

ZKB Tracker Certificate Dynamic on AI-supported Swiss equity basket

04 April 2025 - Open End | Swiss Security Code 140 251 642

Summary

This Summary is to be understood as an introduction to the present indicative Final Terms. Any investment decision in relation to the products must be based on the information contained in the base prospectus and in these indicative Final Terms in their entirety and not on the Summary. In particular, each investor should consider the risk factors contained in these indicative 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 indicative 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: CH1402516426 Symbol: ZKBKIZ Issuer: Zürcher Kantonalbank Underlying: AI-supported Swiss equity basket Initial Fixing Date: 2 April 2025 Settlement Date: 4 April 2025 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 Subscription period: 2 April 2025, 16:00h CET** Notional Amount/Denomination/Trading Units: CHF 5'000'000.00**, with the right to increase/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 4 April 2025

Indicative Final Terms

** The information contained is merely indicative. The Issuer/Calculation Agent will fix the legally binding parameters on the Initial Fixing Date. The subscriber/investor takes notice of the fact, that the final and legally binding conditions of the present structured product will not be fixed until Initial Fixing Date. Furthermore, in subscribing to the present structured product, the Investor agrees to the final conditions.

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 objective of the investment strategy is to track the performance of an investment in the universe of the Swiss Performance Index (SPI), based on securities that the research department of Zürcher Kantonalbank has classified as 'overweight or market weight' ('list'). The issuer provides the investment manager with the updated list once a month. The weighting of the individual eligible securities is determined by an artificial intelligence ("AI")

system developed and operated by Aisot Technologies AG ("Aisot"), taking into account certain restrictions. Restrictions may relate, for example, to rebalancing volumes, tradability and maximum weighting of individual securities and may be adjusted by the calculation agent from time to time.

The AI develops forecasts of the return potential of the individual securities and the associated uncertainties (in the form of the standard deviation of the predicted return). These elements are determined by combining state-of-the-art machine learning models and taking into account information from the markets, news articles, macroeconomic indicators, etc. These AI forecasts are embedded in a quantitative optimisation framework (based on advanced covariance estimators). The risk model forms the covariance matrix from a mixture of the sample covariance and an estimator of a market factor model. This reduces estimation errors, increases the stability of the model and better captures the systematic market risk. Furthermore, the optimisation includes the option of investing up to a maximum of [50]% of the basket value in the CHF money market (cash portion).

The artificial intelligence used is continuously monitored and the investment manager is ultimately responsible for rebalancing decisions.

The investment manager selects the securities exclusively. Zürcher Kantonalbank's independent financial analysis is not involved in this in any way, neither in an advisory nor in any other capacity, and accordingly the selection of securities does not constitute a product of Zürcher Kantonalbank's independent financial analysis. Further information about the investment strategy – if available – can be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zürich, department VRIS or by way of e-Mail address documentation@zkb.ch.

Title Universe

The relevant universe of securities consists of equities that are included in the SPI and which are classified as 'market weight' or 'overweight' by the ZKB research department ("List"). The current composition of the Underlying can be requested free of charge by email at documentation@zkb.ch or by telephone on 044 292 60 65.

Rebalancing

The investment strategy is subject to a monthly review by the investment manager. If there is a deviation from the current allocation, the investment manager will initiate a rebalancing. In addition, the investment manager is authorised to carry out unscheduled rebalancing if the market situation so requires.

The securities included in the SPI at the time of the rebalancing and the list last provided by ZKB before the respective rebalancing are considered decisive for the next rebalancing. The rebalancing is carried out in the interests of the current market values of the underlying components (average of the net prices achieved by the issuer (see below) of the underlyings). The rebalancing period may be extended by the issuer in the event of limited market liquidity.

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

Aisot Technologies AG, Zurich, is not subject to prudential supervision and is not affiliated with any self-regulatory organisation (SRO).

The Investment Manager may not only act as investment manager in relation to the Underlying and, where applicable, as a distributor of the Structured Products, 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 conflicts of interest or, if avoidance is not reasonably possible, will disclose them to the investors concerned.

