



PICTET ALTERNATIVE FUNDS

Investment Company with Variable Capital, Luxembourg

Annual report, including audited financial statements,
as at December 31, 2016



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No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the latest annual report, including audited financial statements, and the most recent semi-annual report, if published thereafter.

Pictet Alternative Funds

TABLE OF CONTENTS

ORGANISATION OF THE SICAV	4
GENERAL INFORMATION	6
MANAGEMENT REPORT	7
REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ / AUDITOR'S REPORT	12
FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS	14
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS	18
NUMBER OF SHARES OUTSTANDING AND NET ASSET VALUE PER SHARE	21
Sub-fund : Pictet Alternative Funds - World Equity Hedge	
- Statement of investments and other net assets	23
- Geographical and industrial classification of investments	25
Sub-fund : Pictet Alternative Funds - Pleiad Credit Opportunities	
- Statement of investments and other net assets	26
- Geographical and industrial classification of investments	29
Sub-fund : Pictet Alternative Funds - Mosaic Euro	
- Statement of investments and other net assets	30
- Geographical and industrial classification of investments	33
Sub-fund : Pictet Alternative Funds - Global	
- Statement of investments and other net assets	34
- Geographical and industrial classification of investments	36
Sub-fund : Pictet Alternative Funds - Distressed	
- Statement of investments and other net assets	37
- Geographical and industrial classification of investments	38
Sub-fund : Pictet Alternative Funds - Emerging Managers	
- Statement of investments and other net assets	39
- Geographical and industrial classification of investments	40
Sub-fund : Pictet Alternative Funds - Equity Diversifier (note 1)	
- Statement of investments and other net assets	41
- Geographical and industrial classification of investments	42
NOTES TO THE FINANCIAL STATEMENTS	43
OTHER INFORMATION TO SHAREHOLDERS	61

Pictet Alternative Funds

ORGANISATION OF THE SICAV

Registered Office	15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Board of Directors of the SICAV	
Chairman	Mr Nicolas TSCHOPP, Senior Vice President, Pictet Asset Management SA, Geneva, Switzerland
Directors	Mr Francesco ILARDI, Executive Vice President, Pictet Alternative Advisors SA, Geneva, Switzerland Mr Justin EGAN, Independent Director, Carne Global Financial Services Limited, Ireland Mr Thomas NUMMER, Independent Director, Carne Global Financial Services Luxembourg S.a.r.l., Senningerberg, Grand Duchy of Luxembourg Mr Anil KUMAR SINGH, Independent Director, Carne Global Fund Managers (Luxembourg) S.A., Senningerberg, Grand Duchy of Luxembourg (note 16)
Management Company and Alternative Investment Fund Manager	Pictet Asset Management (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Board of Directors of the Management Company	
Chairman	Mr Cédric VERMESSE, CFO, Pictet Asset Management SA, Geneva, Switzerland
Directors	Mr Rolf BANZ, Independent Director, Mr Xavier BARDE, Executive Vice President, Banque Pictet & Cie SA, Geneva, Switzerland
Conducting officers of the Management Company	Mr David MARTIN, Head of Business Risk & Public Policy, Pictet Asset Management SA, Geneva, Switzerland Mr Laurent MOSER, Head of Compliance, Pictet Asset Management (Europe) S.A., Luxembourg, Grand Duchy of Luxembourg Mr Benoît BEISBARDT, Head of Fund Administration, Pictet Asset Management (Europe) S.A., Luxembourg, Grand Duchy of Luxembourg Mr Emmanuel GUTTON, Head of Legal, Pictet Asset Management (Europe) S.A., Luxembourg, Grand Duchy of Luxembourg (since October 25, 2016)

Pictet Alternative Funds

ORGANISATION OF THE SICAV (continued)

Investment Manager	Pictet Alternative Advisors SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland
Depository Bank	Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Transfer Agent, Administrative Agent and Paying Agent	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Cabinet de révision agréé/Auditor	Deloitte Audit, <i>Société à responsabilité limitée</i> , 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg
Legal Adviser	Elvinger Hoss Prussen, 2, place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

Pictet Alternative Funds

GENERAL INFORMATION

Pictet Alternative Funds (the "SICAV") publishes an annual report, including audited financial statements, within six months after the end of the financial year and an unaudited semi-annual report within two months after the end of the period to which it refers.

All these reports are made available to the Shareholders free of charge at the registered office of the SICAV and from the Depositary Bank and foreign agents involved in marketing the SICAV abroad.

Any other financial information to be published concerning the SICAV, including the monthly issue, redemption and conversion price of the shares, is available to the public at the registered office of the SICAV.

The net asset value per share, the issue price and the redemption price are available, in Luxembourg, at the registered office of the SICAV, the Depositary Bank and foreign agents involved in marketing the SICAV abroad.

Any amendments to the articles of incorporation will be published in the "*Recueil électronique des sociétés et associations*" (from June 1, 2016 "*Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg*" until May 31, 2016) of the Grand Duchy of Luxembourg.

A detailed schedule of changes in the investments for the reporting year is available free of charge upon request at the registered office of the SICAV.

Pictet Alternative Funds

MANAGEMENT REPORT

Market review

Investors witnessed a difficult start to 2016 for risk assets, with share indices tumbling and bond yields moving steeply downwards. Come mid-February though, the markets steadied themselves, before rising oil prices provided the first major turning-point in the year, acting as the catalyst to spark a rally on equity markets. For much of the second quarter of 2016, financial assets held up quite well. The rebound in oil prices had a major part to play in helping to restore investor confidence in shares. The US dollar, buttressed by speculation about a hike in key interest rates by the Fed, rallied powerfully in May. Financial markets, still reeling from the shock Brexit result, began the third quarter in faltering fashion, but volatility did gradually subside. Improving market sentiment not only worked to the advantage of equities, but also boosted corporate bonds. The markets also benefited from central banks' generosity as they, for different individual reasons, retained their accommodating bias to monetary policy. Trump's victory in the US Presidential election was the second main turning-point of 2016, triggering a possible shift in market regime. US equities sky-rocketed, fuelled by almost hysterical expectations hyped up on a Republican blend of tax cuts, rising public spending and a more relaxed attitude to regulation. This election would also appear to have sounded the death-knell for the thirty-year bull market for bonds. Post-election, the dollar also quickened its rise in value. Investors took as read the move to tighten monetary screws in December, with more hikes to follow in 2017 if 'Trumponomics' is implemented.

In fixed income, as monetary policies in the various regions are out of sync with each other, the rise in long-bond yields was much steeper on US Treasuries than on German Bunds. Moreover, political instability round the euro area's periphery saw spreads on sovereign debt widen. As for credit-risk instruments, the best returns were delivered by US high-yield corporate bonds, while investment-grade bonds made more modest gains. In emerging markets, the relative appeal of local-currency emerging-market debt has undeniably diminished on account of the rising dollar and US interest rates since the US Presidential election.

Stock markets delivered a mixed bag of returns depending on regions and sectors, with volatility playing an active role on markets. At the outset of the year, tumbling Chinese equities pushed the price of oil and share prices downwards, which only rebounded in mid-February. Sectoral rotation towards cyclicals and away from blue-chip stocks took hold on markets and exerted its influence throughout the year. The Brexit outcome rocked markets in late June, mostly euro area shares - especially financials. After rebounding in July, shares were range-bound for the rest of the quarter, while emerging equity markets advanced on the back of rebounding commodity prices. Trump's victory unleashed a fresh rally by risk assets in November, which worked chiefly to the advantage of US equities and small caps, amid expectations for higher revenues and rising earnings per share.

Pictet Alternative Funds

MANAGEMENT REPORT (continued)

Pictet Alternative Funds - World Equity Hedge

In 2016, Pictet Alternative Funds - World Equity Hedge ("WEH"), I share class, returned -5.27% for the year.

WEH suffered in Q1 when markets sold off in the first 6 weeks of the year and didn't catch the sharp rally that followed as the majority of managers had reduced their market exposure. Furthermore, Brexit and Trump's election were a surprise for many managers who were not positioned accordingly. In general, the portfolio's bias towards momentum and growth factors did impact its performance whereas exposure to outperforming value and cyclical companies missed during the year

WEH kept its main exposures to long/short equity. Throughout the year, the portfolio allocated on average 29% to long/short US managers, 30% to long/short global managers, 29% to long/short Europe managers and 12% to long/short Asia managers.

For European managers in which WEH invests, 2016 was a challenging year as they cost the portfolio -2.06%. The largest detracting manager was mostly hurt in June following Brexit and the decision to take some hedges out, which prove to be the wrong move. On the other hand, US managers added +27bps as of the end of 2016. The largest contributor finished the year up 11.37% thanks to long positions in BHP Billiton and Rio Tinto.

Pictet Alternative Funds - Pleiad Credit Opportunities

Pictet Alternative Funds - Pleiad Credit Opportunities returned +5.0% for investors in 2016 (I class).

Following its restructuring in 2013, Pictet Alternative Funds - Pleiad Credit Opportunities is a concentrated thematic portfolio focusing on credit hedge funds. As such, Pictet Alternative Funds - Pleiad Credit Opportunities allocated to twenty four managers during the year and also maintained a 6.2% allocation on average to Pictet Alternative Funds - Distressed (see below).

2016's largest contributor reported a performance of 18.22% thanks to buying CLO BB Mezzanine tranches back in February. Moreover, the manager benefited from a number of events taking place in both corporate and structured credit markets. The largest detractor had a disappointing year with a performance of -6.01%, due mostly to his CMBS exposure that proved costly in the first half of the year.

Pictet Alternative Funds - Mosaic Euro

Pictet Alternative Funds - Mosaic Euro, I class, finished the year with a performance of 2.20%.

During 2016 Pictet Alternative Funds - Mosaic Euro allocated on average 26% to Long/Short equity, 18% to Relative Value, 12% to Event Driven, 29% to Global Macro, 7% to Distressed strategies and 9% to CTAs. Event Driven exposure was trimmed by approximately 4% and CTAs by 2% during the course of the year, while Long/Short equity exposure increased by approximately 5%.

Pictet Alternative Funds

MANAGEMENT REPORT (continued)

One can safely say that 2016 was a year of two halves, looking rather disappointing for hedge funds at the outset, whereas the end of the year revived optimism. Political instability did not go unnoticed, having an impact on markets and affecting hedge fund performance. Macro managers generally maintained low levels of risk for the best part of the year and generally registered lacklustre performances, until Trump's election in November revived the opportunity set for the strategy. Global Macro managers added 2.32% to returns during 2016, whereas CTAs detracted 0.37%.

As far as equity-sensitive strategies are concerned, sector rotations and market volatility hurt managers in the first half of the year, but as the Brexit-fuelled upheaval abated, managers started rebuilding their gross exposures and slowly recouping earlier losses, especially as a number of sectors rebounded following Trump's win. Long/short managers added 0.49% to returns on aggregate.

In Event Driven, robust M&A activity throughout the year boosted manager's M&A books while supportive market conditions benefited credit/distressed books. Distressed debt, in particular, proved to be the best performing strategy of 2016, thanks to both robust credit markets but also the positive outcome for a number of legacy names such as Caesars and TXU. And while it appears that the next default cycle may be postponed, managers enjoyed handsome gains from their exposure to energy-related names. Overall, Event Driven and Distressed managers contributed 0.67% and 0.29% to returns respectively. Lastly, Relative Value had a strong year, particularly thanks to and credit-related strategies and capital structure arbitrage trades, and added 0.30% to performance.

Pictet Alternative Funds - Global

Pictet Alternative Funds - Global finished the year with a performance of -4.6% (I class).

Pictet Alternative Funds - Global's hedge fund bucket had, on average, 68% allocated to long/short equity and 8% to CTA funds. The event-driven allocation represented on average 5% and the global macro allocation 8% during the year. The remaining traditional investment component was approximately 6% during the year, and included an average of 2.3% to blend and 3.8% to value strategies. The portfolio also initiated a position in physical gold in June, representing 2.0% as at December 2016.

The portfolio's long/short equity allocation was the main culprit for the losses, detracting 409bps from performance throughout the year. 2016 was a challenging year for the strategy overall. The first half of the year was particularly difficult for managers to navigate due to increased volatility and sector rotations. The main outlier of the strategy however was a long/short manager who made the largest contribution on the year (+70bps), registering gains on both sides of his book, mostly on positions in financials. Within the equity-sensitive strategies bucket, Event driven proved positive and added 30bps to the returns, mostly thanks to buoyant M&A activity, whereas credit books also benefited from supportive market conditions. The top performing strategy, nevertheless, was global macro, with a contribution of 52bps. CTAs detracted 48bps, suffering from a series of trend reversals during the year, despite providing downside protection during Brexit for example. Lastly, in the portfolio's long-only allocation, the sub-fund's value manager added 17bps and the blend manager added 12bps to returns.

Pictet Alternative Funds

MANAGEMENT REPORT (continued)

Pictet Alternative Funds - Commo

Pictet Alternative Funds - Commo returned 1.4% in 2016 (I class).

As at December 16, 2016, the Board of Directors of the SICAV decided to liquidate the compartment Pictet Alternative Funds - Commo as of December 31, 2016.

2016 was a good year for commodity markets, with the Bloomberg Commodity Index and the S&P GSCI Commodity Total Return Index registering profits of 11.8% and 11.4% respectively. These results were largely driven by crude oil performance as supply increased. Crude oil price climbed up to more than 56USD/bbl by December 2016, from a bottom of approximately 37USD/bbl at the start of the year.

During the year, the portfolio held positions in eight managers. Four of these managers were energy specialists, two were agricultural specialists, one was a macro generalist and one was a systematic trading strategy specialist.

As expected, the portfolio's energy-focused managers drove performance over the year. The top three contributors added 204bps, 177bps and 171bps to the sub-fund respectively, thanks to their bullish oil positioning. On the negative side, the portfolio's natural gas specialist was the main outlier, offsetting returns by 432bps. That latter manager posted a significant loss in February; being caught wrong footed with long positions in US natural gas contracts while prices dropped abruptly.

Pictet Alternative Funds - Distressed

Pictet Alternative Funds - Distressed returned +8.6% in 2016 (I class).

Throughout the year, Pictet Alternative Funds - Distressed allocated on average 18% to opportunistic distressed funds, 13% to structured credit funds, 8% to long/short credit funds, and increased the average allocation to 9% to emerging fixed-income funds. The remainder (49%) was allocated to classic distressed managers.

Underlying managers' returns were largely influenced by the same performance drivers as those described above for Pictet Alternative Funds - Pleiad Credit Opportunities. The beginning of 2016 saw negative overall returns; however returns kept increasing to finish at a high in December thanks to contribution from the top manager. The largest contributor finished the year up 39.2% stemming mainly from gains coming from oil related exposure. The largest detractor took away 42bps from 2016 portfolio performance due to investment in industrial equity as well as exposure to bank debts in the German energy sector.

Pictet Alternative Funds - Emerging Managers

Pictet Alternative Funds - Emerging Managers returned -4.2% in 2016 (Z class).

Pictet Alternative Funds - Emerging Managers is a vehicle aimed to create a pool of capital that can be mobilized to fund managers who either have just started their hedge fund operations or have relatively low AuM compared to their peers.

Pictet Alternative Funds

MANAGEMENT REPORT (continued)

Pictet Alternative Funds - Emerging Managers started the year with an allocation to five managers. Three more positions were added during the course of the year and one was exited, bringing the total allocation to seven managers as of December. The first new position was a Global Macro manager, initiated in July, and the second one was a global Long/short manager, initiated in April. The position exited was a European-focused Long/short manager that was redeemed in December.

With regard to performance attribution, an Asian-focused relative value manager contributed the most to returns, +35bps. The portfolio's largest detractor was a global Long/short manager who cost the sub-fund 176bps, while an emerging market global macro manager and a systematic manager also weighed on returns, detracting 99bps and 92bps respectively.

