

PREMIUM BRANDS OUTLOOK REMAINS FAVOURABLE

A secular trend that enjoys emerging market growth

Q4 2011

Summary

- Benefit from emerging markets' demand growth.
- Continue operating margins improvement despite market turbulence.
- Expect solid company earnings to continue throughout 2011.

Growing demand in emerging markets

Emerging markets drive premium brands' sales growth, and their global share of luxury items expenditure is expected to grow to 60% by 2020. BRIC consumers largely represent over 40% of the luxury market v.s. 15% in 1999.

EMERGING MARKETS IS THE LARGEST CONSUMER GROUP OF PREMIUM BRANDS

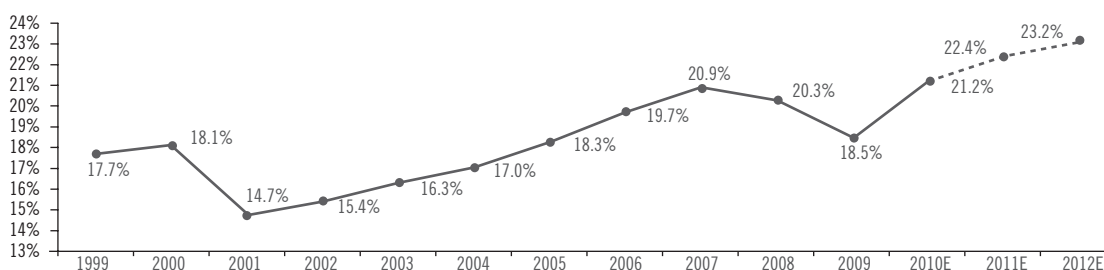
Consumption of luxury goods by nationality	% of sector sales 2010e
Japanese	14%
American	20%
Europeans	19%
Greater China (including China)	26%
Rest of Asia (including India)	9%
Other EM (including Russia, Latin American country like Brazil)	12%
	47%

Source : Citi Investment Research, May 2011.

Operating margin continues to improve in turbulent times

Premium brand companies continue to improve their operating margin (OPM) under demand growth despite economic uncertainties. Their OPM continued to improve from the low in 2001 to the expected record high at 23% by 2012.

LUXURY MARKET MARGIN EVOLUTION, 1999-2012E

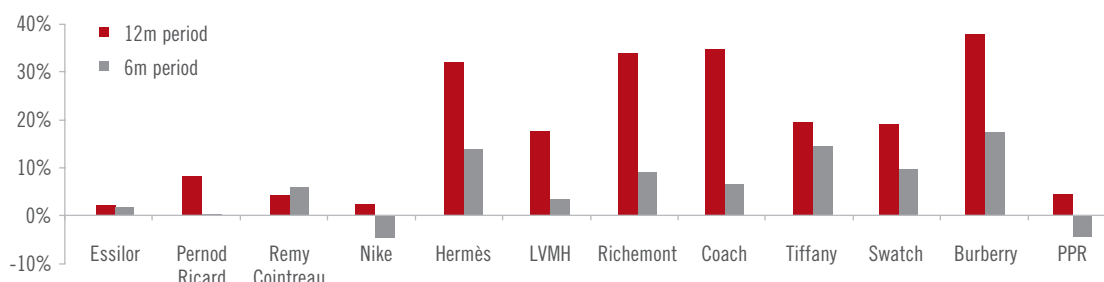


Source : Company Reports Sept 11, Citi Investment Research Analysis, July 2011.

Company earnings remain optimistic

Premium brand companies earnings have been impressive, and they remain optimistic with upward earnings revision for 2011.

2011 EARNINGS REVISIONS AS OF END JULY



Source : Bloomberg Consensus and company reports as of 31 July 2011.

Important Note

- Pictet-Premium Brands (the "Fund") invests at least two-thirds of its total assets or wealth in equities issued by companies operating in the premium brands sector, which offer high quality services and products.
- The Fund may invest up to 1/3 of its assets in structured products (such as bonds or other transferable securities whose returns are linked to the performance of an index, asset backed securities and mortgage-backed securities). Specifically, investments in asset-backed securities and mortgage-backed securities can be made up to only 20% of the total net assets of the Fund. Investment in these investment products may involve higher degree of credit/counterparty, market and liquidity risks and may result in substantial loss.
- The Fund focuses on investing in a single sector and thus, is subject to higher concentration risk than funds following a more diversified policy.
- The investment decision is yours but you should not invest unless the intermediary who sells it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objective.
- Investors should not only base on this marketing material alone to make investment decisions.

Pictet – Premium Brands outperformed in different economic cycles

The fund invests in companies offering aspirational and high-quality goods or services. It weathered through different economic cycles since launch in 2005, and consistently outperformed its benchmark.

CUMULATIVE OUTPERFORMANCE SINCE INCEPTION¹



In the recent five calendar years, the fund outperformed¹ its benchmark in 2006, 2009 and 2010 when the equity market was up. In 2011, the fund continued its outperformance and recorded a YTD return of +3.8% v.s. -3.3% of the benchmark.

The fund covered defensive and growth sectors, and captured emerging markets growth

The fund captures the complete premium brands theme including defensive sectors like cosmetics, food/drinks, sports and cyclical growth sectors like luxury goods, travel and vehicles. Its top 10 holdings included companies with strong operating margin and benefits clearly coming from emerging markets growth.

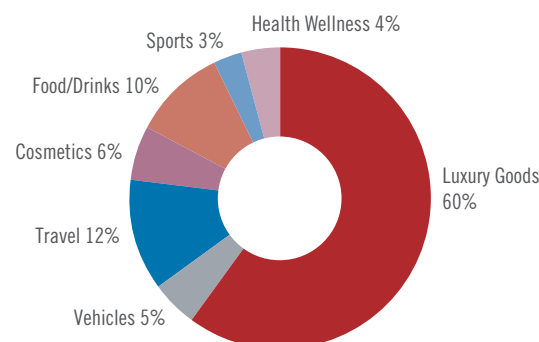
TOP-10 HOLDINGS

Company	% in Fund	% EM Sales/EBIT	OPM FY 2010
LVMH	6.5	35	21.1
Tiffany & Co	4.8	25	19.4
Richemont	4.3	40	20.0
Burberry	3.9	35	20.1
Ralph Lauren	3.5	15	14.8
Swatch Group	3.4	50	21.3
Christian Dior	3.0	35	20.4
Remy Cointreau	3.0	40	17.7
PPR	2.8	35*	10.5
Nike	2.7	45	13.1

* Gucci Group

Source: Factset, Bloomberg, as of 31 August 2011.

SECTOR BREAKDOWN⁴



¹ Source: Pictet, data from 3 June 2005 to 31 August 2011. Fund calendar year return: 2011 YTD, 3.79%; 2010, 34.42%; 2009, 49.64%; 2008, -44.78%; 2007, 9.03%; 2006, 28.83%. Benchmark calendar year return: 2010, 24.08%; 2009, 40.65%; 2008, -41.87%; 2007, -3.20%; 2006, 20.88%.

P EUR share class performance in USD, NAV to NAV, dividend reinvested. Fund inception date, 31 May 2005.

² Pictet-Premium Brands-P EUR.

³ MSCI World Consumer Discretionary.

⁴ Source: Pictet, data as of 31 August 2011.

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