



PICTET
Société d'Investissement à Capital Variable
Open-Ended Investment Company
15, Avenue J.F. Kennedy
L-1855 Luxembourg R.C.S. Luxembourg [Luxembourg Trade and Companies Register] B 38 034

This document is important and requires your immediate attention. If you are in any doubt about the content of this document, you should seek independent professional financial advice.

Notice to shareholders of Pictet (the “Company”)

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| 1. PICTET – Asian Equities Ex Japan | 13. PICTET – Global Megatrend Selection |
| 2. PICTET – Asian Local Currency Debt | 14. PICTET – High Dividend Selection |
| 3. PICTET – Clean Energy | 15. PICTET – Japanese Equity Selection |
| 4. PICTET – Digital | 16. PICTET – Latin American Local Currency Debt |
| 5. PICTET – Emerging Corporate Bonds | 17. PICTET – Nutrition |
| 6. PICTET – Emerging Europe | 18. PICTET – Premium Brands |
| 7. PICTET – Emerging Local Currency Debt | 19. PICTET – Robotics |
| 8. PICTET – Emerging Markets | 20. PICTET – Russian Equities |
| 9. PICTET – Emerging Markets High Dividend | 21. PICTET – Security |
| 10. PICTET – European Equity Selection | 22. PICTET – Timber |
| 11. PICTET – Global Emerging Debt | 23. PICTET – US Equity Selection |
| 12. PICTET – Global Environmental Opportunities | 24. PICTET – Water (each, a “Compartment”, and collectively, the “Compartments”) |

[13 July 2018]

Re: Notification of various changes affecting the Compartments

Dear Shareholders,

The Board of Directors of the Company (the “**Board**”) hereby wishes to notify you of the following proposed changes affecting the Compartments which will take effect on [16 August 2018] (the “**Effective Date**”) unless otherwise specified. Please read this notice carefully as it may relate to changes affecting your shares in the Company.

Unless otherwise specified, all capitalised terms contained herein shall have the same meaning as in the Hong Kong offering documents of the Company.

1. Change of Calculation Day and/or Cut-off Day for Receipt of Subscription and Redemption Orders for various Compartments

From the Effective Date, the Board would like to align the Calculation Day and the pricing point with the cut-off day for subscription and redemption orders for various Compartments to shorten the NAV cycle of the Compartments. Details of the changes involved are as follows:-

Change of Calculation Day for various Compartments

Currently, the Calculation Day, which is the day on which the calculation and publication of the net asset value of a Compartment takes place, for the following Compartments is the Week Day following the relevant Valuation Day:

- > Pictet – Clean Energy;
- > Pictet – Digital;
- > Pictet – Emerging Europe;
- > Pictet – European Equity Selection;
- > Pictet – Global Environmental Opportunities;
- > Pictet – Global Megatrend Selection;
- > Pictet – High Dividend Selection;
- > Pictet – Nutrition;
- > Pictet – Premium Brands;
- > Pictet – Robotics;
- > Pictet – Russian Equities;
- > Pictet – Security;
- > Pictet – Timber;
- > Pictet – US Equity Selection; and
- > Pictet – Water

From the Effective Date, the Calculation Day for these Compartments will be revised to the relevant Valuation Day. Following such amendment, both the Calculation Day and the cut-off day for the receipt of subscription and redemption orders by the Transfer Agent for the above Compartments will be on the Valuation Day.

Change of Cut-off Day and Time for Receipt of Subscription and Redemption Orders for various Compartments

For the following Compartments, the cut-off day and time for the receipt of subscription and redemption orders by the Transfer Agent is 3:00 p.m. (Luxembourg time) on the Banking Day preceding the relevant Valuation Day:

- > Pictet – Asian Equities ex Japan;
- > Pictet – Emerging Markets;
- > Pictet – Emerging Markets High Dividend; and
- > Pictet – Japanese Equity Selection

From the Effective Date, such cut-off day and time will be revised to 1:00 p.m. (Luxembourg time) on the relevant Valuation Day. Following such amendment, both the Calculation Day and the cut-off day for the receipt of subscription and redemption orders by the Transfer Agent for the above Compartments will be on the Valuation Day.

