.

The Index should be used by investors to compare the performance of the Fund.

The Index is a broad market index which does not focus on the ESG characteristics promoted by the Fund, as described in the Annex. Further details regarding the Index (including its constituents, composition and methodology) are available on the index provider's website: [S&P 500® | S&P Dow Jones Indices](#).

The Index rebalances quarterly.

The Fund does not aim to track or replicate the Index and the Fund's weightings may differ materially from it.

The Fund uses the Index for performance comparison purposes only.

Investment Strategy

The investment process involves three key steps:

Firstly, using the Index constituents as the initial universe, the Investment Manager utilises artificial intelligence¹ ("AI") models, including machine learning algorithms and natural language processing tools, as part of its investment analysis process.

The AI models are designed to assist the Investment Manager in analysing large volumes of data, including issuer fundamentals, such as company financial statements; earnings reports; as well as market data; news sources; short interest; calendar effects; and other publicly available information, to make relative forecasts of the stocks of the Index.

Secondly, these forecasts are then integrated into an optimiser, proprietary to the Investment Manager, that incorporates explicit risk estimates, position-sizing constraints and portfolio-level controls (the "Optimiser") to the forecasts.

This Optimiser also applies an environmental, social and governance ("ESG") process to the investment universe. This ESG process is designed to identify and exclude from the portfolio those issuers that do not meet the Investment Manager's ESG criteria, or to assess the relative ESG performance of potential investments as against the Index. The ESG screening process may incorporate data from third-party ESG rating providers, proprietary research conducted by the Investment Manager, and other publicly available ESG-related information. Issuers may be excluded from the investment universe or have their weightings adjusted based on ESG factors as further described below, and in the Annex. Furthermore, depending on these forecasts, it may be determined, via the Optimiser, that it is preferable to hold some securities which are not underlying constituents of the Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Index.

Finally, the Investment Manager then reviews the output of the Optimiser, which drives both buy and sell recommendations during implementation of the desired portfolio of the Fund. Portfolio managers check that these recommendations fit with the Fund's Investment Objective and Policy and Investment Restrictions. The portfolio managers also review the data and settings used by the Optimiser (such as portfolio construction, diversification, factor, sector and liquidity considerations), and apply additional quality and risk checks. The Investment Manager can change or reject any recommendation if, in its discretion, it deems the recommendation not to be suitable for the Fund. The Investment Manager at all times retains the ultimate discretion over the Fund.

Given the systematic and adaptive nature of the process which is undertaken on a weekly basis, the Fund may experience a high portfolio turnover rate which may have an impact on the transaction costs incurred by the Fund.

Cash Management

The Fund may hold ancillary liquid assets such as cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills and government bonds, commercial paper, short term Money Market Instruments and certificates of deposit). The Investment Manager may also engage in additional cash management strategies, pending investment, or if this is considered appropriate to the investment objective, invest on a short term basis in cash, cash equivalents and Money Market Instruments (including, but not limited to, U.S. treasury bills, investment grade corporate bonds, cash deposits, commercial paper, short term money market deposits and certificates of deposit), fixed rate or floating rate and will be issued or guaranteed by member states of the EEA and its local authorities or the U.S. government, and supranational bonds issued by public international bodies (of which one or more of the EEA member states are members), ETFs or other collective investment schemes.

Further information relevant to the Fund's investment policy is contained in the main part of the Prospectus under "*Investment Objectives and Policies*" and under "*Investment Restrictions*".

1.2 Investment Restrictions

The ICAV and the Fund adheres to the restrictions and requirements set out under the Regulations, as may be amended from time to time. These are set out in Appendix I to the Prospectus.

¹ Artificial intelligence refers, in this case, to the application of computer systems or models to perform tasks that typically require human intelligence.

The maximum exposure of the Fund to REITs is capped at 10% of the Fund's Net Asset Value.

