

ZKB Tracker Certificate Dynamic on RESCAD Swiss Real Estate Investments

18.08.2021 - Open End | Swiss Security Code 110 587 666

Summary

This Summary is to be understood as an introduction to the present Final Terms. Any investment decision in relation to the products must be based on the information contained in the base prospectus and in these Final Terms in their entirety and not on the Summary. In particular, each investor should consider the risk factors contained in these Final Terms and in the base prospectus.

The Issuer can only be held liable for the content of this Summary if the Summary is misleading, incorrect or contradictory when read together with the other parts of the Final Terms and the base prospectus.

Information on the securities
Type of product: ZKB Tracker Certificate Dynamic SSPA Category: Tracker Certificate (1300, acc. to the Swiss Derivative Map) ISIN: CH1105876663 Symbol: IMMREZ Issuer: Zürcher Kantonalbank Underlying: RESCAD Swiss Real Estate Investments Initial Fixing Date: 11 August 2021 Settlement Date: 18 August 2021 Final Fixing Date: --- (Open End) Redemption Date: --- (Open End) Type of settlement: cash
Information concerning the offer and admission to trading
Place of the offer: Switzerland Notional Amount/Denomination/Trading Units: CHF 10'000'000.00/CHF 100.00/1 structured product or multiples thereof Issue price: CHF 100.00 Information on listing: Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 18 August 2021

Final Terms

1. Product Description

Product Category/Name

Participation Product/Tracker Certificate (1300, according to the Swiss Derivative Map provided by the Swiss Structured Products Association)

Regulatory Notification

This product does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and it is not subject to authorisation or supervision by FINMA. The issuer risk is borne by investors.

Investment Profile

The composition of the Underlying of this structured product is managed **dynamically** and **discretionary** over the course of its term.

The Investment Manager invests in SIX listed Swiss real estate stocks and investment funds with strong and proven management, well managed business models and attractive development potential. The investments are identified with a consistent bottom-up investment approach and a top-down risk process. The target is to be exposed to predominantly to residential Swiss real estate.

Further information about the investment strategy – if available – can be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zürich, department VRIE or by way of e-Mail address documentation@zkb.ch.

Title Universe	The Title Universe consists of Swiss stocks as well as stock exchange listed Swiss real estate funds. In addition, the Investment Manager may decide to make a cash allocation, if considered necessary to reduce the portfolio's market risk. The Underlying constituents are listed at a recognized exchange (World Federation of Exchanges or FESE (Federation of European Securities Exchanges)). The current composition of the Underlying can be found under www.zkb.ch/strukturierteprodukte .
Rebalancing	The Investment Manager rebalances the portfolio composition based on its qualified evaluation of the market. The Investment Manager considers only Underlying Components which provide sufficient liquidity and tradability. The Rebalancing is based on net prices of the Underlying Components (average of the net prices of the Underlying Components converted into the basket currency by the Issuer). The rebalancing period may be prolonged by the Issuer due to limited tradability.
Issuer	Zürcher Kantonalbank, Zurich
Rating of the Issuer	Standard & Poor's AAA, Moody's Aaa, Fitch AAA
Lead Manager, Paying Agent, Exercise Agent and Calculation Agent	Zürcher Kantonalbank, Zurich
Investment Manager	RESCAD SA, Geneva RESCAD SA, Geneva holds a FINMA license as fund manager for collective investment schemes. The Investment Manager may not only act as distributor of the structured product and/or Investment Manager in relation to the Underlying but also as asset manager or financial advisor in relation to the investors in the structured products. This may lead to potential conflicts between the interests of the investors and the interests of the Investment Manager. The Investment Manager has taken all necessary measures to avoid such potential conflict of interest or, if such avoidance is not reasonably possible, will disclose such conflict of interest to the investors concerned.
Symbol/ Swiss Security Code/ISIN	IMMREZ/ 110 587 666/CH1105876663
Notional Amount/Denomination/ Trading Units	CHF 10'000'000.00/CHF 100.00/1 structured product or multiples thereof
Number of structured products	Up to 100'000, with the right to increase
Issue Price	CHF 100.00 /100.00% of Basket Value on the Initial Fixing Date
Currency	CHF

