



ZEST NORTH AMERICA PAIRS RELATIVE

31 August 2015**Fund Goal and Strategy**

Long term objective of the fund is to outperform North American equity markets (as represented by S&P 500 Index) by a rigorous stock picking process. In order to reach the performance objective the Management Team searches investment opportunities mainly in the North American equity markets with a strong emphasis on relative value strategies and especially pair trades.

The fund management searches opportunities mainly in single stocks pairs trades even though equity indices relative value can be exploited as residual investment policy.

Net long or net short position (without corresponding hedges) on the main North American equity indices can be taken.

The Long/Short fund management aiming at the reduction of the fund volatility and at the achievement of a performance with the maximum decorrelation through a dynamic management of market exposure

Features of the Sub Fund

Unit Name	North America Pairs Relative
Strategy	Long/Short
Domicile	Luxembourg
Auditor	KPMG Audit
Currency	EUR
Inception Date	12.05.2015
AUM Mio.(31.08.2015)	€ 15.09

NAV and Fees (class R)

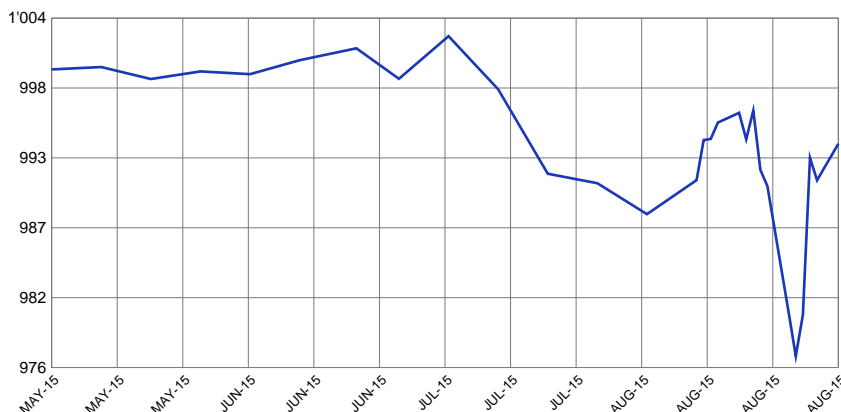
NAV (31.08.2015)	€ 993.93
Maximum Subscription Fee	up to 3.00%
Management Fee	1.50%
ISIN Code	LU1216084993
Bloomberg Code	ZNAPRR LX
Telekurs Code	27716045
Minimal initial investment	€ 2'500
Next Subscriptions	€ 1'000

NAV and Fees (class I)

NAV (31.08.2015)	
Maximum Subscription Fee	0.00%
Management Fee	0.90%
ISIN Code	LU1216084308
Bloomberg Code	ZNAPRI LX
Telekurs Code	27716044
Minimal Initial Investment	€ 100'000
Next Subscriptions	€ 1'000

Performance Fees

All Classes	20%
High Water Mark	Yes continuous

**MONTHLY COMMENTARY**

August was a tough month for North American equity indexes that fell more than 6%, recording the worst monthly decline in 3 years. During this period, Zest North America Pairs Relative gained 0.3% showing a good resilience and market decorrelation even under stressed conditions. 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, especially during the end of August, offering a good entry point for several stocks as results of massive dislocation. Volatility was on the rise with VIX spiking as result of increased uncertainty about the future and reflecting investors' fears and disappointment. Equity dispersion decreased sharply allowing us to lock some gain. 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, some niches of the market at current valuation offer an appealing risk/reward profile for pair trades strategy. For this reason, we are increasing our exposure on long book focusing on stock picking especially in financial and industrial sectors, where we see the greatest opportunities. We are partially offsetting new long positions with shorts because, even if overvalued on relative basis, they seem undervalued on absolute basis, and short squeeze risk is too high. Therefore, we are targeting a gross investment of 130% with a net exposure around 20%.