Pictet Alternative Funds - Equity Diversifier

Pictet Alternative Funds - Equity Diversifier returned 0.23% in 2016.

Pictet Alternative Funds - Equity Diversifier was launched in June 2016 and is a vehicle focused on long/short equity strategies with a concentrated composition.

The portfolio initiated two positions in June, one to a trading-oriented European manager and one to a China-focused manager. The latter was the year's largest detractor, offsetting performance by 46bps. Three more positions were added in August: one US manager – who proved to be the largest contributor for the year (+69bps) - and two global managers. Finally, another US manager was added in October and a global market neutral manager in December.

Regulatory requirement in the Netherlands

The administrative procedures of the Company comply with the requirements of the Netherlands law as detailed in article 8 and article 47.k of The Netherlands Investment Institutions Supervision Decree 2005. The administrative organisation of the SICAV and its internal control systems function in accordance with these procedures.

March 2017

Established by Pictet Alternative Advisors SA

Approved by the Board of Directors of the SICAV

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ / AUDITOR'S REPORT

To the Shareholders of

Pictet Alternative Funds
Investment Company with Variable Capital, Luxembourg
15, avenue J.F. Kennedy,
L-1855 Luxembourg

We have audited the accompanying financial statements of Pictet Alternative Funds (the "SICAV") and each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2016 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements and sections 122 to 124 of the Decree of Conduct of Business Supervision of Financial Undertakings under the Netherlands Financial Supervision Act relating to the preparation of financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ / AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Pictet Alternative Funds and of its sub-funds as at December 31, 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements and sections 122 to 124 of the Decree of Conduct of Business Supervision of Financial Undertakings under the Netherlands Financial Supervision Act relating to the preparation of the financial statements.

Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of réviseur d'entreprises agréé thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

For Deloitte Audit
Société à responsabilité limitée
Cabinet de révision agréé



Christian Van Dartel, *Réviseur d'entreprises agréé*
Partner

April 13, 2017
560, rue de Neudorf
L-2220 Luxembourg

Pictet Alternative Funds

STATEMENT OF NET ASSETS AS AT DECEMBER 31, 2016

	Combined	World Equity Hedge	Pleiad Credit Opportunities
	USD	USD	USD
ASSETS			
Investments in securities at acquisition cost	1,242,823,592.51	336,693,907.36	555,407,891.78
Net unrealised gain/loss on investments	61,888,559.70	-5,377,830.73	21,437,334.98
Investments in securities at market value (note 2.d)	1,304,712,152.21	331,316,076.63	576,845,226.76
Cash at banks (note 2.d)	23,597,008.54	5,582,381.31	350,271.13
Net unrealised gain on forward foreign exchange contracts (notes 2.j, 11)	3,891,911.73	570,066.09	1,908,188.47
Other assets	178,886.95	0.00	0.00
	1,332,379,959.43	337,468,524.03	579,103,686.36
LIABILITIES			
Bank overdraft (note 2.d)	8,148,695.17	0.00	0.00
Management fee payable (note 3)	2,955,762.15	1,011,731.08	1,099,876.89
"Taxe d'abonnement" payable (note 6)	82,062.27	35,147.46	18,533.75
Net unrealised loss on forward foreign exchange contracts (notes 2.j, 11)	22,504.66	0.00	0.00
Other fees payable (note 4)	628,653.53	152,625.02	268,913.59
Loans (note 2.k, 12)	26,657,000.00	9,000,000.00	5,000,000.00
	38,494,677.78	10,199,503.56	6,387,324.23
TOTAL NET ASSETS AS AT DECEMBER 31, 2016	1,293,885,281.65	327,269,020.47	572,716,362.13
TOTAL NET ASSETS AS AT DECEMBER 31, 2015	1,477,369,694.31	396,446,043.35	674,376,058.09
TOTAL NET ASSETS AS AT DECEMBER 31, 2014	1,564,798,324.55	420,777,273.33	693,813,362.32

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds

STATEMENT OF NET ASSETS AS AT DECEMBER 31, 2016

Mosaic Euro	Global	Commo (note 1)	Distressed	Emerging Managers
EUR	USD	USD	USD	USD
228,339,852.14	15,597,602.76	0.00	35,029,093.66	18,163,114.16
35,923,188.60	2,579,941.22	0.00	4,949,255.60	-599,637.42
264,263,040.74	18,177,543.98	0.00	39,978,349.26	17,563,476.74
0.00	1,719.68	17,661,833.65	0.00	802.77
1,132,913.19	0.00	0.00	1,232.14	0.00
0.00	0.00	178,886.95	0.00	0.00
265,395,953.93	18,179,263.66	17,840,720.60	39,979,581.40	17,564,279.51
723,810.76	0.00	0.00	1,961.99	0.00
692,250.99	34,030.72	17,675.47	684.07	0.00
21,917.89	1,951.11	981.40	1,013.51	440.70
0.00	22,504.66	0.00	0.00	0.00
112,118.42	12,012.41	21,878.60	29,962.76	11,800.00
12,000,000.00	0.00	0.00	0.00	0.00
13,550,098.06	70,498.90	40,535.47	33,622.33	12,240.70
251,845,855.87	18,108,764.76	17,800,185.13	39,945,959.07	17,552,038.81
285,957,977.76	19,516,530.77	18,899,544.37	40,309,113.34	17,186,253.15
292,967,978.07	23,862,605.33	28,692,368.26	43,146,813.44	-

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds

STATEMENT OF NET ASSETS AS AT DECEMBER 31, 2016

Equity Diversifier (note 1)

EUR

ASSETS

Investments in securities at acquisition cost	38,957,595.40
Net unrealised gain/loss on investments	957,111.04
Investments in securities at market value (note 2.d)	<hr/> 39,914,706.44

Cash at banks (note 2.d)	0.00
Net unrealised gain on forward foreign exchange contracts (notes 2.j, 11)	206,195.63
Other assets	0.00
	<hr/> 40,120,902.07

LIABILITIES

Bank overdraft (note 2.d)	7,000,041.51
Management fee payable (note 3)	58,414.02
"Taxe d'abonnement" payable (note 6)	830.95
Net unrealised loss on forward foreign exchange contracts (notes 2.j, 11)	0.00
Other fees payable (note 4)	12,518.84
Loans (note 2.k, 12)	0.00
	<hr/> 7,071,805.32

TOTAL NET ASSETS AS AT DECEMBER 31, 2016	33,049,096.75
TOTAL NET ASSETS AS AT DECEMBER 31, 2015	-
TOTAL NET ASSETS AS AT DECEMBER 31, 2014	-

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds

Pictet Alternative Funds

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR/PERIOD ENDED DECEMBER 31, 2016

	Combined	World Equity Hedge	Pleiad Credit Opportunities
	USD	USD	USD
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	1,477,369,694.31	396,446,043.35	674,376,058.09
INCOME			
Dividends, net (note 2.i)	282,726.23	34,076.99	113,724.85
Bank interest (note 2.i)	632.39	189.76	235.27
Other income	14,587.01	0.00	0.00
	297,945.63	34,266.75	113,960.12
EXPENSES			
Management fee (note 3)	12,321,369.60	4,254,742.26	4,606,333.01
Depository fee and bank interest (note 3)	1,502,670.20	324,919.81	872,598.57
Other expenses	641,504.90	136,585.54	233,470.65
Service fee (note 3)	1,016,225.95	262,361.10	476,761.73
"Taxe d'abonnement" (note 6)	315,343.38	132,656.92	70,844.73
Transaction fees (note 2.I)	59,914.70	12,165.27	10,055.65
Interest paid on loan (notes 2.k, 12)	452,347.61	76,805.24	240,164.41
	16,309,376.34	5,200,236.14	6,510,228.75
NET INVESTMENT LOSS	-16,011,430.71	-5,165,969.39	-6,396,268.63
Net realised gain/loss on sales of investments (note 9)	29,012,059.30	-5,477,977.89	6,282,879.99
Net realised gain/loss on foreign exchange	3,760,703.55	732,226.86	2,366,522.16
Net realised gain/loss on forward foreign exchange contracts	-17,185,664.79	-1,551,304.27	-8,728,659.60
NET REALISED GAIN/LOSS	-424,332.65	-11,463,024.69	-6,475,526.08
Change in net unrealised appreciation/depreciation:			
- on investments (note 10)	7,599,182.06	-12,414,157.73	30,816,451.55
- on forward foreign exchange contracts	3,367,030.86	339,433.83	1,779,015.26
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	10,541,880.27	-23,537,748.59	26,119,940.73
Proceeds from subscriptions of shares	120,847,502.97	28,636,957.40	42,710,841.42
Cost of shares redeemed	-294,891,864.26	-70,178,840.36	-162,227,207.18
Revaluation difference*	-10,959,957.43	-4,097,391.33	-8,263,270.93
Revaluation difference on the net assets at the beginning of the year**	-9,021,974.21		
NET ASSETS AT THE END OF THE YEAR/PERIOD	1,293,885,281.65	327,269,020.47	572,716,362.13

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2015 and December 31, 2016.

** The difference mentioned above results from the conversion of the net assets at the beginning of the year (for the sub-funds denominated in currencies other than USD) at exchange rates applicable on December 31, 2015 and exchange rates applicable on December 31, 2016.

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR/PERIOD ENDED DECEMBER 31, 2016

Mosaic Euro	Global	Commo (note 1)	Distressed	Emerging Managers
EUR	USD	USD	USD	USD
285,957,977.76	19,516,530.77	18,899,544.37	40,309,113.34	17,186,253.15
85,377.73	3,928.87	7,865.10	4,114.79	186.30
176.60	0.00	21.09	0.00	0.00
0.00	14,587.01	0.00	0.00	0.00
85,554.33	18,515.88	7,886.19	4,114.79	186.30
2,950,465.22	137,474.13	77,684.51	2,371.47	0.00
190,344.32	17,442.75	17,307.50	35,334.19	17,036.17
113,485.97	29,670.82	41,519.17	43,917.98	27,652.57
183,073.48	9,193.70	17,917.39	39,066.95	8,751.88
88,048.92	7,220.19	3,795.75	3,959.41	1,720.72
20,335.16	4,037.49	2,499.45	6,249.72	1,526.48
125,485.61	122.37	0.00	2,899.64	0.00
3,671,238.68	205,161.45	160,723.77	133,799.36	56,687.82
-3,585,684.35	-186,645.57	-152,837.58	-129,684.57	-56,501.52
25,797,713.91	1,143,325.11	882,689.30	-1,106,536.27	119,053.79
577,318.79	-24,774.29	22,414.01	762.13	0.00
-5,688,103.40	142,569.35	2,218.30	-4,159.28	0.00
17,101,244.95	1,074,474.60	754,484.03	-1,239,617.99	62,552.27
-12,930,930.20	-1,916,908.27	-377,814.54	4,917,763.42	-796,766.61
1,009,080.45	-48,799.27	14,273.21	1,295.38	0.00
5,179,395.20	-891,232.94	390,942.70	3,679,440.81	-734,214.34
12,818,702.23	0.00	7,033.47	65,394.50	1,100,000.00
-53,480,790.52	-516,533.07	-1,453,349.67	-4,107,070.18	0.00
1,370,571.20	0.00	-43,985.74	-919.40	0.00
251,845,855.87	18,108,764.76	17,800,185.13	39,945,959.07	17,552,038.81

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR/PERIOD ENDED DECEMBER 31, 2016

Equity Diversifier (note 1)

	EUR
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	-
INCOME	
Dividends, net (note 2.i)	27,283.40
Bank interest (note 2.i)	0.00
Other income	0.00
	27,283.40
EXPENSES	
Management fee (note 3)	123,973.48
Depository fee and bank interest (note 3)	16,369.32
Other expenses	8,522.25
Service fee (note 3)	8,605.31
"Taxe d'abonnement" (note 6)	2,157.92
Transaction fees (note 2.l)	1,831.84
Interest paid on loan (notes 2.k, 12)	0.00
	161,460.12
NET INVESTMENT LOSS	-134,176.72
Net realised gain/loss on sales of investments (note 9)	-39,358.59
Net realised gain/loss on foreign exchange	51,790.17
Net realised gain/loss on forward foreign exchange contracts	-992,464.78
NET REALISED GAIN/LOSS	-1,114,209.92
Change in net unrealised appreciation/depreciation:	
- on investments (note 10)	957,111.04
- on forward foreign exchange contracts	206,195.63
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	49,096.75
Proceeds from subscriptions of shares	33,000,000.00
Cost of shares redeemed	0.00
Revaluation difference*	0.00
NET ASSETS AT THE END OF THE YEAR/PERIOD	33,049,096.75

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2015 and December 31, 2016.

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds

NUMBER OF SHARES OUTSTANDING AND NET ASSET VALUE PER SHARE

Sub-fund	Class	Currency	Number of shares	Net asset value	Net asset value	Net asset value
			outstanding	per share	per share	per share
			31.12.2016	31.12.2016	31.12.2015	31.12.2014
World Equity Hedge	I USD	USD	892,005.98	144.84	152.89	147.03
	J USD	USD	115,971.00	149.93	157.82	151.34
	P USD	USD	82,500.95	144.26	152.52	146.89
	R USD	USD	100.00	135.56	144.04	139.42
	Z USD	USD	5,989.26	130.20	135.67	128.82
	HI CHF	CHF	531,394.50	134.26	144.57	141.06
	HI EUR	EUR	512,031.86	97.56	104.47	100.59
	HJ CHF	CHF	176,901.30	139.08	149.32	145.28
	HJ EUR	EUR	144,868.93	100.98	107.82	103.51
	HP CHF	CHF	11,677.32	133.74	144.22	140.93
	HP EUR	EUR	32,593.33	97.18	104.21	100.49
	HR CHF	CHF	85.47	125.58	136.11	133.67
	HR EUR	EUR	5,746.04	91.28	98.38	95.34
	HZ CHF	CHF	100.00	141.80	150.72	145.19
	HZ EUR	EUR	100.00	92.03	97.27	92.47
Pleiad Credit Opportunities	D USD	USD	2,006,835.36	110.22	104.36	109.22
	I USD	USD	101,130.23	138.22	131.63	138.58
	J USD	USD	5,761.44	142.71	135.52	142.27
	P USD	USD	54,767.30	137.66	131.29	138.44
	R USD	USD	1,455.88	130.31	124.91	132.36
	Z USD	USD	100.00	129.00	121.29	126.06
	HD CHF	CHF	1,303,931.93	105.75	102.07	108.46
	HD EUR	EUR	1,436,260.60	107.78	103.43	108.88
	HI CHF	CHF	66,790.93	151.16	146.76	156.86
	HI EUR	EUR	63,124.48	106.95	103.25	109.32
	HJ CHF	CHF	12,531.40	156.04	151.07	161.00
	HJ EUR	EUR	57,343.76	110.38	106.25	112.18
	HP CHF	CHF	11,856.03	150.55	146.39	156.70
	HP EUR	EUR	18,551.85	106.52	102.99	109.21
	HR CHF	CHF	521.95	142.37	139.18	149.74
	HR EUR	EUR	4,289.81	100.76	97.90	104.35
	HZ CHF	CHF	86.28	141.76	135.88	143.37
HZ EUR	EUR	100.00	91.09	86.81	90.74	
Mosaic Euro	I EUR	EUR	1,070,882.32	78.41	76.72	78.35
	J EUR	EUR	692,676.50	80.60	78.64	80.07
	P EUR	EUR	18,909.15	78.10	76.54	78.27
	R EUR	EUR	164,088.15	74.43	73.30	75.34
	Z EUR	EUR	100.00	89.55	86.50	87.19
	HI CHF	CHF	450,874.61	120.27	118.44	122.46
	HI GBP	GBP	6,844.61	108.71	105.42	107.10
	HI USD	USD	60,202.20	108.68	105.04	107.06
	HJ CHF	CHF	159,486.14	123.64	121.40	125.16
	HJ GBP	GBP	89.67	111.39	107.70	109.12
	HJ USD	USD	2,142.08	111.72	107.67	109.41
	HP CHF	CHF	13,714.59	119.79	118.14	122.34
	HP USD	USD	3,812.68	108.25	104.78	106.95
	HR CHF*	CHF	-	-	113.25	117.85
	HR GBP	GBP	390.63	103.74	101.25	103.55
	HR USD*	USD	-	-	100.53	103.12
	HZ CHF	CHF	155,320.98	138.43	134.58	137.36
	HZ GBP	GBP	100.00	123.18	117.92	118.27

* Refer to note 1.

