

ZEST ASSET MANAGEMENT SICAV

Société d'investissement à capital variable
15, avenue J.F. Kennedy, L-1855 Luxembourg
RCS Luxembourg B130156

NOTICE TO SHAREHOLDERS

Luxembourg, 16 September 2024

Dear Shareholders,

The board of directors (the “Board”) of ZEST ASSET MANAGEMENT SICAV (the “Company”) would like to inform you that the following changes will be made as regards the Company’s prospectus:

Investment Manager:

The name and legal address of the Investment Manager have been updated from Zest SA, via Greina, 3 to LFG+Zest SA, via Ferruccio Pelli, 3.

Minimum investment requirement:

A paragraph has been inserted in order to authorize the Board to waive any requirements relating to the minimum investment amount and/or the minimum initial and subsequent investment requirement in its reasonable discretion and by taking into consideration the best interest of the Company.

Conversions:

The section dealing with conversions has been amended to clarify that Shareholders have the right, for retail Shareholders, to convert Shares of a given Class of Shares to Shares of the same Class of Shares of the same Sub-Fund or of another Sub-Fund (if applicable) and, for institutional Shareholders, to convert Shares of a given Class of Shares to Shares of any Class of Shares of the same Sub-Fund or of another Sub-Fund (if applicable).

Classes of Shares:

The name and presentation of the Classes of Shares have been harmonised.

Charges and expenses:

It has been clarified that any costs borne by the Management Company or the Main Distributor for performing initial and ongoing due diligence on distributors, placement or any other marketing agents appointed for the benefit of the Company and costs of administrative services linked to trading services such as SSIs management, settlement and record maintenance will be borne by the Company.

Sub-Fund Zest Dynamic Opportunities Fund:

The investment policy has been amended to provide that the Sub-Fund may invest a maximum of 10% of its net assets in Mortgage Backed Securities, such a limit being included in the 10% limit for Asset Backed Securities.

Sub-Fund Zest Mediterranean Absolute Value Fund:

The following paragraph has been inserted in the investment policy:

“Furthermore, the Sub-Fund can be exposed to Distressed and Defaulted Securities:

- through direct investment in debt securities; and/or
 - in the event of downgrading in the credit ratings of a security or an issuer to distressed or defaulted. In such a case, the Sub-Fund may, at the discretion of the Investment Manager and in the best interests of the Sub-Fund's shareholders, continue to hold those debt securities which have been downgraded;
- provided that in any case the Sub-Fund's overall maximum exposure to Distressed Securities or Defaulted Securities will be limited to a maximum of 10% of its net assets."

The Share Class I-S Institutional shall be renamed I-CHF Institutional (hedged against EUR) for which an additional hedging management fee shall be introduced to remunerate the Management Company for its services with respect to its currency overlay program. Such fee is up to 0.05% of the total net assets of the hedged share class, with a minimum of EUR 3'000 per year.

Sub-Fund Zest North America Pairs Relative Fund:

The following paragraph has been inserted in the investment policy:

"Furthermore, the Sub-Fund can be exposed to Distressed and Defaulted Securities:

- through direct investment in debt securities; and/or
- in the event of downgrading in the credit ratings of a security or an issuer to distressed or defaulted. In such a case, the Sub-Fund may, at the discretion of the Investment Manager and in the best interests of the Sub-Fund's shareholders, continue to hold those debt securities which have been downgraded;

provided that in any case the Sub-Fund's overall maximum exposure to Distressed Securities or Defaulted Securities will be limited to a maximum of 10% of its net assets."

Sub-Fund Global Special Situations:

The following paragraph has been inserted in the investment policy:

"Furthermore, the Sub-Fund can be exposed to Distressed and Defaulted Securities:

- through direct investment in debt securities; and/or
- in the event of downgrading in the credit ratings of a security or an issuer to distressed or defaulted. In such a case, the Sub-Fund may, at the discretion of the Investment Manager and in the best interests of the Sub-Fund's shareholders, continue to hold those debt securities which have been downgraded;

provided that in any case the Sub-Fund's overall maximum exposure to Distressed Securities or Defaulted Securities will be limited to a maximum of 10% of its net assets."

Sub-Fund Zest Global Equity:

The Share Class I-CHF Institutional shall be renamed I-CHF Institutional (hedged against EUR) for which an additional hedging management fee shall be introduced to remunerate the Management Company for its services with respect to its currency overlay program. Such fee is up to 0.05% of the total net assets of the hedged share class, with a minimum of EUR 3'000 per year.

Sub-Fund Zest Quantamental Equity:

It has been clarified that the Sub-Fund can be exposed to Investment Grade debt securities and Non-Investment Grade debt securities.

It has been specified that, in normal market conditions, the Investment Manager will also largely favour currency forwards and CFDs.

