

ZKB Tracker Certificate Dynamic on Dividends Europe

17.02.2023 - Open End | Swiss Security Code 123 575 910

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: CH1235759102 Symbol: VADEUZ Issuer: Zürcher Kantonalbank Underlying: Dividends Europe Initial Fixing Date: 10 February 2023 Settlement Date: 17 February 2023 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 20'000'000.00/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 17 February 2023

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 selects European equities with above-average dividend yields. When selecting stocks, the Investment Manager also considers the sustainability of the dividend yield as well as the quality and solidity of the selected companies. It also ensures an optimal diversification. The product regularly distributes the collected net dividends and is hedged against CHF.

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 stocks. In addition, the Investment Manager may decide to make a cash allocation, if considered necessary. 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	Valiant Bank AG, Bern 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), Valiant Bank is subject to the prudential supervision of FINMA, Laupenstrasse 27, CH-3003 Bern, https://www.finma.ch . 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	VADEUZ/ 123 575 910/CH1235759102
Notional Amount/Denomination/ Trading Units	CHF 20'000'000.00/CHF 100.00/1 structured product or multiples thereof
Number of structured products	Up to 200'000, 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
	Allianz SE	DE0008404005/ ALV GY	Xetra	EUR 220.33805	3.00	0.013791
	Assicurazioni Generali SPA	IT0000062072/ G IM	Borsa Italiana	EUR 18.24944	2.00	0.111006
	AXA SA	FR0000120628/ CS FP	Euronext Paris	EUR 28.48297	3.00	0.106685
	Banco Bilbao Vizcaya Argentaria SA	ES0113211835/ BBVA SQ	Madrid	EUR 6.75301	3.00	0.449977
	BASF SE	DE000BASF111/ BAS GY	Xetra	EUR 51.72766	3.00	0.058744
	Bayer AG	DE000BAY0017/ BAYN GY	Xetra	EUR 59.52803	3.00	0.051047
	Bayerische Motoren Werke AG	DE0005190003/ BMW GY	Xetra	EUR 98.21573	3.00	0.030939
	BE Semiconductor Industries NV BESI	NL0012866412/ BESI NA	Euronext Amsterdam	EUR 67.34620	2.00	0.030080
	BNP Paribas	FR0000131104/ BNP FP	Euronext Paris	EUR 63.71976	3.00	0.047689

Bouygues	FR0000120503/ EN FP	Euronext Paris	EUR	2.00	0.066532
			30.44837		
Covestro AG	DE0006062144/ 1COV GY	Xetra	EUR	2.00	0.048337
			41.90999		
Covivio SA	FR0000064578/ COV FP	Euronext Paris	EUR	2.00	0.031619
			64.06851		
Credit Agricole SA	FR0000045072/ ACA FP	Euronext Paris	EUR	2.00	0.175139
			11.56683		
DANONE	FR0000120644/ BN FP	Euronext Paris	EUR	3.00	0.060481
			50.24194		
Deutsche Post AG	DE0005552004/ DPW GY	Xetra	EUR	3.00	0.073990
			41.06916		
ENEL SpA	IT0003128367/ ENEL IM	Borsa Italiana	EUR	3.00	0.559241
			5.43361		
Engie SA	FR0010208488/ ENGI FP	Euronext Paris	EUR	2.00	0.153958
			13.15817		
ENI SPA	IT0003132476/ ENI IM	Borsa Italiana	EUR	3.00	0.207657
			14.63329		
Evonik Industries AG	DE000EVNK013/ EVK GY	Xetra	EUR	2.00	0.099833
			20.29194		
Fresenius Medical Care AG & Co. KGaA	DE0005785802/ FME GY	Xetra	EUR	2.00	0.055942
			36.21263		
HeidelbergCement AG	DE0006047004/ HEI GY	Xetra	EUR	2.00	0.032225
			62.86423		
Iberdrola SA	ES0144580Y14/ IBE SQ	Madrid	EUR	3.00	0.286554
			10.60429		
Icade SA	FR0000035081/ ICAD FP	Euronext Paris	EUR	2.00	0.045252
			44.76671		
ING Groep NV	NL0011821202/ INGA NA	Euronext Amsterdam	EUR	3.00	0.232885
			13.04806		
KBC Group SA/NV	BE0003565737/ KBC BB	Euronext Brussels	EUR	2.00	0.028750
			70.46377		
Koninklijke KPN NV	NL0000009082/ KPN NA	Euronext Amsterdam	EUR	2.00	0.655713
			3.08946		
Mapfre SA	ES0124244E34/ MAP SQ	Sociedad de Bolsas	EUR	2.00	1.064874
			1.90239		
Mercedes-Benz Group AG	DE0007100000/ MBG GY	Xetra	EUR	3.00	0.042133
			72.12142		
Münchener Rück AG	DE0008430026/ MUV2 GY	Xetra	EUR	3.00	0.009354
			324.86652		
Orange SA	FR0000133308/ ORA FP	Euronext Paris	EUR	2.00	0.209863
			9.65295		
ProSiebenSat.1 Media SE	DE000PSM7770/ PSM GY	Xetra	EUR	2.00	0.210844
			9.60804		
Proximus SA	BE0003810273/ PROX BB	Euronext Brussels	EUR	2.00	0.223414
			9.06746		
Randstad N.V.	NL0000379121/ RAND NA	Euronext Amsterdam	EUR	2.00	0.033974
			59.62724		
Sanofi SA	FR0000120578/ SAN FP	Euronext Paris	EUR	3.00	0.034211
			88.82162		
Siemens AG	DE0007236101/ SIE GY	Xetra	EUR	3.00	0.020814
			145.99600		
Stellantis N.V.	NL00150001Q9/ STLA IM	Borsa Italiana	EUR	3.00	0.195954
			15.50723		
Telefonica SA	ES0178430E18/ TEF SQ	Bolsa de Madrid	EUR	2.00	0.572724
			3.53713		
Unilever PLC	GB00B10RZP78/ UNA NA	Euronext Amsterdam	EUR	2.00	0.043456
			46.61779		
Volkswagen AG ps	DE0007664039/ VOW3 GY	Xetra	EUR	3.00	0.023586
			128.83602		
Vonovia SE	DE000A1ML7J1/ VNA GY	Xetra	EUR	3.00	0.115962
			26.20423		