Pictet Alternative Funds

NUMBER OF SHARES OUTSTANDING AND NET ASSET VALUE PER SHARE

Sub-fund	Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
			31.12.2016	31.12.2016	31.12.2015	31.12.2014
	HZ USD	USD	100.00	125.09	119.35	120.08
Global	I USD	USD	117,782.59	129.09	135.25	127.35
	J USD	USD	22,175.29	130.99	137.61	129.91
Commo (note 1)	I USD	USD	34,878.92	104.49	103.04	112.20
	J USD	USD	100.00	88.57	87.09	94.55
	P USD	USD	18,036.95	104.07	102.78	112.09
	Z USD	USD	133,793.24	91.71	89.27	95.96
	HI EUR	EUR	-	-	101.36	108.42
	HP EUR	EUR	-	-	101.11	108.30
	HZ EUR	EUR	-	-	90.64	95.70
Distressed	I USD	USD	263.45	108.84	100.23	111.18
	P USD	USD	1,005.80	108.42	99.99	111.07
	Z USD	USD	342,184.62	116.02	105.47	115.47
	HI CHF	CHF	100.00	104.51	98.00	110.26
	HI EUR	EUR	100.00	106.25	99.02	110.50
	HP CHF	CHF	100.00	104.11	97.76	110.15
	HP EUR	EUR	692.51	105.83	98.77	110.38
Emerging Managers	Z USD	USD	181,309.89	96.81	101.10	-
Equity Diversifier (note 1)	A EUR	EUR	329,744.52	100.23	-	-

Pictet Alternative Funds - World Equity Hedge

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS			
<i>BERMUDA</i>			
ANTARES EUROPEAN FUND EUR	27,039.00	16,544,665.77	5.06
		16,544,665.77	5.06
<i>BRITISH VIRGIN ISLANDS</i>			
EGERTON LONG/SHORT FUND C EUR 1	180,558.50	16,280,850.71	4.97
EGERTON LONG/SHORT FUND C1	24,103.00	4,216,018.67	1.29
MIURA GLOBAL FUND AA SUB. I 03/09	13,037.72	15,919,412.88	4.86
		36,416,282.26	11.12
<i>CAYMAN ISLANDS</i>			
BLACKROCK EUROPEAN HEDGE FUND I EUR	84,228.67	19,242,872.72	5.88
BRAHMAN PARTNERS II G S4 04/14	5,700.00	4,634,638.08	1.42
BRAHMAN PARTNERS II G S5 05/14	2,400.00	1,930,211.04	0.59
COATUE A SUB D2 TR.6 01/11/09 USD	6,903.20	1,314,062.15	0.40
COATUE C SUB D2 TR.6 08/11 EUR	63,403.78	9,221,684.03	2.82
COATUE OFFSHORE A SUB. C TR. 4 01/14 USD	8,000.00	845,546.00	0.26
COATUE OFFSHORE A SUB. C TR. 4 06/08 USD	570.00	94,150.97	0.03
COATUE OFFSHORE A USD N-6E6 S.04/14	59,999.46	6,700,876.39	2.05
COATUE OFFSHORE C SUB. C TR. 4 02/14 EUR	730.00	81,581.58	0.02
COATUE OFFSHORE C SUB. C TR. 6 05/08 EUR	15,210.00	2,625,246.43	0.80
CONSONANCE CAPITAL INVESTORS A USD 03/15	10,000.00	10,892,188.00	3.33
CONSONANCE CAPITAL INVESTORS A USD 08/07	1,144.39	3,485,743.41	1.07
EISENSTAT CAPITAL PARTNERS OFFSHORE INVESTMENT A S1	1,307.35	1,874,927.51	0.57
EISENSTAT CAPITAL PARTNERS OFFSHORE INVESTMENT C C1	11,013.93	14,261,755.84	4.36
EXUMA OFFSHORE A SUB A2 NI -HLDB-	204,334.60	204,334.60	0.06
GLENVIEW CAPITAL PARTNERS G S.65	12,895.31	18,418,788.40	5.63
GREENVALE CAPITAL FUND F EUR 05/16	9,400.00	8,596,485.09	2.63
MLO PRIVATE INVESTMENT USD S.1 12/10 *	262.94	387,771.20	0.12
NEZU CYCLICALS FUND D USD	92,640.00	12,160,261.76	3.72
OWL CREEK OVERSEAS C S3BS 03/09 41-115928 *	36.21	471,490.60	0.14
OWL CREEK OVERSEAS C S3BT 03/09 41-115928 *	21.50	279,964.83	0.09
OWL CREEK OVERSEAS C S4 07/07 41-115928 *	2.79	7,903.66	0.00
OWL CREEK OVERSEAS SP RESERVED 41-115928 *	206,769.36	82,610.56	0.03
SEG PARTNERS OFFSHORE A SUB1 S1 NI	60,283.00	21,054,287.16	6.42
STELLIAM OFFSHORE FUND A 07/09 -UNREST.-	10,052.22	18,460,705.98	5.64
SUMMITVIEW CHINA FUND USD S1612	50,000.00	4,930,315.00	1.51
SUMMITVIEW CHINA FUND USD -TO REC.-	2,300,000.00	2,300,000.00	0.70
SUVRETTA OFFSHORE 1 SUB B 06/13	6,421.69	9,313,686.66	2.85
SUVRETTA OFFSHORE 1 SUB B S06/15	1,000.00	1,020,982.00	0.31
SUVRETTA OFFSHORE 1 SUB B -TO REC.-	3,500,000.00	3,500,000.00	1.07
TIDE POINT OFFSH.1 SUB A NI-TO REC.-	2,500,000.00	2,500,000.00	0.76
TRIDENT EUROPEAN FUND B **	1,596.36	0.00	0.00
ZEBEDEE FOCUS FUND B EUR	76,790.29	13,871,128.07	4.24
ZEBEDEE FOCUS FUND B EUR (EQUAL. 02/14) ***	1,687.81	1,958.24	0.00
ZEBEDEE FOCUS FUND B EUR (EQUAL. 03/14) ***	74,734.63	54,815.84	0.02
ZEBEDEE FOCUS FUND B USD	2,907.00	772,535.25	0.24
		195,595,509.05	59.78

* Side pockets: segregated hedge fund accounts that are typically intended to separate less liquid investments.

** Fund in liquidation.

*** Equalisation Credit : provision for incentive fees from the target fund manager in case an investor subscribes to a NAV per share above the High Water Mark.
The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - World Equity Hedge

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Quantity	Market value (note 2)	% of net assets
<i>IRELAND</i>			
MARSHALL WACE EUREKA A2 USD -REST.-	1,553.88	453,664.50	0.14
MARSHALL WACE EUREKA B2 EUR	49,719.32	8,981,170.49	2.74
MARSHALL WACE EUREKA B2 USD	47,586.29	8,272,510.48	2.53
MARSHALL WACE GLOBAL OPPORT. B USD -CAP-	45,148.11	6,364,091.33	1.94
SECTOR IF - SECTOR ZEN C USD	100,206.50	11,074,999.24	3.38
SECTOR IF - SECTOR ZEN C USD -TO REC.-	1,400,000.00	1,400,000.00	0.43
		<hr/>	
		36,546,436.04	11.16
<i>JERSEY</i>			
LYXOR / MACQUARIE ASIAN ALPHA S USD -ACC	197,003.68	16,384,795.73	5.01
		<hr/>	
		16,384,795.73	5.01
<i>LUXEMBOURG</i>			
DB PLATINUM - CHILTON EUROPEAN EQUITIES I3C-E	1,118.41	11,811,410.94	3.61
GIM PTF STRATEGIES FUNDS - TECHNOLOGY L/S A 12/16	61,000.00	6,433,975.00	1.97
MLIS - MARSHALL WACE TOPS MARKET NEUTRAL B -CAP-	6,026.57	889,341.37	0.27
		<hr/>	
		19,134,727.31	5.85
<i>SWITZERLAND</i>			
PICTET (CH) - SHORT-TERM MONEY MARKET EUR - Z DY	8,858.00	9,146,025.58	2.79
PICTET (CH) - SHORT-TERM MONEY MARKET USD - Z DY	1,559.00	1,547,634.89	0.47
		<hr/>	
		10,693,660.47	3.26
TOTAL INVESTMENTS		331,316,076.63	101.24
CASH AT BANKS		5,582,381.31	1.71
OTHER NET LIABILITIES		-9,629,437.47	-2.95
TOTAL NET ASSETS		327,269,020.47	100.00

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - World Equity Hedge

GEOGRAPHICAL AND INDUSTRIAL CLASSIFICATION OF INVESTMENTS AS AT DECEMBER 31, 2016

Geographical classification		Industrial classification	
(in % of net assets)		(in % of net assets)	
Cayman Islands	59.78	Units of investment funds	101.24
Ireland	11.16		101.24
British Virgin Islands	11.12		
Luxembourg	5.85		
Bermuda	5.06		
Jersey	5.01		
Switzerland	3.26		
	101.24		

Pictet Alternative Funds - Pleiad Credit Opportunities

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS			
<i>BRITISH VIRGIN ISLANDS</i>			
CAXTON GLOBAL INVESTMENTS PFD SI 12/11 *	23,642.24	377,566.50	0.07
CAXTON GLOBAL INVESTMENTS SI A/H 07/13 *	2,514.28	40,153.09	0.01
KING STREET CAPITAL A EUR S11 NI	81,807.87	9,138,141.94	1.60
KING STREET CAPITAL A S1 USD NI	332,350.17	56,778,703.73	9.92
KING STREET CAPITAL A S2 USD NNI	35,293.63	6,028,505.11	1.05
KING STREET CAPITAL S S1 -HLDB-	72.25	72.25	0.00
KING STREET CAPITAL S S101 (A1-A3) *	2,015.18	201,110.94	0.04
KING STREET CAPITAL S S101 (A2-A4) *	214.14	21,371.19	0.00
KING STREET CAPITAL S S104 *	307.03	32,277.45	0.01
KING STREET CAPITAL S S13 (EX A S3) *	206.09	19,848.72	0.00
KING STREET CAPITAL S S13 (EX A2) *	195.90	18,866.84	0.00
KING STREET CAPITAL S S14 (EX A S3) *	53.07	9,864.48	0.00
KING STREET CAPITAL S S14 (EX A2) *	0.74	137.92	0.00
KING STREET CAPITAL S S18 (EX A2) *	10.52	1,248.53	0.00
KING STREET CAPITAL S S18-A3 *	361.09	42,871.37	0.01
KING STREET CAPITAL S S20 *	12.78	2,666.73	0.00
KING STREET CAPITAL S S20-A3 *	453.37	94,588.03	0.02
KING STREET CAPITAL S S28 (EX A2) *	28.42	5,405.08	0.00
KING STREET CAPITAL S S28 (EX A3) *	19.69	3,744.91	0.00
KING STREET CAPITAL S S32 (EX A S3) *	359.53	41,272.51	0.01
KING STREET CAPITAL S S32 (EX A2) *	403.48	46,318.18	0.01
KING STREET CAPITAL S S5 (A4) - HLDB -	3,587.36	3,587.36	0.00
KING STREET CAPITAL S S60 (EX NEW A1) *	14,108.40	1,578,450.17	0.28
KING STREET CAPITAL S S60 (EX NEW A2) *	399.68	44,715.72	0.01
KING STREET CAPITAL S S63 *	435.81	50,828.03	0.01
KING STREET CAPITAL S S65 (A2) *	18.81	306.52	0.00
KING STREET CAPITAL S S65 *	1,619.77	26,396.21	0.00
KING STREET CAPITAL S S68 *	22.37	384.92	0.00
KING STREET CAPITAL S S70 (EX A1) *	2,312.71	264,505.22	0.05
KING STREET CAPITAL S S70 (EX A2) *	28.93	3,309.19	0.00
KING STREET CAPITAL S S73 *	31.93	3,802.22	0.00
KING STREET CAPITAL S S75 (EX A1) *	751.73	12,645.42	0.00
KING STREET CAPITAL S S75 (EX A2) *	12.58	211.55	0.00
KING STREET CAPITAL S S78 *	10.34	184.08	0.00
KING STREET CAPITAL S S80 (EX A1) *	19,836.58	1,984,564.53	0.35
KING STREET CAPITAL S S80 (EX A2) *	354.45	35,461.60	0.01
KING STREET CAPITAL S S83 *	269.03	27,917.94	0.00
KING STREET CAPITAL S S85 (EX A1) *	1,695.23	165,277.52	0.03
KING STREET CAPITAL S S85 (EX A2) *	38.34	3,738.07	0.00
KING STREET CAPITAL S S88 *	20.56	2,079.03	0.00
KING STREET CAPITAL S S90 (EX A1) *	1,967.18	212,461.06	0.04
KING STREET CAPITAL S S90 (EX A2) *	156.14	16,863.67	0.00
KING STREET CAPITAL S S93 *	227.45	25,769.76	0.00
KING STREET CAPITAL S S95 (EX A1) *	3,196.43	320,865.63	0.06
KING STREET CAPITAL S S95 (EX A2) *	341.04	34,234.55	0.01
KING STREET CAPITAL S S98 *	488.04	51,575.17	0.01
KING STREET EUROPE A EUR S13 (2016)	211,861.26	25,986,754.08	4.54
KING STREET EUROPE A USD S11 (2016)	37,009.25	6,053,422.00	1.06

* Side pockets: segregated hedge fund accounts that are typically intended to separate less liquid investments. The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Pleiad Credit Opportunities