1.3 Use of Derivatives, Efficient Portfolio Management Techniques and Leverage

The Fund may use the FDIs listed below for the purpose of Efficient Portfolio Management or for investment purposes:

- **Futures** may be used to increase index exposure or to gain equity market exposure. Futures are a standardised form of exchange traded forward designed to simplify trading and to provide increased liquidity. They differ from forwards in that they have standardised terms and are marked to market at the end of each trading day. Margin payments may be used to settle daily movements, and funds must retain sufficient liquidity to meet their margin requirements according to regulations governing likely future movements of the market. The value of index futures remains in one-to-one correlation with the underlying assets. Settlement can be affected either in cash or stock according to contractual terms. As with all futures contracts, index futures may be used to improve or introduce increased liquidity, to take positions in baskets of stocks (i.e. indices) and to introduce leverage by taking an exposure without the need for initial contractual outlay. Subject to complying with the requirements of the Central Bank, the Fund may invest in index futures based on specific stock market indices or other market indices for cash management purposes or to efficiently gain exposure to the underlying equity positions. For example, if there is a large cash inflow, the Fund may seek to gain short term exposure to the US equity market by investing in a futures contract based on the value of the Index.
- **Warrants** may be used for investment purposes. Warrants are securities that give the holder the right to purchase securities (usually equities) from the issuer at a specified price within a certain time frame. Warrants are issued and guaranteed by the company issuing the warrants. Warrants usually have a lifetime measured in years rather than months. Warrants may be used to increase or reduce equity market exposure. The Fund shall not have exposure to warrants of greater than 5% of the Fund's Net Asset Value.

The purpose of efficient portfolio management ("EPM") should be in line with the best interests of Shareholders and is to achieve one or more of the following: the reduction of risk; the reduction of costs; and the generation of additional capital or income for the Fund with no, or with an acceptably low level of, risk.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of EPM Techniques, as applicable. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

Currency Hedging

In addition to the above, the ICAV may enter into certain currency related transactions (using spot and forward currency contracts, currency options and currency swaps) in order to hedge the currency exposure of the Classes denominated in a currency other than the Base Currency, as further described under the heading "Currency Hedged Classes" in the Prospectus. Furthermore, as a result of currency hedging, hedged Share Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "Credit Risk and Counterparty Risk".

The use of FDI and Securities Financing Transactions for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus titled Risk Factors.

Please refer to the section of the Prospectus entitled "Efficient Portfolio Management and Financial Derivative Instruments" for further details.

1.4 Borrowing

In accordance with the general provisions set out in the Prospectus under the heading "Borrowing Powers", the ICAV on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares.

1.5 Leverage, Risk Management and Exposure Monitoring

Global exposure and leverage as a result of its investment in FDI as described above shall not exceed 100% of the Net Asset Value of the Fund. Global exposure will be measured using the commitment approach.

The Manager on behalf of the Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. Any FDI not included in the risk management process will not be utilised until such time as a revised submission has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

It is intended that the Fund will be managed to operate in normal circumstances with 100% long exposure. Short exposure, if any, will only be gained through the use of forward foreign exchange transactions for hedging purposes and will be limited to 1%. It is possible that the Fund may be subject to higher exposure levels from time to time. The anticipated range of long and short exposure is calculated on a gross basis.

1.6 Sustainability Related Disclosure – SFDR Classification and Integration of Sustainability Risks

SFDR Classification

The Fund meets the classification of an Article 8 Financial Product under SFDR as it promotes the environmental and social characteristics set out below, as well as limiting investments to companies that follow good governance practices.

The Fund promotes environmental and/or social characteristics related to (i) the exclusion of companies exposed to certain fossil fuels, weapons and addictive products activities, or in severe breach of international norms and standards such as the United Nations Global Compact Principles or the OECD Guidelines for Multinational Enterprises; and (ii) favouring companies with lower ESG risk, covering material environmental, social and governance factors such as carbon emissions, resource use and waste, human capital and occupational health and safety, data privacy and cybersecurity, and business ethics, as reflected in third-party ESG risk scores.