Change of Cut-off Time for Receipt of Subscription and Redemption Orders for various Compartments

For the following Compartments, the cut-off time for the receipt of subscription and redemption orders by the Transfer Agent is the 3:00 p.m. (Luxembourg time) on the relevant Valuation Day:

- > Pictet – Clean Energy;
- > Pictet – Digital;
- > Pictet – European Equity Selection;
- > Pictet – High Dividend Selection;
- > Pictet – Nutrition;

- > Pictet – Premium Brands;
- > Pictet – Robotics;
- > Pictet – Security;
- > Pictet – Timber;
- > Pictet – US Equity Selection; and
- > Pictet – Water

From the Effective Date, such cut-off time will be revised to 1:00 p.m. (Luxembourg time) on the relevant Valuation Day. Such change will have no impact on Hong Kong investors, as it is disclosed in the Hong Kong offering documents that, for Compartments with cut-off time of 1:00 p.m. and 3:00 p.m. (Luxembourg time), the corresponding deadline for subscription and redemption orders from Hong Kong investors to be made by Authorised Distributors and received by Bank Pictet & Cie (Asia) Limited is 5:00 p.m. (Hong Kong time).

For Pictet – Global Megatrend Selection, the cut-off time for the receipt of subscription and redemption orders by the Transfer Agent will be revised from 1:00 p.m. (Luxembourg time) on the relevant Valuation Day to 11:00 a.m. (Luxembourg time) on the same day. The corresponding deadline for subscription and redemption orders from Hong Kong investors to be made by Authorised Distributors and received by Bank Pictet & Cie (Asia) Limited will remain at 5:00 p.m. (Hong Kong time).

2. Change of payment value date for various Compartments

In order to more closely align the payment value date with the liquidity of the underlying assets of the relevant Compartments, the payment value date for subscriptions and redemptions will be amended for the following Compartments as follows:

Compartment	Before the Effective Date	On or after the Effective Date
Pictet – Asian Equities Ex Japan	Within 3 Week Days following the applicable Valuation Day	Within 4 Week Days following the Applicable Valuation Day
Pictet – Clean Energy	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – Digital	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – Global Environmental Opportunities	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – Global Megatrend Selection	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – High Dividend Selection	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – Japanese Equity Selection	Within 3 Week Days following the applicable Valuation Day	Within 4 Week Days following the Applicable Valuation Day
Pictet – Nutrition	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – Premium Brands	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day

Pictet – Robotics	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – Security	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – Timber	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – US Equity Selection	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day
Pictet – Water	Within 3 Week Days following the applicable Valuation Day	Within 2 Week Days following the applicable Valuation Day

3. Change of investment objective and policy of Pictet – High Dividend Selection (to be renamed “Pictet – SmartCity”)

Currently, the investment objective of Pictet – High Dividend Selection is to invest mainly in shares and similar securities (including structured products) of companies from which high, or higher dividends than those of their reference market, are expected.

In light of the Board’s views of the current and prospective economic and market conditions in the global markets, the Board proposes to revise this Compartment’s investment objective and policy. With effect from [24 August 2018], this Compartment will aim to achieve capital growth by investing mainly in equities and equity-related securities (such as convertible bonds, closed-ended real estate investment trusts (REITs), American Depositary Receipts, and Global Depositary Receipts) issued by companies that contribute to and/or profit from the trend towards urbanisation. Accordingly, the investment policy of this Compartment will be amended as follows:

- > the Compartment will invest in companies which will be active mainly, but not exclusively in mobility and transportation, infrastructure, real estate, sustainable resources management (such as energy efficiency or waste management) as well as enabling technologies and services supporting the development of smart and sustainable cities;
- > the Compartment may invest up to 49% of its net asset value in closed-ended REITs;
- > the investments of this Compartment may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency; and
- > the maximum expected level of exposure to securities lending transactions will increase from 5% to 20% of the net asset value of the Compartment.

