DE PURY PICTET TURRETTINI

FROM MINES TO FINANCIAL MARKETS

Impact Report 2021

From Mines

To

Financial Markets

Table of content

PROPRIETARY INVESMENT PHILOSOPHY: BUY & CARE®

Introduction ..... - 3 -
A Pioneer in Sustainable Finance ..... - 4 -
Investment Policy ..... - 5 -
Why Artisanal and Small-scale Mines? ..... - 6 -
Buy & Care® Implementation ..... - 7 -

1. ACTIVE PORTFOLIO MANAGEMENT

Fund Management Team ..... - 9 -
Advisory Committee ..... - 10 -
Investment Process ..... - 11 -
2021 Financial Performance ..... - 13 -

2. ACTIVE STEWARDSHIP

Swiss Better Gold Initiative and its actors ..... - 15 -
Objectives - Swiss Better Gold Association ..... - 16 -
Fund's stewardship ..... - 17 -

3. ACTIVE ENGAGEMENT AND IMPACT

Engagement Policy ..... - 19 -
Swiss Better Gold Continuous Engagement ..... - 20 -
How the impact premium works ..... - 21 -

TANGIBLE IMPACTS AND OBJECTIVES

Impacts of the Swiss Positive Gold Fund ..... - 23 -
SBG's Economic, Social and Environmental Impact ..... - 25 -
Future objectives ..... - 28 -

DE PURY PICTET TURRETTINI

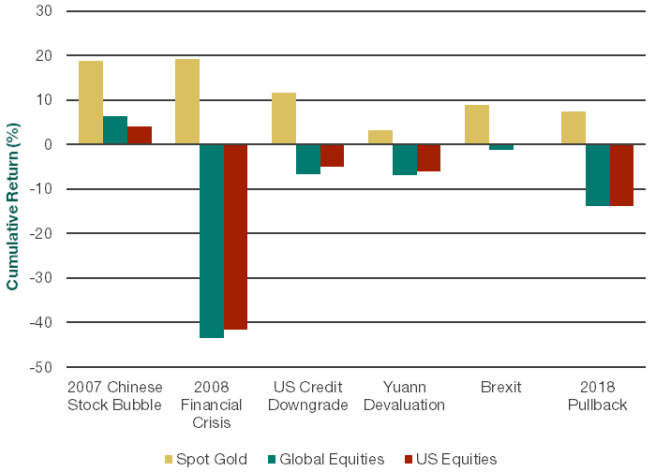
DE PURY PICTET TURRETTINI is an independent asset manager founded in 1996 in Geneva with over CHF 6.5 billion in assets under management. The company has been managing equity funds with a Buy & Care® active ownership approach since 2006 and has been a PRI signatory since 2008, making it a pioneer in responsible investment.

PROPRIETARY INVESMENT PHILOSOPHY:

BUY & CARE®

Introduction

We know that gold provides great portfolio diversification particularly during geopolitical crisis. Global gold demand is increasing due to the rising middle classes around the world and specific industry usages. Simultaneously, the increased awareness of the negative social and environmental impacts of gold mining is reaching consumers and investors who are increasingly concerned by their impacts. Swiss Positive Gold is a natural complement to ESG equities and bonds in a well-diversified portfolio.



The gold industry recognizes supporting gold artisanal and small-scale mines (ASMs) as critical to their responsible sourcing. Indeed, the ASMs have a very important economic role for the local communities and their social and environmental footprint can be greatly improved for their own benefit.

The Swiss Better Gold Association (SBG Association) and the Swiss Better Gold Initiative (SBG Initiative), operate with the support of the Swiss Government and the Swiss Gold industry. They have been working for the past seven years to help a growing number of ASMs improve working conditions and practices as well as minimizing their environmental impact.

With a metal throughput of 6800 kg and impact premium of US$ 5 million generated to date, SBG Association and SBG Initiative look forward to continuing to expand their reach and support to ASMs over the coming years.

Switzerland is a major actor in gold worldwide, importing and exporting vast amounts of the metal every year. However, the growth of the sector brings with it additional responsibilities in connection with the phenomenon of the 'resource curse' in commodity-exporting countries, in protecting human rights, environment, and in the fight against corruption.

The Swiss Positive Gold Fund ("SPG Fund") aims at empowering the force for good of the capital markets in offering to the investors a liquid vehicle to invest in responsible and positive impact gold. The gold mines chosen by SPGF meet responsible mining criteria and follow among the strictest ESG rules in the industry. In addition, the gold mines, which are part of the Swiss Better Gold association receive a specific impact premium. The SPGF transforms this social and technical assistance premium into a market premium. It is a major step for the impact investment industry and contributes to strengthening Switzerland as a leading sustainable finance centre.

Frédéric Dawance - Managing Partner

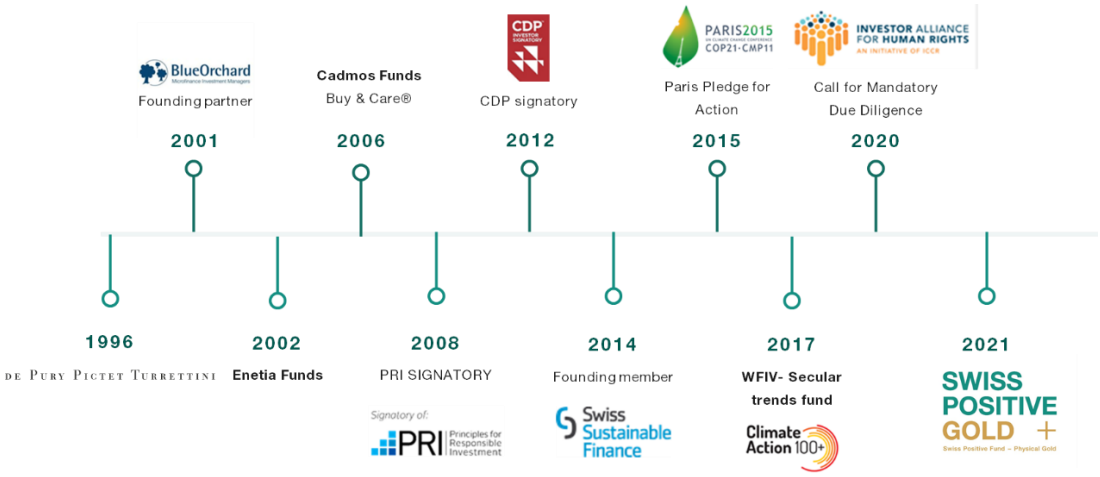
Melchior de Muralt – Managing Partner

A Pioneer in Sustainable Finance

De Pury Pictet Turrettini (PPT) is an independent asset manager founded in 1996 in Geneva. Since inception, PPT has always demonstrated a great capacity for innovation, notably as a pioneer of responsible and sustainable investments. Launched in 2021, the Swiss Positive Gold Fund represents once again a ground-breaking innovation ambitioning to foster the development of a responsible gold market and value chain.

In 2001 PPT initiated impact investing as a founding partner of Blue Orchard Microfinance. The year-after it created a dedicated private equity and listed equity investment platform (EIC now ENETIA) focused on the energy transition. PPT also launched the first engagement funds in continental Europe in 2006 with the Cadmos Engagement Funds and the underlying Buy & Care philosophy.

PPT is founding or early signatory of many key sustainable finance initiatives. We are signatory the UN Principle for Responsible Investments since 2008 and are scoring A+ in "Strategy and Governance", "ESG Incorporation" and "Active Ownership". We are founding member of Sustainable Finance Geneva and Swiss Sustainable Finance and Climate Actions 100+ among others.



