

Pictet – Latin American Local Currency Debt Simplified Prospectus (May 2011)

Important information This prospectus contains essential information relating to Pictet – Latin American 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 modified 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 local Latin American emerging countries.

Emerging countries in Latin America 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, Chile, Brazil, Argentina, Colombia, Peru, Belize, Bolivia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Nicaragua, Paraguay, Panama, Puerto Rico, Suriname, Uruguay, Venezuela.

By derogation to point 7 of § 2 of the investment restrictions, the Compartment is authorised to invest up to 100% of its assets in securities issued by any Latin American country, even if it is not an OECD Member State.

The Compartment may also invest in warrants on transferable securities and indexes and subscription warrants and may use currency transactions for a purpose other than hedging.

The compartment may also invest up to 25% of its net assets, not including the investments in non-delivery forwards described below, in structured products, including in particular credit linked notes and bonds or other transferable securities whose returns are linked to the performance of an index, transferable securities or a basket of transferable securities, or an undertaking for collective investment.

The investments are primarily denominated in the local currencies of the emerging countries in Latin America. 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.

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

The total amount of commitments resulting from currency transactions made for purposes of speculation and hedging may not exceed 100% of the Compartment’s net assets. These transactions will be conducted as non-delivery forwards, forward contracts or other instruments such as options or currency warrants. To achieve this, the Compartment may enter into over-the-counter agreements with leading financial institutions.

The Compartment may in particular enter into non-delivery forward transactions as described in further details in the full prospectus.

Pursuant to its investment policy, the Compartment may hold a significant portion of liquid assets and money market instruments that are traded regularly and whose residual maturity does not exceed 12 months. In addition, 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 that are regularly traded and whose residual maturity does not exceed 12 months.

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

Derivative financial instruments may include options, futures contracts on financial instruments, options on such contracts as well as over-the-counter swaps on various types of financial instruments and total return swaps.

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

From 15 June 2011, the following limit will apply:

The compartment will not invest more than 10% of its assets in shares or any security similar to shares, derivative instruments (including warrants) and/or structured products (in particular delta-adjusted convertible bonds) that have as underlyers or that offer exposure to shares or any security similar to shares.

Likewise, investments in UCIs whose main objective is to invest in the assets listed above are also covered by this 10% limit.

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:

- Who wish to invest in fixed-income securities from issuers located in emerging countries of Latin America and/or by holding money market instruments in emerging countries in Latin America;
- Who are risk tolerant.

5. Types of shares

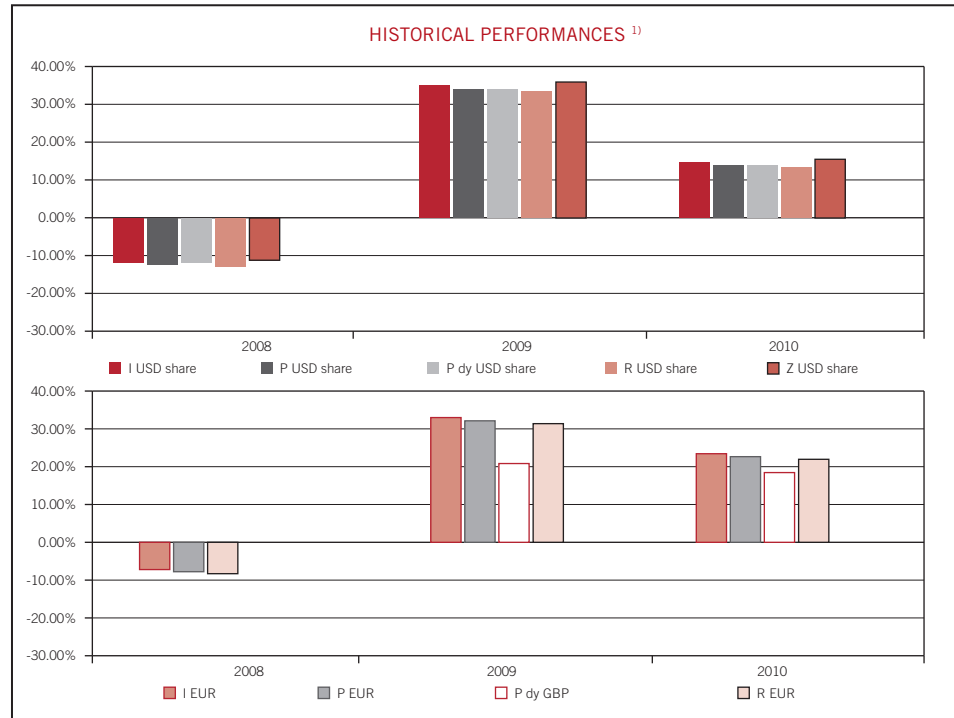
Type of share	Activated	ISIN code	Initial min.	Base currency	Subscription and redemption currencies	Dividend distribution	Fees (max%) *		
							Management	Service	Custodian Bank
I USD (3)	✓	LU0325327566	1 million	USD	USD	–	1,05 %	0,40 %	0,20 %
I dy USD (3)	✓	LU0532860383	1 million	USD	USD	✓	1,05 %	0,40 %	0,20 %
P USD	✓	LU0325327723	–	USD	USD	–	2,10 %	0,40 %	0,20 %
P dy USD	✓	LU0325328291	–	USD	USD	✓	2,10 %	0,40 %	0,20 %
P dm USD (2)	✓	LU0476845283	–	USD	USD	✓	2,10 %	0,40 %	0,20 %
R USD	✓	LU0325328374	–	USD	USD	–	3 %	0,40 %	0,20 %
Z USD (4)	✓	LU0325328457	–	USD	USD	–	0 %	0,40 %	0,20 %
Z dy USD (4)	–	LU0474965430	–	USD	USD	✓	0 %	0,40 %	0,20 %
P dy GBP	✓	LU0366532058	–	GBP	GBP	✓	2,10 %	0,40 %	0,20 %
I EUR (3)	✓	LU0325328531	(1)	EUR	EUR	–	1,05 %	0,40 %	0,20 %
P EUR	✓	LU0325328614	–	EUR	EUR	–	2,10 %	0,40 %	0,20 %
R EUR	✓	LU0325328705	–	EUR	EUR	–	3 %	0,40 %	0,20 %
HI EUR (3) (5)	–	LU0474965513	(1)	EUR	EUR	–	1,05 %	0,45 %	0,20 %
HP EUR (5)	–	LU0474965604	–	EUR	EUR	–	2,10 %	0,45 %	0,20 %
HR EUR (5)	–	LU0474965786	–	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) No tax reporting for the dm sub-class of shares will be provided for German investors.
 - (3) I shares: reserved for institutional investors.
 - (4) 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.
 - (5) 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.



1) after accounting for distributions made.

P dy GBP shares were activated on 3 June 2008 and P dm USD shares were activated on 23 February 2010.

I dy USD shares were activated on 26 August 2010.

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

The Board of Directors may decide to apply anti-dilution measures in order to protect the interests of existing investors as more fully described in the section "Calculation of the net asset value" of the full prospectus.

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 *taxe 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	