

# ZKB MeinIndex Sustainable Emerging Markets

Reporting | CH Sec No. 13 599 733

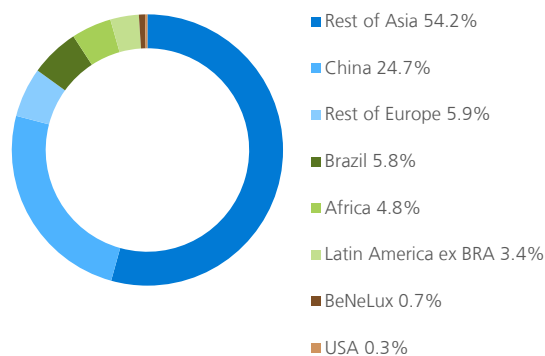
31.10.2024

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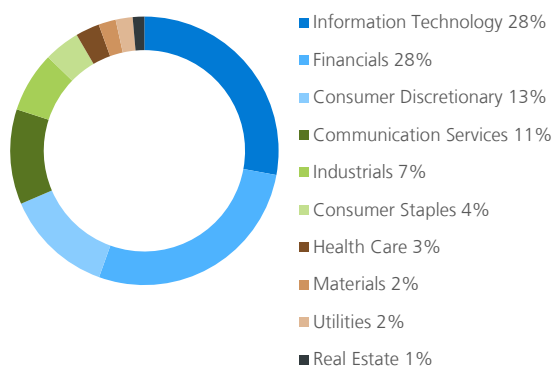
## In brief

- Systematic selection of securities out of the sustainable investment universe of Zürcher Kantonalbank
- Investment in both sustainability industry leaders and smaller companies with innovative, sustainable products (innovators)

Distribution by region as of 31.10.2024



Distribution by portfolio category as of 31.10.2024



## Performance figures ZKB MeinIndex Sustainable Emerging Markets

Absolute	Annualized	
1m	-1.5%	
3mths	3.4%	
1y	19.9%	
3y	-5.8%	-1.9%
5y	1.4%	0.3%
since launch	71.3%	5.5%

Annual performance	
2016	11.1%
2017	30.9%
2018	-14.7%
2019	16.2%
2020	2.7%
2021	-1.9%
2022	-17.3%
2023	1.4%
2024 YTD	14.9%

**Emerging Markets: Tomorrow's Growth Engine**  
 Emerging Markets have become increasingly important in terms of their contribution to global GDP as well as their market capitalization. Longterm forecasts predict that by 2050, the combined GDP of the seven largest Emerging Markets (E7) will be twice as high as that of the G7 industrialized countries. The financial crisis has boosted this transformation process even further. The balance will probably continue to shift in favor of the Emerging Markets in view of the unsolved debt crisis in the eurozone and the highly unstable financial situation in the U.S.

**Growing Environmental and Social Risks**  
 Unfortunately, the high growth expectations are coupled with increasing environmental and social risks. The fast-paced growth in Emerging Markets is closing the gap between rich and poor countries, thus raising prosperity globally. Yet, at the same time the negative aspects of this development are becoming increasingly obvious as the surge in consumption of resources accelerates and the output of greenhouse gases rises, further accelerating the climate change. Moreover, population growth in Emerging Markets is likely to remain high, partly due to lack of adequate social welfare systems (world population is expected to reach 9 billion by the year 2050).

**Creating Added Value Through Sustainable Companies**  
 In order to encounter the problematic effects described above, it is vital that especially companies in Emerging Markets actively strive to uncouple their resource consumption from their economic growth, for instance through more efficient and sustainable production processes. This will gain them an additional competitive edge. In a first step, the ZKB Sustainability Research Team examines the sustainability of all companies qualifying for ZKB MeinIndex Sustainability Emerging Markets. The Team applies a multi-level monitoring procedure encompassing comprehensive and rigorous exclusion criteria as well as quantitative and qualitative environmental, social, and governance criteria. In addition, the respective companies must fulfill one of the following three criteria: inclusion in the MSCI EMMA (ex energy, ex mining), Emerging Markets companies not included in the MSCI EMMA, or companies with a predominant share of sales in Emerging Markets.

## ZKB MeinIndex Sustainability Emerging Markets

In a second step, companies from ZKB's sustainable investment universe are chosen for the ZKB MeinIndex Sustainability Emerging Markets based on their attractiveness as determined by the quantitative ZKB equity selection model.

