

ZKB Tracker Certificate on Water Infrastructure Basket (EUR)

07.06.2021 - 07.06.2024 | Swiss Security Code 110 586 553

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 SSPA Category: Tracker Certificate (1300, acc. to the Swiss Derivative Map) ISIN: CH1105865534 Symbol: WATIEZ Issuer: Zürcher Kantonalbank Underlying: Water Infrastructure Basket (EUR) Initial Fixing Date: 3 June 2021 Settlement Date: 7 June 2021 Final Fixing Date: 3 June 2024 Redemption Date: 7 June 2024 Type of settlement: cash
Information concerning the offer and admission to trading
Place of the offer: Switzerland Notional Amount/Denomination/Trading Units: EUR 10'000'000.00/EUR 100.00/1 Structured Product or multiples thereof Issue price: EUR 100.00 Selling restrictions: EEA, U.S.A./U.S. persons, United Kingdom, Guernsey Information on listing: Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 7 June 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.

Issuer

Zürcher Kantonalbank, Zurich

Lead Manager, Paying Agent, Exercise Agent and Calculation Agent

Zürcher Kantonalbank, Zurich

Rating of the Issuer

Standard & Poor's AAA, Moody's Aaa, Fitch AAA

Symbol/ Swiss Security Code/ISIN

**WATIEZ/
110 586 553/CH1105865534**

Notional Amount/Denomination/ Trading Units

EUR 10'000'000.00/EUR 100.00/1 Structured Product or multiples thereof

Number of Structured Products

Up to 100'000, with the right to increase

Issue Price EUR 100.00/103.90% of Basket Value on the Initial Fixing Date

Currency EUR

Underlying	Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares
	Aalberts N.V.	NL0000852564 / AALB NA	Euronext Amsterdam	EUR 46.93704	4.00	0.082025
	Alfa Laval AB	SE0000695876 / ALFA SS	Nasdaq Stockholm	SEK 308.74631	4.00	0.126038
	American States Water Co	US0298991011 / AWR UN	New York Stock Exchange	USD 79.46192	5.00	0.073443
	American Water Works Co Inc	US0304201033 / AWK UN	New York Stock Exchange	USD 156.06341	5.00	0.037395
	Danaher Corp	US2358511028 / DHR UN	New York Stock Exchange	USD 241.04615	7.00	0.033895
	Evoqua Water Technologies Corp	US30057T1051 / AQUA UN	New York Stock Exchange	USD 31.70476	4.00	0.147258
	Ferguson PLC	JE00BJVNSS43 / FERG LN	London Stock Exchange	GBP 98.03470	7.00	0.059080
	Franklin Electric Co Inc	US3535141028 / FELE UW	NASDAQ	USD 82.12232	4.00	0.056851
	Geberit AG	CH0030170408 / GEBN SE	SIX Swiss Exchange	CHF 658.69879	7.00	0.011207
	Kurita Water Industries Ltd	JP3270000007 / 6370 JT	Tokyo	JPY 5190.77850	4.00	0.099195
	Lindsay Corp	US5355551061 / LNN UN	New York Stock Exchange	USD 167.84517	4.00	0.027816
	Mueller Water Products Inc Series -A-	US6247581084 / MWA UN	New York Stock Exchange	USD 14.41216	4.00	0.323946
	Pennon Group PLC	GB00B18V8630 / PNN LN	London Stock Exchange	GBP 10.95614	5.00	0.377601
	Pentair Plc	IE00BLS09M33 / PNR UN	New York Stock Exchange	USD 69.58044	4.00	0.067099
	Sekisui Chemical Co Ltd	JP3419400001 / 4204 JT	Tokyo	JPY 1909.28635	5.00	0.337100
	SPX FLOW Inc	US78469X1072 / FLOW UN	New York Stock Exchange	USD 68.08021	4.00	0.068577
	Thermo Fisher Scientific Inc	US8835561023 / TMO UN	New York Stock Exchange	USD 445.39680	7.00	0.018344
	Veolia Environnement	FR0000124141 / VIE FP	Euronext Paris	EUR 25.71386	5.00	0.187156
	Watts Water Technologies Inc	US9427491025 / WTS UN	New York Stock Exchange	USD 139.67095	4.00	0.033427
	Xylem Inc	US98419M1009 / XYL UN	New York Stock Exchange	USD 118.51778	7.00	0.068938

* 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 EUR 96.25 on Initial Fixing Date

Ratio 1 ZKB Tracker Certificate 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. Payments from Korean Underlying constituents will not be considered and will not be distributed to the Structured Product.

Initial Fixing Date 3 June 2021

Settlement Date 7 June 2021

Redemption right of the Issuer	The Issuer has the right to redeem the outstanding Structured Products semi-annually on the 15th day of 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 annually per 15th day of 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, IHV, 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.
Last Trading Date	31 May 2024
Final Fixing Date	3 June 2024 The Issuer has the right to expand the time period for the Final Fixing if required by current market conditions e.g. liquidity.
Redemption Date	7 June 2024
Initial Fixing Level	Closing prices of the components of the Underlying on Related Exchanges, on 3 June 2021
Final Fixing Level	Closing prices of the components of the Underlying on Related Exchanges, on 3 June 2024
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:
	$IV_t = IV_{t-1} + IV_{t-1} * \sum_{i=1}^n \left[w_t^i * \left(\frac{BW_t^i - BW_{t-1}^i}{BW_{t-1}^i} * \frac{FX_t^i}{FX_{t-1}^i} + FXRoll_{t-1,t}^i \right) \right]$
	Where:
	IV_t Intrinsic value on trading day t ($IV_0 = \text{EUR } 96.25$)
	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
	If capital events that were unknown at the time of issue take place during the life of the ZKB Tracker Certificate, they shall be taken into account by adjusting the weighting of the affected Component of the Underlying accordingly.
Listing	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 7 June 2021.
Clearing House	SIX SIS AG/Euroclear/Clearstream
Distribution fees	Distribution fees in the form of a discount on the issue price, reimbursement of a part of the issue price or other one-off and/or periodic charges may have been paid to one or several distribution partners of this Structured Product. Distribution fees paid to distribution partners may amount up to 1.0000% p.a.
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 is equivalent to buying the Underlying. 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 Final Fixing Date.

Taxes

For private investors with Swiss tax domicile, the reinvested dividends are subject to Swiss income tax at maturity. 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 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 at Maturity

Profit and Loss Expectations at Maturity

ZKB Tracker Certificate

Basket		Redemption	
Value	Percent	ZKB Tracker Certificate	Performance %
EUR 38.50	-60.00%	EUR 38.50	-61.50%
EUR 57.75	-40.00%	EUR 57.75	-42.25%
EUR 77.00	-20.00%	EUR 77.00	-23.00%
EUR 100.00	+3.90%	EUR 100.00	0.00%
EUR 115.50	+20.00%	EUR 115.50	15.50%
EUR 134.75	+40.00%	EUR 134.75	34.75%
EUR 154.00	+60.00%	EUR 154.00	54.00%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate is analog to the performance of the Underlying.

The figures in the table above are valid at Maturity 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. For presentation purposes it is assumed, that the currency of the Underlying remains constant during the lifetime of the present Structured Product.

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

Selling Restrictions

EEA, U.S.A./U.S. persons, United Kingdom, Guernsey

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 (FinlAG; 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, 3 June 2021, last update on 4 June 2021