Please refer to the Appendix to this notice for details of Pictet – High Dividend Selection’s investment objective and strategy before and after the foregoing change of investment objective and strategy.

As a result of such changes, the Compartment will be subject to the following added risks:

Concentration risk – The risk of losses due to the limited diversification in the investments made. Diversification may be sought in terms of geography (economic zone, country, region, etc.), currency or sector. Concentration risk also relates to large positions in a single issuer relative to a compartment’s asset base. Concentrated investments are often more prone to political and economic factors and may suffer from in-creased volatility.

Chinese currency exchange risk – RMB can be traded onshore (in CNY in mainland China) and offshore (in CNH outside mainland China, mainly in Hong Kong). Onshore RMB (CNY) is not a free currency and is controlled by PRC authorities. The Chinese renminbi is traded both directly within China (code CNY) and outside the country, primarily in Hong Kong (code CNH). The currency in question is one and the same. The onshore renminbi (CNY), traded directly within China, is not freely convertible, and is subject to exchange controls and a number of

requirements made by the Chinese government. The offshore renminbi (CNH), traded outside China, is free-floating and subject to the impact of private demand on the currency. It may be that the exchange rates traded between a currency and the CNY or CNH, or in “non-deliverable forward” transactions, are different. As a result, the Compartment may be exposed to greater currency exchange risks. Trading restrictions on CNY may limit currency hedging or result in ineffective hedges.

REITs risk – There are special risk considerations associated with investing in the real estate industry securities such as Real Estate Investment Trusts (REIT) and the securities of companies principally engaged in the real estate industry. These risks include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of a Fund investing in the Real Estate Industry.

Risks associated with investing in convertible bonds – Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

Leverage risk – The acquisition of financial derivatives instruments may lead to considerable leverage effect. Leverage may accelerate losses.

In order to reflect the revised investment objective of this Compartment, the name of the Compartment will also be amended from “Pictet – High Dividend Selection” to “Pictet – SmartCity”.

In addition, in relation to the share classes of this Compartment currently offered to Hong Kong investors, a monthly dividend may be distributed to investors for the following share classes:

Classes of shares available in Hong Kong with a monthly distribution policy
P dm USD
P dm EUR
P dm GBP
P dm SGD
HP dm HKD
HP dm AUD
HP dm USD
HP dm GBP

With effect from [24 August 2018], the distribution policy of the following share classes will be amended such that a dividend may be distributed to investors annually. The names of these share classes will also be amended to reflect such change:

Before the Effective Date	On or after the Effective Date
P dm USD	P dy USD
P dm GBP	P dy GBP
P dm SGD	P dy SGD
HP dm HKD	HP dy HKD
HP dm AUD	HP dy AUD
HP dm USD	HP dy USD
HP dm GBP	HP dy GBP

For the avoidance of doubt, the distribution policy of the share class 'P dm EUR' will remain unchanged. A monthly dividend may be distributed to investors of this share class.

4. Increase in maximum expected level of exposure to securities lending transactions for Pictet – Global Megatrend Selection, Pictet – European Equity Selection, and Pictet – Asian Equities ex Japan

Currently, it is disclosed in the Hong Kong offering documents that no more than 30% of a Compartment's net assets will be subject to securities lending transactions, except as otherwise provided in the Compartment-specific section of each individual Compartment.

For Pictet – Global Megatrend Selection, the Compartment does not expect to have exposure to securities lending transactions. In order to allow the compartment further flexibility in achieving its investment objective as permitted by the Securities Financing Transactions Regulation, from the Effective Date, the maximum expected level of exposure to securities lending transactions will be increased to 5% of the net asset value of the compartment.

Likewise, from the Effective Date:

- > For Pictet – European Equity Selection – The maximum expected level of exposure to securities lending transactions will be increased from 10% to 15% of the net asset value of the compartment; and
- > For Pictet – Asian Equities ex Japan – The maximum expected level of exposure to securities lending transactions will be increased from 5% to 10% of the net asset value of the compartment.

