



ZEST DERIVATIVES ALLOCATION

31 August 2015

Fund Goal and Strategy

Zest Derivatives Allocation aims to achieve an absolute return managing dynamically the total portfolio risk. In order to reach the performance objective the Management Team searches investment opportunities mainly in the bond and equity markets by assuming strategic tactical and relative value positions. Special emphasis is dedicated to options strategies to reduce market risks.

The flexible fund management is aiming at the reduction of the fund volatility and the achievement of a performance with the maximum decorrelation through a dynamic management of market exposure.

Features of the Sub Fund

Unit Name	Derivatives Allocation
Strategy	Flexible
Domicile	Luxembourg
Auditor	KPMG Audit
Currency	EUR
Inception Date	19.05.2015
AUM Mio.(31.08.2015)	€ 10.84

NAV and Fees (class R1)

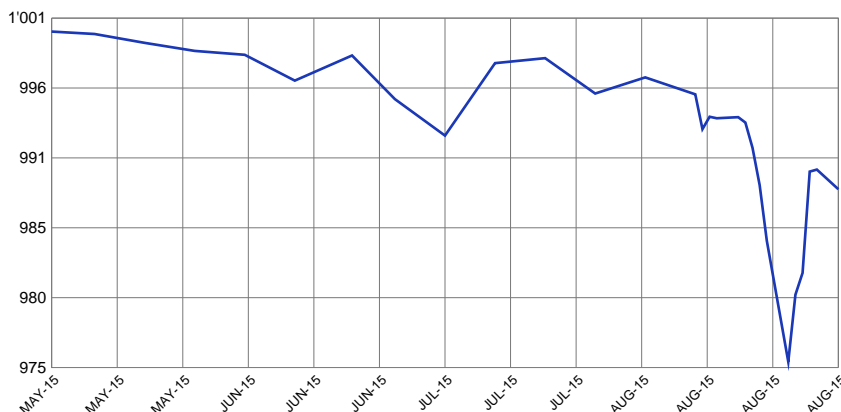
NAV (31.08.2015)	€ 988.27
Maximum Subscription Fee	up to 3.00%
Management Fee	1.20%
ISIN Code	LU1216085701
Bloomberg Code	ZDEALR1 LX
Telekurs Code	27717069
Minimal initial investment	€ 10'000
Next Subscriptions	€ 1'000

NAV and Fees (class R2)

NAV (31.08.2015)	
Maximum Subscription Fee	up to 3.00%
Management Fee	1.60%
ISIN Code	LU1216085966
Bloomberg Code	ZDEALR2 LX
Telekurs Code	27717070
Minimal Initial Investment	€ 2'500
Next Subscriptions	€ 500

Performance Fees

All Classes	10%
High Water Mark	Yes continuous



MONTHLY COMMENTARY

August was a tough month for equity markets and the MSCI World Index declined 6.8%. Zest Derivatives Allocation lost 0.72% thanks to its cautious exposure and option strategy aiming at capital preservation.

Correction was deep and fueled by several factors: FED rate hike expectation, China weakness as well as low commodity prices. Nevertheless, we think market overreacted and we consider this correction and its magnitude as a good entry point to put money at work.

Volatility was on the rise with VIX spiking as result of increased uncertainty about the future and reflecting investors' fears and disappointment. We exploited this volatility to increase our gross exposure, not net exposure, in order to benefit if our expectation of normalization will materialize.

We cannot rule out further market weakness and we are conscious about risk, but we cannot ignore an opportunity that we judge material. We expect next months will offer high volatility, but from our perspective, risk repricing will offer an impressive upside to our option strategies.

Fund Facts

Frequency of NAV calculation:	daily
Liquidity:	daily
NAV Publication:	www.zest-management.com www.funds.degroof.lu Sole 24Ore, Bloomberg, Morningstar, Telekurs

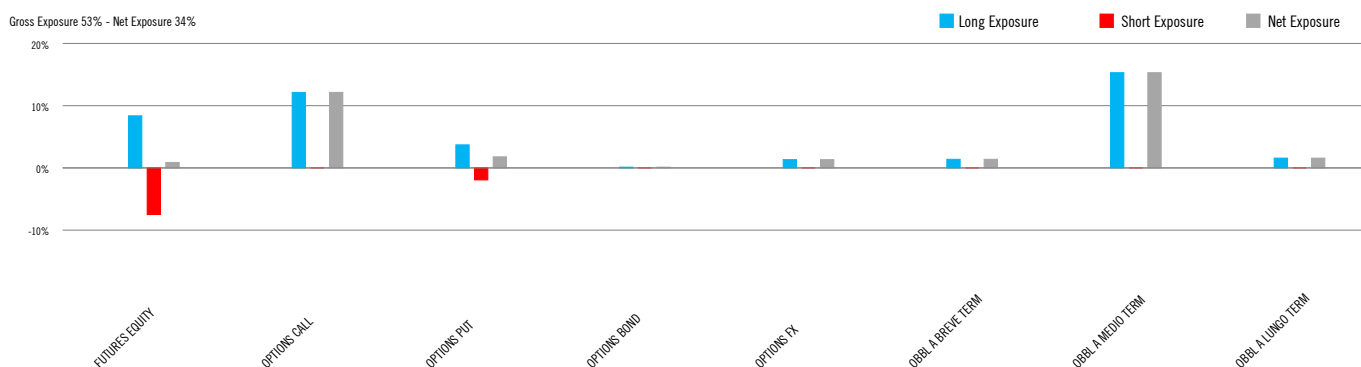
FUND	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2015					-0.07	-0.42	0.04	-0.72					-1.16