"In 2019, the Cadmos Peace Investment Fund was nominated by the UN Principles for Responsible Investment (PRI) awards within the category "Active Ownership Project of the Year."

Investment Policy

The Swiss Positive Gold Fund provides an excellent vehicle to get access to impact gold. It is managed according to the Buy & Care® philosophy to deliver simultaneously beta-tracking gold performances and positive additional impacts.

1. Full Traceability

We ensure full traceability on the gold we purchase at industrial and artisanal mines

2. Positive Impact

We aim to make a positive social and environmental impact through increasing the share of artisanal mines supported by the Swiss Better Gold impact premium.

3. Sustainable Gold Market

PPT, together with Pictet Group and MKS-PAMP, is committed to improve the gold market's sustainability by harnessing the power of capital market. We want a gold market where each grade of gold is traded at its fair price, including social and environmental premiums. This will harness the power of capital markets to change ESG practices and lift artisanal miners out of poverty.

Swiss Positive Gold Fund is a contractual investment fund under Swiss law initiated by PPT in October 2021. It offers:

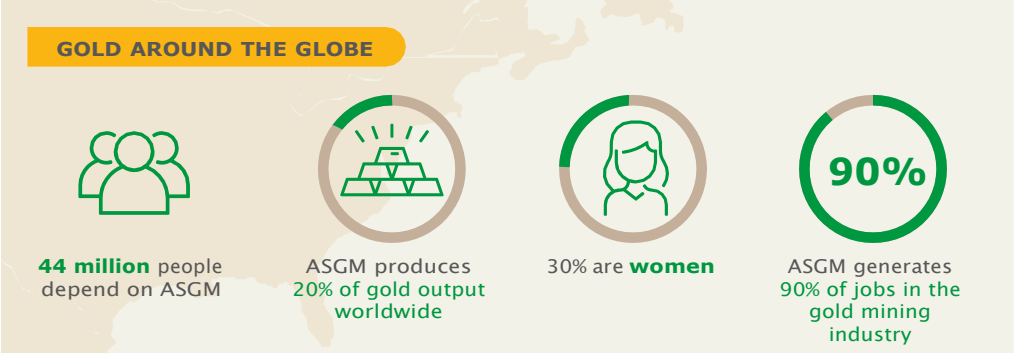
- access to premium quality physical gold
- transparent structure
- availability in "institutional" sizes
- with real positive SDG impacts

© Swiss Better Gold 2021

Positive Gold	Standard Gold
✓ Transparent and traceable sourcing	✓ No tracing, no clear origin
✓ Mined in a responsible manner	✓ Mined regardless of ecological and social consideration
✓ Positive socio-economic and environmental dynamic	✓ Negative socio-economic and environmental dynamic
✓ Audited from mine to market	✓ No proper audit, no responsibility
✓ Reputable labels (Swiss Better Gold, Provenance, Fairtrade, LBMA)	✓ No labels

Why Artisanal and Small-scale Mines?

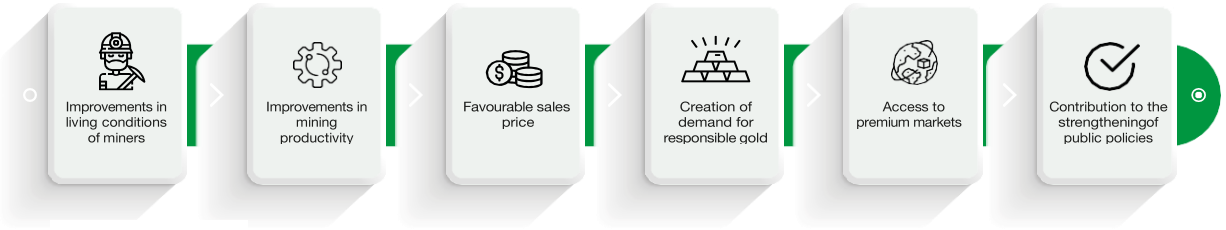
Artisanal and Small-scale Gold Mining (ASGM) generates direct and indirect income for over 44 million workers worldwide. ASGM is the source of 20% of the global gold production and has the potential to act as an economic engine to drive the sustainable development of mineral-endowed communities.



© Swiss Better Gold 2021

The sector, however, does not come without its challenges, often characterised by informal operations, wide-spread use of mercury, hazardous working conditions, child labour and, in some cases, conflict financing and money laundering. For this reason, it is a sector that is mostly disregarded by the international mining groups because they see ASGMs as too big of a risk. Many of the ASGM producers are, as a consequence, marginalised and must endure a precarious financial situation: they are particularly affected by fluctuations in gold prices and unfavourable sale conditions imposed by intermediaries, and have limited to no access to basic financial services.

Therefore, SBGI aims at providing technical support and training, channelling direct financial investment in mine safety and improving mine safety, offering fair business terms and an additional incentive community development project. As a consequence, these actions will help creating sustainable value chains from mine to market, expanding the good practice to other ASGM and the gold mining industry as a whole, as well as having a sustainable impact with social and environmental projects.



© Swiss Better Gold 2021

"Nevertheless, only a few investors at this stage integrated the fact that not all gold has been created equal and that different value chain command different end-prices."

Buy & Care® Implementation

PPT demonstrated since 2006 that the Buy & Care® philosophy allows to better select tomorrow's winners and improve our portfolio's risk-reward-impact profile. Its three founding principles have proven their reliability through changing economic cycles.

1. Active Portfolio Management

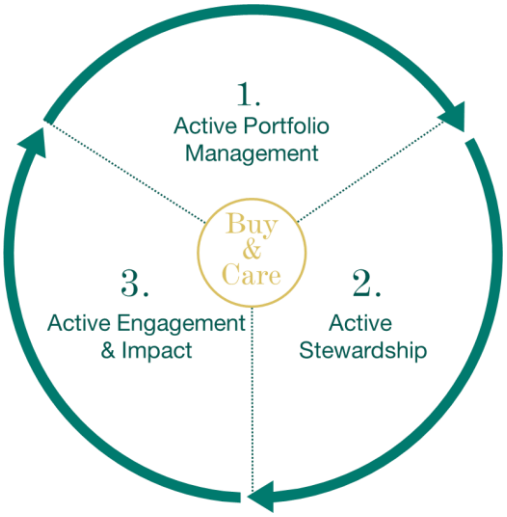
The investment policy is implemented through the maximum possible direct investments in standard bars of specific labels such as Swiss Better Gold "SBG " and, "Provenance Gold" with a guarantee to always invest in LBMA Responsible Gold Guidance "LBMA gold". In addition, the fund management company may invest up to a maximum of 10% of the sub-fund's assets in other units of certified collective investment schemes and in physical gold certificates. A resilient portfolio is made possible by the understanding of the market dynamic and liquidity constraints.