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Quantity	Market value (note 2)	% of net assets
SHEPHERD INVESTMENTS INT. - HLBD - **	148.02	148.02	0.00
SHEPHERD INVESTMENTS INT. A S. SHEPA 1501 **	0.01	10.35	0.00
SHEPHERD INVESTMENTS INT. S.S. SA 03 **	17.97	6,433.72	0.00
SHEPHERD INVESTMENTS INT. S.S. SA 06 **	1.70	5,763.62	0.00
SHEPHERD INVESTMENTS INT. S.S. SA 16 **	4.81	3,127.67	0.00
SHEPHERD INVESTMENTS INT. SIH **	6,041.12	6,041.12	0.00
SHEPHERD SELECT ASSET A USD **	149.71	194,456.46	0.03
STRATUS FUND - DISCUS NON-US SIDE HOLDINGS S-USD **	783.27	5,177.38	0.00
		110,036,205.06	19.24
<i>CAYMAN ISLANDS</i>			
BLACKSTONE DISTRESSED SECURITIES A S04/08 **	24.00	9,375.81	0.00
BLACKSTONE DISTRESSED SECURITIES A S07/08 **	48.64	19,119.19	0.00
CANYON VALUE REALIZATION A 03/15	2,075.00	2,171,294.98	0.38
CANYON VALUE REALIZATION A 04/14	4,000.00	4,309,408.40	0.75
CANYON VALUE REALIZATION A 05/14	387.50	415,384.63	0.07
CANYON VALUE REALIZATION A 07/14	1,000.00	1,050,070.58	0.18
CANYON VALUE REALIZATION A INITIAL	9,639.00	79,907,252.51	13.96
CANYON VALUE REALIZATION E 09/15	3,276.46	25,166,571.84	4.39
CFIP OVERSEAS FUND A SUB A5 05/12	7.90	991.36	0.00
DBGM OFFSHORE SPV 02/09 *	26.26	42,820.88	0.01
DRAWBRIDGE GLOBAL MACRO G1 S SP12 09/08 *	81.11	22,603.17	0.00
DRAWBRIDGE GLOBAL MACRO G1 S SP4 07/07 *	34.15	28,270.53	0.00
DRAWBRIDGE GLOBAL MACRO G1 S SP5 0/907 *	21.74	8,396.55	0.00
DRAWBRIDGE GLOBAL MACRO G1 SP7 02/08 *	2.72	2,045.77	0.00
DRAWBRIDGE GLOBAL MACRO G21 S SP7 02/08 *	8.30	6,243.82	0.00
DRAWBRIDGE GLOBAL MACRO SP RESERVE *	6,574.67	6,574.67	0.00
DRAWBRIDGE GLOBAL MACRO SP12 09/08 *	233.69	65,124.98	0.01
HALCYON OFFSHORE ASSET - BACKED USD INITIAL	10,824.98	23,940,590.20	4.18
HARBINGER CLASS L HOLDINGS S01/11 *	4.58	0.00	0.00
HARBINGER CLASS L HOLDINGS S04/10 *	7.98	0.00	0.00
HARBINGER CLASS L HOLDINGS S04/11 *	4.36	0.00	0.00
HARBINGER CLASS L HOLDINGS S07/10 *	4.96	0.00	0.00
HARBINGER CLASS L HOLDINGS S07/11 *	3.49	0.00	0.00
HARBINGER CLASS L HOLDINGS S10/10 *	3.52	0.00	0.00
HARBINGER CLASS L HOLDINGS S2 *	2.28	0.00	0.00
HARBINGER CLASS L HOLDINGS S3 *	4.11	0.00	0.00
HARBINGER CLASS LS HOLDINGS I (CAY) S04/11 *	2,049.47	0.00	0.00
HARBINGER CLASS LS HOLDINGS I (CAY) S07/11 *	1,619.33	0.00	0.00
HARBINGER CLASS PE HOLDINGS S01/11 *	131.07	34,374.42	0.01
HARBINGER CLASS PE HOLDINGS S04/10 *	301.79	66,540.62	0.01
HARBINGER CLASS PE HOLDINGS S04/11 *	114.55	33,848.15	0.01
HARBINGER CLASS PE HOLDINGS S07/10 *	160.66	39,481.39	0.01
HARBINGER CLASS PE HOLDINGS S07/11 *	96.35	26,909.83	0.00
HARBINGER CLASS PE HOLDINGS S1 *	363.23	68,495.19	0.01
HARBINGER CLASS PE HOLDINGS S10/10 *	111.30	28,368.14	0.00
HARBINGER CLASS PE HOLDINGS S2 *	516.05	104,527.99	0.02
MAGNETAR CAPITAL FUND SP1 S A-103 *	21.22	14,157.92	0.00
MAGNETAR SPC L S.A SUB 1 *	3.63	4,284.41	0.00
MKP CREDIT OFFSHORE B SERIES A	5,736.00	27,588,295.80	4.82
MKP CREDIT OFFSHORE B SERIES B 2015	9,000.00	7,728,363.00	1.35
MKP CREDIT OFFSHORE B SERIES E 2014	1,000.00	871,350.00	0.15

* Side pockets: segregated hedge fund accounts that are typically intended to separate less liquid investments.

** Fund in liquidation.

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Pleiad Credit Opportunities

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Quantity	Market value (note 2)	% of net assets
MLO PRIVATE INVESTMENT USD S.1 12/10 *	203.60	300,254.78	0.05
OWL CREEK OVERSEAS C S3BQ 03/09 41-023414 *	9.28	127,472.87	0.02
OWL CREEK OVERSEAS C S3BS 03/09 41-023414 *	0.12	1,624.27	0.00
OWL CREEK OVERSEAS C S3BS 03/09 41-115928 *	3.65	50,062.67	0.01
OWL CREEK OVERSEAS C S3BT 03/09 41-115928 *	83.38	1,144,659.89	0.20
OWL CREEK OVERSEAS C S4 07/07 41-023414 *	1.09	3,107.57	0.00
OWL CREEK OVERSEAS C S4 07/07 41-115928 *	8.03	22,744.76	0.00
OWL CREEK OVERSEAS SP RESERVED 41-023414 *	63,774.20	14,060.94	0.00
OWL CREEK OVERSEAS SP RESERVED 41-115928 *	329,756.16	129,900.84	0.02
OZ CREDIT OPPORTUNITIES OVERSEAS LP TR.E PRIME	108,180,649.99	108,180,649.99	18.90
TACONIC OFFSHORE FUND 1.5 FF2 S1 NR	60,947.24	70,407,219.91	12.30
VICIS CAPITAL FUND A S111	22,835.68	0.00	0.00
XPI HOLDINGS I LTD **	414.03	245,040.50	0.04
YORK CREDIT OPPORTUNITIES A 03/14 EUR -UNREST.-	24,177.99	1,441,319.80	0.25
YORK CREDIT OPPORTUNITIES A 04/14 EUR -UNREST.-	15,999.09	952,113.28	0.17
YORK CREDIT OPPORTUNITIES A 04/14 USD -UNREST.-	56,687.87	4,135,544.61	0.72
YORK CREDIT OPPORTUNITIES A EUR S7/12 -UNREST.-	734,332.51	44,062,415.53	7.69
YORK CREDIT OPPORTUNITIES UNITS A S1 -UNREST.-	161,725.00	11,894,437.30	2.08
YORK CREDIT OPPORTUNITIES UNITS B S1 -UNREST.-	149,056.14	10,305,890.88	1.80
		427,199,657.12	74.57
<i>LUXEMBOURG</i>			
PICTET ALTERNATIVE FUNDS - DISTRESSED Z USD *****	337,699.00	39,179,837.98	6.84
		39,179,837.98	6.84
<i>SWITZERLAND</i>			
PICTET (CH) - SHORT-TERM MONEY MARKET EUR - Z DY	416.00	429,526.60	0.07
		429,526.60	0.07
TOTAL INVESTMENTS		576,845,226.76	100.72
CASH AT BANKS		350,271.13	0.06
OTHER NET LIABILITIES		-4,479,135.76	-0.78
TOTAL NET ASSETS		572,716,362.13	100.00

* Side pockets: segregated hedge fund accounts that are typically intended to separate less liquid investments.

** Fund in liquidation.

***** Refer to note 13.

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Pleiad Credit Opportunities

GEOGRAPHICAL AND INDUSTRIAL CLASSIFICATION OF INVESTMENTS AS AT DECEMBER 31, 2016

Geographical classification		Industrial classification	
(in % of net assets)		(in % of net assets)	
Cayman Islands	74.57	Units of investment funds	100.72
British Virgin Islands	19.24		100.72
Luxembourg	6.84		
Switzerland	0.07		
	100.72		

Pictet Alternative Funds - Mosaic Euro

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN EUR)

Description	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS			
<i>BAHAMAS</i>			
MOORE GLOBAL INVESTMENTS B EUR	177.82	3,874,083.13	1.54
MOORE GLOBAL INVESTMENTS G USD	1,805.66	2,601,303.98	1.03
MOORE GLOBAL INVESTMENTS H EUR	6,109.61	9,137,291.17	3.63
		15,612,678.28	6.20
<i>BERMUDA</i>			
LYNX 1.5 (BERMUDA) B EUR 09/15	600.00	522,649.20	0.21
LYNX 1.5 (BERMUDA) B EUR NEW ORIGIN.	1,901.00	3,404,013.60	1.35
		3,926,662.80	1.56
<i>BRITISH VIRGIN ISLANDS</i>			
CAXTON GLOBAL INVESTMENTS EUR S.A. T 12/11	8,850.16	11,996,921.26	4.77
CAXTON GLOBAL INVESTMENTS PFD SI 12/11	900.00	13,626.93	0.01
CAXTON GLOBAL INVESTMENTS T EUR S.C05/15 -UNREST-	1,000.00	1,053,230.00	0.42
CAXTON GLOBAL INVESTMENTS T EUR S.E10/15 -UNREST.-	1,000.00	1,019,620.00	0.40
KING STREET CAPITAL A EUR S11 NI	155,510.57	16,469,227.28	6.55
KING STREET CAPITAL A S1 DEPR 12/14	8,624.59	0.00	0.00
KING STREET CAPITAL A S1 USD NI	16.96	2,747.86	0.00
KING STREET CAPITAL A S2 USD NNI	34.37	5,566.00	0.00
KING STREET CAPITAL S S1 -HLDB-	11.93	11.31	0.00
KING STREET CAPITAL S S101 (A1-A3) *	0.08	7.85	0.00
KING STREET CAPITAL S S101 (A2-A4) *	0.21	19.49	0.00
KING STREET CAPITAL S S104 *	583.64	58,172.18	0.02
KING STREET CAPITAL S S14 (EX A2) *	23.62	4,163.04	0.00
KING STREET CAPITAL S S18 (EX A2) *	72.28	8,136.14	0.00
KING STREET CAPITAL S S20 *	91.34	18,066.85	0.01
KING STREET CAPITAL S S28 (EX A2) *	0.26	47.61	0.00
KING STREET CAPITAL S S28 (EX A3) *	11.47	2,068.13	0.00
KING STREET CAPITAL S S32 (EX A S3) *	207.78	22,614.50	0.01
KING STREET CAPITAL S S32 (EX A2) *	5.15	560.95	0.00
KING STREET CAPITAL S S5 (A4) - HLDB -	132.69	125.80	0.00
KING STREET CAPITAL S S60 (EX NEW A1) *	1,326.61	140,716.84	0.06
KING STREET CAPITAL S S60 (EX NEW A2) *	2.15	228.16	0.00
KING STREET CAPITAL S S63 *	5,745.17	635,266.18	0.25
KING STREET CAPITAL S S65 (A2) *	0.01	0.14	0.00
KING STREET CAPITAL S S65 *	47.87	739.67	0.00
KING STREET CAPITAL S S68 *	327.89	5,349.43	0.00
KING STREET CAPITAL S S70 (EX A1) *	68.59	7,437.13	0.00
KING STREET CAPITAL S S70 (EX A2) *	0.08	8.13	0.00
KING STREET CAPITAL S S73 *	468.03	52,840.04	0.02
KING STREET CAPITAL S S75 (EX A1) *	22.63	360.85	0.00
KING STREET CAPITAL S S75 (EX A2) *	0.13	2.10	0.00
KING STREET CAPITAL S S78 *	151.64	2,558.23	0.00
KING STREET CAPITAL S S80 (EX A1) *	13.64	1,293.98	0.00
KING STREET CAPITAL S S80 (EX A2) *	4.33	411.09	0.00
KING STREET CAPITAL S S83 *	3,943.63	388,002.56	0.15
KING STREET CAPITAL S S85 (EX A2) *	0.58	53.52	0.00
KING STREET CAPITAL S S88 *	339.33	32,533.28	0.01

* Side pockets: segregated hedge fund accounts that are typically intended to separate less liquid investments. The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Mosaic Euro

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN EUR)

Description	Quantity	Market value (note 2)	% of net assets
KING STREET CAPITAL S S90 (EX A1) *	0.06	6.35	0.00
KING STREET CAPITAL S S90 (EX A2) *	1.27	129.84	0.00
KING STREET CAPITAL S S93 *	489.26	52,555.42	0.02
KING STREET CAPITAL S S95 (EX A1) *	0.13	12.66	0.00
KING STREET CAPITAL S S98 *	927.38	92,916.13	0.04
STRATUS FEEDER C 1.5 USD LEVERAGE	125.60	197,605.54	0.08
STRATUS FEEDER E 1.5 EUR LEVERAGE	6,330.34	10,279,082.08	4.08
STRATUS FUND - DISCUS NON-US SIDE HOLDINGS S-USD **	1,484.26	9,301.70	0.00
THIRD POINT ULTRA C S79 NI	1,972.96	1,860,567.38	0.74
THIRD POINT ULTRA C S80 NI	13,513.58	12,743,758.73	5.07
		57,178,670.34	22.71
<i>CAYMAN ISLANDS</i>			
BLACKROCK EUROPEAN HEDGE FUND I EUR	44,119.94	9,556,421.81	3.79
BLACKROCK EUROPEAN HEDGE FUND I EUR (CONT. 10/16) ****	-67,753.91	0.00	0.00
BRIDGEWATER PURE ALPHA EUR B 8000-020	1,166.29	2,564,298.51	1.02
BRIDGEWATER PURE ALPHA FUND EUR B 8000-020B	9,000.00	9,312,721.20	3.70
COATUE A SUB D2 TR.6 01/11/09 USD	7,065.00	1,275,051.94	0.51
COATUE C SUB D2 TR.6 08/11 EUR	79,330.00	10,939,135.78	4.35
COATUE C SUB D2 TR.6 -HLDB-	56,393.22	56,393.22	0.02
DISCOVERY GLOBAL MACRO A S.7-16-T	8,358.64	8,689,930.12	3.45
DISCOVERY GLOBAL MACRO A S.7-16-T1	523.80	544,561.75	0.22
DISCOVERY GLOBAL MACRO A S.7-16-T2	945.96	977,378.12	0.39
DISCOVERY GLOBAL MACRO A S.8-16-T	624.06	644,999.91	0.26
DISCOVERY GLOBAL MACRO A S.8-16-T1	35.80	37,000.59	0.01
DISCOVERY GLOBAL MACRO A S.8-16-T2	64.65	66,406.09	0.03
DOUBLE BLACK DIAMOND C -UNREST.-	61,308.25	11,976,573.54	4.77
FORE MULTI STRATEGY AHM S1 INITIAL	2,360.00	5,999,405.16	2.38
FORE MULTI STRATEGY AHM S30B 01/14	1,500.00	1,169,606.44	0.46
FORE MULTI STRATEGY AHM S31A 02/14	134.66	105,696.86	0.04
FORE MULTI STRATEGY AHM S31B 02/14	135.40	103,513.76	0.04
FORE MULTI STRATEGY AHM S31C 02/14	127.75	91,230.20	0.04
GLENVIEW CAPITAL PARTNERS G S.136	3,255.00	5,048,471.57	2.00
GLENVIEW CAPITAL PARTNERS G S.65	3,873.91	5,244,309.66	2.08
LMR FUND E EUR S.1	51,601.16	7,934,865.05	3.15
LMR FUND E EUR S.15	28,000.00	3,082,914.80	1.22
LMR FUND E EUR S.16	4,000.00	432,347.20	0.17
OWL CREEK OVERSEAS C S3BS 03/09 41-115928 *	14.11	174,133.64	0.07
OWL CREEK OVERSEAS C S3BT 03/09 41-115928 *	25.50	314,820.71	0.13
OWL CREEK OVERSEAS C S4 07/07 41-115928 *	4.07	10,921.86	0.00
OWL CREEK OVERSEAS SP RESERVED 41-115928 *	152,022.33	57,584.73	0.02
OZ EUROPE OVERSEAS II J PRIME S.22	5,639.00	12,140,785.73	4.83
PHARO GAIA FUND A USD S02 03/15	2,242.57	5,612,289.54	2.23
PHARO GAIA FUND B EUR S2	1,475.08	3,424,831.42	1.36
PHARO GAIA FUND B EUR S3	367.08	842,753.26	0.33
PHARO GAIA FUND B EUR S4	1,096.67	2,540,014.02	1.01
PHARO GAIA FUND B EUR S5	758.12	1,760,116.73	0.70
ROKOS GLOBAL MACRO A USD	88,372.07	9,751,950.38	3.87
ROKOS GLOBAL MACRO A USD (EQUAL. 11/15) ***	12,558.64	11,906.75	0.00
STELLIAM OFFSHORE FUND A 07/09 -UNREST.-	5,700.50	9,925,444.31	3.94
SYSTEMATICA BLUETREND Q EUR VTG	46,488.58	4,114,178.02	1.63
SYSTEMATICA BLUETREND Q EUR VTG (EQUAL. 03/15) ***	68,953.57	0.00	0.00

* Side pockets: segregated hedge fund accounts that are typically intended to separate less liquid investments.

