



**PICTET HK
(the “Fund”)**

**Pictet Strategic Income
(the “Sub-Fund”)**

Notice to Unitholders of the Fund

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.

Pictet Asset Management (Hong Kong) Limited (the “Manager”) accepts full responsibility for the accuracy of the contents and the information of this notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

Terms not defined herein shall have the same meaning as set out in the Explanatory Memorandum of the Fund dated June 2020, as may be amended and supplemented from time to time (the “Explanatory Memorandum”).

22 October 2020

Dear Unitholders,

The Manager wishes to inform you of the following changes concerning the Fund and the Sub-Fund.

Amendments to the Trust Deed of the Fund and the Sub-Fund (“Amendment”)

Currently, the Trust Deed of the Fund and the Sub-Fund (“**Trust Deed**”) provides that the derivative agreements and prime brokerage agreements entered into in respect of a sub-fund of the Fund are required to be executed by the Trustee.

From 22 October 2020, the Trust Deed has been amended by way of an amended and restated trust deed (“**Amended and Restated Deed**”) to streamline the administrative process via which the foregoing agreements may be entered into in respect of a sub-fund of the Fund, such that the Trustee is not required to execute such agreements. The Manager may enter into such agreements provided that the Manager, prior to executing such agreements, provide a written confirmation to the Trustee confirming compliance with the requirements set out in sub-Clause 7.2.7(b) of the Amended and Restated Deed. Such requirements have been enhanced via the Amended and Restated Deed.



The Amendment, including to sub-Clause 7.2.7(b), is set out in blackline in Appendix A to this notice for your easy reference.

The Amendment will not result in any change to the investment objective and overall risk profile of the Sub-Fund. There will be no increase in the fees payable out of the assets of the Sub-Fund as a result of the Amendment. The Amendment will also not result in a change in the manner in which the Fund and the Sub-Fund currently operate or are being managed save as disclosed in this notice. The Amendment does not have a material adverse impact on unitholders' rights or interests, or limit to unitholders' ability in exercising their rights.

Copies of the Amended and Restated Deed are available for inspection during normal working hours at the office of the Manager free of charge and copies thereof may be obtained from the Manager upon payment of a reasonable fee.

The offering documents of the Fund are not required to be revised to reflect the Amendment. The latest version is available from the website www.assetmanagement.pictet¹ and the office of the Manager.

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

Pictet Asset Management (Hong Kong) Limited

¹ This website has not been reviewed by the SFC.



Appendix A – Blackline of amendments to Clauses 7.2.6 and 7.2.7 of the Trust Deed

7.2.6 *Derivative transactions*: The Manager may enter into any derivative transactions (including but not limited to any credit derivative, swap, spot or forward (including, but not limited to interest rate and currency swaps) or repurchase transactions) and execute such agreements relating to such transactions as the Manager (after consulting the Trustee) deems necessary or appropriate provided that for so long as an Investment Fund is Authorised, any such derivative transactions entered into on behalf of such Investment Fund shall be subject to the requirements of the Code (if any).

7.2.7 (a) Notwithstanding the investment powers of the Manager under this Deed, the Manager shall not enter into any Prime Brokerage Agreement or Derivative Agreement unless:

(i) the Manager gives prior notice of not less than ten Business Days to the Trustee of its intention that such Prime Brokerage Agreement or Derivative Agreement be entered into (together with a copy of such Prime Brokerage Agreement or Derivative Agreement to be entered into); and

~~(ii) the Trustee executes such Prime Brokerage Agreement or Derivative Agreement, provided that the Trustee reserves the right to require the Manager to also execute such Prime Brokerage Agreement or Derivative Agreement; and~~

~~(iii)~~(ii) the Manager must negotiate such Prime Brokerage Agreement or Derivative Agreement to comply with the requirements in sub-clause 7.2.7(b) ~~and then must provide instructions to the Trustee to execute such Prime Brokerage Agreement or Derivative Agreement.~~

(b) In effecting or negotiating any Prime Brokerage Agreement or Derivative Agreement to be entered into under this Deed, the Manager must comply with the following:

(i) such transactions should be on arm's length terms;

(ii) the Manager must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;

(iii) transaction execution must be consistent with applicable best execution standards;

(iv) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rates for a transaction of that size and nature;

(v) the Manager must monitor such transactions on an ongoing basis to ensure compliance with its obligations; ~~and~~



(vi) the Manager must ensure that such transactions will not (A) subject the relevant Investment Fund, the Trust and/or the Trustee to unlimited liability; or (B) cause the relevant Investment Fund, the Trust and/or the Trustee to assume any liability which is unlimited;

(vii) the Manager must ensure that any right of netting or set off under any Prime Brokerage Agreement or Derivative Agreement shall be limited to the relevant Investment Fund, and the broker or dealer shall not have any right to net or set off amounts owed to or by the Investment Fund against any amounts owed to or by any other Investment Fund or to or by the Trustee acting in its personal capacity or on behalf of any other client or trust;

(viii) the Manager must ensure that such transactions entered into on behalf of an Investment Fund are consistent with the investment objective and policies of such Investment Fund; and

(ixvi) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the accounts referred to in this Deed.

The Manager shall provide a written confirmation to the Trustee confirming that in entering into such Prime Brokerage Agreement or Derivative Agreement, the Manager has complied with sub-Clause 7.2.7(b) above before executing the Prime Brokerage Agreement or Derivative Agreement.

(c) For the purposes herein, the following terms have the following meaning:

“Derivative Agreement” means any share or stock option or futures contract, currency or interest swap agreement, or any other agreement in respect of any derivative instrument (whether on or off exchange);

“Prime Broker” means a provider of Prime Brokerage Services;

“Prime Brokerage Agreement” means an agreement with a Prime Broker for the provision of Prime Brokerage Services in respect of the relevant Investment Fund for the account of and, where appropriate, in the name of the Trustee;

“Prime Brokerage Services” means a package of services which comprise each of the following: (i) custody or arranging safeguarding and administration of assets, (ii) clearing services, and (iii) securities financing services, and which, in addition, may comprise consolidated reporting and other operational support and other related services.