Symbol/Valorenummer/ISIN

ZKBKIZ/140251642/CH1402516426

Notional Amount/Denomination/ Trading Units

CHF 5'000'000.00**, with the right to increase /CHF 100.00**/1 structured product or multiples thereof

Number of structured products

Up to 50'000**, 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**	/ Bloomberg**	ISIN	Related Exchange	*Currency / Initial Fixing Value**	Weight in %**	No. of Shares**
UBS Group AG	CH0244767585 / UBSG SE	SIX Swiss Ex	CHF 29.48	6.61%	0.2243076	
Clariant AG	CH0012142631 / CLN SE	SIX Swiss Ex	CHF 10.89	6.61%	0.6069862	
Compagnie Financière Richemont SA	CH0210483332 / CFR SE	SIX Swiss Ex	CHF 162.75	6.59%	0.0405140	
Adecco Group AG	CH0012138605 / ADEN SE	SIX Swiss Ex	CHF 29.48	6.58%	0.2233034	
Julius Bär Gruppe AG	CH0102484968 / BAER SE	SIX Swiss Ex	CHF 62.4	6.55%	0.1049764	
Holcim Ltd	CH0012214059 / HOLN SE	SIX Swiss Ex	CHF 100.25	6.55%	0.0653022	
ABB Ltd	CH0012221716 / ABBN SE	SIX Swiss Ex	CHF 49.37	6.52%	0.1321354	
Geberit AG	CH0030170408 / GEBN SE	SIX Swiss Ex	CHF 576	6.51%	0.0112997	
Sika AG	CH0418792922 / SIK A SE	SIX Swiss Ex	CHF 231.2	6.49%	0.0280749	
VAT Group AG	CH0311864901 / VACN SE	SIX Swiss Ex	CHF 345.9	6.48%	0.0187426	
Logitech International S.A.	CH0025751329 / LOGN SE	SIX Swiss Ex	CHF 79.72	6.44%	0.0808162	
Partners Group Holding AG	CH0024608827 / PGHN SE	SIX Swiss Ex	CHF 1312.5	6.38%	0.0048622	
Georg Fischer AG	CH1169151003 / GF SE	SIX Swiss Ex	CHF 71.45	5.80%	0.0812241	
Tecan Group AG	CH0012100191 / TECN SE	SIX Swiss Ex	CHF 179.2	4.98%	0.0277799	
Barry Callebaut AG	CH0009002962 / BARN SE	SIX Swiss Ex	CHF 1211	3.93%	0.0032492	
Sulzer Ltd	CH0038388911 / SUN SE	SIX Swiss Ex	CHF 160.2	3.59%	0.0224078	
Comet Holding AG	CH0360826991 / COTN SE	SIX Swiss Ex	CHF 241.5	3.36%	0.0139002	
Cash				0.01%		

Net price of Underlying Components

The fixing of the price of the Underlying components at Initial Fixing, Rebalancings and Final Fixing is generally based on the Issuer's hedging transactions executed in the interest of the Issuer. The net price of the Underlying components corresponds to the (gross) price of the Underlying Components achieved during the execution of the hedging transactions plus any rebalancing fees, transaction costs such as stock exchange and broker fees, taxes and other charges.

Basket Value on Initial Fixing Date (BW₀)

CHF 100.00** on Initial Fixing Date

Benchmark

Swiss Exchange Performance Index (Bloomberg: SPI Index)

Benchmark Value on Initial Fixing Date (BM₀)

[TBD] Official closing price of the Benchmark on Initial Fixing Date

Ratio

1** on the Initial Fixing Date. Thereafter, the ratio is regularly adjusted (a "Ratio Adjustment") to adjust the exposure to the Underlying for fees accrued since the last Ratio Adjustment.

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.

Subscription Period

Subscriptions for these structured products may be made **until 2 April 2025, 16:00 CET****. The Issuer shall have the right to reduce the number of structured products issued or to withdraw them from the issue for any reason. Furthermore, the Issuer shall have the right to close the offer prematurely or to postpone the Subscription Period.

Initial Fixing Date

2 April 2025

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

4 April 2025

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

Average of the net prices of the underlying Components at the Initial Fixing Date, as maintained by the Issuer.

Redemption Method

On Redemption Date, investors receive in cash for every certificate 100% of the Underlying as defined on the relevant fixing date and according to the following formula:

$$Ratio_T \times BW_T - Fees$$

where

$$BW_T = \sum_{i=1}^N S_{i,T} \times W_{i,T}$$

Ratio_T = The ratio on the relevant fixing date T

BW_T = Value of the underlying (basket value) on the relevant fixing date T

S_{i,T} = Value of the underlying component i on the relevant fixing date T

W_{i,T} = Weighting of the underlying component i (number of underlying components) on the relevant fixing date T

Fees T = Fees accrued from the last ratio adjustment to the relevant fixing date T (takes into account the annual fee and the performance fee)

T = relevant fixing date

N = Number of underlying components on the relevant fixing date T

Any cash component of the structured product will not bear interest if the overnight reference rate is positive, but may bear negative interest if the overnight reference rate of the respective currency is negative. This has a negative impact on the value of the structured product.