Underlying per Initial Fixing Date	Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares/ Amount
	Allreal Holding Ltd	CH0008837566/ ALLN SE	SIX Swiss Exchange	CHF 188.42826	5.92	0.031404
	BONHOTE IMMOBILIER	CH0026725611/ BIM SE	SIX Swiss Exchange	CHF 161.45121	7.34	0.045485
	Credit Suisse Real Estate Fund Siat	CH0012913700/ SIAT SW	SIX Swiss Exchange	CHF 253.33550	9.80	0.038684
	Fundamenta Real Estate AG	CH0045825517/ FREN SE	SIX Swiss Exchange	CHF 19.80297	5.83	0.294374
	Mobimo Holding AG	CH0011108872/ MOBN SE	SIX Swiss Exchange	CHF 315.42231	8.08	0.025622
	PSP Swiss Property AG	CH0018294154/ PSPN SE	SIX Swiss Exchange	CHF 124.08911	10.90	0.087813
	Schroder ImmoPLUS	CH0395718866/ SRI SW	SIX Swiss Exchange	CHF 175.52132	6.52	0.037126
	SWISSCANTO (CH) Real Estate Fund IFCA	CH0037430946/ SIC SW	SIX Swiss Exchange	CHF 172.14182	12.90	0.074959
	Swiss Prime Site AG	CH0008038389/ SPSN SE	SIX Swiss Exchange	CHF 98.30824	8.12	0.082622
	UBS (CH) Property Fund - Swiss Mixed 'Sima'	CH0014420878/ SIMA SW	SIX Swiss Exchange	CHF 152.19883	12.24	0.080419
	UBS (CH) Property Fund - Swiss Residential 'Anfos'	CH0014420829/ ANFO SW	SIX Swiss Exchange	CHF 94.51418	12.35	0.130660

* Local taxes, transactions fees and foreign commissions are, if applicable, included in the Initial Fixing Value of each component and are thus borne by the holders of the structured product. This applies particularly, though not exclusively, when exercising rights associated with the structured product and/or a Rebalancing.

Basket Value	CHF 100.00 on Initial Fixing Date
Ratio	1 ZKB Tracker Certificate Dynamic represents 1 Underlying
Dividend Payments	No dividends will be paid out. The dividend as a whole will be reinvested into the structured product in the form of a net dividend.
Initial Fixing Date	11 August 2021 The Issuer has the right to expand the time period for the Initial Fixing if required by current market conditions e.g. liquidity.
Settlement Date	18 August 2021
Redemption right of the Issuer	The Issuer has the right to redeem the outstanding structured products quarterly on the 15th day of March, June, September and December (fixing date; modified following), for the first time on 15 December 2021. On the fixing date, the redemption amount is determined, which is governed by the information under the section Redemption Method. The Issuer has the right to expand the time period for the Final Fixing if required by current market conditions e.g. liquidity. The announcement and thus the declaration of intent to exercise the Redemption right is made with a notice period of 20 banking days via the official publication channel of the SIX Swiss Exchange. No statement of reasons is required. The redemption will be executed with a value date of 5 bank working days after the fixing date (Redemption Date).
Right to return of the Investor	In addition to the possibility of selling the structured products in the secondary market, the investor has the right to return the product quarterly per 15th day of the months March, June, September and December (fixing date; modified following) to the Issuer, for the first time on 15 December 2021. On the fixing date, the redemption amount is determined, which is governed by the information under the section Redemption Method. The Issuer has the right to expand the time period for the Final Fixing if required by current market conditions e.g. liquidity. The declaration of intent to exercise the Right to return must be received no later than 5 banking days before the respective fixing date (exercise date) by Zürcher Kantonalbank and must be sent to the following address: by letter post to Zürcher Kantonalbank, Sales structured products, IHHV, P.O. Box, 8010 Zürich or by email to derivate@zkb.ch. The repayment will be executed with a value date of 5 bank working days after the fixing date (Redemption Date). Should the structured products of the Investor be deposited in a custodian bank, the Investor needs additionally and in due time advise/inform his custodian bank according the notice of redemption.