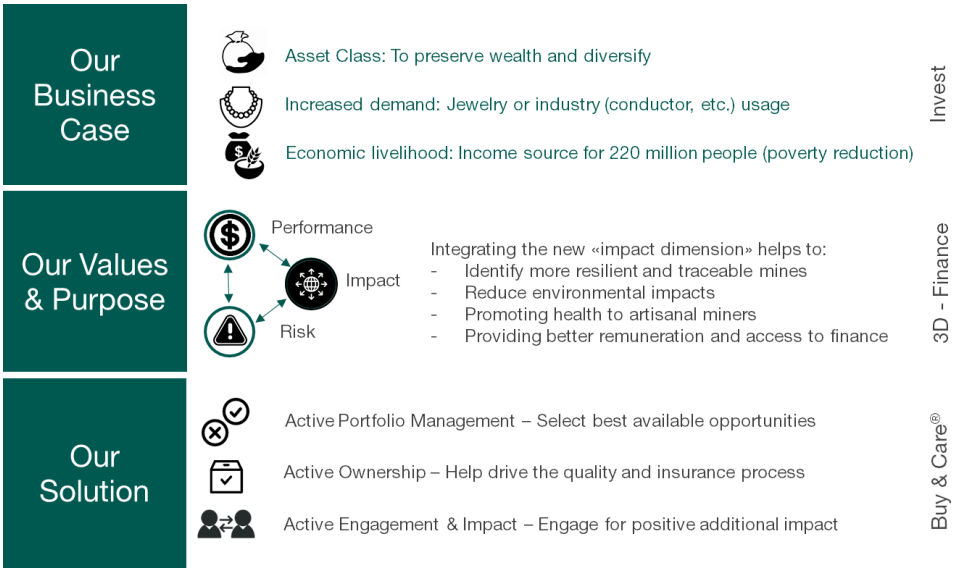
2. Active Stewardship

We are proud to have integrated active stewardship since 2006 within our Buy & Care® strategy. As an active member of the SBG Association, the Fund has a vested interest to increase the capacity, the quality standards and the number of certified mines. PPT will continuously strengthen the investment process and increase the underlying surveillance mechanism to increase the quality of the positive gold value chain.

3. Active Engagement & Impact

The fund aims to generate additional tangible impact by fostering and developing the market conditions, the offer (SBG accredited mines) and demand (sustainable pricing of the positive externalities) for a liquid and more responsible gold value chain and market. An impact premium supports artisanal and small-scale miners ("ASMs") with social and environmental projects such as providing better access to water or to improve the energy efficiency. Technical assistance is provided to mines to help them comply with SBG criteria and implement the necessary social and environmental measures such as health and safety awareness programs, trainings on safe handling of hazardous substances (incl. explosives and mercury), technical advice in waste and tailing management, etc.





1. ACTIVE PORTFOLIO MANAGEMENT

Fund Management Team

The Swiss Positive Gold Fund is managed by the following team within de Pury Pictet Turrettini.

Frédéric Dawance-Managing Partner – Fund Manager

Frédéric Dawance is the lead portfolio manager of the Swiss Positive Fund - Physical Gold. He started his career as a hedge fund and derivative specialist at Pictet in Geneva, followed by CSFB in Zurich and London as well as at Exane in Paris. Following two years as CFO in a technology company, Lombard Odier & Cie asked him to join them in 2004, initially as head of trading, then as head of investment products (funds, hedge funds, structured finance and private equity) and finally as head of the wider group of private wealth investment managers. Frédéric joined PPT as a Partner in 2016. Frédéric holds a HEC degree of the University of St. Gall and master degree in economics of the University of Cologne.

Stéphanie de Mestral – Senior Analyst – Deputy Fund Manager

Stéphanie joined PPT in 2014 as a wealth manager for Swiss and European families. A pioneer in responsible investment, PPT provides an ideal setting for Stéphanie to develop her expertise in sustainable finance which she engages to advise clients who want their portfolios to reflect their values and preferences in terms of ESG and impact. She has also been a member of the jury of the Swiss Sustainable Funds Awards since 2019. Stéphanie has spent her entire professional career in the field of wealth management and advising major private and institutional clients, first at Morgan Stanley in New York, London and Zurich, then at Lombard Odier and BNP Paribas in Geneva. She holds a Certificate of Advanced Studies in SDG Investing from the Graduate Institute of International and Development Studies, as well as a Master in Economics and Finance from the University of St. Gallen and a Master in International Management from Bocconi/CEMS University. She is also a CFA charter holder, a member of the Swiss CFA Institute and an active volunteer with the CFA Institute supporting the CFA program.

Julien Pham – Senior Quantitative Analyst

Julien joined PPT in 2017 and is in charge of the management and monitoring of specific multi-asset portfolios. He started his career in 2012 at Amundi Asset Management – Fixed Income and Treasury management in Paris followed by two years at BNP Paribas Wealth Management in Geneva within the discretionary portfolio management team.
Julien holds a Bachelor in Mathematics & IT (University of Sciences – Marseille) and a Master in Economics & Finance (Kedge Business School).

Valentina Fumagalli – Senior Quantitative Analyst

Valentina joined de Pury Pictet Turrettini in July 2019 to manage international private clients' portfolios. Previously, she spent 13 years at BNP Paribas (SUISSE) SA in various positions in wealth management starting as junior relationship manager before being promoted to wealth advisor and finally Senior relationship manager.
Valentina holds a Master in political sciences from the Graduate Institute of International and Development Studies in Geneva.

Engagement Coordination and Sustainability support team

Melchior de Muralt – Managing partner-Engagement and impact specialist

Melchior de Muralt has 30 years of financial markets expertise. He joined PPT in 2001 as a partner of the firm, in-charge of the family office services and member of the executive committee. Melchior is member of the International Committee of the Red cross (ICRC). He was previously at Lombard Odier and a member of the management. Melchior holds a Ph.D in political science from the University of Lausanne.

Dominique Habegger - Chief Sustainability Officer

Dominique Habegger started his career in 1996 and contributed to many innovations in sustainable finance. He joined PPT in 2013 to develop and deploy the «Buy and Care®» strategy. He initiated the ESG integration at Lombard Odier in 1998 before co-founding ASSET4 in 2003. Dominique holds a master in finance from the University of St. Gallen (HSG). He is a member of the Board of Directors of SSF and Vice-President of SFG.

Advisory Committee

PPT and MKS PAMP meet on a regular basis for the Quarterly Swiss Positive Fund Advisory committee. Frédéric Dawance, together with Melchior de Muralt, Omar Liess and Xavier Miserez constitute this committee.

Omar Liess - Member of the Executive Management Committee MKS

Omar is MKS' Head of Business Development and Group head of Marketing as well as a member of the Executive Management Committee. He previously worked in the Netherlands as an internal controller for the MKS PAMP GROUP and was instrumental in the repositioning of the group's digital strategy. Omar serves as Chairman of the board of GOLD AVENUE SA, an ecommerce platform focused on physical precious metals. Additionally, he serves on the Board of director of Pandion mine finance, a fund structure vehicle that provides financing to mining companies. Omar graduated from the European Business School in London with a Bachelor's degree in International Business with a major in Finance.

Xavier Miserez – Head of Sales MKS

Xavier is MKS' Head of Sales. He joined the MKS PAMP GROUP in 2013, overseeing all legal matters and leading the onboarding department and client relationship, covering all upstream as well as downstream customers, trading and banking accounts.
Prior to this, Xavier has worked two years for a Geneva based law firm prior to take the bar exam and another two years for Ernst & Young in a legal and regulatory department dedicated to banks and other financial intermediaries. He holds a Master's Degree in law from Lausanne University, and a Diploma of advanced studies in Commodity Trading from Geneva University.

Governance

PPT's governing bodies ensure an effective development and implementation of the Buy & Care philosophy. It ranges from the alignment of PPT's sustainable finance objective with its core values to the effective execution at the operational level.

Board Level

Our Board of Directors oversees the coherent integration of the Buy & Care approach into PPT's strategy. It defines our ambitions and objectives in line with PPT's core values into a sustainable finance charter and strategy. The Board is also responsible for monitoring the implementation and effectiveness of the strategy.