Please refer to the Annex which has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR applicable to an Article 8 Financial Product.

Please also refer to the Annex which reflects the disclosure requirements as prescribed under the Taxonomy Regulation. To the extent that there is any inconsistency between the Annex and this Supplement, the terms of the Annex shall prevail.

Integration of Sustainability Risks and Assessment of the Likely Impact on Returns

The Investment Manager believes that the integration of Sustainability Risks into the initial and on-going investment decision making process is essential for its success and considers that such integration can lead to a better risk/return outcome for the Fund.

The identification of Sustainability Risks and an assessment of their likely impact are conducted at the holdings level, and is systematically integrated into the investment selection and monitoring process. Key Sustainability Risks and their likely impacts include:

- Environmental Risk: May impair assets, productivity, or revenues, and increase liabilities, capital expenditures, and operating costs.
- Social Risk: May lead to reputational damage, reduced productivity, and higher liabilities or costs.
- Governance Risk: May result in poor strategic decisions, conflicts of interest, reputational damage, increased liabilities, or loss of investor confidence.
- Physical Risk: Includes impacts from climate change, such as extreme weather events, which may impair assets, productivity, or revenues, and increase costs.
- Transition Risk: Arises from the shift to a low-carbon economy, potentially impairing assets or revenues and increasing costs due to regulatory, market, or technological changes

The Investment Manager integrates Sustainability Risks at multiple stages of the investment process, from initial assessment to on-going monitoring and, where considered appropriate, disinvestment.

The Investment Manager draws on information from various sources, such as proprietary fundamental analysis, ESG research providers, third-party analyses (including those from brokers), credit rating services and financial and general media. Based on this information, the Investment Manager may decide to add or discontinue certain securities or increase or decrease its holdings in certain securities.

Where appropriate, the Investment Manager may rely on estimated data, while prioritising reported information and recognised regulatory disclosures; portfolio-level indicators are interpreted in light of coverage ratios.

Where the analysis identifies a deterioration in Sustainability Risk metrics or a material controversy, the Investment Manager will assess the nature, severity and financial materiality of the issue and determine to apply one of the following actions, applied proportionately based on the circumstances: increased monitoring frequency, adjustment of portfolio exposures. Where appropriate, Pictet AM may engage directly with investee companies to encourage action to address Sustainability Risks.

Sustainability Risks are considered most relevant to investment outcomes when they exhibit financial materiality and, like all investment risks, are incorporated by balancing expected risk with expected reward.

Sustainability Risks will be considered in all investment decisions taken in respect of the Fund except for investments in unlisted securities, cash and FDI overlays which do not support such integration. There may be circumstances in which Sustainability Risks will not be relevant to investment decisions including, but not limited to:

- Where the purpose of the investment is to achieve one or more specific outcome(s), e.g. placing derivative trades to manage liquidity.
- In respect of certain instruments or asset classes, e.g. Sustainability Risks are unlikely to affect the value of reserve currency.

The integration of Sustainability Risks may mean that the Investment Manager determines certain stocks are not suitable (or are no longer suitable) as investments for the Fund as the risk/return trade-offs are not appropriate. Accordingly, while there may be a limited number of investments that are deemed not to be investable, the universe of investments of the Fund may be smaller than that of other funds that do not incorporate any Sustainability Risks.

As at the date of this Supplement, the Investment Manager has determined that the level of exposure to Sustainability Risks in the Fund is unlikely to have a material financial impact on expected returns.

Therefore, the performance of the Fund may differ significantly from the Index where such excluded investments perform better relative to investments selected by the Investment Manager and where the Investment Manager deviates from the securities and weightings of the Index.

2 Key Information for Buying and Selling Shares

Shares may be subscribed for during the Initial Offer Period at the Initial Issue Price.

Shares may be subscribed for and redeemed on each Dealing Day by making an application before the Dealing Deadline. Such Shares will be issued or redeemed at the Net Asset Value per Share plus (in the case of subscriptions) or less (in the case of redemptions) an amount in respect of Duties and Charges, where applicable, on each Dealing Day, as disclosed below.

