



ZEST

Asset Management SICAV

ZEST SA

ZEST SA is an asset manager based in Lugano and regulated by the Swiss Financial Market Supervisory Authority, FINMA. ZEST SA performs its financial activities solely in Switzerland, where it holds all the requested authorizations.

ZEST Asset Management SICAV

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Past performance is not a guide to future performance. The performance data does not take into account of the commissions and costs incurred on the issue and redemption of units. The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested. Index returns assume reinvestment of dividends and capital gains and unlike fund returns do not reflect fees or expenses.

Investing in financial products involves risks, including in particular those associated to market fluctuations as well as the inherent risk of every product type. Investments may also be affected by changes to the rules and regulations governing exchange controls or taxation, including withholding tax, or by changes to economic and monetary policies. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. The possible investment in securities must be independently assessed on the basis of the Prospectus of the financial instrument and the suitability of the financial instrument with the specific characteristics of each investor.

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For the purposes of Article 7(2) of SFDR, the Management Company confirms in relation to the Company and each Compartment that it does not consider the adverse impacts of investment decisions on sustainability factors at the present time. Sustainability factors are defined by SFDR as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. The main reasons for which the Management Company is currently not considering adverse impacts is the absence of clear regulatory guidance, sufficient data and data of a sufficient quality to allow the Management Company to define material metrics for disclosure.

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More Information

More information can be found on www.zest-management.com, www.zest-funds.com or contacting us at info@zest-management.com.

You can obtain a summary of investors rights to the following link: <https://www.group.pictet/media/sd/176b100ab205a6e6aef82b0250138f889675b903>



Quantamental allows to:

- ◇ Transform qualitative characteristics into quantitative figures, in order to quantify some “intangibles” elements (quality of management as an example)
- ◇ Combine fundamental analysis, behavioral finance, market structure and estimates (as an example trend analysis, momentum analysis, implicit growth) to create a “score” of the universe analyzed and find an investable universe
- ◇ Execute an in-depth fundamental analysis in order to go over the limits of a quant method





Alberto Conca

Fund Manager

Alberto acts as Portfolio Manager.

Alberto has over 20 years of experience in portfolio management, having worked in the United States, Ireland, Italy and Switzerland. After graduating in Economics from the University of Pavia, Alberto moved to Connecticut (USA), where he worked on the development of non-linear models for the prediction of volatility. He later returned to Italy and worked for RAS, becoming the Head of Equity at Aletti Gestielle. Alberto then worked as a fund manager for Kairos Alternative Investments, and at Pioneer Alternative Investments, where he co-managed the Global Long Short Fund from Ireland. In 2008, he arranged and managed funds at Sequoia and later at Lemanik.



Work in a Cold Environment

- Company analysis and stock selection must be made without market influence
- Actions to be taken during the life of an investment must be planned before the investment is done; those rules must be implemented autonomously from investors and fund managers' mood. The process must isolate market noise.

Reduce Overconfidence

- Experts are overconfident in their ability to forecast. Analysts and Fund Managers can increase their overconfidence, generating risk of wrong analysis. In particular:
- A higher number of data doesn't increase accuracy but increases overconfidence
- Even a deep fundamental analysis is imprecise

Reduce the illusion of control

We should refrain from believing in estimates, DCF and target prices:

- Estimates cannot be a reliable indicator of a company analysis
- DCF increases the illusion of control without any additional informative power
- Target price is a useful tool to find excuses, not to create value for investors

Business model and "falsification"

- Business model and the quality of management are key analysis
- FALSIFIABILITY (look for information that deny the original theory) is at the centre of our process. *Seeing many white swans doesn't prove that all swans are white, but seeing a black swan denies the theory (Popper)*

Anchoring

- Analysts are exposed to the risk of anchoring
- Ivo Welch affirmed: *Analysts often look to the left and to the right before they make a recommendation. A buy/sell recommendation has a significant influence on the next two analysts.* This confirms the risk of anchoring and transmission of anchoring

Model of market timing

- Studying market "behaviour" gives better and more information versus those that can be obtained from Experts. On this, Mauboussin says: *If you want to study a colony of ants, don't ask an ant. It doesn't know what's going on. Study the colony"*