** Fund in liquidation.

*** Equalisation Credit : provision for incentive fees from the target fund manager in case an investor subscribes to a NAV per share above the High Water Mark.

**** Contingent redemption fee : in case an investor subscribes to a NAV per share below the High Water Mark, such investor will pay performance fees in relation with any increase in NAV per share between the subscription price and the High Water Mark.

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Mosaic Euro

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN EUR)

Description	Quantity	Market value (note 2)	% of net assets
SYSTEMATICA BLUETREND Q EUR VTG (EQUAL. 04/15) ***	4,577.18	0.00	0.00
TACONIC OPPORTUNITY OFFSHORE MM2 S1 NR	8,111.73	10,207,024.79	4.05
TACONIC OPPORTUNITY OFFSHORE MM2 S14 NR	590.00	615,553.29	0.24
TACONIC OPPORTUNITY OFFSHORE MM2 S7 NR	130.00	133,505.34	0.05
THIRD POINT OFFSHORE FUND E S1	4,000.00	1,341,702.33	0.53
VICIS CAPITAL FUND A S111 **	6,405.00	0.00	0.00
XPI HOLDINGS I LTD **	152.00	86,437.52	0.03
ZEBEDEE FOCUS FUND B EUR	57,962.00	9,926,572.12	3.94
ZEBEDEE FOCUS FUND B USD	3,093.57	779,441.91	0.31
ZEBEDEE FOCUS FUND B USD (EQUAL. 05/16) ***	15,082.40	8,970.08	0.00
		159,634,171.76	63.37
<i>IRELAND</i>			
MARSHALL WACE EUREKA B1 EUR -ACC-	31,320.00	5,632,917.66	2.24
MARSHALL WACE EUREKA B2 EUR	51,013.00	8,736,532.29	3.47
		14,369,449.95	5.71
<i>LUXEMBOURG</i>			
MLIS - MARSHALL WACE TOPS MARKET NEUTRAL B -CAP-	32,324.96	4,522,585.57	1.80
PICTET ALTERNATIVE FUNDS - EMERGING MANAGERS Z USD *****	57,197.20	5,249,833.70	2.08
		9,772,419.27	3.88
<i>SWITZERLAND</i>			
PICTET (CH) - SHORT-TERM MONEY MARKET EUR - Z DY	3,804.00	3,723,811.68	1.48
PICTET (CH) - SHORT-TERM MONEY MARKET USD - Z DY	48.00	45,176.66	0.02
		3,768,988.34	1.50
TOTAL INVESTMENTS		264,263,040.74	104.93
BANK OVERDRAFT		-723,810.76	-0.29
OTHER NET LIABILITIES		-11,693,374.11	-4.64
TOTAL NET ASSETS		251,845,855.87	100.00

** Fund in liquidation.

*** Equalisation Credit : provision for incentive fees from the target fund manager in case an investor subscribes to a NAV per share above the High Water Mark.

***** Refer to note 13.

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Mosaic Euro

GEOGRAPHICAL AND INDUSTRIAL CLASSIFICATION OF INVESTMENTS AS AT DECEMBER 31, 2016

Geographical classification		Industrial classification	
(in % of net assets)		(in % of net assets)	
Cayman Islands	63.37	Units of investment funds	104.93
British Virgin Islands	22.71		104.93
Bahamas	6.20		
Ireland	5.71		
Luxembourg	3.88		
Bermuda	1.56		
Switzerland	1.50		
	104.93		

Pictet Alternative Funds - Global

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS			
<i>BERMUDA</i>			
ANTARES EUROPEAN FUND USD	1,600.00	929,344.00	5.13
		929,344.00	5.13
<i>BRITISH VIRGIN ISLANDS</i>			
EGERTON LONG/SHORT FUND C1	6,757.82	1,182,056.03	6.53
STRATUS FEEDER B USD STANDARD LEVERAGE	320.00	603,795.20	3.33
		1,785,851.23	9.86
<i>CAYMAN ISLANDS</i>			
BLACKROCK EUROPEAN HEDGE FUND I USD	5,039.89	1,078,191.08	5.95
GLENVIEW CAPITAL PARTNERS G S.136	600.00	981,862.63	5.42
LANSDOWNE DEVELOPED MARKETS N USD	1,501.11	889,848.42	4.91
OWL CREEK OVERSEAS C S3BS 03/09 41-115928 *	3.36	43,773.56	0.24
OWL CREEK OVERSEAS SP RESERVED 41-115928 *	11,280.87	4,507.05	0.02
PHARO MACRO FUND A S.01	423.38	1,453,886.48	8.04
SEG PARTNERS OFFSHORE A SUB1 S1 NI	2,614.46	913,118.05	5.04
SUMMITVIEW CHINA FUND USD S1506	8,700.00	833,825.40	4.60
SUMMITVIEW CHINA FUND USD S1509	2,200.00	226,495.06	1.25
SYSTEMATICA BLUETREND Q USD VGT (EQUAL. 03/15) ***	8,258.90	0.00	0.00
SYSTEMATICA BLUETREND Q USD VTG	5,168.80	461,320.18	2.55
THIRD POINT OFFSHORE FUND E S1	2,873.19	1,016,506.12	5.61
TRIDENT EUROPEAN FUND B **	79.56	0.00	0.00
ZEBEDEE FOCUS FUND B USD	4,494.93	1,194,527.65	6.61
ZEBEDEE FOCUS FUND B USD (EQUAL. 06/14) ***	184.81	203.29	0.00
		9,098,064.97	50.24
<i>IRELAND</i>			
ENNISMORE EUROPEAN SMALLER COMPANIES B EUR	70,287.00	1,452,308.83	8.03
MAN GLG JAPAN COREALPHA EQUITY DH-USD	4,881.16	846,344.51	4.67
MARSHALL WACE GLOBAL OPPORT. B USD -CAP-	7,315.68	1,031,220.63	5.69
PARUS FUND USD -ACC.-	1,368.75	635,100.00	3.51
		3,964,973.97	21.90
<i>LUXEMBOURG</i>			
ALKEN CAPITAL ONE J -CAP.-	7.27	726,945.06	4.01
PICTET SELECT - GLOBAL MANAGED FUTURE HZ USD	3,448.28	333,862.23	1.84
RAM (LUX) SF - EMERGING MARKETS EQUITIES BP	2,766.35	414,011.79	2.29
		1,474,819.08	8.14
<i>SWITZERLAND</i>			
PICTET (CH) - SHORT-TERM MONEY MARKET USD - Z DY	569.00	564,851.99	3.12
PPMF CH - PHYSICAL GOLD Z DY USD	3,114.29	359,638.74	1.99
		924,490.73	5.11

* Side pockets: segregated hedge fund accounts that are typically intended to separate less liquid investments.

** Fund in liquidation.

*** Equalisation Credit : provision for incentive fees from the target fund manager in case an investor subscribes to a NAV per share above the High Water Mark.
The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Global

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	18,177,543.98	100.38
CASH AT BANKS	1,719.68	0.01
OTHER NET LIABILITIES	-70,498.90	-0.39
TOTAL NET ASSETS	18,108,764.76	100.00

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Global

GEOGRAPHICAL AND INDUSTRIAL CLASSIFICATION OF INVESTMENTS AS AT DECEMBER 31, 2016

Geographical classification		Industrial classification	
(in % of net assets)		(in % of net assets)	
Cayman Islands	50.24	Units of investment funds	100.38
Ireland	21.90		100.38
British Virgin Islands	9.86		
Luxembourg	8.14		
Bermuda	5.13		
Switzerland	5.11		
	100.38		

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Distressed

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS			
<i>BRITISH VIRGIN ISLANDS</i>			
KING STREET EUROPE A USD S11 (2016)	11,247.00	1,839,616.45	4.61
		1,839,616.45	4.61
<i>CAYMAN ISLANDS</i>			
ARCHER CAPITAL OFFSHORE C2 S1 NI	3,872.75	5,232,387.68	13.09
AVENUE INTERNATIONAL A S01 07/97 **	13.42	365,490.14	0.91
AVENUE INTERNATIONAL A S04 03/14 **	15.25	111,265.19	0.28
AVENUE INTERNATIONAL A S08 07/14 **	9.15	62,488.35	0.16
AVENUE INTERNATIONAL A S09 08/14 **	2.29	16,075.34	0.04
CFIP OVERSEAS FUND A SUB A5 05/12	9.65	1,211.52	0.00
CONTRARIAN EMERGING MARKETS A 01/10	17,600.18	3,693,933.52	9.25
CONTRARIAN EMERGING MARKETS A 08/16	2,880.38	604,093.38	1.51
CONTRARIAN FUND I OFFSHORE A S.1	9,155.23	3,466,085.19	8.68
CONTRARIAN FUND I OFFSHORE A S3 2014	3,322.50	1,256,985.24	3.15
CONTRARIAN FUND I OFFSHORE A S5 2014	1,755.65	664,079.67	1.66
LIBREMAX OFFSHORE FUND A S.1	3,422.46	5,165,887.17	12.92
MAKURIA CREDIT FUND A USD 05/16	500.00	488,696.65	1.22
MAKURIA CREDIT FUND A USD 08/16	1,000.00	1,025,058.50	2.57
MAKURIA CREDIT FUND A USD NI INITIAL	2,196.67	2,403,320.52	6.02
MUDRICK DISTRESSED OPPORTUNITY FUND OFFSHORE A2 INITIAL	681.00	993,938.35	2.49
MUDRICK DISTRESSED OPPORTUNITY FUND OFFSHORE A2 S07/14	300.00	303,344.64	0.76
MUDRICK DISTRESSED OPPORTUNITY OFFSHORE A2 S04/15	315.00	323,169.64	0.81
MUDRICK DISTRESSED OPPORTUNITY OFFSHORE A2 S05/15	2,600.00	2,644,109.31	6.62
MUDRICK DISTRESSED OPPORTUNITY OFFSHORE A2 S07/15	500.00	540,549.12	1.35
VENOR CAPITAL OFFSHORE E2 02/15	262.50	264,308.63	0.66
VENOR CAPITAL OFFSHORE E2 03/14	750.00	681,532.50	1.71
VENOR CAPITAL OFFSHORE E2 04/14	450.00	409,342.50	1.02
VENOR CAPITAL OFFSHORE E2 07/14	187.50	164,683.13	0.41
VENOR CAPITAL OFFSHORE E2 08/15	375.00	374,452.50	0.94
VENOR CAPITAL OFFSHORE E2 12/14	187.50	182,208.75	0.46
VENOR CAPITAL OFFSHORE E2 INITIAL	846.75	1,244,561.62	3.12
YORK CREDIT OPPORTUNITIES A 03/14-1 USD -UNREST-	6,344.89	463,660.01	1.16
YORK CREDIT OPPORTUNITIES UNITS A S1 -UNREST.-	28,772.05	2,116,106.91	5.30
YORK CREDIT OPPORTUNITIES UNITS B S1 -UNREST.-	27,133.66	1,876,048.17	4.70
		37,139,073.84	92.97
<i>SWITZERLAND</i>			
PICTET (CH) - SHORT-TERM MONEY MARKET USD - Z DY	1,007.00	999,658.97	2.50
		999,658.97	2.50
TOTAL INVESTMENTS		39,978,349.26	100.08
BANK OVERDRAFT		-1,961.99	0.00
OTHER NET LIABILITIES		-30,428.20	-0.08
TOTAL NET ASSETS		39,945,959.07	100.00

** Fund in liquidation.

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Distressed

GEOGRAPHICAL AND INDUSTRIAL CLASSIFICATION OF INVESTMENTS AS AT DECEMBER 31, 2016

Geographical classification		Industrial classification	
(in % of net assets)		(in % of net assets)	
Cayman Islands	92.97	Units of investment funds	100.08
British Virgin Islands	4.61		100.08
Switzerland	2.50		
	100.08		

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Emerging Managers

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN USD)

Description	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS			
<i>CAYMAN ISLANDS</i>			
DECCA FEEDER FUND B USD -TO REC.-	2,000,000.00	2,000,000.00	11.39
GREENVALE CAPITAL FUND F USD 04/16	3,000.00	2,677,888.74	15.26
GUARD MACRO OFFSHORE FEEDER A USD INITIAL	3,024.35	2,902,103.85	16.53
IDALION GLOBAL FUND A USD	1,906.80	186,954.89	1.07
MAKURIA CREDIT FUND A USD NI INITIAL	2,180.60	2,385,481.90	13.59
RED CLIFF ASIA A USD	2,366.69	255,648.02	1.46
RED CLIFF ASIA B USD	20,732.57	3,221,354.27	18.35
ZENTIFIC ASIA OPPORTUNITIES OFFSHORE FEEDER B S07/15	3,000.00	2,781,720.00	15.85
ZENTIFIC ASIA OPPORTUNITIES OFFSHORE FEEDER B S11/15	250.00	242,010.00	1.38
		16,653,161.67	94.88
<i>SWITZERLAND</i>			
PICTET (CH) - SHORT-TERM MONEY MARKET USD - Z DY	917.00	910,315.07	5.19
		910,315.07	5.19
TOTAL INVESTMENTS		17,563,476.74	100.07
CASH AT BANKS		802.77	0.00
OTHER NET LIABILITIES		-12,240.70	-0.07
TOTAL NET ASSETS		17,552,038.81	100.00

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Emerging Managers

GEOGRAPHICAL AND INDUSTRIAL CLASSIFICATION OF INVESTMENTS AS AT DECEMBER 31, 2016

Geographical classification		Industrial classification	
(in % of net assets)		(in % of net assets)	
Cayman Islands	94.88	Units of investment funds	100.07
Switzerland	5.19		100.07
	100.07		

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Equity Diversifier (note 1)

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS AS AT DECEMBER 31, 2016 (EXPRESSED IN EUR)

Description	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS			
<i>CAYMAN ISLANDS</i>			
IVORY OFFSHORE OPTIMAL A USD	5,600.00	5,368,578.92	16.24
SUMMITVIEW CHINA FUND USD S1606	33,500.00	3,049,172.21	9.23
SUVRETTA OFFSHORE 1 SUB B 08/16	5,550.00	5,510,033.47	16.66
TIDE POINT OFFSH.1 SUB A NI-TO REC.-	5,200,000.00	4,930,078.96	14.92
ZEBEDEE FOCUS FUND B EUR	29,710.44	5,088,209.95	15.40
ZEBEDEE FOCUS FUND B EUR (EQUAL. 05/16) ***	84,580.66	33,739.23	0.10
		23,979,812.74	72.55
<i>IRELAND</i>			
MARSHALL WACE EUREKA B2 EUR	29,964.32	5,131,716.38	15.53
MARSHALL WACE GLOBAL OPPORT. B EUR -INC-	15,775.89	2,862,511.70	8.66
		7,994,228.08	24.19
<i>LUXEMBOURG</i>			
MLIS - MARSHALL WACE TOPS MARKET NEUTRAL B -CAP-	35,992.29	5,035,681.43	15.24
		5,035,681.43	15.24
<i>SWITZERLAND</i>			
PICTET (CH) - SHORT-TERM MONEY MARKET EUR - Z DY	2,962.73	2,900,278.29	8.78
PICTET (CH) - SHORT-TERM MONEY MARKET USD - Z DY	5.00	4,705.90	0.01
		2,904,984.19	8.79
TOTAL INVESTMENTS		39,914,706.44	120.77
BANK OVERDRAFT		-7,000,041.51	-21.18
OTHER NET ASSETS		134,431.82	0.41
TOTAL NET ASSETS		33,049,096.75	100.00

*** Equalisation Credit : provision for incentive fees from the target fund manager in case an investor subscribes to a NAV per share above the High Water Mark.
The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds - Equity Diversifier (note 1)

GEOGRAPHICAL AND INDUSTRIAL CLASSIFICATION OF INVESTMENTS AS AT DECEMBER 31, 2016

Geographical classification		Industrial classification	
(in % of net assets)		(in % of net assets)	
Cayman Islands	72.55	Units of investment funds	120.77
Ireland	24.19		120.77
Luxembourg	15.24		
Switzerland	8.79		
	120.77		

The accompanying notes form an integral part of these financial statements.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

NOTE 1

GENERAL

Pictet Alternative Funds (the "SICAV") has the status of an undertaking for collective investment and the particular form of an "Investment Company with Variable Capital" (SICAV). The SICAV is governed by Luxembourg law in accordance with the provisions of Part II of the amended Law dated December 17, 2010 (the "Law"), relating to undertakings for collective investment. The articles of incorporation of the SICAV (the "Articles") were published in the "*Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg*" of December 15, 2004 amended by notarial act dated August 12, 2011.