Initial Fixing Level	11 August 2021, Net price of the Components of the Underlying on a best effort basis. Local taxes, transactions fees and foreign commissions are included in the Initial Fixing Value of each component if applicable.				
Redemption Method	<p>On Redemption Date, investors receive in cash for every certificate 100% of the Underlying as defined on the Final Fixing Date and according to the following formula:</p> $\text{Ratio} * \left(\sum_{i=1}^N S_{i,T} * W_{i,T} \right) - \text{Fees}$ <p>where</p> <p>Ratio = 1</p> <p>$S_{i,T}$ = Value of the Component i of the Underlying on Final Fixing Date</p> <p>$W_{i,T}$ = Weighting of the Component i of the Underlying (number of Shares) on Final Fixing Date</p> <p>Fees = Annual Fee and Rebalancing Fees</p> <p>T = Final Fixing Date</p> <p>Negative interests could be charged on any potential Cash Components (overnight reference interest rate of the respective currency). This has a negative impact on the value of the structured product.</p> <p>If capital events that were unknown at the time of issue take place during the life of the ZKB Tracker Certificate Dynamic, they shall be taken into account by adjusting the weighting of the affected Component of the Underlying accordingly.</p>				
Listing/Secondary market	Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 18 August 2021.				
Annual Fee	0.75% p.a. The Annual Fee will be charged based on the value of the structured product and is pro rata temporis included in the trading price. Of the Annual Fee, the Issuer receives 0.25% p.a. and the Investment Manager receives 0.50% p.a. for their relevant duties.				
Rebalancing Fee	A Rebalancing Fee of 0.10% of the transaction value will be charged per Rebalancing.				
Clearing House	SIX SIS AG/Euroclear/Clearstream				
Distribution fees	No distribution fees in the form of a discount on Issue price, reimbursement of a part of the Issue price or other one-off and/or periodic charges are paid out to one or several distribution partners of this structured product.				
Sales: 044 293 66 65	<table border="0"> <tr> <td>SIX Telekurs: .zkb</td> <td>Reuters: ZKBSTRUCT</td> </tr> <tr> <td>Internet: www.zkb.ch/finanzinformationen</td> <td>Bloomberg: ZKBY <go></td> </tr> </table>	SIX Telekurs: .zkb	Reuters: ZKBSTRUCT	Internet: www.zkb.ch/finanzinformationen	Bloomberg: ZKBY <go>
SIX Telekurs: .zkb	Reuters: ZKBSTRUCT				
Internet: www.zkb.ch/finanzinformationen	Bloomberg: ZKBY <go>				
Key Elements of the product	In terms of value, buying a ZKB Tracker Certificate Dynamic is equivalent to buying the Underlying less any Fees. A single, low-cost transaction gives investors the opportunity to participate fully in the performance of the Underlying. Dividend Payments of underlying components in the basket are paid out to the investor by means of Dividend reinvestment in the Underlying. Redemption is based on the weighted value of Underlying components on the Fixing Date.				
Taxes	<p>The Issuer reports the taxable factors (change to previous year's value) divided in the components income and capital gain to the Swiss Federal Tax Administration on 31 October each year. The income part is subject to Swiss income tax for private investors with Swiss tax domicile as per reporting date. The capital gain part is not subject to Swiss income tax. The product is not subject to Swiss withholding tax. The Federal securities transfer stamp tax is not levied on secondary market transactions. This product may be subject to additional withholding taxes or duties, such as related to FATCA, Sect. 871(m) U.S. Tax Code or foreign financial transaction taxes. Any payments due under this product are net of such taxes or duties.</p> <p>The information above is a summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of structured products. The relevant tax law and practice may change. The Issuer does not assume any liability in connection with the above information. The tax information only provides a general overview and can not substitute the personal tax advice to the investor.</p>				

Documentation

This document is a non-binding English translation of the Final Terms (Endgültige Bedingungen) published in German and constituting the Final Terms in accordance with article 45 of the Federal Act on Financial Services (FinSA). The English language translation is provided for convenience only.