Data pro forma Class R - Above performances are gross of any fiscal effect and based on the NAV of the last Tuesday of the month and on 31/12

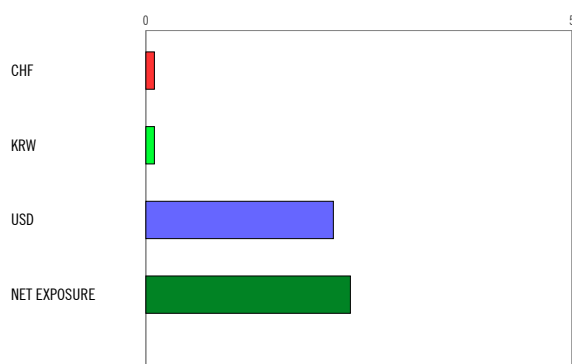


MARKET EXPOSURE

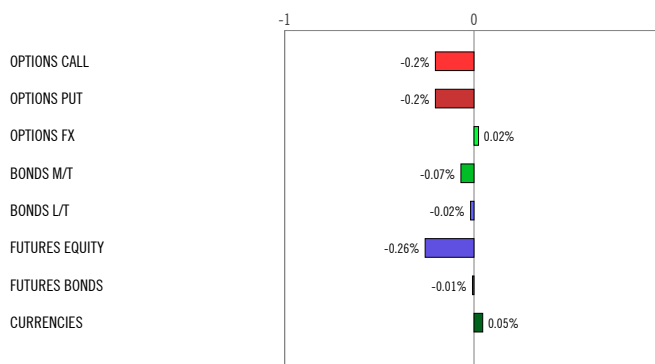
Gross Exposure 53% - Net Exposure 34%



CURRENCY EXPOSURE (%)



PERFORMANCE CONTRIBUTION (%) FROM 31.07.2015 TO 31.08.2015



TOP 10 POSITIONS

BUONI POLIENNALI DEL TES 2.1% 15.09.21 - EUR	7.7%
CASSA DEPOSITI PRESTITI TV 1.75% 20.03.2 - EUR	6.5%
MSCI WORLD INDEX SEP15 - USD	5.1%
VOLKSWAGEN INTL FIN NV TV 2.5% 29.12.49 - EUR	1.6%
BUONI ORDINARI DEL TES ZC 0% 30.11.15 - EUR	1.4%
UNICREDIT SPA 7.8% 31.01.19 - EUR	1.1%
FTSE/MIB IDX FUT SEP15 - EUR	1.0%
EURO STOXX 50 SEP15 - EUR	0.9%
KOSPI2 INX FUT SEP15 - KRW	0.8%
XAE ENERGY DEC15 - USD	0.5%

STATISTICS

ANNUALIZED STANDARD DEVIATION (volatility)	2.3
MONTHLY SKEWNESS	-0.3
MONTHLY EXCESS KURTOSIS	2.5
SHARPE RATIO (1 month Euribor)	-1.0
MONTHLY MAXIMUM DRAWDOWN	-0.7
MONTHLY VaR 99% ex post	1.6
MONTHLY VaR 99% ex ante	2.3
ANNUALIZED EXPECTED VOLATILITY	1.9
EXPECTED SHORTFALL	2.8

*VaR (Value at Risk)

VaR is a statistical measure derived from the volatility of the time series of returns of various asset classes. **Monthly VaR 99% = 5** means that the fund can only be invested in instruments with volatility and correlation such as at any time it cannot be expected statistically and under normal market conditions to underperform the target of more than 5% in the following month with a 99% probability.

Asset allocation and fx exposure are relative to the date of publishing the fact sheet and they are only spot information. Portfolio VaR is computed on the basis of the above allocation together with the statistical features of the selected investment tools.

Before investing please read the KIID.

Past performance is not a guarantee of future results. This document does not constitute an offer to sell or a solicitation of an offer to buy any securities.

RISK AND REWARD PROFILE

1	2	3	4	5	6	7
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Lower potential risk/reward Not risk-free.

Higher potential risk/reward

ZEST ASSET MANAGEMENT INFORMATION

Management Company	Degroof Gestion Institutionelle Lux
Investment Manager	Zest S.A.
Investment Manager	Zest S.A.
Fund Manager	Pasquale Corvino
Custodian Bank	Banque Degroof Luxembourg
Platforms	Allfunds
Website	www.zest-management.com
Email	info@zest-funds.com