The SICAV is registered in the Luxembourg Trade and Companies Register under number R.C.S. B 104 485.

Pictet Asset Management (Europe) S.A., a public limited company (société anonyme) with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, was appointed management company of the SICAV as of October 1, 2007. It is a management company within the meaning of chapter 15 of the Law.

Shares of the SICAV are issued in registered form only. They are freely transferable and entitled to participate equally in the profits and liquidation proceeds attributable to the SICAV. The shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and each share is entitled to one vote at all meetings of the Shareholders.

The SICAV is qualified as an Alternative Investment Fund ("AIF") within the meaning of the Luxembourg law of July 12, 2013 (the "Law of 2013") on the Alternative Investment Funds Managers ("AIFM").

In the context of the implementation of the Law of 2013 requiring the SICAV to be managed by an authorised AIFM, Pictet Asset Management (Europe) S.A. was appointed as AIFM with effect as of May 30, 2014.

As at December 31, 2016, the SICAV includes eight sub-funds in operation:

- Pictet Alternative Funds - World Equity Hedge, denominated in US Dollar (USD);
- Pictet Alternative Funds - Pleiad Credit Opportunities, denominated in US Dollar (USD);
- Pictet Alternative Funds - Mosaic Euro, denominated in Euro (EUR);
- Pictet Alternative Funds - Global, denominated in US Dollar (USD);
- Pictet Alternative Funds - Commo, denominated in US Dollar (USD);
- Pictet Alternative Funds - Distressed, denominated in US Dollar (USD);
- Pictet Alternative Funds - Emerging Managers, denominated in US Dollar (USD);
- Pictet Alternative Funds - Equity Diversifier denominated in Euro (EUR) launched on May 31, 2016.

As at December 16, 2016, the Board of Directors of the SICAV decided to liquidate the compartment Pictet Alternative Funds - Commo as of December 31, 2016.

As at March 31, 2016, the Board of Directors of the SICAV decided to liquidate the Share Class HR CHF from the sub-fund Pictet Alternative Funds - Mosaic Euro.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

As at June 30, 2016, the Board of Directors of the SICAV decided to liquidate the Share Class HR USD from the sub-fund Pictet Alternative Funds - Mosaic Euro.

Classes of shares offered to investors are presented in the most recent prospectus of the SICAV.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General

These financial statements have been prepared in accordance with the Luxembourg legal and regulatory requirements and generally accepted accounting principles and also in accordance with sections 122 to 124 of the Decree of Conduct of Business Supervision of Financial Undertakings under the Netherlands Financial Supervision Act.

b) Presentation of financial statements

The reference currency of the SICAV is the USD.

The accounting year of the SICAV terminates on December 31.

c) Combined financial statements of the SICAV

The combined financial statements of the SICAV are expressed in USD and correspond to the sum of items in the financial statements of each sub-fund, converted into USD at the exchange rate prevailing at the closing date.

d) Valuation of Assets of the SICAV

The value of any cash on hand or on deposit, bills and demand notes and accounts receivable (including any rebates on fees and expenses payable by any Investment Fund), prepaid expenses, cash dividends declared and interest accrued, and not yet received are deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount as the Board of Directors of the SICAV may consider appropriate to reflect the true value thereof.

The value of securities (including shares or units of closed-ended Investment Funds) which are quoted, traded or dealt in on any stock exchange is based on the closing prices or, if appropriate, on the average price on the stock exchange which is normally the principal market of such securities, and each security traded on any other regulated market is valued in a manner as similar as possible to that provided for quoted securities.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

For non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are, in the opinion of the Board of Directors of the SICAV, not representative of the fair market value, the value thereof is determined based on the valuation method proposed in good faith by the Board of Directors of the SICAV taking into consideration:

- the latest available price;
- the basis of recent events that may have an impact on the value of the securities; or
- any other available assessment.

Liquid assets and money market instruments are valued at nominal value plus any accrued interest or on an amortised cost basis.

Futures and options contracts are valued by reference to the previous day's closing price on the relevant market; the market prices used are the futures exchanges settlement prices.

Swaps contracts are valued at fair value based on the last available closing price of the underlying security.

In determining the value of the assets of the SICAV, shares in open-ended Underlying Funds, including shares of other sub-funds of the SICAV in case of investment by a sub-fund in one or more sub-funds of the SICAV, are valued at the current Net Asset Value ("NAV") for such shares or units as of the relevant Valuation Day, or if no such actual NAV is available as of such Valuation Day, they are valued at the estimated NAV as of such Valuation Day, or if no such estimated NAV is available they are valued at the last available actual or estimated NAV which is calculated prior to such Valuation Day whichever is the closer to such Valuation Day. If events have occurred which may have resulted in a material change in the NAV of such shares or units since the date on which such actual or estimated NAV was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Board of Directors of the SICAV, such change but the Board Directors of the SICAV is not required to revise or recalculate the NAV on the basis of which subscriptions, redemptions or conversions may have been previously accepted.

In respect of shares or units held by the SICAV, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the Board of Directors of the SICAV may decide to value such shares or units in line with the realisation prices so established.

The Administrative Agent, the Board of Directors of the SICAV and the Management Company may rely solely on the valuations provided by UCIs with respect to the investment such UCIs have made. Valuations provided by UCIs may be subject to adjustments made by such UCIs subsequent to the determination of the NAV of a sub-fund. Such adjustments, whether increasing or decreasing the NAV of a sub-fund, do not affect the amount of the redemption proceeds received by redeeming shareholders. As a result, to the extent that such subsequently adjusted valuations from UCIs adversely affect the NAV of a sub-fund, the remaining outstanding shares of such sub-fund are adversely affected by redemptions. Conversely, any increases in the NAV of a sub-fund resulting from such subsequently adjusted valuations are entirely for the benefit of the remaining outstanding shares of such sub-fund.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

The Administrative Agent and the Board of Directors of the SICAV may consult with the Investment Manager in valuing each sub-fund's net assets. Year-end NAV calculations are audited by the SICAV's independent auditors and may be revised as a result of such audit. As discussed above, such revisions may result from adjustments in valuations provided by UCIs.

In no event shall the Board of Directors of the SICAV, the Management Company, the Depository Bank, the Administrative Agent, the Investment Manager incur any individual liability or responsibility for any determination made or other action taken or omitted by them in the absence of negligence, wilful misfeasance or bad faith.

If events have occurred which may have resulted in a material change of the NAV of such shares or units in other Investment Funds since the day on which the latest official NAV of these UCIs was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Board of Directors, such change of value.

All other securities and assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

e) Formation expenses

The expenses incurred by the SICAV in relation to the launch of new sub-funds are borne by, and payable out of the assets of, those sub-funds, unless otherwise decided by the Board of Directors of the SICAV, and may be amortized over a period not exceeding five years, it being understood that the new sub-fund is also charged a prorata portion of the initial establishment expenses unamortized as of its launch.

f) Conversion of foreign currencies

Cash at banks, other net assets as well as the market value of the investment portfolio in currencies other than the currency of the sub-fund are converted into the base currency of the sub-fund at the exchange rates prevailing at the closing date.

Income and expenses expressed in currencies other than the base currency of the SICAV are converted into the currency of the SICAV at the exchange rate applicable on the transaction date.

Resulting foreign exchange gains and losses are recorded in the statement of operations and changes in net assets.

g) Net realised gain/loss on sales of investments

Net realised gain or loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

h) Cost of investment securities

Cost of investment securities in currencies other than the currency of the sub-fund is translated into the currency of the sub-fund at the exchange rate applicable at purchase date.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

i) Income

Dividends are recorded at ex-date. Interest is recorded on an accrual basis.

j) Valuation of forward foreign exchange contracts

The net unrealised gains or losses resulting from outstanding forward foreign exchange contracts are determined on the valuation day on the basis of the forward rates applicable on this date and are included in the statement of net assets.

k) Loans

Loans are recorded in the accounts up to the amount of cash received. Interest is accrued, recorded separately and is included in the appropriate liabilities and expenses accounts.

l) Transaction fees

Transaction fees represent the costs incurred by the SICAV in connection with purchases and sales of investments. Transaction fees include brokerage fees, bank commissions, foreign tax, depositary fees and other fees. Transaction fees are included in the statement of operations and changes in net assets.

NOTE 3

MANAGEMENT FEE, SERVICE FEE AND DEPOSITARY FEE

An annual management fee and service fee are calculated on the average net asset values of the classes and are paid to the Management Company in payment for the services provided by it to the SICAV. These fees also enable the Management Company to remunerate the Investment Manager, investment advisers and distributors, if applicable, and the Administrative Agent for the functions of transfer agent, administrative agent and paying agent.

The Depositary Bank is entitled to receive, out of the assets of each sub-fund, fees calculated in accordance with normal banking practice in Luxembourg. In addition, the Depositary Bank is entitled to be reimbursed by the SICAV for its respective reasonable out-of-pocket expenses properly incurred in carrying out its duties as such and for the charges of any correspondents.

Such fees cannot exceed the amounts specified below:

For the Pictet Alternative Funds - World Equity Hedge sub-fund:

Type of shares	Fees (max %) *		
	Management	Service	Depositary
I USD	1.50%	0.15%	0.10%
J USD	1.25%	0.15%	0.10%
P USD	1.50%	0.15%	0.10%
R USD	2.50%	0.15%	0.10%
Z USD	0.00%	0.15%	0.10%

* Maximum percentage per year of the average net assets attributable to this type of shares.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

For the Pictet Alternative Funds - World Equity Hedge sub-fund: (continued)

Type of shares	Fees (max %) *		
	Management	Service	Depositary
HI CHF	1.50%	0.20%	0.10%
HI EUR	1.50%	0.20%	0.10%
HI GBP**	1.50%	0.20%	0.10%
HJ CHF	1.25%	0.20%	0.10%
HJ EUR	1.25%	0.20%	0.10%
HJ GBP**	1.25%	0.20%	0.10%
HP CHF	1.50%	0.20%	0.10%
HP EUR	1.50%	0.20%	0.10%
HP GBP**	1.50%	0.20%	0.10%
HR CHF	2.50%	0.20%	0.10%
HR EUR	2.50%	0.20%	0.10%
HR GBP**	2.50%	0.20%	0.10%
HZ CHF	0.00%	0.20%	0.10%
HZ EUR	0.00%	0.20%	0.10%
HZ GBP**	0.00%	0.20%	0.10%

For the Pictet Alternative Funds - Pleiad Credit Opportunities sub-fund:

Type of shares	Fees (max %) *		
	Management	Service	Depositary
D USD	1.25%	0.15%	0.10%
I USD	1.50%	0.15%	0.10%
J USD	1.25%	0.15%	0.10%
P USD	1.50%	0.15%	0.10%
R USD	2.50%	0.15%	0.10%
Z USD	0.00%	0.15%	0.10%
HD CHF	1.25%	0.15%	0.10%
HD EUR	1.25%	0.20%	0.10%
HI CHF	1.50%	0.20%	0.10%
HI EUR	1.50%	0.20%	0.10%
HJ CHF	1.25%	0.20%	0.10%
HJ EUR	1.25%	0.20%	0.10%
HP CHF	1.50%	0.20%	0.10%
HP EUR	1.50%	0.20%	0.10%
HR CHF	2.50%	0.20%	0.10%
HR EUR	2.50%	0.20%	0.10%
HZ CHF	0.00%	0.20%	0.10%
HZ EUR	0.00%	0.20%	0.10%

* Maximum percentage per year of the average net assets attributable to this type of shares.

** As at December 31, 2016, this type of shares was not activated yet.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

For the Pictet Alternative Funds - Mosaic Euro sub-fund:

Type of shares	Fees (max %) *		
	Management	Service	Depositary
I EUR	1.50%	0.15%	0.10%
J EUR	1.25%	0.15%	0.10%
P EUR	1.50%	0.15%	0.10%
R EUR	2.50%	0.15%	0.10%
Z EUR	0.00%	0.15%	0.10%
HI CHF	1.50%	0.20%	0.10%
HI GBP	1.50%	0.20%	0.10%
HI USD	1.50%	0.20%	0.10%
HJ CHF	1.25%	0.20%	0.10%
HJ GBP	1.25%	0.20%	0.10%
HJ USD	1.25%	0.20%	0.10%
HP CHF	1.50%	0.20%	0.10%
HP GBP**	1.50%	0.20%	0.10%
HP USD	1.50%	0.20%	0.10%
HR CHF***	2.50%	0.20%	0.10%
HR GBP	2.50%	0.20%	0.10%
HR USD***	2.50%	0.20%	0.10%
HZ CHF	0.00%	0.20%	0.10%
HZ GBP	0.00%	0.20%	0.10%
HZ USD	0.00%	0.20%	0.10%

For the Pictet Alternative Funds - Global sub-fund:

Type of shares	Fees (max %) *		
	Management	Service	Depositary
I USD	1.50%	0.13%	0.12%
J USD	1.25%	0.13%	0.12%
P USD	1.50%	0.13%	0.12%
R USD	2.00%	0.13%	0.12%
Z USD**	0.00%	0.13%	0.12%
HI CHF**	1.50%	0.13%	0.12%
HI EUR**	1.50%	0.13%	0.12%
HJ CHF**	1.25%	0.13%	0.12%
HJ EUR**	1.25%	0.13%	0.12%
HP CHF**	1.50%	0.13%	0.12%
HP EUR**	1.50%	0.13%	0.12%
HR CHF**	2.00%	0.13%	0.12%
HR EUR**	2.00%	0.13%	0.12%
HZ CHF**	0.00%	0.13%	0.12%
HZ EUR**	0.00%	0.13%	0.12%

* Maximum percentage per year of the average net assets attributable to this type of shares.

