

PICTET
Société d'Investissement à Capital Variable
15, avenue J.F. Kennedy
L-1855 Luxembourg

R.C.S. Luxembourg n° B 38 034

Notice to shareholders of the following compartments: Pictet – Absolute Return Global Diversified and Pictet – Multi Asset Global Opportunities
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Luxembourg, 15 February 2016

**Merger of the Pictet – Absolute Return Global Diversified compartment
with the Pictet – Multi Asset Global Opportunities compartment**

Dear Sir or Madam,

We wish to inform you that the Board of Directors of Pictet (the “Fund”) has decided to merge the Pictet – Absolute Return Global Diversified compartment (the “Absorbed Compartment”) with the Pictet – Multi Asset Global Opportunities compartment (the “Absorbing Compartment”) (referred to jointly as “the Compartments”).

The effective date for this merger will be 30 March 2016 (the “Effective Date”).

1. Purpose of the merger

The Board of Directors of the Fund has decided that merging the Compartments is in shareholders’ best interests.

It has taken this decision as it feels that the value of the Absorbed Compartment’s assets is too low to be managed efficiently, which makes it difficult to continue managing the portfolio effectively.

The merger will have no material impact on the Absorbing Compartment but will allow it to increase the assets under management.

The key features of the Compartments and the main differences between them are set out in a table in the appendix attached. Please refer to the full prospectus for the Fund for a detailed description of the Compartments’ investment policies.

2. Terms and conditions of the merger

The assets and liabilities of the Absorbed Compartment will be transferred into the Absorbing Compartment on the Effective Date. In exchange for their shares in the Absorbed Compartment, shareholders will automatically be allocated shares in the same category of the Absorbing Compartment. This exchange will be performed at a conversion rate calculated by dividing the net asset value per share of the Absorbed Compartment by the corresponding net asset value per share of the Absorbing Compartment, both calculated on 30 March 2016, in accordance with the provisions of the “Calculation of the net asset value” section of the Fund’s prospectus. The number of shares held in the Absorbed Compartment will be multiplied by the conversion rate to determine the number of shares allocated in the Absorbing Compartment. Due to the difference in the net asset value per share between the Absorbed Compartment and the Absorbing Compartment, the number of shares that shareholders of the Absorbed Compartment will receive in the Absorbing Compartment may differ from the number that they held in the Absorbed Compartment. The shares in the Absorbed Compartment will be cancelled once the shares in the Absorbing Compartment have been issued.

The Absorbed Compartment and the Absorbing Compartment both apply a performance fee, provisioned on each valuation day, for all shares except for X shares of the Absorbing Compartment and except for X and Z shares of the Absorbed Compartment. On the Effective Date, the performance fee of the Absorbed Compartment will be paid to the manager of the Absorbed Compartment, as the case may be. No performance fee will be due if the net asset value per share before the performance fee is lower than the high water mark for the calculation period in question. From the Effective Date, the performance fee of the Absorbing Compartment will apply to investors in the Absorbed Compartment as for any investor subscribing for the Absorbing Compartment.

On completion of the merger, the Absorbed Compartment will cease to exist as of the Effective Date of the merger.

Subscriptions to and conversions into the Absorbed Compartment will no longer be accepted as from the net asset value calculated on 22 February 2016.

Shareholders of the Absorbing Compartment and of the Absorbed Compartment who do not wish to take part in this merger will be able to request the redemption of their shares free of charge and at any time up to the net asset value calculation of 21 March 2016. Redemptions of shares in the Absorbed Compartment will be accepted up to the net asset value calculation of 24 March 2016.

As from the Effective Date, shareholders of the Absorbed Compartment who have not exercised their right of redemption will be able to exercise their rights as shareholders of the Absorbing Compartment.

All of the liabilities of the Absorbed Compartment will be included in the net asset value calculated on the Effective Date. Any liabilities incurred after this date will be borne by the Absorbing Compartment.

Any legal, advisory or administrative costs associated with the preparation and the completion of the merger shall be borne by the Fund's management company, Pictet Asset Management (Europe) S.A.

In the days prior to the merger, the portfolio of the Absorbed Compartment will be reorganised in order to incorporate the features of the Absorbing Compartment. Therefore, the contribution of the Absorbed Compartment to the Absorbing Compartment may be made in shares and/or in cash.

The shares of the Absorbed Compartment will be withdrawn from the Luxembourg stock exchange on the Effective Date.

3. Documentation

The Fund's full prospectus is available on request from the Fund's registered office.

Pursuant to article 71 (1) of the Luxembourg Law of 17 December 2010 regarding undertakings for collective investment, a merger report will be drawn up by Deloitte Audit, the Fund's Statutory Auditor. Shareholders of the Absorbing Compartment and the Absorbed Compartment can obtain a free copy of this report on request from the Fund's registered office.