### Allocation to Homogeneous Country Groups

Starting point for the equity selection is the allocation of all Emerging Market shares that are considered sustainable to homogeneous country groups:

- Europe
- Africa
- Brazil
- Latin America ex Brazil
- China
- India
- Asia ex China and ex India

The idea behind this allocation is to compare equities with similar risk/return characteristics. For instance, the markets of Europe (including the heavyweight Russia), Africa (with South Africa) and Brazil export energy and materials and are thus strongly driven by the development of commodity markets. In contrast, the exporting countries in the rest of Asia, including the high-tech countries Korea and Taiwan, are primarily subject to general global economic development. China and India, in turn, are large and broadly diversified economies whose structures resemble those of industrialized countries more closely. In addition to those distinguished characteristics, the individual Emerging Markets strongly differ in terms of their stages of development. ZKB MeinIndex Sustainability Emerging Markets attempts to take these structural differences into account through its country allocation.

**Quantitative Approach to Equity Selection**  
 After the allocation to homogeneous groups of countries, the attractiveness of individual equities is determined by means of a quantitative model. The use of a quant model enables to systematically manage the large, heterogeneous and broadly diversified universe of Emerging Markets despite all structural differences.

### Key data ZKB MeinIndex Sustainable Emerging Markets

CH Sec No.	13 599 733
Bloomberg Symbol	ZKBIEMMA

### Open End ZKB Tracker Certificates

CH Sec No.	ISIN	Symbol	Tranche
10 716 476	CH010716476	TREMMC	Retail
10 716 477	CH010716477	TREMMI	Institutionell

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## ZKB MeinIndex Sustainable Emerging Markets Components as of 31.10.2024

Underlying	Currency	Portfolio category	Weight as of 31.10.2024
Accton Technology Corp	TWD	Information Technology	0.39%
Advantech Co Ltd	TWD	Information Technology	0.28%
Agricultural Bank of China Ltd	HKD	Financials	0.66%
Alibaba Group Holding Ltd	HKD	Consumer Discretionary	3.17%
Allegro.eu SA	PLN	Consumer Discretionary	0.49%
Alpha Services and Holdings SA	EUR	Financials	0.28%
America Movil SAB de CV	MXN	Communication Services	0.32%
AMMB Holdings Bhd	MYR	Financials	0.40%
ASE Technology Holding Co Ltd	TWD	Information Technology	0.57%
Aspen Pharmacare Holdings Ltd	ZAr	Health Care	0.29%
AUO Corp	TWD	Information Technology	0.31%
Axiata Group Bhd	MYR	Communication Services	0.41%
Ayala Land Inc	PHP	Real Estate	0.29%
Baidu Inc	HKD	Communication Services	0.33%
Banco Bradesco SA	BRL	Financials	0.35%
Banco do Brasil SA	BRL	Financials	1.11%
Bank of China Ltd	HKD	Financials	1.27%
Bank of the Philippine Islands	PHP	Financials	0.28%
BeiGene Ltd	HKD	Health Care	0.29%
Beijing Enterprises Water Grou	HKD	Utilities	0.37%
Caixa Seguridade Participacoes	BRL	Financials	0.24%
CCR SA	BRL	Industrials	0.43%
CD Projekt SA	PLN	Communication Services	0.23%
Celltrion Inc	KRW	Health Care	0.33%
Cemex SAB de CV	MXN	Materials	0.44%
Richter Gedeon Nyrt	HUF	Health Care	0.35%
China Communications Services	HKD	Industrials	0.37%
China Construction Bank Corp	HKD	Financials	1.89%
China State Construction Inter	HKD	Industrials	0.54%
China Tower Corp Ltd	HKD	Communication Services	0.64%
CIMB Group Holdings Bhd	MYR	Financials	0.93%
Clicks Group Ltd	ZAr	Consumer Staples	0.27%
Compal Electronics Inc	TWD	Information Technology	0.36%
Cia de Saneamento Basico do Es	BRL	Utilities	0.42%
Cia Energetica de Minas Gerais	BRL	Utilities	0.46%
Cia Paranaense de Energia - Co	BRL	Utilities	0.33%
Coway Co Ltd	KRW	Consumer Discretionary	0.29%
CPFL Energia SA	BRL	Utilities	0.46%
Credicorp Ltd	USD	Financials	1.07%
CRRC Corp Ltd	HKD	Industrials	0.36%
CTBC Financial Holding Co Ltd	TWD	Financials	0.47%
Delta Electronics Inc	TWD	Information Technology	0.87%
Eclat Textile Co Ltd	TWD	Consumer Discretionary	0.43%
Eurobank Ergasias Services and	EUR	Financials	0.73%
Evergreen Marine Corp Taiwan L	TWD	Industrials	0.31%
Far East Horizon Ltd	HKD	Financials	0.36%
FirstRand Ltd	ZAr	Financials	0.58%
Formosa Chemicals & Fibre Corp	TWD	Materials	0.38%
Fubon Financial Holding Co Ltd	TWD	Financials	0.55%
Fuyao Glass Industry Group Co	HKD	Consumer Discretionary	0.84%
Gamuda Bhd	MYR	Industrials	0.70%
Gruma SAB de CV	MXN	Consumer Staples	0.46%
Grupo Financiero Inbursa SAB d	MXN	Financials	0.43%
H World Group Ltd	USD	Consumer Discretionary	0.86%