Executive Committee Level

The Executive Committee oversees the implementation of the Buy & Care strategy within PPT's operations through a validated action plan. It approves the necessary budgets and controls the implementation of the action plan.

Chief Sustainability Officer

The Chief Sustainability Officer develops the Buy & Care philosophy and coordinates with all PPT's portfolio managers to ensure its integration into PPT's investment processes. The CSO provides the necessary support to our investment decisions and qualitative engagement meetings.

Investment Process

Impact is achieved according to the Buy & Care® approach with:

1. Gold originated from accredited responsible artisanal sources
2. Through shorter and segregated supply chains
3. By promoting environmental, health and social improvements
4. By paying direct premiums to the artisanal miners

The Swiss Positive Gold Fund investment process includes a 3-step development, backed by a strong risk-management framework.

Select the right type of gold and partners

Decide on the optimal allocation by origin of gold

Build a resilient and impactful portfolio, optimizing transaction costs

1. Positive Gold

The first step is to determine the best available opportunities within the existing underlying's – labelled gold bars, gold funds, money market funds, along 5 criteria:

- Gold price tracking
- Social and environmental impact
- Economical value
- Availability
- Risk

Following this initial assessment, the investment manager updates the analysis on a yearly basis.

2. Right Mix

The second step is to determine the target allocation. This allocation is reviewed on a quarterly basis or more often if needed by the investment manager.

3. Unique Portfolio

The third step is the portfolio construction where the size of each position is determined by the target allocation, market conditions, subscriptions and redemptions in the fund.

A resilient portfolio is made possible by the understanding of the market dynamic and liquidity constraints. Portfolio construction aims at maximizing the fund's overall social and environmental impact while at the same time tracking the price of premium gold net of fees.

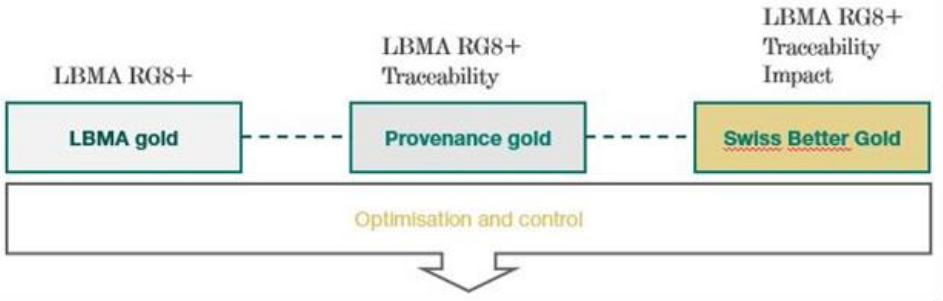
The following risks are specifically monitored:

- Risk of tracking error
- Risk of no impact or adverse impact
- Liquidity risk
- Slippage and high transaction costs risks
- Counterparty risk
- Reputation risk.

"The investment process is based on a careful selection of supply chain partners, continuous monitoring and engagement, best execution and transparency."

Investment Process (cont.)

The investment policy is implemented through direct investments in standard bars of specific labels such as Swiss Better Gold - SBG Gold and Provenance Gold.



Bars or ingots accredited by Swiss Better Gold ("Swiss Better Gold").

The Swiss Better Gold Initiative (SBG Initiative), a public-private partnership between the Swiss State Secretariat for Economic Affairs ("SECO") and the Swiss Better Gold Association ("SBG Association"), sets advanced standards for sustainable mining.

The core missions of the Swiss Better Gold are to support artisanal and small-scale mining ("ASMs") by providing technical assistance, notably health and safety awareness programs, act as a facilitator in the value chain between SBG Association members (i.e. MKS-PAMP) and the mines it supports and to reinvest the incentive premiums in social and environmental improvements within the network of eligible ASM producers.

SBG SWISSBETTERGOLD

Bars or ingots certified Provenance Gold per PAMP SA ("Provenance Gold")

The label of Provenance Gold is given by MKS-PAMP to gold originating from mines fulfilling additional ethical sourcing criteria set by MKS PAMP Group, ensuring the mines' sourcing complies the following criteria:

Detailed expected mine production and longevity

Fulfilling MKS PAMP Group's strict due diligence process: (Mine site KYC monitoring program, including risk based on-site visits and addressing environmental and sustainability responsibilities; Compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area; Compliance with the latest LBMA Responsible Gold Guidance).

Single Source Guarantee and Membership of the World Gold Council, applying the responsible gold mining principles, intended to recognise and consolidate existing standards and instruments under a single framework.

Bars or ingots produced by a LBMA Gold Delivery refinery ("LBMA Gold")

The London Bullion Market Association is an international trade association, representing the global market for gold bullion covering refining & quality standards and the development of good responsible sourcing practices.

This responsible sourcing program follows the due diligence framework set out in the OECD Guidance and requires Good Delivery List of approved refineries to demonstrate their efforts to combat money laundering, terrorist financing and human rights abuses, and respect the environment globally.

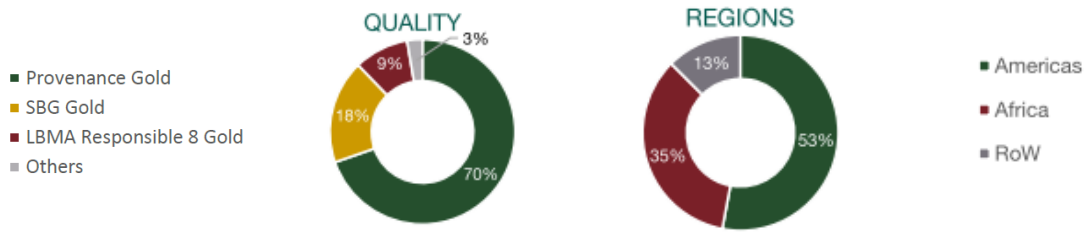
LBMA's Responsible Sourcing Program explicitly requires refiners to engage with producers defining minimum requirements that are mandatory along the entire precious metal supply chain. The concept of continuous improvement is an integral component of the LBMA programs.

MKS-PAMP adheres to LBMA's Responsible Sourcing Program (LBMA Responsible Gold Guidance in place - currently version 8 and produces bars which meet LBMA Good Delivery Rules.

2021 Financial Performance

As of December 2021, the physical gold owned by the fund in the form of standard bars is split among SBG gold, Provenance and LBMA responsible gold across different regions globally, as per following:

Underlying's at 31st December 2021



The complete list of underlying gold bars and ingots would be communicated by the fund manager upon client's request. This list includes the bar and ingot's detail e.g. number, label and weight.

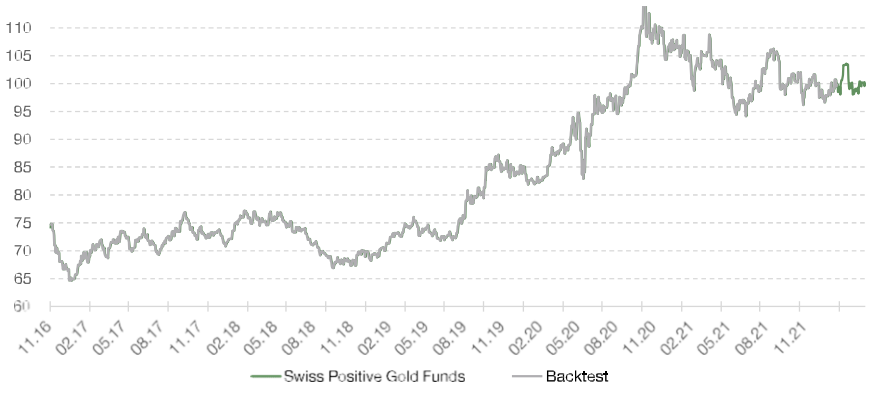
2021 Performance

At 31st December 2021, after the first two months of existence, the fund has assets under management of USD 31.237 mio. Its performance in USD stands at 0.22% tracking the gold price which closed the year at USD1805.85/oz.