5. Addition of circumstances during which NAV calculation may be suspended

Currently, the Company may suspend the calculation of the net asset value, and the issue, redemption and switching of shares in any Compartment in a number of circumstances as detailed in the section titled "Suspension of Net Asset Value Calculation, Subscriptions, Redemptions and Switches" in the Hong Kong offering documents, including the publication of a notice of general meeting of shareholders called to decide on or a notice informing shareholders of the Board's decision regarding the dissolution and liquidation or the merger of the Company or of one or more Compartments.

From the Effective Date, the Company may also effect such suspension in the event of the publication of a notice of a general meeting of shareholders called to decide on or a notice informing shareholders of the Board's decision to liquidate, split or consolidate one or more classes of shares of one or more Compartment(s). The Board aims to protect the interest of small / retail shareholders by restricting shareholders (retail and institutional) from redeeming or switching out of the relevant share class before the costs in respect of the corporate action are reflected in the net asset value of that share class after the relevant resolution is passed at the aforementioned general meeting and such costs could be reasonably ascertained.

In addition, to ensure the net asset value figures provided to investors is reflective of the fair value of the underlying investments of the relevant Compartments, from the Effective Date, the Company may likewise give

effect to the aforementioned suspension during any period when the determination of the net asset value per share of investment funds representing a material part of the assets of the relevant class of a Compartment is suspended. The pricing information on such suspended underlying investment funds may be stale, and the Board considers it to be in the interests of shareholders that valuation, issue, redemption and switching of shares in the relevant Compartment may be suspended to avoid determination of net asset value of such Compartment based on such underlying pricing information and thus situations where shareholders may subscribe or redeem at an unfair price.

6. Clarification of the definition of “Week Day”

It is currently disclosed in the Prospectus that a “Week Day” is defined as any day of the week other than Saturday or Sunday. For the purpose of calculation and publication of the net asset value of the Compartments, (i) 25th December, (ii) 26th December, (iii) 1st January, and (iv) Easter Monday, are not considered a “Week Day”.

To ensure consistency between the definition of “Week Day” for the calculation and publication of net asset value and the count of payment value date for the Compartments, the Board would like to clarify the “Week Day” definition whereby a “Week Day” is defined as:

“... any day of the week other than Saturday or Sunday (a “Week Day”). For the purpose of the calculation and the publication of the NAV as well as for the count of payment value date, the following days are not considered as a Week Day: the 25th and 26th of December, the 1st of January and the Easter Monday.”

7. Liquidation of Mauritius companies of Pictet – Asian Equities ex Japan and Pictet – Emerging Markets

Pictet – Asian Equities ex Japan invests at least two-thirds of its total assets in equities issued by companies that have their registered headquarters and/or conduct the majority of their business in Asian countries, with the exception of Japan. Pictet – Emerging Markets invests at least two-thirds of its total assets in securities issued by companies that are headquartered in and/or have their main activity in emerging countries.

The Hong Kong offering documents further disclose that, in implementing the respective investment policies of the aforementioned Compartments, the Management Company may decide that the portion of the assets to be invested in India should be invested indirectly through Pictet Asian Equities (Mauritius) Limited (for Pictet – Asian Equities ex Japan) and Pictet (Mauritius) Limited (for Pictet - Emerging Markets), which are companies incorporated in Mauritius and wholly controlled by the Company. To this end, the Management Company will use the portion of the relevant Compartment’s assets available for investment in India to acquire all of the shares of its aforementioned corresponding Mauritius company, which in turn performs investment and advisory activities exclusively for the relevant Compartment.

Currently, these Compartments are making new investments in India directly, and have sold most of the investments held by the Mauritius companies. As the Board deems a direct investment model for investments in India would provide a more efficient and clearer structure and benefit shareholders in terms of cost and risk reduction, the Board has taken the decision to liquidate the foregoing Mauritius companies such that these Compartments will exclusively invest in India directly.