Underlying	Currency	Portfolio category	Weight as of 31.10.2024
Haier Smart Home Co Ltd	HKD	Consumer Discretionary	0.53%
Hana Financial Group Inc	KRW	Financials	0.28%
Hengan International Group Co	HKD	Consumer Staples	0.52%
Hyundai Engineering & Construc	KRW	Industrials	0.24%
Hyundai Glovis Co Ltd	KRW	Industrials	0.25%
Hyundai Mobis Co Ltd	KRW	Consumer Discretionary	0.95%
IHH Healthcare Bhd	MYR	Health Care	0.66%
Inari Amertron Bhd	MYR	Information Technology	0.25%
Industrial & Commercial Bank o	HKD	Financials	1.41%
International Container Termin	PHP	Industrials	0.81%
Itau Unibanco Holding SA	BRL	Financials	1.03%
JD.com Inc	HKD	Consumer Discretionary	0.90%
KB Financial Group Inc	KRW	Financials	0.50%
KT Corp	KRW	Communication Services	0.30%
Lenovo Group Ltd	HKD	Information Technology	0.26%
LG Chem Ltd	KRW	Materials	0.28%
LG Electronics Inc	KRW	Consumer Discretionary	0.33%
LG Energy Solution Ltd	KRW	Industrials	0.38%
Li Auto Inc	HKD	Consumer Discretionary	0.25%
Lite-On Technology Corp	TWD	Information Technology	0.30%
Malayan Banking Bhd	MYR	Financials	1.08%
Malaysia Airports Holdings Bhd	MYR	Industrials	0.54%
MediaTek Inc	TWD	Information Technology	1.22%
Metropolitan Bank & Trust Co	PHP	Financials	0.43%
Minor International PCL	THB	Consumer Discretionary	0.46%
Mirae Asset Securities Co Ltd	KRW	Financials	0.26%
MR DIY Group M Bhd	MYR	Consumer Discretionary	0.48%
MTN Group Ltd	ZAr	Communication Services	0.24%
Nan Ya Plastics Corp	TWD	Materials	0.23%
Naspers Ltd	ZAr	Consumer Discretionary	1.26%
National Bank of Greece SA	EUR	Financials	0.56%
NAVER Corp	KRW	Communication Services	0.34%
Nedbank Group Ltd	ZAr	Financials	0.29%
NEPI Rockcastle NV	ZAr	Real Estate	0.72%
NetEase Inc	HKD	Communication Services	0.80%
New Oriental Education & Techn	HKD	Consumer Discretionary	0.47%
Orbia Advance Corp SAB de CV	MXN	Materials	0.33%
OTP Bank Nyrt	HUF	Financials	1.99%
Pegatron Corp	TWD	Information Technology	0.52%
Pepkor Holdings Ltd	ZAr	Consumer Discretionary	0.34%
PharmaEssentia Corp	TWD	Health Care	0.26%
PICC Property & Casualty Co Lt	HKD	Financials	0.47%
Piraeus Financial Holdings SA	EUR	Financials	0.55%
Powszechna Kasa Oszczednosci B	PLN	Financials	0.36%
PLDT Inc	PHP	Communication Services	0.37%
Powszechny Zaklad Ubezpieczen	PLN	Financials	0.38%
President Chain Store Corp	TWD	Consumer Staples	0.50%
Bank Central Asia Tbk PT	IDR	Financials	1.23%
Bank Mandiri Persero Tbk PT	IDR	Financials	0.78%
Bank Negara Indonesia Persero	IDR	Financials	0.58%
Bank Rakyat Indonesia Persero	IDR	Financials	0.62%
Chandra Asri Pacific Tbk PT	IDR	Materials	0.43%
Kalbe Farma Tbk PT	IDR	Health Care	0.48%
Telkom Indonesia Persero Tbk P	IDR	Communication Services	0.56%
Raia Drogasil SA	BRL	Consumer Staples	0.23%
Samsung Biologics Co Ltd	KRW	Health Care	0.23%
Samsung Electro-Mechanics Co L	KRW	Information Technology	0.23%
Samsung Electronics Co Ltd	KRW	Information Technology	3.47%
Samsung Electronics Co Ltd	KRW	Information Technology	0.81%
Samsung Fire & Marine Insuranc	KRW	Financials	0.27%

**Underlying****Currency****Portfolio category****Weight as of 31.10.2024**

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