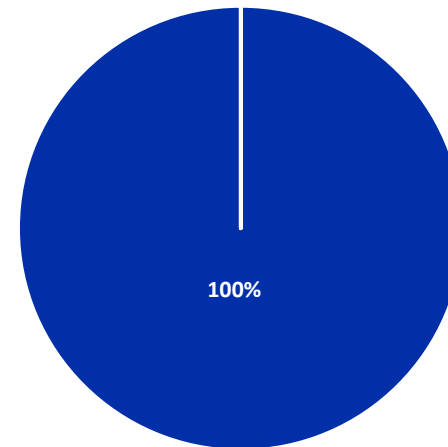
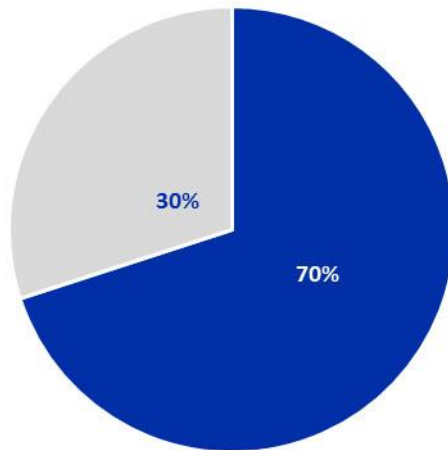
- ◇ Long Only
- ◇ US and EU
- ◇ Sectors weighted on the basis of our proprietary models
- ◇ Highly diversified portfolio:
 - ◇ Single Stock weight limited at 3.5%
 - ◇ Number of positions: 50-60
- ◇ NO small cap: minimum market cap EUR1.5bn
- ◇ High liquidity: max 2 days with 25% market volumes
- ◇ Permanent control of net exposure through proprietary market timing models