* 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	The Investor will receive a payment as compensation for the dividend payment of the structured product. The compensation payment takes place semi-annually on 30.04 and 30.10, for the first time retroactively on 28.04.2023, (modified following business day convention). The compensation payment will correspond to 100% of the net dividend payment.
Initial Fixing Date	10 February 2023 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	17 February 2023
Redemption right of the Issuer	The Issuer has the right to redeem the outstanding structured products to any bank working day (Fixing day). 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 366 calendar days (calculated as the number of calendar days between the day on which the declaration of intent is made and the Fixing date) via the official publication channel of the SIX Swiss Exchange and on the website of Zürcher Kantonalbank. 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 on any bank business day (Fixing date). 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 366 calendar days before the respective Fixing date (calculated as the number of calendar days between the date of receipt of the declaration of intent by Zürcher Kantonalbank and the Fixing date) 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	10 February 2023, 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	On Redemption Date, investors receive for every certificate 100% of the Underlying. The net asset value is calculated using the following formula on each trading day t:
	$IV_t = IV_{t-1} + IV_{t-1} * \sum_{i=1}^n \left[w_t^i * \left(\frac{BW_t^i - BW_{t-1}^i}{BW_{t-1}^i} * \frac{FX_t^i}{FX_{t-1}^i} + FXRoll_{t-1,t}^i \right) \right]$
	Fees
	Where:
	IV_t Intrinsic value on trading day t ($IV_0 = CHF 100.00$)
	n Number of Underlyings
	w_t^i Weight in % of Underlying i at time t
	BW_t^i Price of Underlying i at time t
	FX_t^i Price of the currency of Underlying i at time t
	$FXRoll_{t-1,t}^i$ Net interest income / interest expense in % of FX Rolls between time t-1 and t in the currency of underlying component i
	Negative interests could be charged on any potential Cash Components (reference interest rate of the respective currency). This has a negative impact on the value of the structured product. 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.
Listing/Secondary market	Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 17 February 2023.

Annual Fee	0.80% 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 0.30% 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	SIX Telekurs: .zkb Internet: www.zkb.ch/finanzinformationen	Reuters: ZKBSTRUCT 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 are paid out to the investor annually. 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	<p>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) and a simplified prospectus pursuant to article 5 para. 2 CISA in the version dated 1 March 2013. The English language translation is provided for convenience only.</p> <p>The binding German version of these Final Terms together with the applicable Base prospectus of the Issuer for the issuance of structured products approved by SIX Exchange Regulation Ltd (together with any supplements thereto, the "Base prospectus") constitute the product documentation for the present issue.</p> <p>If this structured product was offered for the first time prior to the date of the respective applicable Base prospectus, the further legally binding product terms and conditions (the "Relevant Conditions") are derived from the Base prospectus or issuance program which was in force at the time of the first offer. The information on the Relevant Conditions is incorporated by reference of the respective Base prospectus or issuance program into the applicable Base prospectus in force at the time of issuance.</p> <p>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 or the Relevant Conditions. In case of discrepancies between information or the provisions in these Final Terms and those in the Base prospectus or the Relevant Conditions, the information and provisions in these Final Terms shall prevail. The present products will be issued in the form of uncertificated securities (Wertrechte) and registered as book-entry securities (Bucheffekten) with SIX SIS Ltd. 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.</p>	
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

ZKB Tracker Certificate Dynamic

Basket		Redemption	
Value	Percent	ZKB Tracker Certificate Dynamic	Performance %
CHF 40.00	-60.00%	CHF 39.68	-60.32%
CHF 60.00	-40.00%	CHF 59.52	-40.48%
CHF 80.00	-20.00%	CHF 79.36	-20.64%
CHF 100.00	+0.00%	CHF 99.20	-0.80%
CHF 120.00	+20.00%	CHF 119.04	19.04%
CHF 140.00	+40.00%	CHF 138.88	38.88%
CHF 160.00	+60.00%	CHF 158.72	58.72%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate Dynamic is analog to the performance of the Underlying less any Fees. Therefore, the investor may suffer a partial or total loss. 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

Issuer Risk

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 February 2023, last update on 13 February 2023