2.1 Listing

Application will be made to such exchanges as the Directors may determine from time to time (the "**Relevant Stock Exchanges**") for the listing of the Shares issued and available to be issued and to be admitted to listing on the official list and trading on each of the Relevant Stock Exchanges. This Supplement and the Prospectus together comprise listing particulars for the purposes of listing the Shares on the official list and trading on the main market of each of the Relevant Stock Exchanges.

2.2 Exchange Traded Fund

Subject to the requirements set out herein, the Shares of this Fund (where they are listed on the Relevant Stock Exchanges) are fully transferable among investors. It is envisaged that Shares will be bought and sold by institutional investors in the secondary market in the same way as the ordinary shares of a listed trading company.

2.3 Dividend Policy

It is not the current intention of the Directors to declare dividends in respect of the Classes identified as "Accumulating" classes in this Supplement. The net income attributable to the relevant "Accumulating" Classes shall be retained within the Fund and the value of the relevant accumulating share class shall rise accordingly.

Where provided for in the Supplement, the Directors may declare dividends in respect of the Classes identified as "Distributing" classes. Dividends may be paid out of net income (including dividend and interest income) attributable to the relevant "Distributing" Classes.

2.4 Fees and Expenses

Duties and Charges

A fee may be charged by the ICAV on the issue and/or redemption of Shares to cover the dealing costs relating to such issue and/or redemption.

For the avoidance of any doubt, the above Duties and Charges shall be in addition to the Subscription Price or shall be deducted from the Redemption Price payable to the investor or used to purchase the Shares of the New Class, in the case of a conversion (as appropriate).

Total Expense Ratio

Separate to and distinct from the Duties and Charges, fees and expenses will be incurred by the ICAV on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund. Such fees and expenses will be the Total Expense Ratio ("**TER**") as set out in the definition of "Share Class" above.

The TER, which is expressed as a percentage of the Net Asset Value of the relevant Share Class of the Fund, represents the maximum fees and expenses payable by the ICAV on behalf of the relevant Share Class of the Fund (other than any Extraordinary Expenses and Duties and Charges), including any VAT if applicable, as detailed in the Prospectus.

Any Extraordinary Expenses will be charged to the Fund in addition and will reduce the Net Asset Value of the relevant Share Class of the Fund accordingly.

During the life of the Fund, the maximum TER may need to be increased from time to time. Any such increase will be subject to the prior approval of Shareholders in accordance with the provision of the Instrument.

2.5 Other Fees and Expenses

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

Establishment Expenses

The fees and expenses relating to the establishment and organisation of the ICAV and this Fund shall be borne by the Investment Manager and shall not be charged to the Fund.

2.6 Risk Factors

Certain risks relating to the Shares are set out under the heading "Risk Factors" in the Prospectus. In addition, Shareholders must also note that:

- (a) The Funds are segregated as a matter of Irish law and as such, in Ireland, the assets of one Fund will not be available to satisfy the liabilities of another Fund. However, it should be noted that the ICAV is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.
- (b) Upon the occurrence of a Disruption Event (and without limitation to the Directors' personal powers as further described in the Prospectus); (i) adjustments may be made to account for any such event (including adjustment to the Index, the calculation of the Index level and/or changes to the terms of the derivative contracts) which may have a significant impact on the Net Asset Value of the Fund; (ii) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares and payment of Redemption Proceeds in accordance with the provisions of the Prospectus under the section "Suspension of Calculation of Net Asset Value"; and/or (iii) the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.
- (c) The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is linked to the performance of the components of the Index which, in turn, is exposed to general market movements (negative as well as positive).
- (d) The Fund may fail to meet its investment objective and the Fund's investment performance may depend, at least in part, on how its assets are allocated and reallocated among asset classes, sectors, underlying funds and/or investments and that such allocation will focus on asset classes, sectors, underlying funds, and/or investments that perform poorly or underperform other asset classes, sectors, underlying funds, and/or available investments. Any given investment strategy may fail to produce the intended results, and the Fund's portfolio may underperform other comparable funds because of portfolio management decisions related to, among other things, the selection of investments, portfolio construction, risk assessments, and/or the outlook on market trends and opportunities.

