

Pictet Funds (LUX) – Global Emerging Currencies Simplified Prospectus (January 2010)

Important information

This prospectus contains essential information relating to Pictet Funds (LUX) – Global Emerging Currencies compartment (the “Compartment”). For more detailed information, please refer to the most recent version of the complete current prospectus of Pictet Funds (LUX) (the “Fund”). The complete prospectus, as well as the latest annual and semi-annual reports, may be obtained free of charge from the Fund or the Custodian Bank.

1. Legal structure

Pictet Funds (LUX) (“the Fund”) is a multi-compartment open-end investment company (SICAV) incorporated under Luxembourg law in accordance with the provisions of Part I of the law of 20 December 2002 governing undertakings for collective investment. The Fund was incorporated for an indefinite period on 20 September 1991 under the name of Pictet Umbrella Fund. Its Articles of Association were last modified by notarial act dated 23 January 2009. The Fund has appointed Pictet Funds (Europe) S.A. (the “Management Company”) to act as management company within the meaning of Section 13 of the Law of 20 December 2002.

2. Investment policy and objectives

The Compartment’s objective is to seek revenue and capital growth by investing a minimum of two-thirds of its total assets/wealth in a diversified portfolio of currencies and of any kind of derivative instruments (traded on a regulated market or over the counter) on currencies of emerging countries. These derivative techniques and instruments will be used for efficient management, within the limits specified in the investment restrictions.

Emerging countries are defined as those considered, at the time of investing, as industrially developing countries by the International Monetary Fund, the World Bank, the International Finance Corporation (IFC) or one of the leading investment banks. These countries include, but are not limited to, the following: Mexico, Hong Kong, Singapore, Turkey, Poland, the Czech Republic, Hungary, Israel, South Africa, Chile, Slovakia, Brazil, the Philippines, Argentina, Thailand, South Korea, Colombia, Taiwan, Indonesia, India, China, Romania, Ukraine, Malaysia, Croatia and Russia.

The Compartment may invest in warrants, and to a lesser extent, in options.

In addition, the Compartment may invest up to 10% of its net assets in UCIs.

The Compartment may also invest up to 25% of its net assets, not including the investments in non-deliverable forwards more fully described in the full prospectus, in structured products, including in particular credit-linked notes and bonds or other transferable securities whose returns are linked to changes in currencies, an index, transferable securities or a basket of transferable securities, or currencies or an undertaking for collective investment.

The investments are primarily denominated in the local currencies of emerging countries. In all cases, the Compartment’s exposure to these currencies will be at least 2/3, either by direct or indirect investment or by authorised derivative instruments.

These transactions will be conducted by means of non-deliverable forwards, as more amply described in the full prospectus.

In pursuit of its investment policy (direct or indirect), the Compartment may invest up to 100% in money market instruments, in monetary funds (up to 10%), in floating-rate bonds whose residual duration for individual investments may not exceed 12 months or whose return is regularly adjusted, at least every 397 days, in compliance with the conditions of the money market or whose risk profile, in particular with respect to credit risk or interest rate risk, corresponds to that of instruments whose maturity or residual maturity complies with those mentioned above and any other kind of debt instrument, on condition that they are issued or guaranteed by a state or public corporation in the OECD or by public international organisations, including Switzerland or any Member State of the European Union.

The Compartment may also hold liquidities on an ancillary basis. However, in order to reduce exposure to market risk, the Compartment may temporarily hold up to 100% of its net assets in liquidities.

The Compartment may enter into credit default swaps representing up to a maximum of 100% of its net assets as described in further detail in the full prospectus.

Investments in unlisted securities and in Russia other than on the RTS and the MICEX stock exchanges, will not exceed 10% of the Compartment's net assets.

3. Risk profile of the Compartment

The Compartment is subject to risks inherent in any investment, such as the following:

- risks specific to a given market
- variations in exchange rates
- variations in interest rates.

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

Investors should note that the acquisition of derivative instruments entails certain risks that may have a negative impact on the performance of the Compartment. Furthermore, owing to their volatile nature, warrants present an above-average economic risk.