Swiss Positive Fund - Physical Gold - Class B* USD (ISIN: CH1137874280 / Ticker Bloomberg: SPGFBUN SW) **NAV 31.12.2021: 100.22

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YtD.	Annualized
2021	-1.31%	-6.53%	-3.02%	4.48%	7.43%	-7.25%	3.50%	-0.65%	-4.02%	1.42%	1.77%	-0.02%	**-5.16%**	**-5.16%**
2020	4.53%	1.57%	-0.11%	5.78%	1.47%	2.23%	11.07%	-0.44%	-3.65%	-0.32%	-6.39%	7.04%	**23.86%**	**23.86%**
2019	3.41%	-0.36%	-1.85%	-1.06%	0.98%	8.70%	1.26%	7.01%	-2.87%	1.67%	-3.41%	3.69%	**17.71%**	**17.71%**
2018	4.13%	-2.07%	0.40%	-0.85%	-0.65%	-4.25%	-2.41%	-1.57%	-1.31%	2.28%	0.16%	4.99%	**-1.53%**	**-1.53%**
2017	5.78%	3.48%	-0.91%	1.68%	-0.07%	-1.94%	1.98%	3.43%	-2.23%	-1.06%	0.74%	0.79%	**11.98%**	**11.98%**
2016												-1.42%	**-1.42%**	

*Note: Actual fund performance since 28 October 2021 (green line). Strategy backtested performance since September 2016 (grey line) until 28 October 2021, including management fee, custody fee and administration fee. These are simulated historical past performance, which do not correspond to the performance of the Fund and cannot be correlated to the Fund performance. These performance indications are purely indicative and cannot serve as the basis for conclusions concerning the current or future performance of the Fund. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.



2. ACTIVE STEWARDSHIP

Swiss Better Gold Initiative and its actors

The Swiss Better Gold Initiative (SBG Initiative) is a public-private partnership between the Swiss Better Gold Association and the State Secretariat for Economic Affairs of Switzerland, SECO. It brings together the most important actors of the gold industry in Switzerland and the miners using good practice to guarantee production that is both formal and responsible.

SBG SWISSBETTERGOLD INITIATIVE

What is SECO?

The Swiss Government's State Secretariat for Economic Affairs (SECO) is the body charged with planning and putting into practice trade and economic policy measures in developing countries and those in transition: it operates within the ambit of the Federal Department for Economy, Training and Research. SECO helps to integrate member countries into the global economy through activities which include the interchange of Swiss know-how and the facilitation of technology.

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Departamento Federal de Economía,
Formación e Investigación DEFI
Secretaría de Estado para Asuntos Económicos SECO

Who is Swiss Better Gold Association?

The Swiss Better Gold Association is a non-profit organization set up by Swiss businesses across the gold supply chains. The main aim of the Association is to provide support to improve working and living conditions for those communities working in artisanal and small-scale gold mining (ASGM); in addition, to develop effective, sustainable and responsible value chains reaching from these producers to their partners. In order to achieve these aims, the Association has partnered with SECO in a pioneering public-private alliance known as Swiss Better Gold Initiative.

SBG SWISSBETTERGOLD ASSOCIATION

"Currently, SBG Initiative is working in Bolivia, Colombia and Peru within the framework of official bilateral agreements between Switzerland and the three countries. More recently, the Initiative has also initiated collaboration projects with selected ASGM producers in Brazil. National teams from SBG Initiative, from each of the countries, provide integral technical and business assistance to the mining organizations and the value chains for responsible gold."

Objectives - Swiss Better Gold Association

The Swiss Better Gold adopts a step-wise approach to support ASM miners to reach advanced social and environmental criteria and become eligible responsible gold producers. At each step of this process, it incentivizes the miners with direct payments and concrete on-site support to reach market expectations.

The label of Swiss Better Gold is given to gold extracted by ASM operations accredited with the Swiss Better Gold producers' network known as "SBG Suppliers", upon their attaining Step 2 of the SBG Escalator, by conforming themselves to the 15 following criteria:

The above criteria are verified by the SBG through regular exchanges and on-site visits, offering the mines support and technical assistance in view of ensuring the development of effective, sustainable, and responsible supply chains from these producers to its members.

In addition to the SBG's verifications, MKS-PAMP will make its own due diligence of the above criteria, as well as visits of the mine site, notably before receiving the first shipments.

"The Initiative encompasses a process of continuous improvement consisting in reaching 16 ESG criteria. These criteria must be complied with if the operator wishes to attain the status of producer of eligible Swiss Better Gold producer."

Fund's stewardship

As an active member of the Swiss Better Gold Association, the Fund has a vested interest to increase the capacity, the quality standards and the number of certified mines. PPT will continuously strengthen the investment process and increase the underlying surveillance mechanism to increase the quality of the positive gold value chain

	MKS PAMP	Swiss Better Gold	Local auditors	International auditors	Pictet Group	PPT
Mine on-site visits	✔	✔	✔	✔		
Industry experts one-on-one	✔	✔				✔
ESG and impact assessment	✔	✔				✔
Multi-stage controls			✔	✔		
On-going transaction control					✔	✔
Daily performance analysis					✔	✔
Liquidity monitoring					✔	✔
Best execution trading				✔	✔	✔
Nav Calculation				✔	✔	

PPT has put in writing and has committed itself to applying a certain number of procedures and principles regulating its activities. They relate to sound business practices and include ethics-related issues. These procedures and principles integrate financial regulations issued by the Swiss financial markets regulator (FINMA) applying in Switzerland to all so-called financial intermediaries as well as directives developed by professional associations such as the Swiss Bankers Association (SBA) and other applicable Swiss laws.

PPT's wide network allows us to continuously strengthen this investment process. In particular by including information and feedback from MKS-PAMP, Pictet Group, SBG Association, SECO, Swissaid and other third parties.

MKS-PAMP Group

The investment manager has entered into an exclusive Metal Agent agreement with the MKS-PAMP GROUP ("MKS-PAMP"). It is a Swiss family-run organisation employing over 750 people all over the world. It is an industrial and trading services group specializing in all aspects of the precious metals business. It has always been a forerunner within its industry and has developed the "Provenance" traceability system. It has always sought to innovate and introduce new solutions that meet the needs of its clientele and that have become standards practices across its industry.

MKS-PAMP in its role as the investment manager's Metal Agent plays an important advisory role regarding the different labelled gold availability and economic value. MKS guarantees a privileged access to ESG and impact gold bars

Group Pictet

The Swiss Positive Fund - Physical Gold has appointed Bank Pictet SA as its custodian bank and Fund Partners Solutions SA ("FPS") as its fund administrator and management company.

Founded in 1805, Pictet is one of the largest private banks in Switzerland. The Pictet Group is also a leading asset manager in Continental Europe. Industry surveys of global custodians (R&M Consultants, Global Investor Survey) show Pictet consistently top-rated for the quality of its services. The physical custody of the gold is carried out exclusively by Bank Pictet SA or, on exceptional basis, by sub-custodian banks in Switzerland. Pictet's input and global trading capacities are important with regards to the fund's "best execution" practices.