For the avoidance of doubt, the investment policies of Pictet – Asian Equities ex Japan and Pictet – Emerging Markets will remain unchanged following the liquidation of the Mauritius companies. Hence, the liquidation will not result in any material change to these Compartments or to the risk profile of these Compartments, and will not materially prejudice the rights or interests of investors of these Compartments.

Investors should however note that there is the possibility that a retrospective tax assessment could be levied on the abovementioned Mauritius companies for which Pictet – Asian Equities ex Japan and Pictet - Emerging Markets will be liable. Such liability will be borne out of the assets of these Compartments, which may have a negative impact on the net asset value of these Compartments.

Due to the changes in items 1, 2, 4, 5, 6, and 7 above, shareholders may redeem their shares or switch to other SFC-authorized¹ Compartments, free of redemption or switching fees, at any time up to the net asset value calculated as at [14 August 2018]. Due to the changes in item 3 above, shareholders may redeem their shares or switch to other SFC-authorized¹ Compartments, free of redemption or switching fees, at any time up to the net asset value calculated as at [23 August 2018]. Notwithstanding the above, shareholders should note that distributors and intermediaries may charge additional fees or expenses (e.g. transaction fees) at their own discretion.

8. Clarification of valuation rules

For securities not listed on an official stock exchange or another regulated market and securities listed on such exchanges/markets but the last known prices of which are not representative of their value, it is disclosed in the Hong Kong offering documents that such securities will be valued “on the basis of their probable selling price, estimated prudently and in good faith”. “Probable selling price” refers to the estimated price at which a security can be sold in an orderly transaction to a third party under current market conditions.

The Board aims to clarify the aforementioned valuation rules through the use of the term “fair value”, which is a term that is commonly used and well known to the market. As such, from the Effective Date, the foregoing securities will be valued at their “fair value”, estimated prudently and in good faith. The Board may set specific thresholds that, where exceeded, will trigger an adjustment to the value of these securities to their fair value. “Fair value” refers to the price at which a security can be sold in an orderly transaction between market participants at the measurement date. The meaning of the terms “probable selling price” and “fair value” are theoretically identical, hence there is no change to the valuation rules.

9. Insertion of indicative benchmarks for various Compartments

Following the issuance of “CSSF conclusions on closet index tracking work” by the Commission de Surveillance du Secteur Financier on 28 July 2017, as an enhancement to existing disclosure, the following information on indicative benchmarks will be inserted into the Hong Kong offering documents:

“As regards to compartments that are actively managed (i.e. compartments the investment objective of which is not the replication of the performance of an index), when selecting investments, the manager may give consideration to a particular benchmark (the “Indicative Benchmark”) but does not intend to track or replicate it. The compartment’s portfolio may thus differ significantly from the benchmark’s portfolio and investment returns of the compartment may deviate materially from the performance of the benchmark.

The Indicative Benchmark may also be a point of reference against which the performance of the compartment may be measured.

The Indicative Benchmark, when used by the manager, will be specified in the appendix to the concerned compartment.

The Indicative Benchmark may change over time in which case the Prospectus will be updated at the next occasion and shareholders will be informed via the annual and semi-annual reports.”

The following Indicative Benchmarks will also be inserted into the Compartment-specific sections of the Hong Kong offering documents:

¹ The SFC’s authorisation is not a recommendation or endorsement of the Compartments nor does it guarantee the commercial merits of the Compartments or their performance. It does not mean the Compartments are suitable for all investors nor is it an endorsement of the suitability of the Compartments for any particular investor or class of investors. Please refer to the offering documents of the Company for details.