The binding German version of these Final Terms supplements the base prospectus approved by the SIX Exchange Regulation Ltd and published in German by the Issuer on 16 November 2020. These Final Terms constitute a simplified prospectus pursuant to article 5 para. 2 CISA in the version dated 1 March 2013. Together with the base prospectus (and together with any supplements) these Final Terms form the product documentation for this issue.

If this product was the first time issued under the base prospectus of 16 November 2020, these Final Terms must be read in conjunction with the General Terms of the Securities (Allgemeine Bedingungen der Derivate), the Additional Terms and the Information on the Underlyings in the base prospectus of 16 November 2020. If this product has been issued prior to the date of the base prospectus of 16 November 2020, these Final Terms shall be read in conjunction with the base prospectus of 16 November 2020 and together with the Existing Terms of the products from the version of the Issuance Programme or base prospectus in force at the time of issuance that has been incorporated by reference in this base prospectus.

The base prospectus of the Issuer dated 16 November 2020 will cease to be valid on 16 November 2021. From and including this date, these Final Terms must be read together with the latest valid version of the base prospectus of the Issuer (including the information incorporated by reference into the latest valid version of the base prospectus from the base prospectus under which the products the first time were issued), which follows the base prospectus of 16 November 2020.

Except as otherwise defined in these Final Terms, the terms used in these Final Terms have the meaning given to them in the base prospectus. In case of discrepancies between information or the provisions in these Final Terms and those in the base prospectus, the information and provisions in these Final Terms shall prevail. In the event of a listing of the products, the product documentation will be adapted, if and to the extent necessary, in accordance with the requirements of the relevant exchange. The present products will be issued in the form of uncertificated securities (Wertrechte) and registered as book-entry securities (Bucheffekten) with SIX SIS AG. Investors have no right to require the issuance of any certificates or any proof of evidence for the products.

These Final Terms and the base prospectus can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIE or by e-mail at documentation@zkb.ch. They are also available on <https://www.zkb.ch/finanzinformationen>.

Information on the Underlying

Information on the performance of the Underlying/a component of the Underlying is publicly available on www.bloomberg.com. Current annual reports are published on the website of the respective business entity. The transfer of the Underlying/a component of the Underlying is conducted in accordance with their respective statutes.

Notices

Any notice by the Issuer in connection with these structured products, in particular any notice in connection with modifications of the terms and conditions will be validly published on the website <https://www.zkb.ch/finanzinformationen> under the relevant structured product. The Swiss security code search button will lead you directly to the relevant structured product. The notices will be published in accordance with the rules issued by SIX Swiss Exchange for IBL (Internet Based Listing) on the website <https://www.six-exchange-regulation.com/en/home/publications/official-notices.html>

Governing Law/Jurisdiction

Swiss Law/Zurich

2. Profit and Loss Expectations after Year 1

Profit and Loss Expectations after Year 1

Basket		Redemption	
Value	Percent	ZKB Tracker Certificate Dynamic	Performance %
CHF 40.00	-60.00%	CHF 39.70	-60.30%
CHF 60.00	-40.00%	CHF 59.55	-40.45%
CHF 80.00	-20.00%	CHF 79.40	-20.60%
CHF 100.00	+0.00%	CHF 99.25	-0.75%
CHF 120.00	+20.00%	CHF 119.10	19.10%
CHF 140.00	+40.00%	CHF 138.95	38.95%
CHF 160.00	+60.00%	CHF 158.80	58.80%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate Dynamic is analog to the performance of the Underlying less any Fees. Rebalancing Fees are not included in the table above.

The figures in the table above are valid after Year 1 only and cannot be considered as a price indication for the present Structured Product during its lifetime. The price quoted in the secondary market can differ substantially from the table above.