3. ACTIVE ENGAGEMENT AND IMPACT

Engagement Policy

Through its unique investment process and its direct and regular meetings with the organization active along the gold mining value chain, the Swiss Positive Gold Fund promotes change and progress. Primary beneficiaries are the miners and their communities including the environment. This market driven approach also allows to segregate golds by origin and enforcing the right attitude and processes from miners to refiners and finally the capital markets.

The engagement process is twofold and aims to achieve two objectives:

Sustainable Mining

The Fund achieves impact according to the Buy & Care® approach with gold originated from accredited responsible artisanal and industrial sources, through shorter and segregated supply chains, by promoting environmental, health and social improvements and by paying direct premiums to the artisanal miners.

Due to the rise in the price of gold over the past 20 years, the activities of artisanal and small-scale mining (ASM) have grown in importance worldwide. Thanks to the intensive work of the BGI with miners in the field, it has been possible to create value chains stretching from the mines themselves to the market in Switzerland. In this way it can contribute to positive impacts on the social, environmental and economic development of the sector and the surrounding communities.

The BGI is unique because it's neither a pure development project, nor a pure market approach project. It allows the creation of sustainable value chains from mine to financial market with a special focus on artisanal and small-scale mining.

Sustainable Gold Market

The Swiss Positive Gold Fund seeks also to engage the financial markets. We want to grow a new gold market where each grade of gold is traded at its fair price, including social and environmental premiums

The Fund ambitions to increase the liquidity of SBG gold by creating a market which clearly values the premium of SBG gold. This will increase the incentive for investors which in turn will stimulate more ASM's to move towards a SBG certification.

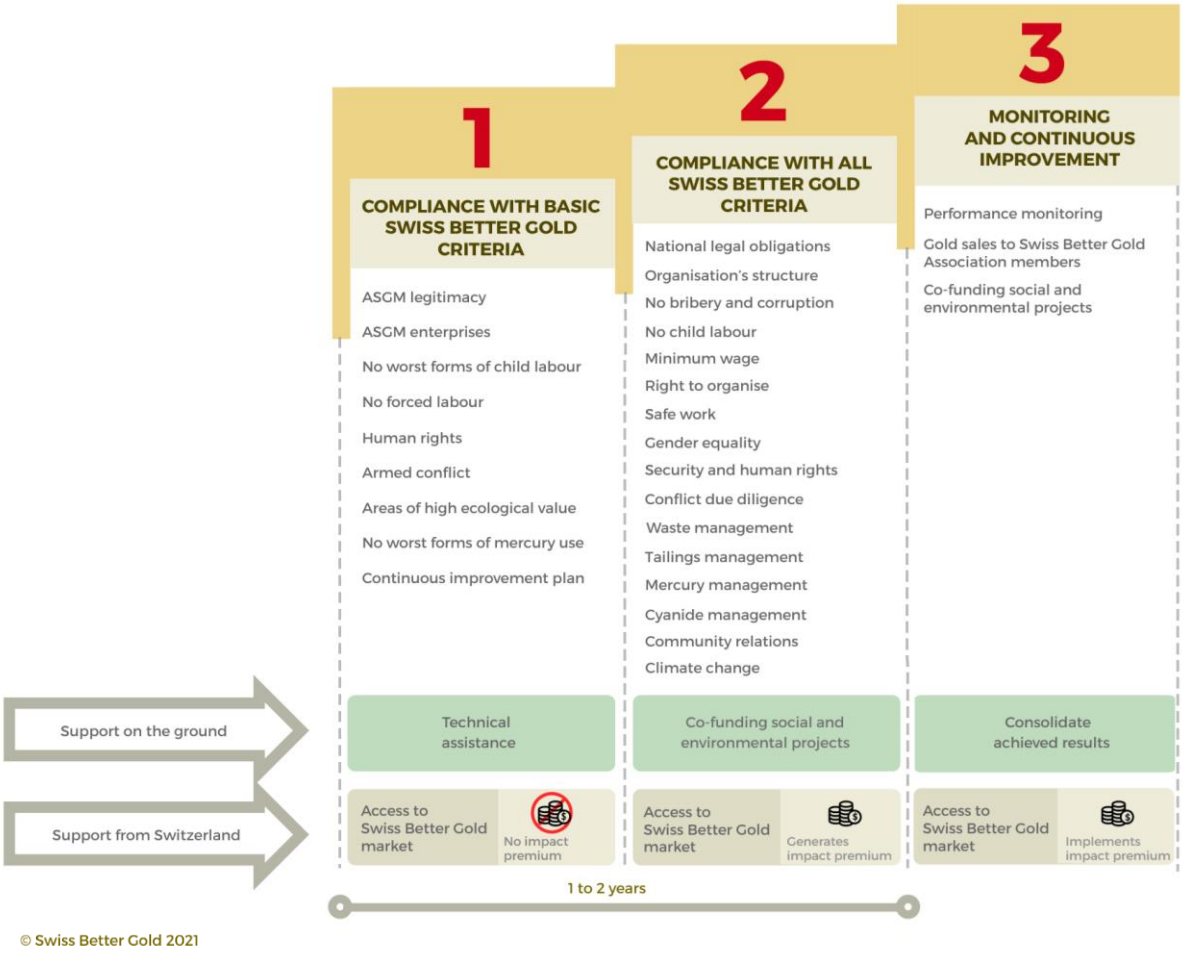
This dynamic is already underway. Together with the miners, the governments of the implementing countries and our Swiss partners we seek to maintain and augment the value chains for responsible gold in a sustainable manner, expand our experiences to other regions and countries and include emerging issues such as climate change, aligning our work with the ASMs to the fulfilling of the United Nations' Sustainable Development Goals.

© Swiss Better Gold 2021

"Gold is metal and it is not Good or Bad on its own, but the ways it is mined, refined and traded makes it good or bad. Many jewellers are ready to pay a premium to lower the risk of adverse publicity. We believe that this trend is only at its beginning and will be recognized by the capital market."

Swiss Better Gold
Continuous Engagement

This Escalator for the ASM consists of three steps which lead from the initial selection of ASM operators to their graduation as certified suppliers of Responsible Gold.