For further information regarding the risks associated with the investment policy, please see the complete prospectus.

Low risk Lower than average risk Average risk Higher than average risk High risk



4. Typical investor profile

The Compartment is an investment vehicle for investors:

- Who seek exposure to a variety of currencies of emerging countries;
- who are risk tolerant.

5. Types of shares

Type of share	Activated	ISIN code	Initial min.	Base currency	Subscription and redemption currencies	Dividend distribution	Fees (max%) *		
							Management	Service	Custodian Bank
I (2)	✓	LU0366532488	1 million	USD	USD	–	1.05%	0.40%	0.20%
P Cap	✓	LU0366532561	–	USD	USD	–	2.10%	0.40%	0.20%
P Distr	✓	LU0366532645	–	USD	USD	✓	2.10%	0.40%	0.20%
R	✓	LU0366539657	–	USD	USD	–	3%	0.40%	0.20%
Z Cap (3)	✓	LU0366532728	–	USD	USD	–	0%	0.40%	0.20%
J Cap (2)	–	LU0474965273	50 million	USD	USD	–	1.05%	0.40%	0.20%
I-EUR (2)	✓	LU0366532991	(1)	EUR	EUR	–	1.05%	0.40%	0.20%
P Cap-EUR	✓	LU0366533023	–	EUR	EUR	–	2.10%	0.40%	0.20%
R-EUR	✓	LU0366533296	–	EUR	EUR	–	3%	0.40%	0.20%
HI-EUR (2) (4)	✓	LU0368003488	(1)	EUR	EUR	–	1.05%	0.45%	0.20%
HP Cap-EUR (4)	✓	LU0368004296	–	EUR	EUR	–	2.10%	0.45%	0.20%
HR-EUR (4)	✓	LU0368004536	–	EUR	EUR	–	3%	0.45%	0.20%

* Per annum of the average net assets attributable to this type of share.

(1) USD 1,000,000 converted to EUR on the day of the NAV calculation

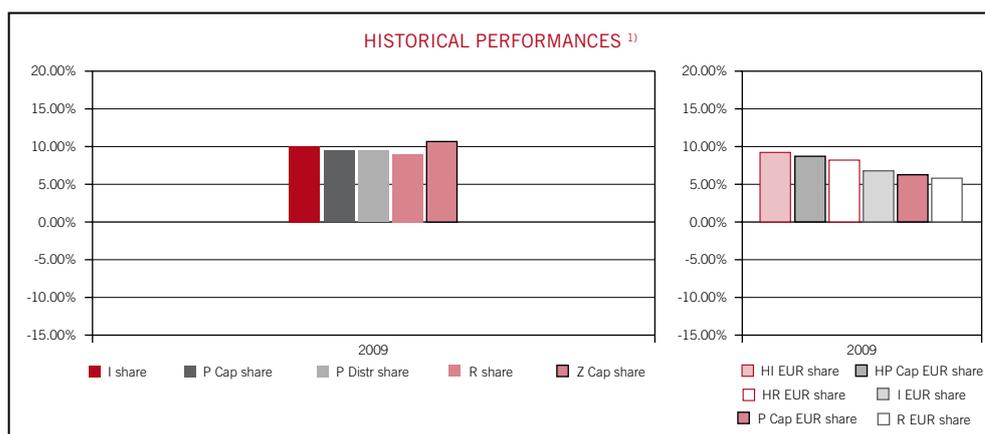
(2) I and J shares: reserved for institutional investors.

(3) Z shares: reserved for institutional investors who have concluded a specific remuneration agreement with Pictet & Cie, Geneva, or any other entity of the Pictet Group.

(4) Hedged shares: shares intended to cover to a large extent the exchange risk in relation to a given currency.

6. Historical performance

The Compartment was launched on 17 June 2008.



1) after accounting for distributions made.

Past performance is not an indicator of present or future performance.

The performance data do not include commissions and fees received on the issue or redemption of shares.