Investors should also refer to the Prospectus for additional disclosure of risks, in particular "*Artificial Intelligence Models and Data Risk*"; and "*ETF-Related Risks*"

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S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE (INCLUDING, WITHOUT LIMITATION, COMPLIANCE WITH SHARIAH LAW) OR AS TO RESULTS TO BE OBTAINED THE INVESTMENT MANAGER, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THE INVESTMENT MANAGER, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

ANNEX II

Template pre-contractual 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

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: **Pictet AI Enhanced US Legal Equity UCITS ETF** entity identifier: **9845009Z2D8583CCAE49**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: ____%

☒ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and/or social characteristics by

- excluding companies exposed to some fossil fuels, weapons and addictive products activities, or in severe breach of international norms and standards such as the United Nations Global Compact Principles, or the OECD guidelines for Multinational Enterprises, and
- favouring companies with lower ESG risk, that cover material environmental, social and governance factors such as carbon emissions, resource use and waste, human capital and occupational health and safety, data privacy and cybersecurity, and business ethics, as reflected in the third-party ESG risk score.

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

The Fund is actively managed with reference to the Index.

The Index is a broad market index and its characteristics are not used by the Fund to attain the environmental and/or social characteristics promoted by the Fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Environmental and Social characteristics of the Fund are met by the application of sectorial and normative / value-based exclusions and the binding implementation of a positive tilt, as further described below. To measure the attainment of environmental and social characteristics which are promoted by the Fund, the Investment Manager uses the following sustainability indicators:

Norms- and values-based exclusions:

The percentage of the Fund invested in issuers in the Index that are in breach of UN Global Compact Principles or OECD Guidelines for Multinational Enterprises, as determined by the Investment Manager through its research and analysis and the use of third party data, is expected to be 0%.

The percentage of the Fund invested in issuers involved in severe controversies (scoring 5 in Sustainalytics) is expected to be 0%.

Activity based exclusions

The percentage of the Fund invested in issuers generating revenues above defined thresholds from controversial activities (as set out in the table in the response to "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?" below) based on third-party product involvement data, is expected to be 0%.

Investors should note that the application of the norms- and values-based exclusions and activity based exclusions described above may, at any time, result in only a limited number of issuers being excluded from the investible universe of the Fund, as the Index may contain few issuers engaged in the activities or conduct targeted by these exclusions. Accordingly, the practical impact of these exclusions on the composition of the Fund's portfolio relative to the Index may be minimal.

Positive Tilt:

In order to measure the attainment of the environmental and social characteristics promoted by the Fund, the Investment Manager seeks to ensure that the Fund will at all times have a better aggregated ESG risk score than that of the Index.

In order to achieve a better aggregated ESG risk score than that of the Index, the Investment Manager applies a positive tilt to weightings of securities within its portfolio based on the weighted average ESG risk score of the Fund's portfolio relative to that of the Index, which the Investment Manager monitors on an ongoing basis.

After the exclusions described above have been applied to the Index constituents, ESG risk of the remaining eligible issuers is measured by aggregating the entity level ESG score provided by Sustainalytics and is assessed using a range from 0 to 10, where a score of 10 represents the lowest sustainability risk reflecting minimal exposure to material ESG issues and a score of 0 represents the highest sustainability risk reflecting very high exposure to material ESG issues. These ESG risk scores are used as inputs in portfolio construction, such that the Investment Manager will always ensure the Fund's portfolio has a better aggregated ESG risk score than that of the Index.