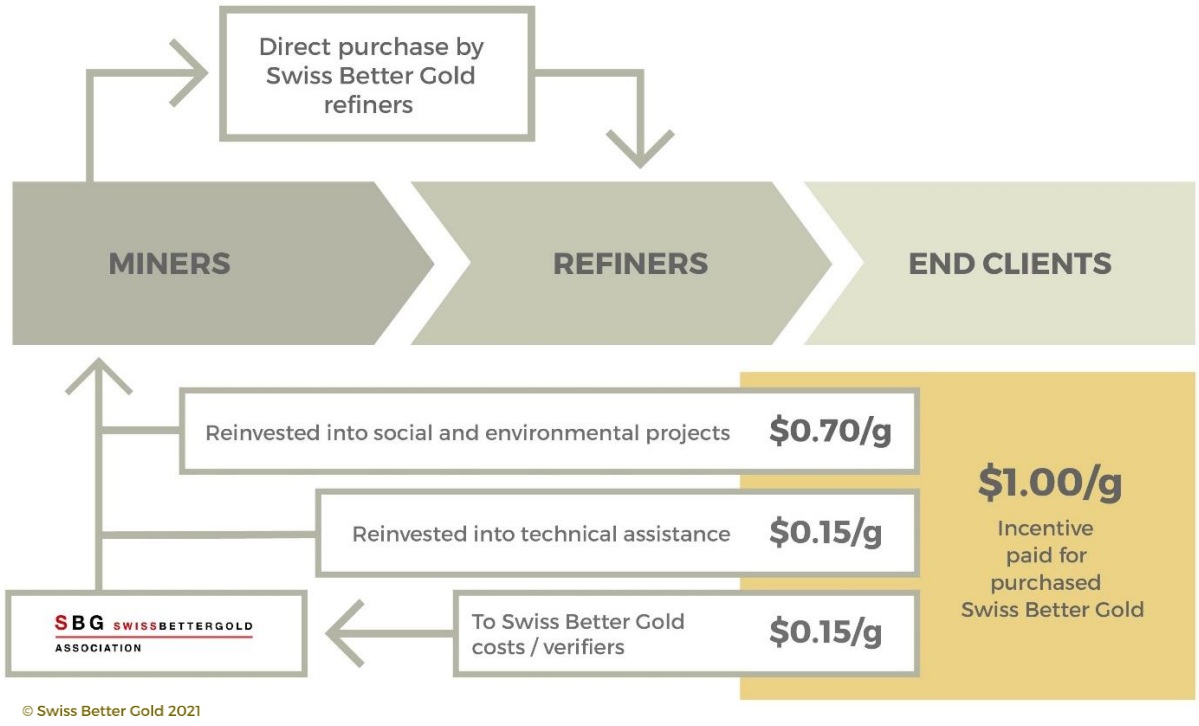


Very often ASGM producers lack knowledge and understanding on the evolving environmental, social and governance expectations of their downstream partners. In this context the Swiss Better Gold Continuous Improvement Escalator allows to support continued improvements and learnings necessary both for developing responsible mining practices, while maintaining appropriate market incentives for the ASGM producers at each step of the process.

The Escalator motivates ASM to climb it, thus progressing towards the achievement of higher standards and greater organizational capacity, as well as carrying out their mining operations in a safer, more productive, efficient and clean manner. It also offers financial incentives for the ASM producers.

How the impact premium works

Once the SBG Supplier has been accredited, a SBG impact premium paid by end clients will apply to all sales of its gold production, now qualified as Swiss Better Gold, which is reinvested into social and environmental projects related to the mining community and technical assistance. Until now, a metal throughput of 6800 kg and impact premium of US$ 5 million has been generated to date.



© Swiss Better Gold 2021

I. Impact premiums

$1 per gram of gold is charged by Swiss Better Gold on top of the LBMA fixing price for gold (appreciatively 2%).

70% is used for targeted social and/or environmental projects at accredited (step 2) ASM suppliers.

15% for technical assistance are used to help the ASM's in the initial stages of the process and to help them progress from step 1 to the 2nd stage of the SBG escalator.

Finally, 15% are used for expenses incurred by the SBG Association and for on-site verification needed to confirm eligibility of accredited operations over time.

II. Quality premium integrated in the NAV of the fund

Swiss Positive Gold fund's valuators take premiums into account in the fund's NAV calculation. The fund is transforming the impact premium into a market premium, therefore valuing social and environmental impacts on the financial markets

"Over the last two months, since the launch of the fund end of October 2021, USD 96'991.- of impact premiums was generated and paid by the fund."

TANGIBLE IMPACTS AND OBJECTIVES

Impacts of the Swiss Positive Gold Fund

The Fund's mission is to enhance the quality of already accredited SBG operations as well as to empower the SBG to further enhance positive transformation of these mines. The Fund is bridging the gap between new SBG initiatives on the ground and the financial markets.

A case of our Colombian operation:

This semi-industrial mine had enrolled with the Initiative back in March 2020. PPT was one of the early buyers of the responsible gold produced by this small enterprise.

Despite the fact that the first purchase "only" amounted to 9'900 gr, this first step was key for positioning and confirming the mine as a Swiss Better Gold producer and proving that the instruments developed by the initiative were working even under difficult COVID circumstances.

After an initial onboarding phase, the mine found a stable route to the Swiss market and is now supplying 100% of its production to one of the Swiss Better Gold Association members.

© Swiss Better Gold 2021

Tangible Impacts:

SWISS POSITIVE GOLD +

The overall impact premium generated by these purchases reached 280'000 USD, with a PPT contribution of 7,8%.

SWISS POSITIVE GOLD +

In 2021 the Swiss Better Gold and the mine management generated social impact projects with direct benefit to local communities.

SWISS POSITIVE GOLD +

50 families will benefit from a community house
12 families will be provided with drinking water.

Impacts of the SPG Fund (cont.)

Since, the launch of the Fund and thanks to the interest shown by early investors, SBG was able to engage the transformation of four Brazilian ASM operations (Santa Clara, Cangas, Chimbuva and João Roberto). Tangible environmental (Mercury reduction & elimination, land rehabilitation & reforestation, etc.) and social objectives (local employment & working conditions) have been set for these operations. The impact objectives are linked to SDG-12 (Responsible consumption and production), SDG-15 (Life on land) and SDG-8 (Decent work and economic growth).

Mercury reduction & elimination:

60 kg of Hg (Mercury) are used annually at these four operations. BGI aims for a progressive reduction and total elimination of mercury over period of next 12 months.

Land rehabilitation & reforestation:

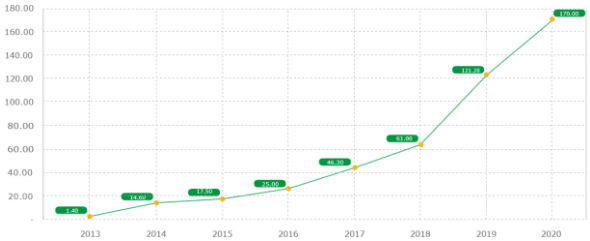
262 Ha represent the actual cumulated working area of the four mining concessions. BGI will help establish and implement an "Environmental Restore Plan" with the purpose of preserving native forest and rehabilitating previously deforested areas of "Pantanal" biome area equalling to at least 35% of the actually worked concession areas.

Labour rights and decent working conditions for ASM communities

363 existing direct employments across the four operations. BGI will strive to grow the output of these mines while maintaining the very high local community employment rate between 70 to 100%.

SBG's Economic, Social and Environmental Impact

Since the launch of the SBG, tangible economic, social and environmental impacts have been achieved. The ambition of the Swiss Positive Gold Fund, is to help scale these results by harnessing the power of the financial markets.



Graph 3. Millions of dollars per year (calculated using the average annual gold price)

© Swiss Better Gold 2021

Graph 4. Millions of dollars accumulated by exports of responsible gold (calculated on the basis of the average annual gold price)

US$450mn in income with responsible gold

More than a million US$ in royalties to local governments

Cumulated 10 tons of responsible gold exported

© Swiss Better Gold 2021

Economic Impact of the SBG Initiative:

ASM's financial inclusion has always been a source of struggle and precarity. The gold producers are very subject and sensitive to the fluctuation in gold prices, intermediaries' conditions and corruption, and limited to no access to financial services. The SBG Initiative helps the ASGM producers improve their recognition level vis-à-vis financial institutions and to tangibly de-risk ASGM.

ASGMs and "Barequeros" (gold panners / subsistence miners in Colombia) have succeeded in opening bank accounts. They have demonstrated to financial institutions that they are a potentially promising group of clients both as savers and as borrowers. Thus, SBG Initiative formed an alliance with the fintech MOVii to make provision for alternative financial products for the barequeros. SBG Initiative is also embarking on financial education activities since, for many, this is the first time that they have used a banking product. SBG Initiative is depositing payments for locally produced gold and the stimulus into the MOVii bank accounts. Therefore, it ensures traceability for both the gold and the transactions.