You are strongly advised to read carefully the key investor information regarding the share class in which you will be investing in the Absorbing Compartment. This information is available from www.pictetfunds.com.

Your tax situation may change following this merger. You may wish to consult your tax adviser to obtain information about how this merger may affect your tax situation.

If you would like to receive more information about this merger, please contact us on +352 46 71 71 73 43.

Yours faithfully,

On behalf of the Board of Directors



Marie-Claude Lange
Director



Benoît Beisbardt
Director

NOTES

Main features of and differences between Pictet – Absolute Return Global Diversified and Pictet – Multi Asset Global Opportunities

Shareholders are encouraged to read the Fund's full prospectus and key investor information, both of which are available on the website at www.pictetfunds.com, or from the Fund's registered office, for more information about the features of the Compartments.

1. Main features

The table below sets out the main features of the Compartments, and the differences between them.

Features	Pictet – Absolute Return Global Diversified	Pictet – Multi Asset Global Opportunities
Investment policy and objectives	<p>This compartment aims to provide investors with an absolute positive return primarily by investing in a broad and extremely diversified selection of assets. For a broader diversification of risks, the compartment will spread its investments across several types of strategies and asset classes.</p> <p>All the various strategies aim to provide investors with a return greater than its benchmark index, EONIA (the "Euro Overnight Index Average" which reflects the average weighted rate of interbank investments from one day to the next in the Eurozone). As an example and without providing an exhaustive list, the strategies used may include purchasing international equities hedged for exchange rate risk, purchasing foreign-currency bonds hedged for exchange rate risk, seeking exposure to commodities indices, simultaneously purchasing equities and hedging market risks, investing in corporate bonds and reducing interest rate risks using derivatives.</p> <p>This compartment invests primarily:</p> <ul style="list-style-type: none"> • in international equities, in international bonds (convertible and non-convertible), in treasury certificates, provided they are transferable securities issued on international markets, in any other transferable securities (such as options), in money market instruments and deposits; and/or • via derivative financial instruments whose underliers are the securities mentioned in the preceding paragraph or assets offering exposure to these securities/asset classes. <p>In addition, the Compartment may also invest up to 10% of its net assets in UCIs, including other compartments of the Fund pursuant to Article 181 of the 2010 Act.</p>	<p>This compartment's objective is to enable investors to benefit from the growth of the financial markets through a professionally managed portfolio of UCIs and/or UCITS (including, without limitation, other Compartments of the Fund), pursuant to Article 181 of the 2010 Act as indicated in the "investment restrictions" section), that offer exposure to the following asset classes: currencies, all types of debt securities (public or private), money market instruments, shares and similar securities, real estate, indexes on volatility and commodities.</p> <p>The Compartment may, on an ancillary basis, invest in other eligible assets, in particular directly in equities, debt instruments, money market instruments, structured products (as described below), and derivative instruments that offer exposure to the above-mentioned asset classes.</p> <p>It is understood that the Compartment will not directly hold property assets or commodities and that in, the case of indirect investment, the manager will ensure that no physical delivery is permitted.</p> <p>Exposure of the underlying assets of the Target Funds (whether other compartments of the Fund or other UCIs and/or UCITS) will not be limited to a geographic sector (including emerging countries), a particular sector of economic activity or a given currency. However, depending on market conditions, this exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency and/or one class of assets.</p> <p>The compartment may invest or be exposed for up to 50% of its net assets in markets of Emerging Countries.</p>

