

ZKB Mini-Future Long on Nestlé AG registered share

14.06.2019 - Open End | Valor 78 910 562

1. Product description

Product Category/Name	Mini-Future (2210, according to the Swiss Derivative Map of January 2019 provided by the Swiss Structured Products Association)
CISA Notification	These Derivatives do not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to authorisation or supervision by FINMA. The issuer risk is borne by investors.
Key Elements of the Product	ZKB Mini-Futures enable a disproportionate participation in the price development of the Underlying corresponding to the Leverage. ZKB Mini-Futures Long benefit from rising prices of the Underlying. ZKB Mini-Futures Long Mini-Futures have no set maturity, but have a Stop-Loss Level, which is adjusted daily or periodically. Upon reaching the Stop-Loss Level the ZKB Mini-Future Long expires immediately and any realisable residual value is repaid to the investor. A daily interest rate consisting of an Money Market Interest Rate and a Financing Spread is offset against the leveraged capital in the amount of the Financing Level provided by the Issuer. Any investment income from the Underlying will be deducted from the Financing Level.
Issuer	Zürcher Kantonalbank, Zürich
Rating of the Issuer	Standard & Poor's AAA, Moody's Aaa, Fitch AAA
Lead Manager, Paying Agent, Exercise and Calculation Agent	Zürcher Kantonalbank, Zürich
Symbol/Swiss Security Code/ISIN	INEBLZ / 78 910 562 / CH0789105621
Underlying	Nestlé AG registered share ISIN: CH0038863350 Swiss Security Code: 3 886 335 Bloomberg: NESN SE EQUITY Domicile: Switzerland Trading venue/Price source: SIX Swiss Exchange
Underlying's Spot Reference Price	CHF 103.10
Ratio	5 : 1 ; 5 ZKB Mini-Futures Long per Underlying
Reference Currency	CHF
Issue Price	CHF 4.61 (issue surcharge of CHF 0.01 resp. 0.22%)

Issue Volume	Up to 10'101 ZKB Mini-Futures Long, with the right to increase
Financing Level at Initial Fixing	CHF 79.90
Stop-Loss Level at Initial Fixing	CHF 80.70
Initial Fixing Date	June 13, 2019
First Trading Date	June 14, 2019
Payment Date	June 20, 2019
Term	Open End
Initial Financing Spread	1.00%
Maximum Financing Spread	5.00%
Initial Stop-Loss Buffer	1.00%
Maximum Stop-Loss Buffer	15.00%
Rounding of the Financing Level	0.01
Rounding of the Stop-Loss Level	0.01
Observation Period	Continuous monitoring from Initial Fixing
Initial Leverage	4.50 (Spot Reference Price of the Underlying divided by Ratio divided by Issue Price)
Current Financing Level	At the end of each adjustment day, the Financing Level is adjusted by offsetting the interest and debiting any investment income of the Underlying. The Current Financing Level is determined by the Calculation Agent using the following formula: $FLE = FLA + \left((r + FS) \cdot FLA \cdot \frac{n}{360} \right) - SF \cdot DIV$ <p>where</p> <ul style="list-style-type: none"> <i>FLA</i>: Financing Level before adjustment <i>FLE</i>: Financing Level after adjustment <i>FS</i>: Current Financing Spread <i>r</i>: Money Market Interest Rate <i>n</i>: Number of calendar days between the Current Adjustment Day (exclusive) and the next Adjustment Day (inclusive) <i>SF</i>: Tax factor for any investment income such as dividends. The tax factor is in the range between zero and one and is determined by the calculation agent. <i>DIV</i>: Dividends and other investment income of the Underlying since the last adjustment <p>The result of the calculation is rounded up to the nearest multiple according to the rounding of the Financing Level.</p>
Adjustment Dates	Every trading day of the Mini-Future
Trading and Execution Units	1 Mini-Future or a multiple thereof