SBG's Economic, Social and Environmental Impact (cont.)

Social Impacts of the SBG:

Barequeros, Bogota (Colombia),

A total of 721 artisanal miners, both men and women, from the towns of Istmina, Quibdó and Condoto on the Pacific coast of Colombia, are gaining access for the very first time to the formal financial sector to receive an incentive payment. They have succeeded in exporting to Switzerland gold that complies with social and environmental responsibility criteria.

The gold that arrives in Switzerland for its final refining process is produced by hand, without any mechanization, without causing environmental damage and without using mercury.

In total, the "barequeros", as they are known, have received around US$52,000 via a digital transaction: at the same time, this represents their entry into the Colombian financial sector.

© Swiss Better Gold 2021

Water pipelines for Santa Filomena

The water project built by the Peruvian mine Sotrami S.A. consists of pumping and bringing water to a reservoir at 2,500 meters above sea level that will serve the population of Santa Filomena community. Work started in October 2018. The project is co-financed by Sotrami S.A. and the Better Gold Fund. The SBG contribution was initially estimated to USD 800,000.

The impact is both social and environmental: Water pumping will save at least 60 tons of diesel since water is currently transported by trucks, equivalent to a reduction in CO2 emissions of 150 tons and provide drinking water to around 5,400 villagers (2,500 families) in the communities of Santa Filomena and Santa Ana. It will also reduce their water costs. Currently a 100m3 tank of water costs 50 Peruvian soles ($16); a family of four uses two tanks per week, totalling 4,800 soles/year ($1,448/year). In addition, it helps reducing occurrences of skin, bronchial and gastrointestinal diseases.

© Swiss Better Gold 2021

SBG's Economic, Social and Environmental Impact (cont.)

Environmental Impacts of the SBG:

Treating tailings – Protecting water sources

In general, the miners are primarily interested in producing large quantities of gold. They often overlook the final part of the mining process, which is the management of the tailings heaps that might produce environmental contamination. Responsible management of tailings is of the greatest importance, not only from an environmental point of view but also because of its impact on the budget of the mining operations.

Where a process of gravimetric concentration is used, recovery of gold rarely surpasses 50%. This means a significant quantity of gold is lost in the tailing's heaps. Losing tailings in rivers and water basins would not just mean environmental contamination but also an important amount of gold lost. Among the technical proposals put forward by SBG, creating sedimentation pools, retention of the mineral treated in the plant and recovery of the water used, are all important elements. When this is done, the mineral tailings can be reclaimed and subsequently sold to cyanidation plants. In this way, the mining operation can obtain additional income, even as it avoids environmental contamination.

© Swiss Better Gold 2021

Extension and repair of contention walls at Sotrami

Heavy rains in March 2019 have partly damaged newly built walls in the Sotrami S.A., which were constructed in 2019 in order to protect the Santa Rosa ravine, in Peru. Even though the wall was damaged, its resistance still illustrated the utility of such protective constructions, which are very efficient to protect the whole tailing pool area from powerful huaycos (seasonal floods). The SBG has contributed to repair and extend the construction, investing USD 124,464, meaning half of the total cost which amounted to USD 248,928.

These walls are needed to ensure a good environmental management of a mine a for:

- maintaining the physical stability of the area and protect installations from possible landslides, both on site and downstream
- Providing stability against erosion and floodwater, which can displace tailings and sediment;
- Ensuring additional stability of the tailing pond by significantly decreasing the possibility of collapses and potential impact on the environment.
- Providing greater assurance to Sotrami processing plant and nearby communities that all installations meet the highest quality standards & ensure optimum management and protection.

© Swiss Better Gold 2021

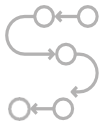
Future objectives

The SBG, with the support of the Swiss Positive Gold Fund, will continue to address following challenges in the years ahead. Continuous improvement lies at the heart of our work and partnership.

1. Digital transformation

In the future, we foresee that the tools of technical assistance and training will be supplied through mixed models employing both virtual and real-life methods: this will turn out to be more efficient and appropriate for the way our current workplace is evolving.

2. Maintaining value chains



SBG's experience to date shows that the job of keeping the value chains functioning requires a great deal of effort. In this way, not only shall we maintain export levels but we shall guarantee responsible production, ongoing improvement in mining operations and the efficient and effective implementation of the Better Gold Fund with its social and environmental investments destined to benefit miners and their communities.

3. Dissemination of experiences

BGI will coordinate the spread of knowledge through a series of international platforms. In addition, SBG will develop proposals and carry out pilot activities using its own technical assistance tools in the creation of value chains in other countries, all in close collaboration with its SBG Association partners.

4. Leadership and commitment within countries

We shall work more closely and directly with and from the authorities that are relevant to the ASGM sector, both at national and regional level. Among emerging issues, we have already identified financial inclusion, environmental inspection and a better control/ environmental management of occupational health in the cyanidation process.

5. Confronting climate change

The issue of climate change is growing in importance, for Switzerland as a donor country, for the governments and countries where we operate and also for the private sector and the market. In future, SBG will place special emphasis on this issue which cuts across all areas.

NOTICE

This document is published for information purposes only. The content of this document does not constitute an offer for sale or a solicitation of an offer to purchase nor does it constitute an incentive to invest or to engage in arbitrage transactions. It may not be construed as a contract under any circumstances. The information contained in this document has not been analyzed with regard to your personal profile. If you have questions regarding any investment or if you have doubts as to whether an investment decision is appropriate, please contact your particular client representative or, if applicable, seek financial, legal, or tax advice from your customary advisors. de Pury Pictet Turrettini S.A. makes every effort to verify the information provided but cannot give any guarantee as to its accuracy. Past performance that might be indicated in the information transmitted by de Pury Pictet Turrettini S.A. in no way determines current or future performance, Furthermore, the performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Any decision to invest or divest that may be made by the reader of the information appearing herein is made at the sole initiative of the investor who is familiar with the mechanisms governing the financial markets.

This marketing material is not intended to be a substitute for the fund's full documentation or for any information which investors should obtain from their financial intermediaries acting in relation to their investment in the fund mentioned in this document. For Swiss investors, the paying agent is Banque Pictet & Cie S.A. and the representative agent is Fund Partner Solutions (Suisse) S.A., Route des Acacias 60, Ch-1211 Genève 73 , Switzerland. The relevant legal documentation may be obtained free of charge from the representative agent, from de Pury Pictet Turrettini & Cie S.A. or online at www.ppt.ch/en/ reporting-and-documents. Cadmos Fund Management, 15A, avenue J.F. Kennedy, L-1855 Luxembourg.

This document is the intellectual property of de Pury Pictet Turrettini S.A. Any reproduction or transmission of this document in whole or in part to a third party without the prior written authorization of de Pury Pictet Turrettini S.A. is strictly prohibited. Any reproduction or transmission of the SBG Association content in whole or in part to a third party without the prior written authorization of SBG Association is strictly prohibited.

© 2022, de Pury Pictet Turrettini & Cie S.A. All rights reserved.

12, rue de la Corraterie
CH—1211 Geneva 3
Tel. +41 22 317 00 30

Niederdorfstrasse 88
CH – 8001 Zürich
T. +41 43 466 77 30

www.cadmos.ppt.ch
www.ppt.ch

Should you have any questions
about this report, please contact:

Dominique Habegger
Chief Sustainability Officer
cadmos@ppt.ch