Compartment	Indicative Benchmark
Pictet – Asian Equities ex Japan	MSCI AC Asia Ex Japan
Pictet – Asian Local Currency Debt	J.P. Morgan Asia Diversified Broad
Pictet – Emerging Corporate Bonds	J.P. Morgan Corporate Emerging Markets Broad Diversified
Pictet – Emerging Europe	MSCI Emerging Markets Europe 10/40
Pictet – Emerging Local Currency Debt	J.P. Morgan GBI-EM Global Diversified
Pictet – Emerging Markets	MSCI Emerging Markets
Pictet – Emerging Markets High Dividend	MSCI Emerging Markets
Pictet – European Equity Selection	MSCI Europe
Pictet – Global Emerging Debt	J.P. Morgan Emerging Market Bond Global Diversified
Pictet – Japanese Equity Selection	MSCI Japan
Pictet – Latin American Local Currency Debt	J.P. Morgan GBI-Emerging Markets Global Latin America
Pictet – Russian Equities	MSCI Russia 10/40
Pictet – US Equity Selection	S&P 500 Composite

For the avoidance of doubt, the above Compartments do not intend to track or replicate their respective Indicative Benchmarks, which are included as enhancement of disclosure only and may serve as a point of reference against which the performance of the relevant Compartment may be measured. The Indicative Benchmarks do not form part of the investment policy of the relevant Compartments, thus there is no change to the existing disclosures of the investment policy of the above Compartments following the insertion of such Indicative Benchmarks. As such, this insertion will not result in any material change to these Compartments or to the risk profile of these Compartments, and will not materially prejudice the rights or interests of investors of these Compartments.

10. Clarification of investment policy of Pictet – Global Emerging Debt, Pictet – Emerging Local Currency Debt, and Pictet – Asian Local Currency Debt

Currently, Pictet – Asian Local Currency Debt may invest up to 49% of its net assets in bonds and other debt securities denominated in RMB through QFII and/or RQFII quota granted to an entity of the Pictet Group. Likewise, Pictet – Emerging Local Currency Debt and Pictet – Global Emerging Debt may invest up to 30% of their respective net assets in bonds and other debt securities denominated in RMB through QFII and/or RQFII quota granted to an entity of the Pictet Group.

In addition, for all three Compartments above, investments in China may be performed, inter alia, on the China Interbank Bond Market directly, or through the abovementioned QFII and RQFII quota.

From the Effective Date, the investment policy of all three Compartments above are revised to provide flexibility to invest in China through Bond Connect, such that:

- > Pictet – Asian Local Currency Debt may invest up to 49% of its net assets in bonds and other debt securities denominated in RMB through QFII and/or RQFII quota granted to an entity of the Pictet Group, and/or through Bond Connect; and
- > Pictet – Emerging Local Currency Debt and Pictet – Global Emerging Debt may invest up to 30% of their respective net assets in bonds and other debt securities denominated in RMB through QFII and/or RQFII quota granted to an entity of the Pictet Group, and/or through Bond Connect.

Furthermore, for all three Compartments above, investments in China may be performed, inter alia, on the China Interbank Bond Market directly, or through the abovementioned QFII and RQFII quota, or through Bond Connect.

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre (“CFETS”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit. Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect. There will be no investment quota for Northbound Trading Link.

For the avoidance of doubt, the maximum exposure to bonds and other debt securities denominated in RMB for the three Compartments above will remain unchanged, i.e. 49% of net asset value for Pictet – Asian Local Currency Debt and 30% of net asset value for Pictet – Emerging Local Currency Debt and Pictet – Global Emerging Debt.

Given that the enhancement of the investment policy of these Compartments is to provide flexibility to invest in RMB-denominated debt securities via Bond Connect, and that there is no change to the maximum exposure to RMB-denominated debt securities, the enhancement of the investment policy will not result in any material change to these Compartments or to the risk profile of these Compartments, and does not materially prejudice the rights or interests of investors of these Compartments.

Other than Bond Connect-specific risk factors such as errors or default on the part of onshore settlement agent, offshore custody agent and other counterparties, and regulatory risks specific to Bond Connect, investments in RMB-denominated debt securities through Bond Connect are subject to similar risks to those applicable to the same investments through other means, which include, namely, interest rate risk, credit risk, risks associated with emerging markets, currency risk, risks related to investments in below investment grade and unrated securities, downgrading risk, sovereign debt risk, liquidity risk, risks related to investment in the PRC, credit rating agency risk, concentration risk, and investment risk.