Money Market Interest Rate	The current Money Market Interest Rate determined by the Calculation Agent for overnight deposits in the trading currency of the Underlying.
Financing Spread	A value determined by the Calculation Agent on each Adjustment Day which is at least zero and at most equals to the Maximum Financing Spread.
Stop-Loss Event	A Stop-Loss Event occurs, if the price of the Underlying touches or falls below the Current Stop Loss Level during the Underlying's trading hours. In this case, the Mini-Futures are considered automatically exercised and expire.
Current Stop-Loss Level	<p>The Current Stop-Loss Level is determined by the Calculation Agent on each Stop-Loss Level Fixing Date, after the Financing Level has been adjusted, according to the following formula:</p> $FL \cdot (100\% + \text{Stop-Loss Buffer})$ <p>where <i>FL</i>: Current Financing Level</p> <p>The result of the calculation is rounded up to the next multiple of the rounding of the Stop-Loss Level.</p>
Stop-Loss Level Fixing Dates	Each first banking day of the month, each ex-dividend day of the Underlying and, at the discretion of the Issuer, each banking day on which the Issuer deems it necessary to adjust the Stop-Loss Level.
Stop-Loss Buffer	A value determined by the Calculation Agent on each Stop-Loss Level Fixation Day that is equal to or greater than zero and equal to or less than the Maximum Stop-Loss Buffer.
Stop-Loss Liquidation Price	A price for the relevant Underlying determined by the Payment Agent and Calculation Agent within a period of one hour during the trading hours of the Certificate following the occurrence of the Stop-Loss Event. If a Stop-Loss Event occurs less than one hour before the end of any trading period, the period will be extended to the next trading day. The Stop-Loss Liquidation Price may deviate significantly from the Stop-Loss Level.
Investor Put Option	From the first trading day of the ZKB Mini-Futures Long, the investor has the right to exercise his ZKB Mini-Futures Long on this and any subsequent trading day - subject to the occurrence of a stop-loss event - or to demand payment of the corresponding redemption amount. The corresponding written exercise declaration must be received by the exercise office by 11.00h a.m. CET at the latest.
Issuer Call Option	The Issuer is entitled at any time, without giving reasons, to cancel unexercised ZKB Mini-Futures Long, for the first time 3 months after the First Trading Day.
Final Fixing Date	The trading day on which a Stop-Loss Event occurs, the Mini-Futures are cancelled by the Issuer or exercised by the investor. The occurrence of a Stop-Loss Event takes precedence over termination or exercise.
Repayment Amount on Exercise, Termination or Stop-Loss Event	<p>Per ZKB Mini-Future Long, an amount calculated according to the following formula in the Reference Currency will be paid out upon the occurrence of a Stop-Loss Event, upon exercise by the investor or upon redemption by the Issuer:</p> $\max\left(0, \frac{\text{Underlying}_t - FL_t}{\text{Ratio}}\right)$ <p>where <i>Underlying_t</i>: Price of the Underlying on the Final Fixing Day <i>t</i>, which in the case of an exercise or termination is the settlement price. In case of a Stop-Loss Event the price of the Underlying corresponds to the Stop-Loss Liquidation Price determined by the Payment and Calculation Agent. <i>FL_t</i>: Financing level on Final Fixing Date_{<i>t</i>}</p> <p>The repayment will be paid 5 banking days after the Final Fixing Day.</p>

Listing	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be June 14, 2019	
Secondary market/Tradability	The Issuer intends (without legal obligation), under normal market conditions, to constantly provide indicative bid and offer prices for this Product during continuous trading. Actual bid/offer prices are available on https://zkb-finance.mdgms.com/products/warrants/index.html and on SIX Swiss Exchange.	
Clearing Agent	SIX SIS AG	
Sales: 044 293 66 65	SIX Telekurs: .zkb Internet: www.zkb.ch/aktienprodukte	Reuters: ZKBWTS Bloomberg: ZKBW <go>
Taxes	<p>Any profits or losses arising from ZKB Mini-Future Long are considered capital gains or losses for private investors domiciled in Switzerland for tax purposes and are therefore not subject to income tax. The product is not subject to federal withholding tax. The product may be subject to further withholding taxes or duties, in particular under the rules of FATCA or Sect. 871(m) U.S. Tax Code or foreign financial transaction taxes. All payments from this product are made after deduction of any withholding taxes and levies.</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 derivatives. 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	<p>This document constitutes the Final Terms in accordance to article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. These Final Terms supplement the Issuance Programme of the Issuer dated April 15, 2019 and published in German in the currently valid version. These Final Terms and the Issuance Programme constitute the complete Issuance and Listing Prospectus for this issuance (the 'Listing Prospectus'). Except as otherwise defined in these Final Terms, capitalised terms used in these Final Terms have the meaning as defined in the Glossary in the Issuance Programme. In case of discrepancies between information or the provisions in these Final Terms and those in the Issuance Programme, the information and provisions in these Final Terms shall prevail. ZKB Mini-Future Long will be issued as uncertified rights (Wertrechte) and registered as book entry securities (Bucheffekten) with SIX SIS AG. Investors have no right to require the issuance of any certificates or proves of evidence. These Final Terms and the Issuance Programme can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIE or by e-mail at documentation@zkb.ch. This document is not a prospectus in accordance with articles 652a or 1156 of the Swiss Code of Obligations.</p>	
Information on the Underlying	Information on the performance 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 is conducted in accordance with their respective statutes.	
Notifications	<p>Any notice by the Issuer in connection with this product, in particular any notice in connection with modifications of the terms and conditions will be validly published on the website https://zkb-finance.mdgms.com/products/stp/index.html to the corresponding product. The Swiss security code search button will lead you directly to the relevant 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/de/home/publications/official-notices.html.</p>	
Governing Law/Jurisdiction	Swiss Law/Zurich	
	2. Profit and Loss Expectations at Maturity	
Profit and Loss Expectations at Maturity	ZKB Mini-Futures Long offer the opportunity to benefit disproportionately from a positive performance of the Underlying. The profit outlook is basically unlimited for ZKB Mini-Futures Long. The potential loss of ZKB Mini-Futures Long is limited to the capital invested. ZKB Mini-Futures Long are Derivatives whose risk is correspondingly greater than the risk of the Underlying due to the leverage effect.	