If capital events occur during the term of the ZKB Tracker Certificate Dynamic that were not known at the time of issue of the structured product, these are taken into account by adjusting the weighting of the affected underlying component accordingly.

Listing

Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 4 April 2025.

Secondary Market

Under normal market conditions, Zürcher Kantonalbank intends to provide bid and/or ask prices for this product on a regular basis. If both bid and ask prices are provided, it is intended to apply a spread of max. 1.0%. There is no obligation to provide corresponding liquidity. The non-binding indicative quotes can be found at www.zkb.ch/finanzinformationen.

Annual Fee

1.00% 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 0.65% p.a. and the Investment Manager receives 0.35% p.a. for their relevant duties.

Performance Fee

20.00% of the positive performance of the Underlying against the Benchmark in favour of the Investment Manager.

The Performance Fee is deducted on a daily basis under the condition that the value of the Product is higher than the highest previously reached value of the Product (High Water Mark) and at the same time outperformed the Benchmark. The High Water Mark is equal to 100% of the Underlying on the on the Initial Fixing Date and may be adjusted daily. The applicable High Water Mark is the higher value between the current High Water Mark and the Basket Value on the High Water Mark observation day.

The Performance Fee is determined by the Calculation Agent on each banking day in CHF as follows:

$$PF_t = pf\% \times \max[BW_t^{Vor} - \max[HW_t, a \times BM_t], 0]$$

$$HW_t = \max[HW_{t-1}, BW_{t-1}^{Vor}]$$

$$BW_t^{Nach} = BW_t^{Vor} - PF_t$$

Where:

PF_t: Performance fee in CHF in relation to a unit of the underlying (basket value)

pf%: Performance fee in % = 20%

BW_t^{Vor}: Value of the underlying (basket value) before deduction of the performance fee on observation day t

BW_t^{Nach}: Value of the underlying (basket value) after deduction of the performance fee on observation day t (official value of the underlying on observation day t)

HW_t: High Water Mark on observation date t

a: BVO / BMO

BW₀: Value of the underlying (basket value) on the initial fixing date

BM₀: Value of the benchmark on the initial fixing date

BW_t: Value of the underlying on observation date t

Rebalancing Fee

A flat-rate Rebalancing Fee of 0.05% of the gross transaction value is charged to the Product per Rebalancing. The Rebalancing Fee is in favour of the Issuer and, for the avoidance of doubt, always in addition to any Transaction costs.

Transaction costs

At the Initial Fixing, Rebalancing or Final fixing of the Product, the transaction costs actually incurred in the execution of the transactions, such as stock exchange and broker fees, taxes and other charges, are charged. Detailed information on the exact transaction costs is available on request from the Issuer or Lead Manager.

Clearing House

SIX SIS AG/Euroclear/Clearstream

Sales: 044 293 66 65

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

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.

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.

Documentation

This document is a non-binding English translation of the indicative Final Terms (vorläufige Endgültige Bedingungen) published in German and constituting the indicative 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 indicative 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.

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.

Except as otherwise defined in these indicative Final Terms, the terms used in these indicative 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 indicative Final Terms and those in the Base prospectus or the Relevant Conditions, the information and provisions in these indicative 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 indicative Final Terms and the Base prospectus can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIS 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

ZKB Tracker Certificate Dynamis**

Basket Value	Percent	Redemption ZKB Tracker Certificate Dynamic	Performance %
CHF 70.00	-30.00%	CHF 69.30	-30.70%
CHF 80.00	-20.00%	CHF 79.20	-20.80%
CHF 90.00	-10.00%	CHF 89.10	-10.90%
CHF 100.00	+0.00%	CHF 99.00	-1.00%
CHF 110.00	+10.00%	CHF 108.90	8.90%
CHF 120.00	+20.00%	CHF 118.80	18.80%
CHF 130.00	+30.00%	CHF 128.70	28.70%

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. Any fees are not included in the table above. The above table does not take the performance fee into account.

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. During the lifetime of the structured product, additional risk factors emerge which have a decisive influence on the value of the structured product. 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.

Termination due to changes in the law

The issuer reserves the right to early cancellation for tax reasons (such as if the issuer were obliged, as a result of new tax legislation, to pay additional amounts arising from the withholding or deduction of current or future taxes, levies, assessments or charges of whatever nature) and in the event of restrictions on its activities as an issuer as a result of new legislation or administrative measures (e.g. if it is prohibited from issuing structured products under supervisory law).

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 indicative Final Terms

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

Zurich, 19 March 2025