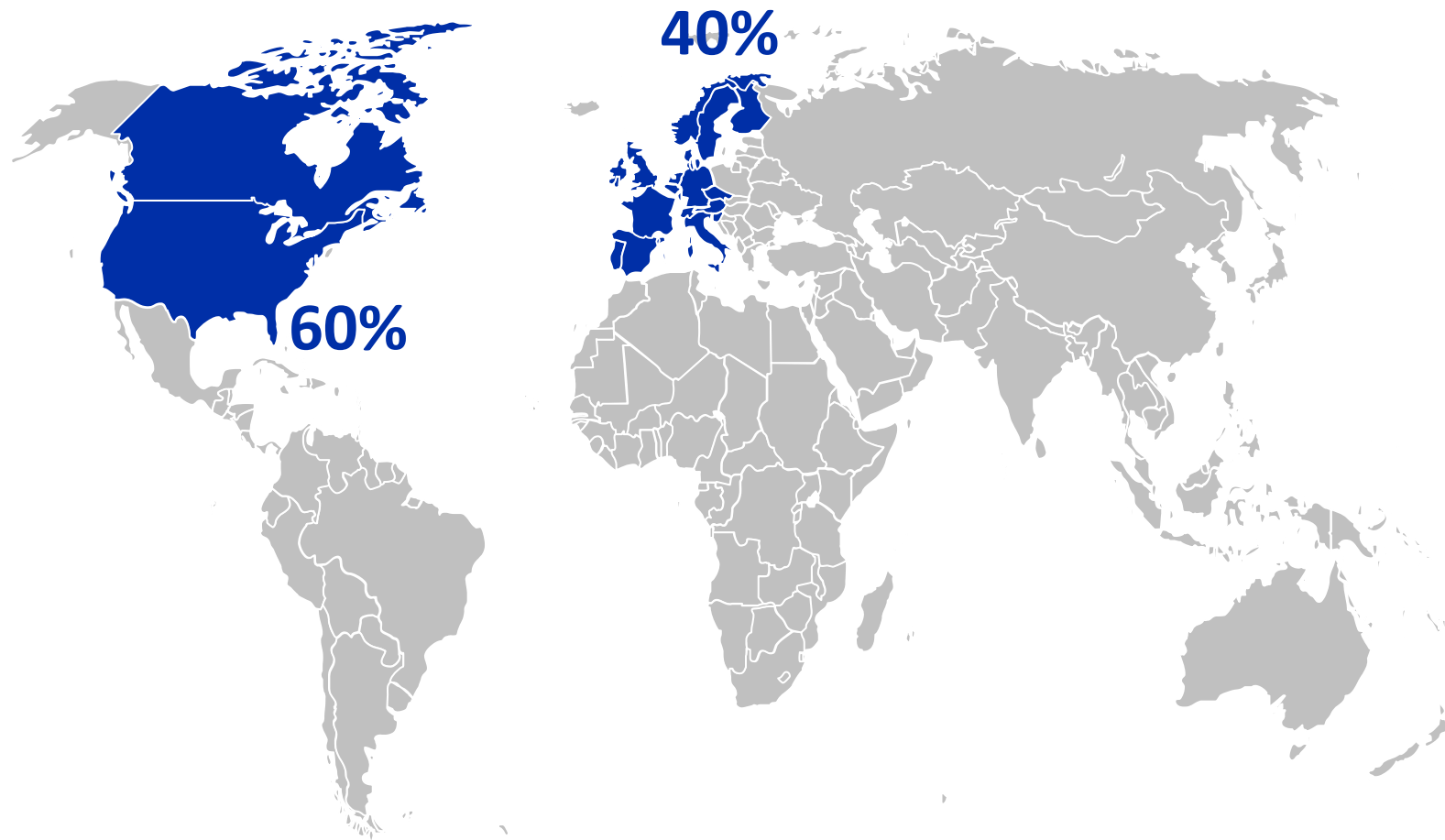


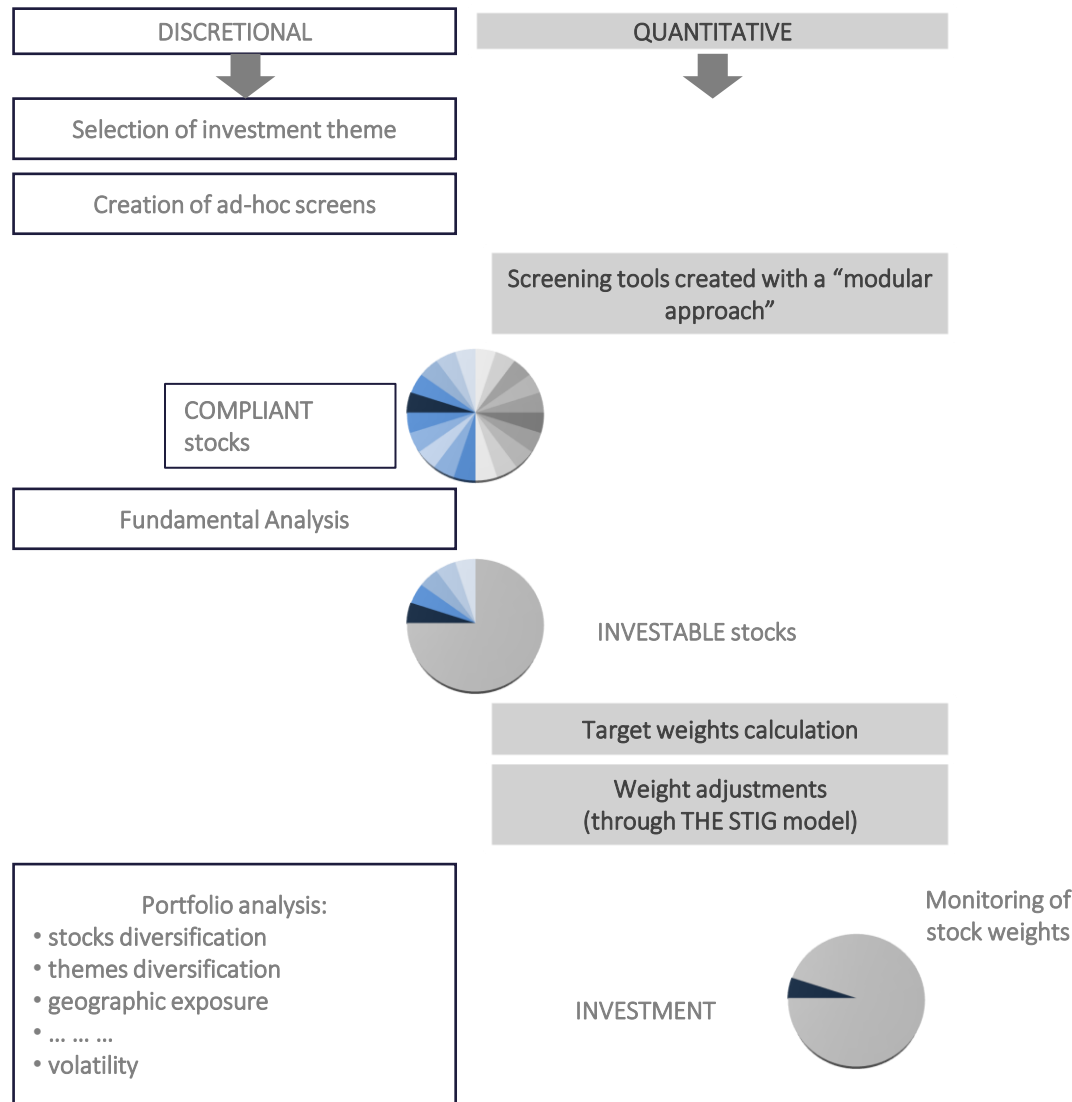
The background is a dark green color with faint, semi-transparent data visualizations. On the left, there is a grid pattern. In the upper center, there is a line graph with several peaks. On the right, there is a pie chart divided into four segments. The text 'ZEST QUANTAMENTAL' is centered in the middle of the image in a white, sans-serif font.