** As at December 31, 2016, this type of shares was not activated yet.

*** Liquidated during the year.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

For the Pictet Alternative Funds - Commo sub-fund:

Type of shares	Fees (max %) *		
	Management	Service	Depository
I USD	1.50%	0.15%	0.10%
J USD	1.25%	0.15%	0.10%
P USD	1.50%	0.15%	0.10%
R USD**	2.50%	0.15%	0.10%
Z USD	0.00%	0.15%	0.10%
HI CHF**	1.50%	0.20%	0.10%
HI EUR***	1.50%	0.20%	0.10%
HI GBP**	1.50%	0.20%	0.10%
HJ CHF	1.25%	0.20%	0.10%
HJ EUR**	1.25%	0.20%	0.10%
HJ GBP**	1.25%	0.20%	0.10%
HP CHF**	1.50%	0.20%	0.10%
HP EUR***	1.50%	0.20%	0.10%
HP GBP**	1.50%	0.20%	0.10%
HR EUR**	2.50%	0.20%	0.10%
HR CHF**	2.50%	0.20%	0.10%
HR GBP**	2.50%	0.20%	0.10%
HZ CHF**	0.00%	0.20%	0.10%
HZ EUR***	0.00%	0.20%	0.10%
HZ GBP**	0.00%	0.20%	0.10%

For the Pictet Alternative Funds - Distressed sub-fund:

Type of shares	Fees (max %)*		
	Management	Service	Depository
I USD	1.50%	0.15%	0.10%
J USD	1.25%	0.15%	0.10%
P USD**	1.50%	0.15%	0.10%
R USD**	2.50%	0.15%	0.10%
Z USD	0.00%	0.15%	0.10%
HI CHF	1.50%	0.20%	0.10%
HI EUR	1.50%	0.20%	0.10%
HI GBP**	1.50%	0.20%	0.10%
HJ CHF**	1.25%	0.20%	0.10%
HJ EUR**	1.25%	0.20%	0.10%
HJ GBP**	1.25%	0.20%	0.10%
HP CHF	1.50%	0.20%	0.10%
HP EUR	1.50%	0.20%	0.10%
HP GBP**	1.50%	0.20%	0.10%
HR CHF**	2.50%	0.20%	0.10%
HR EUR**	2.50%	0.20%	0.10%

* Maximum percentage per year of the average net assets attributable to this type of shares.

** As at December 31, 2016, this type of shares was not activated yet.

*** Liquidated during the year.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

For the Pictet Alternative Funds - Distressed sub-fund: (continued)

Type of shares	Fees (max %)*		
	Management	Service	Depositary
HR GBP**	2.50%	0.20%	0.10%
HZ CHF**	0.00%	0.20%	0.10%
HZ EUR**	0.00%	0.20%	0.10%
HZ GBP**	0.00%	0.20%	0.10%

For the Pictet Alternative Funds - Emerging Managers sub-fund:

Type of shares	Fees (max %) *		
	Management	Service	Depositary
I USD**	1.50%	0.15%	0.10%
J USD**	1.25%	0.15%	0.10%
P USD**	1.50%	0.15%	0.10%
R USD**	2.50%	0.15%	0.10%
Z USD	0.00%	0.15%	0.10%
HI CHF**	1.50%	0.20%	0.10%
HI EUR**	1.50%	0.20%	0.10%
HI GBP**	1.50%	0.20%	0.10%
HJ CHF**	1.25%	0.20%	0.10%
HJ EUR**	1.25%	0.20%	0.10%
HJ GBP**	1.25%	0.20%	0.10%
HP CHF**	1.50%	0.20%	0.10%
HP EUR**	1.50%	0.20%	0.10%
HP GBP**	1.50%	0.20%	0.10%
HR CHF**	2.50%	0.20%	0.10%
HR EUR**	2.50%	0.20%	0.10%
HR GBP**	2.50%	0.20%	0.10%
HZ CHF**	0.00%	0.20%	0.10%
HZ EUR**	0.00%	0.20%	0.10%
HZ GBP**	0.00%	0.20%	0.10%

For the Pictet Alternative Funds - Equity Diversifier:

Type of shares	Fees (max %)*		
	Management	Service	Depositary
A EUR	1.25%	0.15%	0.10%

* Maximum percentage per year of the average net assets attributable to this type of shares.

** As at December 31, 2016, this type of shares was not activated yet.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

The fees payable to the Investment Manager are in addition to the fees paid by the investee UCIs to the Investment Manager of the investee UCIs. There may be a duplication of management fees. Moreover, if the UCIs in which the SICAV has invested in turn invest in UCIs, a further doubling of costs and expenses may have to be borne by the Shareholders of the said sub-funds.

NOTE 4 OTHER FEES PAYABLE

As at December 31, 2016, the other fees payable include mainly Depository, audit and Service fees.

NOTE 5 DIRECTORS FEES

The external Directors Fees paid for the year ended December 31, 2016 are included in the statement of operations and changes in net assets under the caption "Other expenses" and amount to the following:

Sub-fund	Currency	Directors Fee
Pictet Alternative Funds - World Equity Hedge	USD	38,305.94
Pictet Alternative Funds - Pleiad Credit Opportunities	USD	46,880.81
Pictet Alternative Funds - Mosaic Euro	EUR	34,637.01
Pictet Alternative Funds - Global	USD	21,611.22
Pictet Alternative Funds - Commo	USD	21,576.12
Pictet Alternative Funds - Distressed	USD	27,472.47
Pictet Alternative Funds - Emerging Managers	USD	21,556.73
Pictet Alternative Funds - Equity Diversifier	EUR	-

NOTE 6 TAXE D'ABONNEMENT

Under current law and practice the SICAV is not liable to any Luxembourg income tax, nor are dividends, if any, paid by the SICAV liable to any Luxembourg withholding tax. However, the SICAV is normally liable in Luxembourg to a tax of 0.05% per annum of its net assets. Such tax rate is reduced to a rate of 0.01% in respect of the net assets attributable to such classes of shares which are reserved for institutional investors within the meaning of, and as provided for in, article 174 of the Law.

Such tax is payable quarterly and calculated on the net asset value of the relevant class at the end of the relevant quarter. For the portion of the assets of the SICAV invested in other UCIs which are established in Luxembourg, no such tax is payable as provided for in article 174 of the Law if it is already paid for the underlying UCI.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

NOTE 7

SUBSCRIPTIONS AND REDEMPTIONS

a) Subscriptions

Shares in each class are issued at the relevant net asset value per share (the "Subscription Price"), as determined as of each "Valuation Day", being the last calendar day of each month. The net asset value is made public as soon as practicable after the relevant Valuation Day.

A Subscription Charge of up to 3.50% of the relevant Subscription Price may be added to the Subscription Price to compensate financial intermediaries and other persons who assist in the placement of shares.

b) Redemptions

For the Pictet Alternative Funds - World Equity Hedge and Pictet Alternative Funds - Global sub-funds:

Shares in each class of the sub-funds are redeemable on a monthly basis, based on the net asset value, minus a Redemption Adjustment (the "Redemption Price") calculated as of the monthly Valuation Day (the "Redemption Valuation Day"). The Board of Directors of the SICAV may determine additional Redemption Valuation Days for which all Shareholders in identical situations are treated equally.

A Redemption Charge of up to 3.00% of the relevant Redemption Price may be levied on the Redemption Price to compensate financial intermediaries and other persons who assist in the placement of shares.

For the Pictet Alternative Funds - Mosaic Euro, Pictet Alternative Funds - Commo, Pictet Alternative Funds - Emerging Managers and Pictet Alternative Funds - Equity Diversifier sub-funds:

Shares in each class of the sub-funds are redeemable on a quarterly basis, based on the relevant net asset value (the "Redemption Price") calculated as of the Valuation Day of the months of March, June, September and December (the "Redemption Valuation Day"). The Board of Directors of the SICAV may determine additional Redemption Valuation Days for which all Shareholders in identical situations are treated equally.

A Redemption Charge of up to 3.00% of the relevant Redemption Price may be levied on the Redemption Price to compensate financial intermediaries and other persons who assist in the placement of shares.

For the Pictet Alternative Funds - Pleiad Credit Opportunities sub-fund:

Shares of Class D and their corresponding Hedged shares of the sub-fund are redeemable on a quarterly basis, based on the relevant net asset value (the "Redemption Price") calculated as of the Valuation Days of the months of February, May, August and November (the "Redemption Valuation Day") as defined under point "Valuation Day" hereabove. The Board of Directors of the SICAV may determine additional Redemption Valuation Days for which all Shareholders in identical situations are treated equally.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

Shareholders of Classes I, J, P, R and Z shares and their corresponding Hedged shares are only allowed to redeem their Shares in the sub-fund during the soft Lock Up Period, as defined in the current prospectus, if they agree to pay an early redemption fee of 5% of the Redemption Price for the benefit of the sub-fund.

After the soft Lock Up Period, Classes I, J, P, R and Z shares and their corresponding Hedged shares are redeemable on a quarterly basis, based on the relevant net asset value (the "Redemption Price") calculated as of the Valuation Day of the months of February, May, August and November (the "Redemption Valuation Day"). The Board of Directors of the SICAV may determine additional Redemption Valuation Days for which all Shareholders in identical situations are treated equally, in the best interest of all the Shareholders.

A Redemption Charge of up to 3.00% of the relevant Redemption Price may be levied on the Redemption Price to compensate financial intermediaries and other persons who assist in the placement of shares.

For the Pictet Alternative Funds - Distressed sub-fund:

Shareholders are normally not allowed to redeem their shares in the sub-fund during a "Lock Up Period", as defined in the current prospectus. However, during the lock up period, redemptions requests on a given Redemption Valuation Day may be exceptionally submitted to the approval of the Board of Directors of the SICAV. The Board of Directors of the SICAV reserves the right to accept or reject these requests, for which all Shareholders in identical situations are treated equally.

After the Lock Up Period, Shares in each Class of the sub-fund are redeemable on a quarterly basis, based on the relevant net asset value (the "Redemption Price") calculated as of the Valuation Day of the months of March, June, September and December (the "Redemption Valuation Day"). The Board of Directors of the SICAV may determine additional Redemption Valuation Days for which all Shareholders in identical situations are treated equally, in the best interest of all the Shareholders.

A Redemption Charge of up to 3.00% of the relevant Redemption Price may be levied on the Redemption Price to compensate financial intermediaries and other persons who assist in the placement of shares.

c) Duplication of fees

When investing in investee UCIs, a duplication of subscription and/or redemption fees may be applied. Moreover, if the UCIs in which the sub-fund has invested in turn invest in UCIs, a further doubling of costs and expenses may have to be borne by the Shareholders of the said sub-fund.

NOTE 8

EXCHANGE RATES AS AT DECEMBER 31, 2016

The following exchange rates were used for the conversion of the SICAV's net assets into USD as at December 31, 2016:

1 USD = 0.948092 EUR

1 USD = 1.016350 CHF

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

1 USD = 0.809291 GBP

NOTE 9 DETAILS OF THE NET REALISED GAINS/LOSSES ON SALES OF INVESTMENTS

Details of the net realised gains/losses on sales of investments for the year ended December 31, 2016 were as follows:

		Realised gain	Realised loss	Net realised gain/loss
Pictet Alternative Funds - World Equity Hedge	USD	9,201,427.05	-14,679,404.94	-5,477,977.89
Pictet Alternative Funds - Pleiad Credit Opportunities	USD	22,339,158.83	-16,056,278.84	6,282,879.99
Pictet Alternative Funds - Mosaic Euro	EUR	29,785,567.65	-3,987,853.74	25,797,713.91
Pictet Alternative Funds - Global	USD	1,158,258.21	-14,933.10	1,143,325.11
Pictet Alternative Funds - Commo	USD	1,499,446.54	-616,757.24	882,689.30
Pictet Alternative Funds - Distressed	USD	13,614,881.22	-14,721,417.49	-1,106,536.27
Pictet Alternative Funds - Emerging Managers	USD	123,607.46	-4,553.67	119,053.79
Pictet Alternative Funds - Equity Diversifier	EUR	10,843.81	-50,202.40	-39,358.59

NOTE 10 DETAILS OF THE CHANGE IN NET UNREALISED APPRECIATION/DEPRECIATION ON INVESTMENTS

Details of the change in net unrealised appreciation/depreciation on investments for the year ended December 31, 2016 were as follows:

		Change in unrealised appreciation	Change in unrealised depreciation	Change in net unrealised appreciation/depreciation
Pictet Alternative Funds - World Equity Hedge	USD	13,057,211.40	-25,471,369.13	-12,414,157.73
Pictet Alternative Funds - Pleiad Credit Opportunities	USD	50,120,347.98	-19,303,896.43	30,816,451.55
Pictet Alternative Funds - Mosaic Euro	EUR	14,080,242.33	-27,011,172.53	-12,930,930.20
Pictet Alternative Funds - Global	USD	319,898.92	-2,236,807.19	-1,916,908.27
Pictet Alternative Funds - Commo	USD	1,021,385.45	-1,399,199.99	-377,814.54
Pictet Alternative Funds - Distressed	USD	5,698,306.11	-780,542.69	4,917,763.42
Pictet Alternative Funds - Emerging Managers	USD	99,569.91	-896,336.52	-796,766.61
Pictet Alternative Funds - Equity Diversifier	EUR	1,203,310.49	-246,199.45	957,111.04

NOTE 11 FORWARD FOREIGN EXCHANGE CONTRACTS

Forward foreign exchange contracts on identical currency pairs listed below are aggregated. Only the longest maturity date is shown.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

The SICAV had the following forward foreign exchange contracts outstanding as at December 31, 2016:

Pictet Alternative Funds - World Equity Hedge

Currency	Purchase	Currency	Sale	Maturity date
CHF	100,773,520.14	USD	98,185,354.20	31/01/2017
EUR	71,447,006.55	USD	74,665,694.19	31/01/2017
USD	130,932,235.00	EUR	125,300,000.00	31/01/2017

The net unrealised gain on these contracts as at December 31, 2016 was USD 570,066.09 and is included in the statement of net assets.

Pictet Alternative Funds - Pleiad Credit Opportunities

Currency	Purchase	Currency	Sale	Maturity date
CHF	156,091,406.41	USD	152,082,511.41	31/01/2017
EUR	177,160,351.42	USD	185,141,425.25	31/01/2017
USD	178,895,440.00	EUR	171,200,000.00	31/01/2017

The net unrealised gain on these contracts as at December 31, 2016 was USD 1,908,188.47 and is included in the statement of net assets.

Pictet Alternative Funds - Mosaic Euro

Currency	Purchase	Currency	Sale	Maturity date
CHF	96,610,698.45	EUR	90,123,601.61	31/01/2017
EUR	106,433,380.07	USD	111,300,000.00	28/02/2017
GBP	806,833.81	EUR	946,010.94	31/01/2017
USD	7,109,239.29	EUR	6,803,425.32	31/01/2017

The net unrealised gain on these contracts as at December 31, 2016 was EUR 1,132,913.19 and is included in the statement of net assets.

Pictet Alternative Funds - Global

Currency	Purchase	Currency	Sale	Maturity date
USD	2,132,718.00	EUR	2,040,000.00	31/01/2017

The net unrealised loss on this contract as at December 31, 2016 was USD 22,504.66 and is included in the statement of net assets.

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

Pictet Alternative Funds - Distressed

Currency	Purchase	Currency	Sale	Maturity date
CHF	21,385.73	USD	20,836.48	31/01/2017
EUR	85,428.89	USD	89,277.46	31/01/2017

The net unrealised gain on these contracts as at December 31, 2016 was USD 1,232.14 and is included in the statement of net assets.

Pictet Alternative Funds - Equity Diversifier

Currency	Purchase	Currency	Sale	Maturity date
EUR	18,994,306.49	USD	19,850,000.00	31/01/2017

The net unrealised gain on this contract as at December 31, 2016 was EUR 206,195.63 and is included in the statement of net assets.

NOTE 12

LOANS

The SICAV (the "Pledgor") has entered, as borrower, into a USD 240,000,000 revolving facility agreement dated December 21, 2015 with, amongst others, Montalis Investment B.V. (the "Security Agent"), as lender (the "Facility Agreement") with a maturity date fixed to five years after the Closing date.

In order to secure the Obligations (all present and future obligations and liabilities), the Pledgor has agreed to duly pledge the portfolio of the Participating sub-fund in accordance with the terms and conditions of the Facility Agreement between the Pledgor, the Security agent, Pictet Alternative Advisors SA as Investment Manager, Pictet Asset Management (Europe) S.A. as Management Company and AIFM, Société Générale as Arranger and Calculation Agent and Pictet & Cie (Europe) S.A. as Depository Bank.