In the event of a Stop-Loss Event, the actual execution price of the closing out of the ZKB Mini-Future Long may diverge sharply from the Current Stop-Loss Level, which is only to be seen as the trigger of a Stop-Loss Event, not as an actual indication of the Redemption Amount of the certificate that can be effectively reached.

3. Material Risks for Investors

Issuer Risk

Obligations under these Derivatives 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 Derivatives 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 series of Derivatives.

Specific Product Risks

ZKB Mini-Futures Long involve the risk of losing the entire capital initially paid (the Issue Price). They are meant only for experienced investors who understand the associated risks and can bear them. ZKB Mini-Futures Long do not generate continuous income; ZKB Mini-Futures Long generally lose value if there is no price increase of the Underlying or if the price of the Underlying remains constant. ZKB Mini-Futures Long are investment products whose risk is greater than a direct investment in the Underlying due to the Leverage effect.

4. Additional Terms

Modifications

If an extraordinary event as described in Section IV of the Issuance Programme 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 Structured Products or to calculate the value of the Structured Products, the Issuer shall at its own discretion take all the necessary actions and, if necessary may modify the terms and conditions of these Structured Products at its own discretion in such way, that the economic value of the Structured Products after occurrence of the extraordinary event corresponds, to the extent possible, to the economic value of the Structured Products prior to the occurrence of the extraordinary event. Specific modification rules for certain types of Underlyings stated in Section IV of the Issuance Programme shall prevail. If the Issuer determines, for whatever reason, that an adequate modification is not possible, the Issuer has the right to redeem the Structured Products early.

Market Disruptions

See the comments in the issuance program

Selling Restrictions

The selling restrictions contained in the Issuance Programme are applicable (EEA, U.S.A./U.S. persons, United Kingdom, Guernsey).

In particular must this publication and the information contained within not be distributed and/or redistributed, used or relied upon, by any person (whether individual or entity) who may be a US person under Regulation S under the US Securities Act of 1933. US persons include any US resident; any corporation, company, partnership or other entity organized under any law of the United States; and other categories set out in Regulation S.

The Issuer has not undertaken any actions to permit the public offering of the Derivatives or the possession or the distribution of any document produced in connection with the issuance of the Derivatives in any jurisdiction other than Switzerland. The distribution of these Final Terms or other documents produced in connection with the issuance of the Derivatives and the offering, sale and delivery of the Derivatives in certain jurisdictions may be restricted by law. Persons, which have received these Final Terms or any other documents produced in connection with the issuance of the Derivatives, such as the Issuance Programme, Term Sheets, marketing or other selling material, are required by the Issuer to inform themselves about and to observe any such restrictions.

Prudential Supervision

Zürcher Kantonalbank is a bank according to the Swiss Federal Act on Banks and Saving Institutions (BankG; SR 952.0) and a securities dealer according to the Swiss Federal Act on Securities Exchanges and Securities Trading (BEHG; SR 954.1) and subject to the prudential supervision of the FINMA, Laupenstrasse 27, CH-3003 Bern, <http://www.finma.ch>.

Recording of Telephone Conversations

Investors are reminded, that telephone conversations with trading or sales units of the Zürcher Kantonalbank are recorded. Investors, who have telephone conversations with these units consent tacitly to the recording.

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 issuance programme. 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.

Zurich, June 13, 2019