

# Key Information Document

ZEST DERIVATIVES ALLOCATION FUND (THE "SUB-FUND"), A SUB-FUND OF ZEST ASSET MANAGEMENT SICAV (THE "FUND")

Class: R1 - ISIN: LU1216085701



## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

Name:	ZEST ASSET MANAGEMENT SICAV - ZEST DERIVATIVES ALLOCATION FUND - R1
Dividend Policy:	Accumulative
Product manufacturer:	FundPartner Solutions (Europe) S.A. (the "Management Company"), part of Pictet Group.
ISIN:	LU1216085701
Website:	www.zest-funds.com

Call +352 467171-1 for more information

The Commission de Surveillance du Secteur Financier (CSSF) is responsible for supervising FundPartner Solutions (Europe) S.A. in relation to this Key Information Document.

This PRIIP is authorised in Luxembourg.

FundPartner Solutions (Europe) S.A. is authorised in Luxembourg and regulated by The Commission de Surveillance du Secteur Financier (CSSF).

This key information document is accurate as at 1<sup>st</sup> January 2023.

## What is this product?

### TYPE OF PRODUCT

The product is a Sub-Fund of ZEST ASSET MANAGEMENT SICAV, an Undertaking for Collective Investment in Transferable Securities (UCITS) incorporated as a variable capital investment company (SICAV) under the laws of Luxembourg.

### TERM

The Sub-Fund is established for an unlimited duration. However, the Fund may at any time be dissolved by a resolution of the general meeting of shareholders subject to the quorum and majority requirements applicable for amendments to the Articles. And, in the event that for any reason the value of the net assets in the Sub-Fund or Class has decreased to an amount below EUR 10 million or the equivalent in any other Reference Currency, respectively such amount determined by the board of directors to be the minimum level for such Class to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of the Sub-Fund or Class or in order to proceed to an economic rationalization, the board of directors may decide to compulsorily redeem all the Shares issued in the Sub-Fund or Class at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect.

### OBJECTIVES

The Sub-Fund aims to seek a consistent, absolute return while placing emphasis on the preservation of capital in the medium to long term. The investment strategy is based on risk spreading as a means of diversifying investments and makes an extensive use of options and derivatives to reduce the overall portfolio risk. The use of financial derivative instruments, such as call and put options, will be mostly used to reduce the risk.

The Sub-Fund is actively managed. The Sub-Fund has no benchmark index and is not managed in reference to a benchmark index.

The allocation of the portfolio between the different eligible asset classes, within the meaning of Article 41(1) of the Law of 2010, may vary according to the Investment Manager's expectations being understood that the Sub-Fund will invest:

- at all times at least 51% of its net assets in such asset's classes,
- in securities of issuers are that are incorporated under the laws of, and/or have their registered office in, and/or that derive the predominant part of their economic activity from countries of the EEA, Switzerland, USA and/or Canada.

The investment policy will be flexible in terms of currency, rating and sector allocation.

The Sub-Fund may also invest in American, European and International/ Global Depositary Receipts, respectively ADRs, EDRs or IDR/ GDRs, where underlying securities are issued by companies domiciled in any emerging or frontier countries and then traded on a Regulated Market outside the respective emerging or frontier countries, mostly in the USA or Europe.

The allocation will be done either directly or indirectly through other UCITS and/or UCIs and the proportion of the Sub-Fund's net assets invested in target funds may represent the totality of the net assets.

The Sub-Fund:

- will not invest directly in ABS/MBS but it is allowed to indirectly invest for a maximum of 20% of the Sub-Fund's net assets in ABS/MBS. This restriction that apply to direct investment in this asset class is waived for investment in Exchange Traded Commodities (ETC) when seeking exposure to commodity markets when such ETC are structured as ABS or MBS. In any case, such investments in ETC (whatever their structuration being) will not exceed 20% of the net's assets of the Sub-Fund.
- may not allocate more than 65% of its net's assets to equities. It is understood that this limit applies to both direct equities and UCITS and/or UCIs investing principally in equities only, i.e. financial derivative instruments on equities are not taken into account for the calculation of this restriction, and
- will not invest more than 20% of its net assets in contingent convertible bonds;
- will not invest in total return swap.

The Sub-Fund may also hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its net assets for treasury purposes. The aforementioned limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders.

The Sub-Fund may also hold on ancillary basis money markets instruments dealt in on the money market.

The Sub-Fund issues only accumulation shares (shares in which any income earned is added to the share price).

## INTENDED RETAIL INVESTORS

The product is suitable for retail investors with limited knowledge of the underlying financial instruments and no financial industry experience. The product is compatible with investors who may bear capital losses and who do not need capital guarantee. The product is compatible with clients looking for growing their capital and who wish to hold their investment over 1 year.

