

Pictet – Asian Local Currency Debt

Simplified Prospectus (October 2010)

Important information

This prospectus contains essential information relating to Pictet – Asian Local Currency Debt compartment (the “Compartment”). For more detailed information, please refer to the most recent version of the complete current prospectus of Pictet (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 (“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 amended by notarial act dated 9 April 2010. 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 or wealth in a diversified portfolio of bonds and other debt securities linked to Asian local emerging debt.

The Asian 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: Hong Kong, Singapore, the Philippines, Thailand, South Korea, Taiwan, Indonesia, India, China, and Malaysia.

The Compartment may invest in warrants on transferable securities, indices, and options, as well as use currency transactions for purposes other than hedging.

The Compartment may also invest, up to a maximum of 25% of its net assets, not including the investments in non delivery forwards described below, in structured products such as credit linked notes and bonds or other transferable securities whose return is related to the performance of an index, transferable securities or a basket of transferable securities, or an undertaking for collective investment.

The investments shall be primarily denominated in the local currency of the Asian emerging countries. In all cases, the Compartment’s exposure to these currencies shall be at a minimum of two-thirds, either by direct or indirect investment, or by means of authorised derivative instruments.

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

The total net amount of the commitments resulting from currency transactions for speculative and hedging purposes may not exceed 100% of the net assets of the Compartment. These transactions shall be carried out by means of non delivery forwards, forward exchange contracts or other instruments such as options and warrants on currencies. For this purpose, the Compartment may conclude over-the-counter contracts with leading financial institutions.

In particular, the Compartment may conclude non delivery forwards as described in more detail in the complete prospectus.

In accordance with its investment policy, the Compartment may hold a significant proportion of liquid assets and money market instruments which are regularly traded and whose residual maturity does not exceed 12 months. If the manager deems that it is in the best interest of the shareholders, the

Compartment may also hold up to 33% of its net assets in liquid assets and money market instruments which are regularly traded and whose residual maturity does not exceed 12 months.

The Compartment may use derivative techniques and instruments for the purpose of efficient management, within the limits stipulated in the investment restrictions.

The derivative financial instruments may include options, futures contracts on financial instruments, options on such contracts and over-the-counter swaps on all kinds of financial instruments and total return swaps.

The Compartment may, up to a maximum of 100% of its net assets, conclude credit default swaps as more fully described within the complete prospectus.

Investments in unlisted securities and in Russia other than on the RTS exchange and the MICEX, must not exceed 10% of the net assets of the compartment.

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 wish to invest in fixed-income securities from issuers located in Asian emerging markets and/or by holding money market instruments in Asian emerging markets;
- who have risk tolerance;
- who favour a medium-term savings strategy (4 years and more).

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 USD (2)	✓	LU0255797390	1 million	USD	USD	–	1.05%	0.40%	0.20%
I dy USD (2)	✓	LU0532862835	1 million	USD	USD	✓	1.05%	0.40%	0.20%
P USD	✓	LU0255797556	–	USD	USD	–	2.10%	0.40%	0.20%
P dy USD	✓	LU0255797630	–	USD	USD	✓	2.10%	0.40%	0.20%
R USD	✓	LU0255797713	–	USD	USD	–	3%	0.40%	0.20%
Z USD (3)	✓	LU0255797986	–	USD	USD	–	0%	0.40%	0.20%
Z dy USD (3)	–	LU0474964623	–	USD	USD	✓	0%	0.40%	0.20%
I GBP (2)	✓	LU0497795186	(1)	GBP	GBP	–	1.05%	0.40%	0.20%
P dy GBP	✓	LU0366532306	–	GBP	GBP	✓	2.10%	0.40%	0.20%
I EUR (2)	✓	LU0280438135	(1)	EUR	EUR	–	1.05%	0.40%	0.20%
P EUR	✓	LU0280438309	–	EUR	EUR	–	2.10%	0.40%	0.20%
R EUR	✓	LU0280438564	–	EUR	EUR	–	3%	0.40%	0.20%
Z EUR (3)	–	LU0472927606	–	EUR	EUR	–	0%	0.40%	0.20%
HI EUR (2) (4)	–	LU0474964896	(1)	EUR	EUR	–	1.05%	0.45%	0.20%
HP EUR (4)	–	LU0474964979	–	EUR	EUR	–	2.10%	0.45%	0.20%
HR EUR (4)	–	LU0474965190	–	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 on the day of the NAV into EUR.
 - (2) I 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

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.

I EUR, P EUR and R EUR shares were activated on 22 January 2007.

P dy GBP shares were activated on 3 June 2008.

I GBP shares were activated on 8 April 2010.

I dy USD shares were activated on 27 August 2010.



1) after accounting for distributions made.

7. Net asset value, subscriptions and redemptions

Frequency of net asset value ("NAV") calculations)	Each banking day in Luxembourg as well as the first calendar day of the month, unless the first of the month is a Saturday or a 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 share (1)	Front-end load	Back-end load	Conversion
I	Max 5%	Max 1%	Max 2%
P	Max 5%	Max 1%	Max 2%
R	Max 5%	Max 3%	Max 2%
Z	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	Fund Auditors: Deloitte S.A. 560 rue de Neudorf, L-2220 Luxembourg
Custodian Bank Pictet & Cie (Europe) S.A. 1, Boulevard Royal, L-2449 Luxembourg	Legal Adviser Elvinger, Hoss & Prussen 2, Place Winston Churchill, B.P. 425, L-2014 Luxembourg
Transfer Agent, Administrative Agent and Paying Agent Pictet & Cie (Europe) S.A. 1, Boulevard Royal, L-2449 Luxembourg	Supervisory Authority CSSF - Supervisory Authority of the Finance Industry 110 Route d'Arlon, L-2991 Luxembourg
Promoter Pictet & Cie (Europe) S.A. 1, Boulevard Royal, L-2449 Luxembourg	Distributor Any legal entity of the Pictet Group held directly or indirectly by Pictet & Cie, Geneva, and authorised to perform such functions.
Managers Pictet Asset Management S.A., Geneva Pictet Asset Management Limited, London Bank Pictet & Cie (Asia) Ltd, Singapore	