11. Other updates to the Hong Kong offering documents

The Hong Kong offering documents have been updated to reflect other additional disclosures and updates as summarised below:-

- > revisions to the disclosures to reflect updates to Regulation (EU) 2016/1011 of 8 June 2016, i.e. Benchmarks Regulation;
- > revisions to the disclosures to reflect updates to the Law of 10 August 1915 on commercial companies;
- > revisions to the disclosures relating to data protection to reflect the EU General Data Protection Regulation (GDPR), which came into force on 25 May 2018;
- > clarifications to the disclosures to reflect existing practice whereby, should the Board elect to defer redemption or conversion requests for a given Compartment in the event redemption or conversion requests exceed 10% of the shares issued for that Compartment on a given Valuation Day, only requests in excess of the foregoing 10% threshold will be deferred; and
- > risk disclosures relating to distressed and defaulted debt securities risk and leverage risk have been enhanced in the sub-section titled “Distressed and defaulted debt securities risk” and “Leverage risk” respectively.

Apart from the changes as set out in this notice, there will not be any changes in the operation and/or manner in which the Company and the Compartments are managed, nor any impact on the risk profile of the Compartments.

The rights and interests of the shareholders would not be materially prejudiced as a result of the changes set out in this notice. The costs and expenses associated with the changes of this notice are estimated to be approximately HK\$[320,000] which will be borne by the Company and/or the relevant Compartments.

Update to the Company's Hong Kong offering documents

The changes mentioned in this notice will not lead to any increase in fees/charges payable by the relevant Compartments and/or Shareholders.

The Company's Hong Kong offering documents will be updated to reflect the above changes, and the updated Hong Kong offering documents will be uploaded to our website, www.assetmanagement.pictet² and will be available free of charge on request from the Hong Kong Representative in due course.

If you have any questions or require any further information regarding the contents of this notice, please contact the Hong Kong Representative whose business address is 8&9/F, Chater House, 8 Connaught Road Central, Hong Kong (telephone: +852 3191 1880; facsimile: +852 3191 1899).

The Board accepts responsibility for the accuracy of the contents of this notice.

Yours faithfully,

For the Board of Directors,



Olivier Ginguené
Director



Alexandre Ris
Director

² Please note that this website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

Appendix – Investment Objective and Strategy of Pictet – High Dividend Selection (to be renamed ‘Pictet – SmartCity’)

Before the Effective Date

This Compartment will invest mainly in shares and similar securities (including structured products as described below) of companies from which high, and/or higher dividends than those of their reference market, are expected.

The Compartment may invest up to 30% of its net assets in China A Shares through (i) the QFII quota granted to an entity of the Pictet Group, (ii) the RQFII quota granted to an entity of the Pictet Group and/or (iii) the Shanghai-Hong Kong Stock Connect programme (iv) the Shenzhen-Hong Kong Stock Connect programme and/or (v) any similar acceptable securities trading and clearing linked programmes or access instruments which may be available to the Compartment in the future. The Compartment may also use financial derivative instruments on China A Shares.

The Compartment may also invest in depositary receipts (such as ADR, GDR, EDR).

The choice of investments will not be limited to a particular sector of economic activity. However, depending on market conditions, the investments may be focused on a limited number of economic activity sectors.

Risks will be minimised by diversified geographic distribution of the portfolio. The Compartment may invest in any country (including emerging countries).

Investments in unlisted securities and in listed securities in Russia other than on the MICEX-RTS stock exchange, and investments in UCIs other than those listed in §1 of the investment restrictions section, will not together exceed 10% of the Compartment's net assets.

Risks will be minimised by diversified geographic distribution of the portfolio.

In addition, the Compartment may also invest up to 10% of its net assets in UCITS and other UCIs, including other compartments of the Fund pursuant to Article 181 of the 2010 Act.

The Compartment will not invest more than 10% of its net assets in bonds or any other debt security (including convertible bonds and preferential shares), money market instruments, derivatives and/or structured products whose underliers are or offer exposure to bonds or similar debt and interest-rate securities.

By analogy, investments in undertakings for collective investment whose main objective is to invest in the as-sets listed above are also included in the 10% limit.