The global exposure of the Sub-Fund will now be measured by the absolute VaR methodology. The Sub-Fund's expected level of leverage will be 300% of the Net Asset Value of the Sub-Fund, although it is possible that leverage might exceed this level from time to time. In this context leverage is calculated as the sum of the notional exposure of the financial derivative instruments used, as defined in section G. (2) (a) "VaR Methodology" in "Part A: Sub-Fund Information" of the prospectus.

The word "Cap" in the name of the Share Classes has been deleted for consistency purpose as no more distribution Classes are available.

The Share Class I-S Institutional shall be renamed I-CHF Institutional (hedged against EUR) for which an additional hedging management fee shall be introduced to remunerate the Management Company for its services with respect to its currency overlay program. Such fee is up to 0.05% of the total net assets of the hedged share class, with a minimum of EUR 3'000 per year.

Sub-Fund Zest Global Bonds:

It has been specified that the Sub-Fund shall invest primarily in fixed and/or floating bonds in both the corporate, sovereign and Supra-national segment.

The word "Cap" in the name of the Share Classes has been deleted for consistency purpose as no more distribution Classes are available.

The Share Class I-S Institutional shall be renamed I-CHF Institutional (hedged against EUR) for which an additional hedging management fee shall be introduced to remunerate the Management Company for its services with respect to its currency overlay program. Such fee is up to 0.05% of the total net assets of the hedged share class, with a minimum of EUR 3'000 per year.

Sub-Fund Zest Argo:

The following paragraph has been amended in the investment policy:

"In relation to investments in fixed income instruments, the long-term rating (which may be esteemed at the issue or at the issuer level by one or more of the main rating agencies) shall range from ~~at least B/B2 rating~~ non-Investment Grade to Investment Grade."

The following paragraph has been inserted in the investment policy:

"The Sub-Fund will not invest in Distressed Securities or Defaulted Securities.

It is understood that, in the event of downgrading in the credit ratings of a security or an issuer to distressed or defaulted, the Sub-Fund may, at the discretion of the Investment Manager, and in the best interests of the Sub-Fund's shareholders, continue to hold those debt securities which have been downgraded, provided that in any case the Sub-Fund's maximum exposure to Distressed Securities or Defaulted Securities will be limited to a maximum of 10% of its net assets."

The following paragraph has been amended in the investment policy:

"For money market instruments, the short-term rating which may be esteemed at the issue or at the issuer level by one or more of the main rating agencies shall be at least ~~A/A3~~ P-2/A-2."

The minimum initial subscription amount for Class R2 Retail Shares has been increased from EUR 5,000 to EUR 50,000 and the minimum subsequent subscription amount for Class R2 Retail Shares has been increased from EUR 1,000 to EUR 10,000.

Sub-Fund Zest Global Opportunities:

The Share Class R Retail and the Share Class I-S Institutional have been removed.

Sub-Fund Zest Amelanchier:

The following paragraph has been inserted in the investment policy:

“The allocation will be done either directly or indirectly through other UCITS and/or UCIs, including UCITS/UCIs which are established as Exchange Traded Funds, within the meaning of Article 2, paragraph (2), of the Law of 2010, that are regulated, open and diversified, and have a risk distribution comparable to that of Luxembourg UCIs governed by Part I of the Law of 2010, whose investment policy is in line with that of the Sub-Fund. Investments in other UCITS and/or UCIs, including UCITS/UCIs which are established as Exchange Traded Funds, will be limited to 10% of the Sub-Fund’s net assets.”

Sub-Fund Zest Flexible Bond:

In the investment policy section, the requirement for a mechanical trigger for contingent convertible bonds has been removed.

The use of CDS in normal market conditions has been removed.

The word “Cap” in the name of the Share Classes has been deleted for consistency purpose as no more distribution Classes are available.

Sub-Fund Zest US Equity Multi-Strategy:

The Sub-Fund is currently dormant and no subscription can be made in the Sub-Fund, until the Board will re-activate it.

Sub-Fund Zest Butterfly 2:

It has been specified that the Sub-Fund will mainly invest in debt securities issued by corporate companies and that the Sub-Fund may also invest in debt securities issued by Governments and/or Supra-national entities up to a maximum of 40% of its net assets.

It is also specified that, in normal market conditions, the Investment Manager will also largely favour currency forwards.

The above changes do not require a specific action for Shareholders of the Company.

Shareholders of the Company who do not agree with the above mentioned changes can ask for the redemption of their Shares free of charge from the date of the present notice until 16 October 2024.

All the above changes will be reflected in the prospectus and the relevant Key Information Documents (KIDs) of the Company which will be made available free of charge at the registered office of the Company.

Yours faithfully,

The Board of Directors