PICTET
Société d'Investissement à Capital Variable
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NOTICE TO SHAREHOLDERS OF THE FOLLOWING COMPARTMENT: PICTET – ABSOLUTE RETURN GLOBAL DIVERSIFIED (THE "COMPARTMENT")

Luxembourg, 24 April 2015

Dear Shareholders,

We wish to inform you that the Board of Directors of Pictet (the "Company") has decided to change the investment policy of the Compartment as follows (the changes are shown in a bold blue font below):

"This compartment aims to provide investors with an absolute positive return primarily by investing in a broad and extremely diversified selection of assets. For a broader diversification of risks, the compartment will spread its investments across several types of strategies and asset classes.

All the various strategies aim to provide investors with a return greater than its benchmark index, EONIA (the "Euro Overnight Index Average" which reflects the average weighted rate of interbank investments from one day to the next in the Eurozone). As an example and without providing an exhaustive list, the strategies used may include purchasing international equities (hedged for exchange rate risk), purchasing foreign-currency bonds (hedged for exchange rate risk), seeking exposure to commodities indices, simultaneously purchasing equities and hedging market risks, investing in corporate bonds and reducing interest rate risks using derivatives.

This compartment invests primarily:

- *~~both~~ in international equities~~, and~~ in international bonds (convertible and non-convertible), in treasury certificates, provided they are transferable securities issued on international markets~~, and~~ in any other transferable securities (such as options)~~officially listed for trading on a stock exchange~~, in money market instruments and ~~options.~~deposits; and/or*

- *via derivative financial instruments whose underliers are the securities mentioned in the preceding paragraph or assets offering exposure to these securities/asset classes.*

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

In order to reduce its exposure to market risk, the Compartment may temporarily hold up to 100% of its assets in liquid instruments and/or money market instruments.

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

Both for the purpose of hedging and managing exposure, the compartment may use currency futures, government bond futures, equity index futures, credit default swaps involving bond issuers or baskets of bond issuers, contracts for difference on equities, and total return swaps on equity indices. This list is not exhaustive and only reflects the main financial derivatives used.

The Compartment will achieve its investment policy by positioning itself for growth and/or the volatility of the markets. To achieve this management objective, the compartment may use derivative instruments whose underliers are market volatility, including instruments such as "volatility swaps" or "variance swaps" that may generate a profit due to the difference between implicit volatility and actual volatility over a defined period of time.

The compartment may also take credit risks on various issuers by means of credit derivative instruments on indexes or on a basket of issuers. To increase its exposure to high-yield corporate bonds, the compartment may sell protection on the CDX High Yield index, which comprises 100 US issuers. As another example, the compartment may reduce its credit risk in relation to a specific bank by purchasing protection for this issuer via credit default swaps.

The Compartment may also invest in structured products, such as bonds or other transferable securities whose returns are linked, for example, to the performance of an index, transferable securities or a basket of transferable securities, or an undertaking for collective investment. For example, the Compartment may invest in a convertible bond that grants the holder a right at maturity to choose between the payment of a notional amount or conversion into the equities of its issuer.

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

For diversification of risk, the Compartment may use derivative financial instruments whose underliers are commodities indices, in accordance with the law and with ESMA guidelines 2012/832.

The Compartment may also invest in credit linked notes.

The changes to the compartment's investment policy become effective on 26 May 2015.

In addition, we would like to inform you that the expected leverage of this Compartment will be adjusted to 700% to take account of changes to the investment strategy.

The first paragraph of the "Risk factors" section of the Compartment is therefore amended as follows (the changes appear in a bold blue fond below):

"The use of derivative instruments, however, involves certain risks that could have a negative effect on the performance of the Compartment, ranging right up to the loss of the capital invested. In the context of the investment policy, these techniques and derivative instruments may have a considerable leverage effect. The main risk associated with leverage is an increase in losses, meaning that losses may be greater than they would have been without leverage. (…)"

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Due to these changes, you may request the redemption of your shares, free of redemption fees, up to the net asset value calculated on 22 May 2015.

The new Pictet prospectus reflecting these changes will be available from the Company's registered office on request.

Yours faithfully,

On behalf of the Board of Directors of PICTET

Pascal Chauvaux
Director

Benoît Beisbardt
Director

The original French text is the legally binding version.