If the manager deems it necessary and in the best interest of the shareholders, the Compartment may hold up to 100% of its net assets in liquidities, including deposits, money market instruments and money market type UCITS and other UCIs within the above-mentioned limits.

Investments in debt instruments as defined by the European Directive 2003/48/EC will not exceed 15% of the Compartment's net assets.

The Compartment may also invest in structured products, such as in particular credit-linked notes, certificates or any other transferable security whose returns are linked to, among others, an index that adheres to the procedures stipulated in Article 9 of the Luxembourg regulations of 8 February 2008 (including indexes on commodities, precious metals, volatility, etc.), currencies, interest rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment, in compliance with the Luxembourg regulations of 8 February 2008.

The Compartment may enter into securities lending agreements and repurchase and reverse repurchase transactions in order to increase its capital or its income or to reduce its costs or risks.

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

The maximum expected level of exposure to securities lending transactions amounts to 5% of the compartment's net assets.

The Compartment does not expect to be exposed to total return swaps, repurchase agreements and reverse repurchase agreements.

From the Effective Date

The Compartment aims to achieve capital growth by investing mainly in equities and equity related securities (such as convertible bonds, closed ended real estate investments trusts (REITs), ADR, GDR) issued by companies that contribute to and/or profit from the trend towards urbanisation. These investments will be made in compliance with article 41 of the 2010 Act.

The targeted companies will be active mainly, but not exclusively, in the following areas: mobility and transportation, infrastructure, real estate, sustainable resources management (such as energy efficiency or waste management) as well as enabling technologies and services supporting the development of smart and sustainable cities.

The Compartment may invest up to 30% of its net assets in China A Shares through (i) the QFII quota granted to an entity of the Pictet Group, (ii) the RQFII quota granted to an entity of the Pictet Group and/or (iii) the Shanghai-Hong Kong Stock Connect programme (iv) the Shenzhen-Hong Kong Stock Connect programme and/or (v) any similar acceptable securities trading and clearing linked programmes or access instruments which may be available to the Compartment in the future. The Compartment may also use financial derivative instruments on China A Shares.

The Compartment may invest in any country (including emerging countries), in any economic sector and in any currency. However, depending on market conditions, the investments may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency.

On an ancillary basis, the Compartment may invest in any other type of eligible assets, such as equities other than those above-mentioned (including up to 20% in 144A equities), debt securities (including money market instruments), structured products (as described below), undertakings for collective investment (UCITS and other UCIs), cash.

The Compartment may also invest up to 49% of its net assets in closed-ended REITs.

Investments in unlisted securities and in listed securities in Russia other than on the MICEX-RTS stock exchange, and investments in UCIs other than those listed in A §1 of the investment restrictions section, will not together exceed 10% of the Compartment's net assets.

In addition, the Compartment may also invest up to 10% of its net assets in UCITS and other UCIs, including other compartments of the Fund pursuant to Article 181 of the 2010 Act.

The Compartment will not invest more than 10% of its net assets in debt securities of any type (including convertible bonds), and money market instruments directly or indirectly (via derivatives, structured products, UCITS and other UCIs).

If the manager deems it necessary and in the best interest of the shareholders, the Compartment may hold up to 100% of its net assets in liquidities, including deposits, money market instruments and money market type UCITS and other UCIs within the above-mentioned limits.

The Compartment may also invest in structured products, such as bonds and other transferable securities whose returns are linked for example, to the performance of an index in accordance with Article 9 of the Luxembourg regulations of 8 February 2008, transferable securities or a basket of transferable securities, or an undertaking for collective investment in accordance with the Luxembourg regulations of 8 February 2008.

The Compartment may enter into securities lending agreements and repurchase and reverse repurchase transactions in order to increase its capital or its income or to reduce its costs or risks.

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

The maximum expected level of exposure to securities lending transactions amounts to 20% of the compartment's net assets.

The Compartment does not expect to be exposed to total return swaps, repurchase agreements and reverse repurchase agreements.