## OTHER INFORMATION

The Depository is Pictet & Cie (Europe) S.A..

The net asset value per share is available on [www.fundsquare.net](http://www.fundsquare.net), at the registered office of the Fund, from the management company and on [www.zest-funds.com](http://www.zest-funds.com).

## What are the risks and what could I get in return?

### Risk indicator

1	2	3	4	5	6	7
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← Lower risk Higher risk →



The risk indicator assumes you keep the product for 1 year.

The actual risk can vary significantly if your cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

### Performance scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and a suitable proxy over the last 10 years. Markets could develop very differently in the future.

<b>Recommended holding period (RHP):</b>		<b>1 year</b>	
<b>Example investment</b>		<b>EUR 10,000</b>	
		<b>If you exit after 1 year</b>	
<b>Scenarios</b>			
<b>Minimum</b>	<b>There is no minimum guaranteed return. You could lose some or all of your investment.</b>		
<b>Stress scenario</b>	<b>What you might get back after costs</b>	EUR 9,700	
	Average return each year	-3.0%	
<b>Unfavourable scenario</b>	<b>What you might get back after costs</b>	EUR 8,770	This type of scenario occurred for an investment in the proxy between March 2015 and March 2016.
	Average return each year	-12.3%	
<b>Moderate scenario</b>	<b>What you might get back after costs</b>	EUR 10,080	This type of scenario occurred for an investment in the proxy between September 2019 and September 2020.
	Average return each year	0.8%	
<b>Favourable scenario</b>	<b>What you might get back after costs</b>	EUR 12,060	This type of scenario occurred for an investment in the proxy then the product between April 2020 and April 2021.
	Average return each year	20.6%	

The stress scenario shows what you might get back in extreme market circumstances.

## What happens if FundPartner Solutions (Europe) S.A. is unable to pay out?

FundPartner Solutions (Europe) S.A. is not making any payment to you in relation to this Sub-Fund and you would still be paid in case of a default from FundPartner Solutions (Europe) S.A..

The Sub-Fund's assets are held with Pictet & Cie (Europe) S.A. and are segregated from the assets of other Sub-Funds of the Fund. The assets of the Sub-Fund cannot be used to pay the debts of other Sub-Funds.

## What are the costs?

**The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.**

### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- EUR 10,000 is invested

<b>Investment of EUR 10,000</b>	<b>If you exit after 1 year</b>
<b>Total costs</b>	EUR 518
<b>Annual cost impact (*)</b>	5.2%

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 6.0% before costs and 0.8% after costs.

#### Composition of costs

<b>One-off costs upon entry or exit</b>		<b>If you exit after 1 year</b>
Entry costs	Up to 3.00% of the amount you pay in when entering this Investment.	Up to EUR 300
Exit costs	We do not charge an exit fee for this product.	EUR 0
<b>Ongoing costs taken each year</b>		
Management fees and other administrative or operating costs	1.72% of the value of your investment per year. This is an estimate based on actual costs over the last year.	EUR 172
Transaction costs	0.10% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	EUR 10
<b>Incidental costs taken under specific conditions</b>		
Performance fees	10.00% of the performance of the NAV per Share exceeding the High Water Mark (paid quarterly). In the Sub-Fund's last financial year the performance fee was 0.09%.	EUR 18

## How long should I hold it and can I take my money out early?

#### Recommended holding period (RHP): 1 year.

The RHP was chosen to provide a consistent return less dependent on market fluctuations.

A redemption order is executed at the redemption price ruling on a Business Day (a full business day on which banks are fully open in Luxembourg), the application for the redemption of shares must reach the Administration Agent (FundPartner Solutions (Europe) S.A.) before 12:00 p.m. (Luxembourg time) on the Business Day preceding the relevant Business Day.

## How can I complain?

In the event a natural or legal person wishes to file a complaint with the Fund in order to recognize a right or to redress a harm, the complainant should address a written request that contains description of the issue and the details at the origin of the complaint, either by email or by post, in an official language of their home country to the following address:

FundPartner Solutions (Europe) S.A.,  
15 Avenue J.F. Kennedy,  
L-1855 Luxembourg  
pfcslux@pictet.com

## Other relevant information

More detailed information on this Sub-Fund, such as the prospectus, the statutes as well as the latest annual and semi annual report, can be obtained free of charge, in English from the central administrator, the distributors, the product manufacturer or online at [www.fundsquare.net](http://www.fundsquare.net).

The past performance over the last 7 years and the previous performance scenarios are available on website [www.zest-funds.com](http://www.zest-funds.com).