The ESG risk score estimates how much a company is exposed to unmanaged Sustainability Risks, by comparing its exposure to certain ESG issues (as described below) and considering how effectively those risks are managed by such an issuer. A higher aggregated ESG risk score indicates better ESG risk management. The importance of each ESG issue varies by sector, as issues are weighted in the ESG

risk score according to their materiality for the given sector. The ESG risk score combines several material ESG issues:

- Environmental issues such as carbon emissions, resources use and waste;
- Social issues such as human capital and occupational health and safety, and data privacy and cybersecurity.

Governance and conduct issues such as business ethics, product governance, and broader governance practices that affect how ESG risks are controlled.

The positive tilt is implemented by adjusting portfolio weightings relative to the Index to achieve a better aggregated ESG risk score of the Fund's portfolio, relative to the Index. This includes increasing the weight of securities which, in the Investment Manager's determination, have low Sustainability Risks and/or decreasing the weight of securities which, in the Investment Manager's determination, have high Sustainability Risks. There is no minimum aggregated ESG risk score for the portfolio of the Fund. As such, while the portfolio may have a low or a high aggregated ESG risk score, it will always have a higher aggregated ESG risk score than the Index. Accordingly, the margin by which the aggregated ESG risk score of the Fund may be higher than that of the Index may be minimal.

Active ownership:

The Fund methodically exercises its voting rights in respect of its holdings. The Investment Manager, acting on behalf of the Fund, may also engage with the management of companies in which it invests on ESG issues which it considers to be material and may discontinue investment if progress proves unsatisfactory.

The Investment Manager aims to vote on 100% of its equity holdings within the Fund.

The Investment Manager may engage issuers through a combination of targeted in-house-led discussions, third-party engagement services and via collaborative institutional investor initiatives.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the Fund does not commit to make sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the Fund does not commit to make sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable as the Fund does not commit to make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable as the Fund does not commit to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, the Fund, subject to data availability, considers and, where possible, mitigates principal adverse impacts (PAIs) of its investments on society and the environment that are deemed by the Investment Manager to be material to the investment strategy through a combination of portfolio management decisions, exclusion of issuers associated with controversial conduct or activities, and active ownership activities.

Exclusions allow the Fund to remove economic activities and behaviours towards international norms that have high adverse impacts on society or the environment.

Active ownership activities, which include engagement and proxy voting (where applicable), aim at positively influencing the issuer's ESG performance and to protect or enhance the value of investments.

Engagement is conducted by the investment team either independently or as part of a Pictet-level initiative.

The Fund considers the following Principal Adverse Impacts through the application of Pictet AM's exclusion framework:

- Greenhouse Gas Emissions: PAI 1-6
- Biodiversity: PAI 7
- Water: PAI 8
- Waste: PAI 9
- Social and Employees matters: PAI 10-11, PAI 14, PAI 15 (additional)

This list may be updated from time to time as and when appropriate data is available. The Fund will provide information on the PAIs in its annual report.

☐ No



What investment strategy does this financial product follow?

The investment process involves three key steps:

Firstly, using the Index constituents as the initial universe, the Investment Manager utilises AI models, including machine learning algorithms and natural language processing tools, as part of its investment analysis process.

The AI models are designed to assist the Investment Manager in analysing large volumes of data, including issuer fundamentals such as company financial statements, earnings reports, as well as market data, news sources, short interest, calendar effects

and other publicly available information, to make relative forecasts of the stocks of the Index.

Secondly, these forecasts are then integrated into the Optimiser which incorporates explicit risk estimates, position-sizing constraints and portfolio-level controls to the forecasts.

This Optimiser also applies an ESG process to the investment universe. This ESG process is designed to identify and exclude from the portfolio those issuers that do not meet the Investment Manager's ESG criteria (as described in the response to *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?* above) or to assess the relative ESG performance of potential investments as against the Index. The ESG screening process may incorporate data from third-party ESG rating providers, proprietary research conducted by the Investment Manager, and other publicly available ESG-related information. Issuers may be excluded from the investment universe or have their weightings adjusted based on ESG factors as further described below.