ZEST QUANTAMENTAL

- ◇ Long Bias
- ◇ Single Stock Short Exposure Max 35.0%
- ◇ Minimum Investment 50%; with maximum 30% Cash







Quality Factors – Over the medium/long term the Best managed Companies tend to outperform their peers.

Quality is measured in different ways

- Optimization of all factors of production like Capital, Employees, R&D etc.
- Balance Sheet and P&L Measures

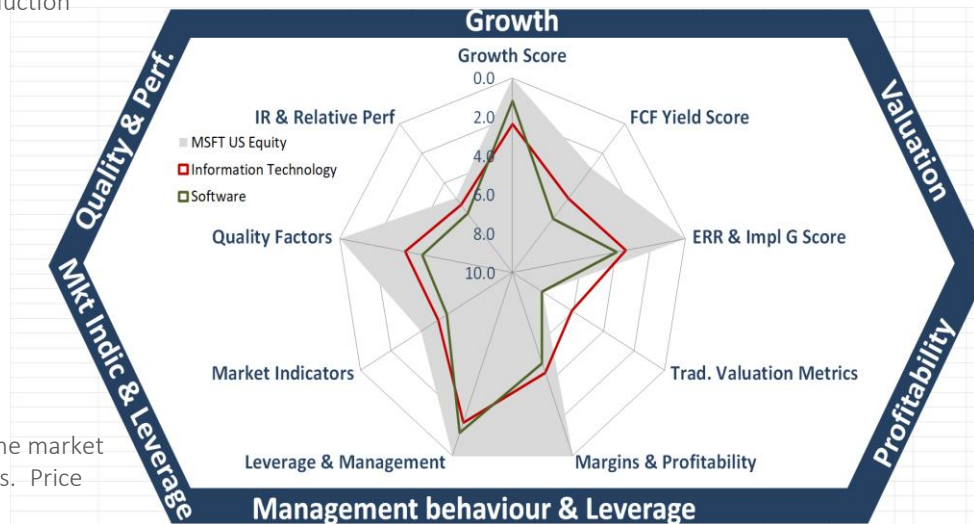
Growth is a “scarce resource”. The presence of Growth limits the risk of “value traps”. Analysis of:

- historical growth
- Growth normalization
- Growth volatility

An attractive **Valuation** offers a “margin of safety”, reduces the risk of “permanent losses” and monitor risk/reward.

Analysis of:

- Various forms of Cash Flow Yield (also calculated on the basis of historical margins and cash generation capacity)
- Traditional valuation methods
- Comparison with historical multiples



Price Performance is important since the market anticipates the micro/macro conditions. Price Performance is a complement to the fundamental analysis. Analysis of:

- trend on various time horizons
- relative strength indicators
- performance “risk-adjusted”

Corporate culture is a useful tool to understand potential future strategic decisions; financial discipline increases the probability of success of a company. Analysis of:

- management behaviour on Investments, M&A, Financial Leverage, Buyback, Dividends and Capex

Profitability is a useful tool to predict future Cash Flows.