As at December 31, 2016, loans outstanding under the Facility Agreement with Montalis Investment B.V. amounted to:

- USD 9,000,000.00 for the Pictet Alternative Funds - World Equity Hedge sub-fund;
- USD 5,000,000.00 for the Pictet Alternative Funds - Pleiad Credit Opportunities sub-fund;
- EUR 12,000,000.00 for the Pictet Alternative Funds - Mosaic Euro sub-fund.

The maturity date of the loans outstanding is fixed to March 31, 2017.

NOTE 13

CROSS INVESTMENTS BETWEEN SUB-FUNDS

As at December 31, 2016, the sub-fund Pictet Alternative Funds - Pleiad Credit Opportunities invests 6.84% of its net assets in the sub-fund Pictet Alternative Funds - Distressed. This investment amounts to USD 39,179,837.98

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

As at December 31, 2016, the sub-fund Pictet Alternative Funds - Mosaic Euro invests 2.08% of its net assets in the sub-fund Pictet Alternative Funds - Emerging Managers. This investment amounts to EUR 5,249,833.70.

Those amounts of cross investments are included in the Combined statement of net assets and statement of operations and changes in net assets.

NOTE 14

TOTAL EXPENSE RATIO ("TER")

The TER is defined as the ratio between the total operating expenses (Operating charges primarily consist of management and investment advisory fees, custodian fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / share class' average NAV (calculated on the basis of the daily average of the total net assets for the relevant period) expressed in its reference currency.

As much as the sub-funds invest more than 10% of its assets in other investment funds, a synthetic TER is calculated:

- by adding to the TER the sum of the TER of underlying funds weighted according to their share in the net assets of the related sub-fund at the reference date. If one of the target funds does not publish any TER, no synthetic TER will be calculated for this fraction of investment,
- by subtracting the impact of the retrocession received calculated by dividing the amount of retrocessions by the average assets.

For the year from January 1, 2016 to December 31, 2016, the Synthetic TER was:

Class	Synthetic TER
<hr/>	
Pictet Alternative Funds - World Equity Hedge	
I USD	1.55%
J USD	1.27%
P USD	1.70%
R USD	2.21%
Z USD	0.26%
HI CHF	1.61%
HI EUR	1.61%
HJ CHF	1.32%
HJ EUR	1.32%
HP CHF	1.76%
HP EUR	1.76%
HR CHF	2.26%
HR EUR	2.27%
HZ CHF	0.31%
HZ EUR	0.31%
Pictet Alternative Funds - Pleiad Credit Opportunities	
D USD	0.96%
I USD	1.54%
J USD	1.24%
P USD	1.70%
R USD	2.19%

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

Class	Synthetic TER
Z USD	0.26%
HD CHF	1.01%
HD EUR	1.01%
HI CHF	1.59%
HI EUR	1.60%
HJ CHF	1.31%
HJ EUR	1.31%
HP CHF	1.75%
HP EUR	1.75%
HR CHF	2.21%
HR EUR	2.25%
HZ CHF	0.31%
HZ EUR	0.31%
Pictet Alternative Funds - Mosaic Euro	
I EUR	1.50%
J EUR	1.22%
P EUR	1.65%
R EUR	2.15%
Z EUR	0.21%
HI CHF	1.55%
HI GBP	1.56%
HI USD	1.55%
HJ CHF	1.26%
HJ GBP	1.26%
HJ USD	1.26%
HP CHF	1.71%
HP USD	1.70%
HR GBP	2.21%
HZ CHF	0.26%
HZ GBP	0.26%
HZ USD	0.26%
Pictet Alternative Funds - Global	
I USD	1.21%
J USD	1.47%
Pictet Alternative Funds - Commo	
I USD	1.68%
J USD	1.39%
P USD	1.83%
Z USD	0.44%
Pictet Alternative Funds - Distressed	
I USD	1.59%
P USD	1.74%
Z USD	0.31%
HI CHF	1.60%
HI EUR	1.60%
HP CHF	1.75%
HP EUR	1.78%
Pictet Alternative Funds - Emerging Managers	
Z USD	0.32%

Pictet Alternative Funds

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016 (continued)

Class	Synthetic TER
Pictet Alternative Funds - Equity Diversifier	
A EUR	1.17%

NOTE 15 PORTFOLIO TURNOVER RATIO ("PTR")

The PTR is defined as the ratio between the difference of the sum of the purchases and sales and the sum of the subscriptions and redemptions and the average NAV (calculated on the basis of the daily average of the total net assets for the relevant period) of the sub-fund expressed in its reference currency.

For the year from January 1, 2016 to December 31, 2016, the PTR of each sub-fund was the following:

Sub-fund	
Pictet Alternative Funds - World Equity Hedge	99.52%
Pictet Alternative Funds - Pleiad Credit Opportunities	95.30%
Pictet Alternative Funds - Mosaic Euro	142.33%
Pictet Alternative Funds - Global	77.28%
Pictet Alternative Funds - Commo	26.68%
Pictet Alternative Funds - Distressed	128.97%
Pictet Alternative Funds - Emerging Managers	121.53%
Pictet Alternative Funds - Equity Diversifier	195.44%

NOTE 16 EVENT AFTER THE YEAR END

As at January 2, 2017, the Board of Directors of the SICAV has decided to appoint Mrs Tracey McDermott, Carne Global Fund Managers (Luxembourg) S.A., 6B, route de Trèves, L-2633, Senningerberg, Luxembourg, Grand Duchy of Luxembourg in replacement of Mr Anil Kumar Singh, Independent Director, Carne Global Fund Managers (Luxembourg) S.A., Senningerberg, Grand Duchy of Luxembourg, as member of the Board of Directors of the SICAV with effect as at January 2, 2017.

Mr Thomas Nummer resigned from Carne Global Financial Services Luxembourg S.à r.l. on January 31, 2017. He remains a member of the Board of Directors of the SICAV.

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS

REMUNERATION OF THE MEMBERS OF THE AIFM

In relation to paragraphs 2 (e) and 2 (f) of article 20 of the law of July 12, 2013 relating to Alternative Investment Fund Managers, and in accordance with the ALFI Guidance dated October 3, 2014, the detail of the remuneration paid by the AIFM to its members is available upon request to the Shareholders of the SICAV at the registered office of the AIFM.

SECURITIES FINANCING TRANSACTIONS AND OF REUSE ("SFTR")

As at December 31, 2016, the SICAV is currently not in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of Securities Financing Transactions and of Reuse ("SFTR"). Furthermore, no corresponding transactions were carried out during the period referring to the financial statements.

MATERIAL CHANGES

No material changes occurred to the SICAV during year ended December 31, 2016.

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS (continued)

TRANSPARENCY WITH INVESTORS : INFORMATION RELATING TO RISK MANAGEMENT

Pictet Alternative Funds - World Equity Hedge

Special arrangements arising from the illiquid nature of assets

Currently, no assets within the sub-fund are subject to special arrangements arising from their illiquid nature.

Risk profile

The current risk profile of the sub-fund is medium. To assess the sensitivity of the portfolio to the risks it may be exposed, risk limits to cover market, credit, liquidity, concentration, counterparty and operational risks have been defined. No risk limits have been exceeded over the year. They are not likely to be exceeded in the foreseeable future.

Risk management systems

Market, credit, liquidity, concentration, counterparty and operational risks are monitored on an ongoing basis using specific tools and stress tests when applicable. No change of system is currently planned.

Leverage

The original maximum level of leverage expressed as a percentage of NAV are the following:

- Leverage calculated with the commitment method: 200%
- Leverage calculated with the gross method: 200%

These levels have not been revised over the course of the year.

The total amounts of leverage expressed as a percentage of NAV employed by the AIF as of 31.12.2016 are the following:

- Leverage calculated with the commitment method: 113.70%
- Leverage calculated with the gross method: 156.10%

No collateral has been reused and no guarantees were granted.

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS (continued)

Pictet Alternative Funds - Pleiad Credit Opportunities

Special arrangements arising from the illiquid nature of assets

Currently, no assets within the sub-fund are subject to special arrangements arising from their illiquid nature.

Risk profile

The current risk profile of the sub-fund is medium. To assess the sensitivity of the portfolio to the risks it may be exposed, risk limits to cover market, credit, liquidity, concentration, counterparty and operational risks have been defined. No risk limits have been exceeded over the year. They are not likely to be exceeded in the foreseeable future.

Risk management systems

Market, credit, liquidity, concentration, counterparty and operational risks are monitored on an ongoing basis using specific tools and stress tests when applicable. No change of system is currently planned.

Leverage

The original maximum level of leverage expressed as a percentage of NAV are the following:

- Leverage calculated with the commitment method: 200%
- Leverage calculated with the gross method: 200%

These levels have not been revised over the course of the year.

The total amounts of leverage expressed as a percentage of NAV employed by the AIF as of 31.12.2016 are the following:

- Leverage calculated with the commitment method: 102.20%
- Leverage calculated with the gross method: 131.20%

No collateral has been reused and no guarantees were granted.

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS (continued)

Pictet Alternative Funds - Mosaic Euro

Special arrangements arising from the illiquid nature of assets

Currently, no assets within the sub-fund are subject to special arrangements arising from their illiquid nature.

Risk profile

The current risk profile of the sub-fund is medium. To assess the sensitivity of the portfolio to the risks it may be exposed, risk limits to cover market, credit, liquidity, concentration, counterparty and operational risks have been defined. No risk limits have been exceeded over the year. They are not likely to be exceeded in the foreseeable future.

Risk management systems

Market, credit, liquidity, concentration, counterparty and operational risks are monitored on an ongoing basis using specific tools and stress tests when applicable. No change of system is currently planned.

Leverage

The original maximum level of leverage expressed as a percentage of NAV are the following:

- Leverage calculated with the commitment method: 200%
- Leverage calculated with the gross method: 200%

These levels have not been revised over the course of the year.

The total amounts of leverage expressed as a percentage of NAV employed by the AIF as of 31.12.2016 are the following:

- Leverage calculated with the commitment method: 123.70%
- Leverage calculated with the gross method: 166.50%

No collateral has been reused and no guarantees were granted.

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS (continued)

Pictet Alternative Funds - Global

Special arrangements arising from the illiquid nature of assets

Currently, no assets within the sub-fund are subject to special arrangements arising from their illiquid nature.

Risk profile

The current risk profile of the sub-fund is medium. To assess the sensitivity of the portfolio to the risks it may be exposed, risk limits to cover market, credit, liquidity, concentration, counterparty and operational risks have been defined. No risk limits have been exceeded over the year. They are not likely to be exceeded in the foreseeable future.

Risk management systems

Market, credit, liquidity, concentration, counterparty and operational risks are monitored on an ongoing basis using specific tools and stress tests when applicable. No change of system is currently planned.

Leverage

The original maximum level of leverage expressed as a percentage of NAV are the following:

- Leverage calculated with the commitment method: 200%
- Leverage calculated with the gross method: 200%

These levels have not been revised over the course of the year.

The total amounts of leverage expressed as a percentage of NAV employed by the AIF as of 31.12.2016 are the following:

- Leverage calculated with the commitment method: 100.60%
- Leverage calculated with the gross method: 109.70%

No collateral has been reused and no guarantees were granted.

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS (continued)

Pictet Alternative Funds - Commo

Special arrangements arising from the illiquid nature of assets

Currently, no assets within the sub-fund are subject to special arrangements arising from their illiquid nature.

Risk profile

The current risk profile of the sub-fund is medium. To assess the sensitivity of the portfolio to the risks it may be exposed, risk limits to cover market, credit, liquidity, concentration, counterparty and operational risks have been defined. No risk limits have been exceeded over the year. They are not likely to be exceeded in the foreseeable future.

Risk management systems

Market, credit, liquidity, concentration, counterparty and operational risks are monitored on an ongoing basis using specific tools and stress tests when applicable. No change of system is currently planned.

Leverage

The original maximum level of leverage expressed as a percentage of NAV are the following:

- Leverage calculated with the commitment method: 200%
- Leverage calculated with the gross method: 200%

These levels have not been revised over the course of the year.

The total amounts of leverage expressed as a percentage of NAV employed by the AIF as of 31.12.2016 are the following:

- Leverage calculated with the commitment method: 112.40%
- Leverage calculated with the gross method: 94.30%

No collateral has been reused and no guarantees were granted.

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS (continued)

Pictet Alternative Funds - Distressed

Special arrangements arising from the illiquid nature of assets

Currently, no assets within the sub-fund are subject to special arrangements arising from their illiquid nature.

Risk profile

The current risk profile of the sub-fund is medium. To assess the sensitivity of the portfolio to the risks it may be exposed, risk limits to cover market, credit, liquidity, concentration, counterparty and operational risks have been defined. No risk limits have been exceeded over the year. They are not likely to be exceeded in the foreseeable future.

Risk management systems

Market, credit, liquidity, concentration, counterparty and operational risks are monitored on an ongoing basis using specific tools and stress tests when applicable. No change of system is currently planned.

Leverage

The original maximum level of leverage expressed as a percentage of NAV are the following:

- Leverage calculated with the commitment method: 200%
- Leverage calculated with the gross method: 200%

These levels have not been revised over the course of the year.

The total amounts of leverage expressed as a percentage of NAV employed by the AIF as of 31.12.2016 are the following:

- - Leverage calculated with the commitment method: 103.20%
- - Leverage calculated with the gross method: 100.60%

No collateral has been reused and no guarantees were granted

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS (continued)

Pictet Alternative Funds - Emerging Managers

Special arrangements arising from the illiquid nature of assets

Currently, no assets within the sub-fund are subject to special arrangements arising from their illiquid nature.

Risk profile

The current risk profile of the sub-fund is medium. To assess the sensitivity of the portfolio to the risks it may be exposed, risk limits to cover market, credit, liquidity, concentration, counterparty and operational risks have been defined. No risk limits have been exceeded over the year. They are not likely to be exceeded in the foreseeable future.

Risk management systems

Market, credit, liquidity, concentration, counterparty and operational risks are monitored on an ongoing basis using specific tools and stress tests when applicable. No change of system is currently planned.

Leverage

The original maximum level of leverage expressed as a percentage of NAV are the following:

- Leverage calculated with the commitment method: 225%
- Leverage calculated with the gross method: 225%

These levels have not been revised over the course of the year.

The total amounts of leverage expressed as a percentage of NAV employed by the AIF as of 31.12.2016 are the following:

- Leverage calculated with the commitment method: 100.00%
- Leverage calculated with the gross method: 94.90%

No collateral has been reused and no guarantees were granted

Pictet Alternative Funds

OTHER INFORMATION TO SHAREHOLDERS (continued)

Pictet Alternative Funds – Equity Diversifier

Special arrangements arising from the illiquid nature of assets

Currently, no assets within the sub-fund are subject to special arrangements arising from their illiquid nature.

Risk profile

The current risk profile of the sub-fund is medium. To assess the sensitivity of the portfolio to the risks it may be exposed, risk limits to cover market, credit, liquidity, concentration, counterparty and operational risks have been defined. No risk limits have been exceeded over the year. They are not likely to be exceeded in the foreseeable future.

Risk management systems

Market, credit, liquidity, concentration, counterparty and operational risks are monitored on an ongoing basis using specific tools and stress tests when applicable. No change of system is currently planned.

Leverage

The original maximum level of leverage expressed as a percentage of NAV are the following:

- Leverage calculated with the commitment method: 225%
- Leverage calculated with the gross method: 225%

These levels have not been revised over the course of the year.

The total amounts of leverage expressed as a percentage of NAV employed by the AIF as of 31.12.2016 are the following:

- Leverage calculated with the commitment method: 99.80%
- Leverage calculated with the gross method: 139.50%

No collateral has been reused and no guarantees were granted.