Finally, the Investment Manager then reviews the output of the Optimiser, which drives both buy and sell recommendations during implementation of the desired portfolio of the Fund. Portfolio managers check that these recommendations fit with the Fund's Investment Objective and Policy and Investment Restrictions. The portfolio managers also review the data and settings used by the Optimiser (such as portfolio construction, diversification, factor, sector and liquidity considerations), and apply additional quality and risk checks. The Investment Manager can change or reject any recommendation if, in its discretion, it deems the recommendation not to be suitable for the Fund. The Investment Manager at all times retains the ultimate discretion over the Fund.

Given the systematic and adaptive nature of the process which is undertaken on a weekly basis, the Fund may experience a high portfolio turnover rate which may have an impact on the transaction costs incurred by the Fund.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund's binding elements include:

1. the percentage of the Fund (expected to be 0%) invested in issuers that:
 - a) derive a significant portion of their revenue from activities detrimental to society or the environment as detailed in the table below;
 - b) severely violate the United Nations Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.
2. a commitment to a Positive Tilt (as described above) (i.e. a better aggregated ESG risk score than that of the Index).

Company Exclusions based on Controversial Activities and Revenue thresholds*

Activity	Revenue Threshold
Fossil Fuels	
Thermal Coal Extraction	25%
Thermal Coal Power Generation (High-income Country – as defined by the World Bank)	25%
Thermal Coal Power Generation (Rest of the World)	50%
Oil Sands Extraction	25%

Shale Energy Extraction	25%
Off-shore Arctic Oil & Gas Exploration	10%
Weapons	
Production of controversial weapons**	Excluded
Military Contracting Weapons	10%***
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%
Addictive Products	
Tobacco Products Production	10%
Adult Entertainment Production	10%
Gambling Operations	10%

* Exclusions apply if % revenue is equal to or greater than the mentioned value.

** Regarding nuclear weapons, this exclusion applies to companies that have their registered office in a country which is not a signatory to the 1968 Treaty on the Non-Proliferation of Nuclear Weapons.

*** This exclusion applies to companies that do not have in place an anti-bribery and corruption policy or have a Sustainalytics controversy score of "4", or are not subject to internationally recognised arms export control frameworks such as the Wassenaar Arrangement; the Arms Trade Treaty (ATT); the Convention on Certain Conventional Weapons (CCW); the Australia Group; or such other relevant and comparable international treaties, conventions or frameworks as the Investment Manager may determine (together the "Frameworks"). However, the Fund may invest in a company that derives more than 10% of its revenue from military contracting weapons, where such company (a) has in place an anti-bribery and corruption policy; (b) has a Sustainalytics controversy score of less than 4; and (c) has its registered office in a country which is a participating state in the Frameworks.

To ensure ongoing compliance, the Fund monitors the ESG risk score of all securities and issuers that form part of its minimum allocation of investments which are aligned with the E/S characteristics of the Fund, as stated in "What is the asset allocation planned for this financial product?". The Fund draws on information from various sources, such as proprietary fundamental analysis, ESG research providers, third-party analyses (including those from brokers), credit rating services and financial and general media. Based on this information, the Investment Manager may decide to add or discontinue certain securities to the portfolio of the Fund, or to increase or decrease its holdings in certain securities.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable.

- **What is the policy to assess good governance practices of the investee companies?**

The good governance practices criteria apply to issuers of all corporate investments of the Fund. Issuers must meet the Investment Manager's criteria for "Good Governance Practices", as set out in its Responsible Investment Policy (a link to which is available further below which may be updated from time to time).

To determine whether a company meets minimum requirements for good governance practices under SFDR, the Investment Manager ensures that companies it invests in do not have severe controversies (i.e. operations incidents and business ethics incidents) or UNGC breaches that are linked to various topics including sound management, employee relations, remuneration of staff and tax

compliance. How breaches to UNGC principles and severe controversies map to good governance practices is set out in Pictet Asset Management's Responsible Investment Policy.



What is the asset allocation planned for this financial product?