Analysis of:

- historical profitability
- consensus estimates

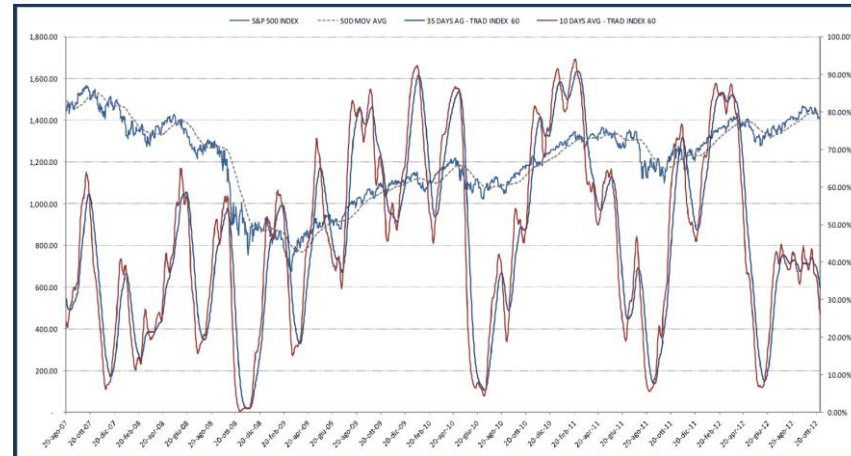


If you want to study a colony of ants, don't ask an ant. It doesn't know what's going on. Study the colony



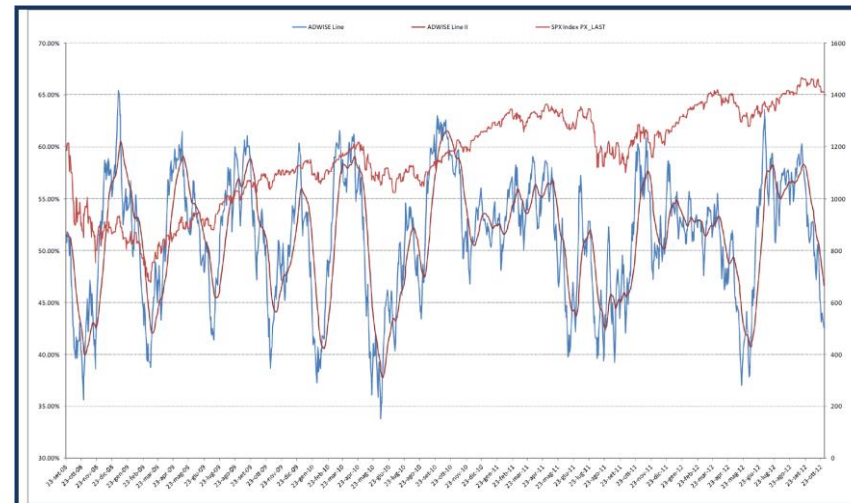
“The STIG” is based on indicators:

- ◇ Technical analysis
- ◇ Demand and Supply (based on Volumes)
- ◇ Statistics (time distribution)



“AQA Line” is based on:

- ◇ Market “Breadth”
- ◇ Demand and Supply (based on Volumes)
- ◇ “Persistency” and “Momentum” in a Trend



Performance since new strategy has been implemented – Jan 2019



Class	ISIN
Class Institutional Cap EUR A Shares	LU0840527799
Class Institutional Cap EUR B Shares	LU1112684011
Class Retail Cap EUR Shares	LU0840527526
Class Institutional Cap USD Shares (hedged against EUR)	LU1327549934

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Depository Bank and TA



PICTET & CIE (EUROPE) SA

15A avenue J.F. Kennedy L-1855 Luxembourg
Cash Deposit EUR 619 Bi

Management Company



FUND PARTNER SOLUTIONS (PICTET GROUP)

15 avenue J.F. Kennedy L-1855 Luxembourg
AuM for third parties EUR 337 Bi

Investment Manager



ZEST S.A.

Via Greina, 3 - 6900 Lugano - Svizzera
AUM Zest SA (Gennaio 2021) EUR 900 MM

Auditor



KPMG 39, Avenue Lohn F. Kennedy, L-2220 Luxembourg

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