3. Material Risks for Investors

Credit Risk Relating to Issuer

Obligations under these structured products constitute direct, unconditional and unsecured obligations of the Issuer and rank pari passu with other direct, unconditional and unsecured obligations of the Issuer. The value of the structured product does not only depend on the performance of the Underlying and other developments in the financial markets, but also on the solvency of the Issuer, which may change during the term of this structured product.

Specific Product Risks

Structured products are complex financial instruments, which entail considerable risks and, accordingly, are only suitable for investors who have the requisite knowledge and experience and understand thoroughly the risks connected with an investment in these structured products and are capable of bearing the economic risks.

ZKB Tracker Certificate Dynamic is an investment product whose price fluctuates to the same degree as the Underlying less any Fees. Depending on price trends, the price of a ZKB Tracker Certificate Dynamic could fall below the Issue Price. The risk profile of the ZKB Tracker Certificate Dynamic corresponds to that of the Underlying. The ZKB Tracker Certificate Dynamic is denominated in CHF. If the investor's reference currency differs from the CHF, the investor bears the risk between the CHF and his reference currency.

4. Additional Terms

Modifications

If an extraordinary event as described in the base prospectus occurs in relation to the Underlying/a component of the Underlying or if any other extraordinary event occurs, which makes it impossible or particularly cumbersome for the Issuer, to fulfill its obligations under the products or to calculate the value of the products, the Issuer shall at its own discretion take all the necessary actions and, if necessary may modify the terms and conditions of these products at its own discretion in such way, that the economic value of the products after occurrence of the extraordinary event corresponds, to the extent possible, to the economic value of the products prior to the occurrence of the extraordinary event. Specific modification rules for certain types of Underlyings stated in the base prospectus shall prevail. If the Issuer determines, for whatever reason, that an adequate modification is not possible, the Issuer has the right to redeem the products early.

Market Disruptions

Compare specific provisions in the base prospectus.

Substitution of Underlying

During the term of the structured product, changes in or substitution of the Underlying by the Calculation Agent can occur. In this case, it cannot be ruled out that such changes or substitutions will negatively affect the value of the structured product. Likewise, it cannot be ruled out that in the case of a structured product based on an index that changes in the composition of the index as a result of change or substitutions in respect of individual index components, for example, as a result of the withdrawal or addition of individual securities, may negatively influence the price of the index and accordingly the value of the structured product.

Prudential Supervision

As a bank within the meaning of the Swiss Federal Act on Banks and Savings Banks (BankG; SR 952.0) and a securities firm within the meaning of the Swiss Federal Act on Financial Institutions (FinIAG; SR 954.1), Zürcher Kantonalbank is subject to the prudential supervision of FINMA, Laupenstrasse 27, CH-3003 Bern, <https://www.finma.ch>.

Recording of Telephone Conversations

Investors are reminded that telephone conversations with trading or sales units of Zürcher Kantonalbank are recorded. Investors, engaging in telephone conversations with these units provide their tacit consent to the recording of their conversations.

Further Information

This document constitutes neither an offer nor a recommendation or invitation to purchase financial instruments and can't replace the individual investor's own judgement. The information contained in this document does not constitute investment advice but is intended solely as a product description. An investment decision should in any case be made on the basis of these Final Terms and the base prospectus. Particularly, before entering into a transaction, the investor should, if necessary with the assistance of an advisor, examine the conditions for investment in the product in consideration of his personal situation with regard to legal, regulatory, tax and other consequences. Only an investor who is aware of the risks of the transaction and has the financial capacity to bear any losses should enter into such transactions.

Material Changes

Since the end of the last financial year or the date of the interim financial statements, there have been no material changes in the assets, financial or revenue position of the Issuer.

Responsibility for the Final Terms

Zürcher Kantonalbank, Zurich, assumes responsibility for the content of these Final Terms and hereby declares that, to its knowledge, the information contained in these Final Terms is correct and no material circumstances have been omitted.

Zurich, 10 August 2021, last update on 11 August 2021