7. Net asset value, subscriptions and redemptions

Frequency of net asset value ("NAV") calculations	Each banking day and the first calendar day of the month, unless the first of the month is a Saturday or Sunday
Consolidation currency	USD
Deadline for placing subscription and redemption orders	3:00 pm on the last banking day preceding the applicable NAV calculation date
Payment value date	Within 2 banking days following the applicable NAV
Publication of the NAV	Published at the registered office of the Fund on each valuation day and on the website of Pictet Funds S.A. www.pictetfunds.com

8. Compartment fees and charges

- Fees payable directly by the investor**

Intermediaries may deduct the following maximum commissions from Compartment shares:

Type of shares (1)	Front-end	Back-end	Conversion
I	Max 5%	Max 1%	Max 2%
J Cap	Max 5%	Max 1%	Max 2%
P Cap	Max 5%	Max 1%	Max 2%
P Distr	Max 5%	Max 1%	Max 2%
R	Max 5%	Max 3%	Max 2%
Z Cap	Max 5%	Max 1%	Max 2%
Z Distr	Max 5%	Max 1%	Max 2%

(1) And any corresponding shares.

When marketing the Fund abroad, regulations in certain jurisdictions may require the presence of a local Paying Agent. In such cases, investors domiciled in these jurisdictions may be required to pay any fees and charges deducted by the local Paying Agents.

In accordance with market practices, and in line with the requirements of local distributors, the Distributor may deem it necessary to set minimum subscription levels for shares in the Compartment, limit conversions between share classes and, while remaining within the limits set out by the prospectus, apply a specific policy for subscription, redemption and conversion fees levied on behalf of local distributors.

- **Fees payable by the Compartment:**

In addition to the fees described in point 5 above, the compartment will also pay brokerage commissions and fees, the tax d'abonnement (subscription tax), legal and auditing fees and any other costs incurred on behalf of the compartment.

9. Tax status

The Compartment is subject to Luxembourg tax legislation. Purchasers of shares in the Compartment should refer to the Fund's complete prospectus and are responsible for ensuring that they are duly informed of the relevant legislation and regulations applicable to the acquisition, holding and sale of shares, with regard to their residence and nationality.

In accordance with legislation in force in Luxembourg, the Compartment is not liable to any Luxembourg income tax, capital gains tax or wealth tax, withheld at source or otherwise. However, the net assets of the Compartment are subject to tax at an annual rate of 0.05%, payable at the end of each quarter and calculated on the basis of the Compartment's net assets at the end of each quarter. This tax will be reduced to 0.01% for assets relating to shares reserved for institutional investors.

10. Miscellaneous

Prospectuses, annual reports, semi-annual reports and other information concerning the Fund may be obtained from:

Pictet & Cie (Europe) S.A.

1, Boulevard Royal, L-2449 Luxembourg

Tel: +352 467 171-1, Fax: +352 220 229

11. Other information

Management Company
Pictet Funds (Europe) S.A.
3, Boulevard Royal, L-2449 Luxembourg

Custodian Bank
Pictet & Cie (Europe) S.A.
1, Boulevard Royal, L-2449 Luxembourg

Transfer Agent, Administrative Agent and Paying Agent
Pictet & Cie (Europe) S.A.
1, Boulevard Royal, L-2449 Luxembourg

Promoter
Pictet & Cie (Europe) S.A.
1, Boulevard Royal, L-2449 Luxembourg

Managers
Pictet Asset Management S.A., Geneva
Pictet Asset Management Limited, London
Bank Pictet & Cie (Asia) Ltd, Singapore

Fund Auditors:
Deloitte S.A.
560 rue de Neudorf, L-2220 Luxembourg

Legal Adviser
Elvinger, Hoss & Prussen
2, Place Winston Churchill, B.P. 425,
L-2014 Luxembourg

Supervisory Authority
CSSF - Supervisory Authority of the
Finance Industry
110 Route d'Arlon, L-2991 Luxembourg

Distributor
Any legal entity of the Pictet Group held
directly or indirectly by Pictet & Cie,
Geneva, and authorised to perform such
functions.