Features	Pictet – Absolute Return Global Diversified	Pictet – Multi Asset Global Opportunities
	<p>In order to reduce its exposure to market risk, the Compartment may temporarily hold up to 100% of its assets in liquid instruments and/or money market instruments.</p> <p>The compartment may also use derivative techniques and instruments for efficient management, within the limits specified in the investment restrictions.</p> <p>Both for the purpose of hedging and managing exposure, the compartment may use currency futures, government bond futures, equity index futures, credit default swaps involving bond issuers or baskets of bond issuers, contracts for difference on equities, and total return swaps on equity indices. This list is not exhaustive and only reflects the main financial derivatives used.</p> <p>The Compartment will achieve its investment policy by positioning itself for growth and/or the volatility of the markets. To achieve this management objective, the compartment may use derivative instruments whose underliers are market volatility, including instruments such as “volatility swaps” or “variance swaps” that may generate a profit due to the difference between implicit volatility and actual volatility over a defined period of time.</p> <p>The compartment may also take credit risks on various issuers by means of credit derivative instruments on indexes or on a basket of issuers. To increase its exposure to high-yield corporate bonds, the compartment may sell protection on the CDX High Yield index, which comprises 100 US issuers. As another example, the compartment may reduce its credit risk in relation to a specific bank by purchasing protection for this issuer via credit default swaps.</p> <p>The Compartment may also invest in structured products, such as bonds or other transferable securities whose returns are linked, for example, to the performance of an index, transferable securities or a basket of transferable securities, or an undertaking for collective investment. For example, the Compartment may invest in a convertible bond that grants the holder a right at maturity to choose between the payment of a notional amount or conversion into the equities of its issuer.</p> <p>The Compartment may enter into securities lending agreements in order to increase its capital or income, or to reduce costs or risks.</p>	<p>For hedging and for any other purposes, within the limits set out in the chapter “Investment restrictions” of the prospectus, the compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the compartment, including but not limited to, currencies (including non-deliverable forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment.</p> <p>For diversification of risk, the Compartment may use financial derivative instruments whose underliers are commodities indexes, in accordance with the law and with ESMA guidelines 2012/832.</p> <p>The Compartment will achieve its investment policy by positioning itself for the growth and/or the volatility of the markets. To achieve this management objective, the Compartment may use derivative instruments whose underlying assets are market volatility, including instruments such as futures contracts and options on volatility, volatility swaps or variance swaps. Such derivative instruments may generate a profit due to the difference between implicit volatility and actual volatility over a defined period of time.</p> <p>The Compartment may also invest in structured products, such as credit-linked notes, certificates or any other transferable security whose returns are linked to, among others, an index that adheres to the procedures stipulated in Article 9 of the Luxembourg Regulations of 8 February 2008 (including indexes on commodities, precious metals, volatility, etc.), currencies, interest rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment.</p> <p>A Compartment may enter into securities lending agreements in order to increase its capital or its income or to reduce its costs or risks.</p>

Features	Pictet – Absolute Return Global Diversified	Pictet – Multi Asset Global Opportunities
	<p>For diversification of risk, the Compartment may use derivative financial instruments whose underliers are commodities indices, in accordance with the law and with ESMA guidelines 2012/832.</p> <p>The Compartment may also invest in credit linked notes.</p>	<p>The Compartment may also invest in structured products without embedded derivative instruments which give rise to cash payments, linked to growth in commodities (including precious metals).</p> <p>If the manager deems it necessary and in the best interest of the shareholders, the Compartment may hold up to 100% of its net assets in liquidities, such as deposits, money market instruments, and monetary-type UCI and/or UCITS.</p> <p>As from 16 March 2016, the investment policy of the Compartment will expressly mention the possibility to invest in depository receipts (ADR, GDR, EDR) and the Compartment will also have the possibility to invest in China A Shares, bonds and other debt securities denominated in RMB through (i) the QFII quota granted to an entity of the Pictet Group (subject to a maximum of 35% of its net assets) and/or (ii) the RQFII quota granted to an entity of the Pictet Group. It will also be able to invest in China A Shares through the Shanghai-Hong Kong Stock Connect programme and to use financial derivative instruments on China A Shares. Investments' Compartment in China may be performed, inter alia, on the China Interbank Bond Market ("CIBM").</p>
Risk management method	Absolute value-at-risk approach.	Absolute value-at-risk approach.
Expected leverage	700%. Depending on market conditions, the leverage may be greater.	100%. Depending on market conditions, the leverage may be greater.
Leverage calculation method	Sum of the notional amounts	Sum of the notional amounts
Investment Manager	Pictet Asset Management S.A., Pictet Asset Management Limited and Pictet Asset Management (Hong Kong) Limited	Pictet Asset Management S.A., Pictet Asset Management Limited and Pictet Asset Management Limited, Succursale Italiana
Reference currency of the Compartment	EUR	EUR
Payment value date for subscriptions and redemptions	Within 2 Banking Days following the applicable NAV calculation date.	Within 3 Banking Days following the applicable NAV calculation day.
Performance fee	Equivalent to 20% of the performance of the NAV per share (measured against the "high water mark") versus the benchmark stipulated in the Fund's prospectus (not applicable to Z and X shares).	Equivalent to 10% of the performance of the NAV per share (measured against the "high water mark") versus the benchmark stipulated in the Fund's prospectus (not applicable to X shares).
Synthetic risk indicator	4	4

2. Share classes

The table below sets out the features and classes available in the Absorbed Compartment:

PICTET – ABSOLUTE RETURN GLOBAL DIVERSIFIED

Type of share	Activated	ISIN code	Initial min.	Currency of the class	Subscription and redemption currencies**	Dividend distribution	Fees (max %) *		
							Management	Service	Custodian Bank
I EUR	✓	LU0247079386	1 million	EUR	EUR	–	0.70%	0.30%	0.20%
I dy EUR	–	LU0953042149	1 million	EUR	EUR	✓	0.70%	0.30%	0.20%
P EUR	✓	LU0247079469	–	EUR	EUR-USD	–	1.50%	0.30%	0.20%
P dy EUR	✓	LU0247079543	–	EUR	EUR-USD	✓	1.50%	0.30%	0.20%
R EUR	✓	LU0247079626	–	EUR	EUR-USD	–	2.20%	0.30%	0.20%
Z EUR	–	LU0247081523	–	EUR	EUR	–	0%	0.30%	0.20%
P USD	–	LU0317174695	–	USD	USD	–	1.50%	0.30%	0.20%
HI CHF	✓	LU0407040277	(1)	CHF	CHF	–	0.70%	0.35%	0.20%
HP CHF	✓	LU0407040863	–	CHF	CHF	–	1.50%	0.35%	0.20%
HR CHF	–	LU0407041754	–	CHF	CHF	–	2.20%	0.35%	0.20%
HZ CHF	✓	LU0409319968	–	CHF	CHF	–	0%	0.35%	0.20%
HI USD	✓	LU0407042059	(1)	USD	USD	–	0.70%	0.35%	0.20%
HP USD	✓	LU0407042489	–	USD	USD	–	1.50%	0.35%	0.20%
HR USD	–	LU0407043024	–	USD	USD	–	2.20%	0.35%	0.20%
HZ USD	✓	LU0474971321	–	USD	USD	–	0%	0.35%	0.20%
HI GBP	✓	LU0409320032	(1)	GBP	GBP	–	0.70%	0.35%	0.20%
HI dy GBP	–	LU0953042578	(1)	GBP	GBP	✓	0.70%	0.35%	0.20%
HP GBP	✓	LU0829098770	–	GBP	GBP	–	1.50%	0.35%	0.20%
HP dy GBP	✓	LU0409320115	–	GBP	GBP	✓	1.50%	0.35%	0.20%
HZ GBP	–	LU0409320206	–	GBP	GBP	–	0%	0.35%	0.20%
HI JPY	–	LU0409320388	(1)	JPY	JPY	–	0.70%	0.35%	0.20%
HZ JPY	–	LU0409320461	–	JPY	JPY	–	0%	0.35%	0.20%
HI AUD	–	LU0474971594	(1)	AUD	AUD	–	0.70%	0.35%	0.20%
HZ AUD	–	LU0474971677	–	AUD	AUD	–	0%	0.35%	0.20%
IX EUR	–	LU1115919463	1 million	EUR	EUR	–	1.05%	0.30%	0.20%
PX EUR	–	LU1115919547	–	EUR	EUR	–	2.10%	0.30%	0.20%
RX EUR	–	LU1115919620	–	EUR	EUR	–	2.75%	0.30%	0.20%
HIX USD	–	LU1115919893	(1)	USD	USD	–	1.05%	0.35%	0.20%
HPX USD	–	LU1115919976	–	USD	USD	–	2.10%	0.35%	0.20%
HRX USD	–	LU1115920040	–	USD	USD	–	2.75%	0.35%	0.20%
HIX JPY	–	LU1115920123	(1)	JPY	JPY	–	1.05%	0.35%	0.20%

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

** The conversion costs will be charged to the Compartment.

(1) EUR 1,000,000 converted to CHF, USD, GBP, JPY or AUD respectively on the NAV calculation date.

The table below sets out the features and classes available in the Absorbing Compartment:

PICTET – MULTI ASSET GLOBAL OPPORTUNITIES

Type of share	Activated	ISIN code	Initial min.	Currency of the class	Subscription and redemption currencies	Dividend distribution	Fees (max %) *		
							Management	Service	Custodian Bank
I EUR	✓	LU0941348897	1 million	EUR	EUR	–	0,65%	0,35%	0,10%
P EUR	✓	LU0941349192	–	EUR	EUR	–	1,35%	0,35%	0,10%
P dy EUR	–	LU0950511468	–	EUR	EUR	✓	1,35%	0,35%	0,10%
R EUR	✓	LU0941349275	–	EUR	EUR	–	2,30%	0,35%	0,10%
R dy EUR	–	LU0950511542	–	EUR	EUR	✓	2,30%	0,35%	0,10%
R dm EUR (2)	✓	LU1116037828	–	EUR	EUR	✓	2,30%	0,35%	0,10%
Z EUR	–	LU0950511625	–	EUR	EUR	–	0%	0,35%	0,10%
IX EUR	✓	LU1115920552	1 million	EUR	EUR	–	0,90%	0,35%	0,10%
PX EUR	✓	LU1115920636	–	EUR	EUR	–	1,90%	0,35%	0,10%
RX EUR	–	LU1115920719	–	EUR	EUR	–	2,50%	0,35%	0,10%
ZX EUR	–	LU1115920479	–	EUR	EUR	–	0%	0,35%	0,10%

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

(2) No tax reporting for the dm sub-class of shares will be provided for German investors.