Fund Facts

Frequency of NAV:	daily
Liquidity:	daily
NAV Publication:	www.zest-management.com www.funds.degroof.lu

FUND	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2015					-0.08	0.00	-0.84	0.32					-0.60

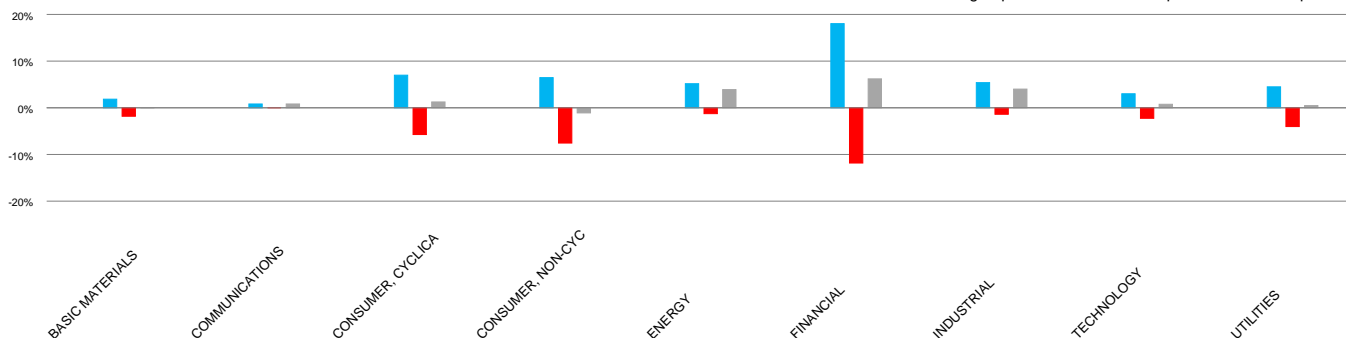
Data pro forma Class R - Above performances are gross of any fiscal effect and based on the NAV of the last Tuesday of the month and on 31/12



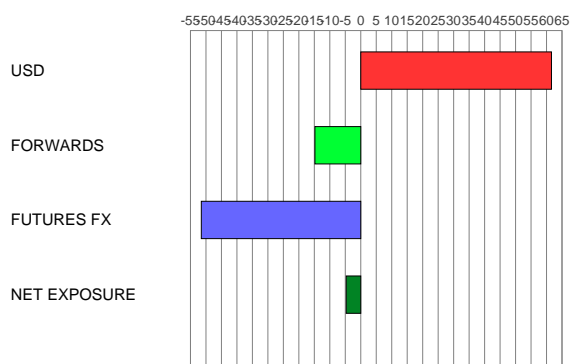
EQUITY EXPOSURE BY SECTOR

Gross Exposure 88% - Net Exposure 16%

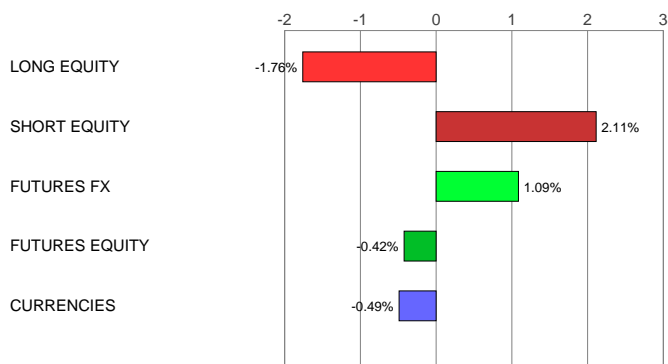
Long Exposure Short Exposure Net Exposure



USD EXPOSURE (%)



PERFORMANCE CONTRIBUTION (%) FROM 01.08.2015 TO 31.08.2015



TOP 5 EQUITY LONG POSITIONS

GENERAL ELECTRIC CO - USD	1.9%
TOLL BROTHERS INC - USD	1.9%
POTASH CORP OF SASKATCHEWAN - USD	1.8%
AMERICAN ELECTRIC POWER - USD	1.8%
FLUOR CORP - USD	1.8%

TOP 5 EQUITY SHORT POSITIONS

PRUDENTIAL FINANCIAL INC (cfd) - USD	-1.9%
DANAHER CORP (cfd) - USD	-1.9%
MOSAIC CO/THE (cfd) - USD	-1.8%
RYLAND GROUP INC/THE (cfd) - USD	-1.8%
AETNA INC (cfd) - USD	-1.8%

STATISTICS

ANNUALIZED STANDARD DEVIATION (volatility)	3.0
MONTHLY SKEWNESS	0.4
MONTHLY EXCESS KURTOSIS	3.6
SHARPE RATIO (1 month Euribor)	-0.4
MONTHLY MAXIMUM DRAWDOWN	-0.8
MONTHLY VaR 99% ex post	2.1
MONTHLY VaR 99% ex ante	2.5
ANNUALIZED EXPECTED VOLATILITY	3.5
EXPECTED SHORTFALL	3.2

*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

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Lower potential risk/reward Not risk-free.

Higher potential risk/reward

ZEST ASSET MANAGEMENT INFORMATION

Management Company	Degroof Gestion Institutionnelle 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