The Fund selects investments through the implementation of its artificial intelligence-enhanced optimised investment strategy, and invests in a broad range of Equity and Equity-Related Securities consistent with its mandate.

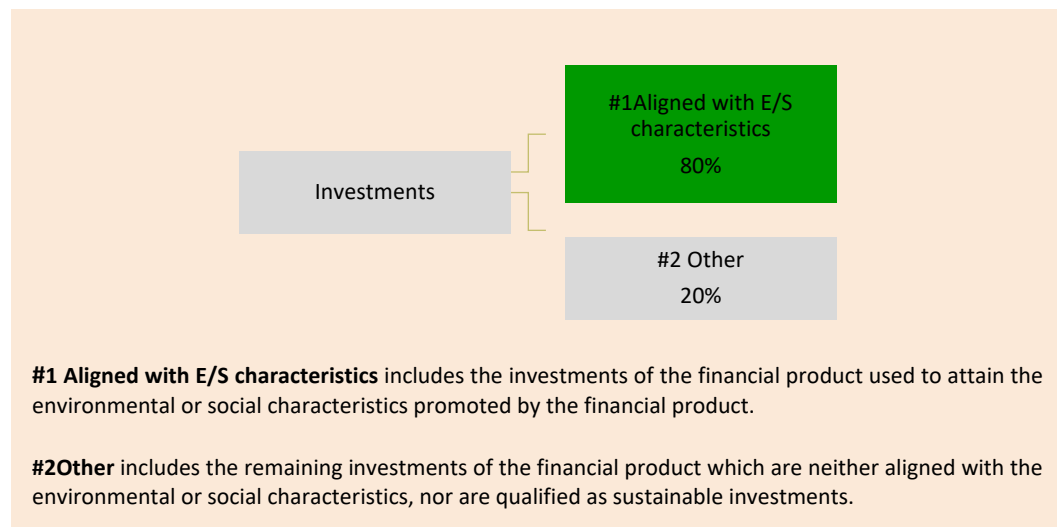
The Fund will invest at least 80% in investments which are used to meet the environmental and/or social characteristics promoted by the Fund, and up to 20% of the Fund is invested in #2 Other assets. A description of such assets is set out in response to "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?" below.

The Fund does not commit to investing in sustainable investments or investments aligned with the Taxonomy Regulation.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not use derivatives to attain the promoted environmental or social characteristics.



To what minimum extent are 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.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐

Yes:

☐

In fossil gas

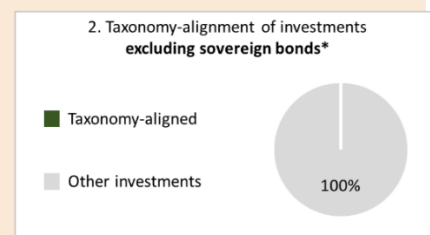
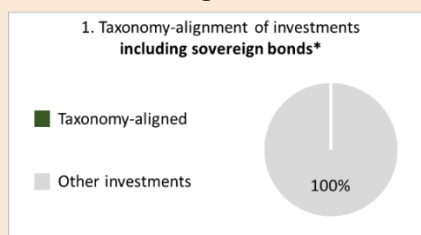
☐

In nuclear energy

☒

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

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 not significantly harm 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.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable as the Fund does not commit to make sustainable investments.



What is the minimum share of socially sustainable investments?

Not applicable as the Fund does not commit to make sustainable investments.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Fund's "other" investments include cash, cash equivalent and derivatives.

The allocation to such assets may increase in extreme market conditions as stated in the "Investment restrictions" section in the general part.

Where relevant, minimum environmental or social safeguards will be applied to derivatives which are used for investment purposes such as warrants.



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

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

- **How does the designated index differ from a relevant broad market index?**

Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:
<https://documents.am.pictet/?isin=LU2749782368&dla=en&cat=sfdr-permalink>

Pictet Asset Management's Responsible Investment policy is available at
https://documents.am.pictet/library/en/other?documentTypes=RI_POLICY&businessLine=PAM