

# ZKB MeinIndex Sustainable Emerging Markets

Reporting | CH Sec No. 13 599 733

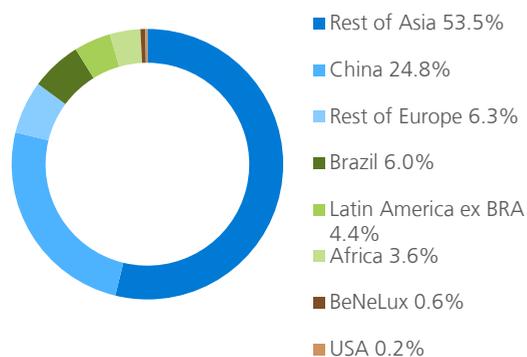
29.03.2024

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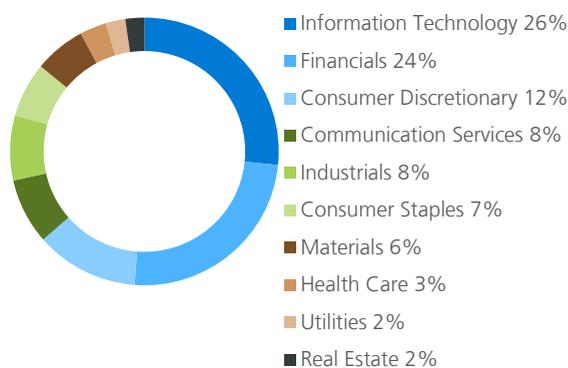
## In brief

- 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 29.03.2024



Distribution by portfolio category as of 29.03.2024



## Performance figures ZKB MeinIndex Sustainable Emerging Markets

| Absolute     | Annualized |       |
|--------------|------------|-------|
| 1m           | 5.0%       |       |
| 3mths        | 9.4%       |       |
| 1y           | 5.2%       |       |
| 3y           | -20.0%     | -6.7% |
| 5y           | -3.5%      | -0.7% |
| since launch | 63.1%      | 5.1%  |

| Annual performance |        |
|--------------------|--------|
| 2015               | -11.0% |
| 2016               | 11.1%  |
| 2017               | 30.9%  |
| 2018               | -14.7% |
| 2019               | 16.2%  |
| 2020               | 2.7%   |
| 2021               | -1.9%  |
| 2022               | -17.3% |
| 2023               | 1.4%   |

**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. Long-term 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 | CH0107164762 | TREMMC | Retail         |
| 10 716 477 | CH0107164771 | TREMMI | Institutionell |

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## ZKB MeinIndex Sustainable Emerging Markets Components as of 29.03.2024

| Underlying                     | Currency | Portfolio category     | Weight as of 29.03.2024 |
|--------------------------------|----------|------------------------|-------------------------|
| Accton Technology Corp         | TWD      | Information Technology | 0.26%                   |
| Acer Inc                       | TWD      | Information Technology | 0.27%                   |
| Advantech Co Ltd               | TWD      | Information Technology | 0.33%                   |
| Alibaba Group Holding Ltd      | HKD      | Consumer Discretionary | 2.92%                   |
| Allegro.eu SA                  | PLN      | Consumer Discretionary | 0.42%                   |
| ASE Technology Holding Co Ltd  | TWD      | Information Technology | 0.57%                   |
| Aspen Pharmacare Holdings Ltd  | ZAr      | Health Care            | 0.31%                   |
| Ayala Land Inc                 | PHP      | Real Estate            | 0.47%                   |
| Baidu Inc                      | HKD      | Communication Services | 0.34%                   |
| Prologis Property Mexico SA de | MXN      | Real Estate            | 0.29%                   |
| Fibra Uno Administracion SA de | MXN      | Real Estate            | 0.27%                   |
| Banco Bradesco SA              | BRL      | Financials             | 0.33%                   |
| Banco do Brasil SA             | BRL      | Financials             | 1.22%                   |
| Bank of the Philippine Islands | PHP      | Financials             | 0.45%                   |
| BDO Unibank Inc                | PHP      | Financials             | 0.36%                   |
| Beijing Enterprises Water Grou | HKD      | Utilities              | 0.54%                   |
| Budimex SA                     | PLN      | Industrials            | 0.33%                   |
| CCR SA                         | BRL      | Industrials            | 0.51%                   |
| Celltrion Inc                  | KRW      | Health Care            | 0.37%                   |
| Cemex SAB de CV                | MXN      | Materials              | 0.85%                   |
| Richter Gedeon Nyrt            | HUF      | Health Care            | 0.49%                   |
| China Communications Services  | HKD      | Industrials            | 0.42%                   |
| China Construction Bank Corp   | HKD      | Financials             | 2.75%                   |
| China Medical System Holdings  | HKD      | Health Care            | 0.12%                   |
| China Minsheng Banking Corp Lt | HKD      | Financials             | 0.23%                   |
| China State Construction Inter | HKD      | Industrials            | 0.48%                   |
| China Tower Corp Ltd           | HKD      | Communication Services | 0.45%                   |
| CIMB Group Holdings Bhd        | MYR      | Financials             | 0.80%                   |
| Clicks Group Ltd               | ZAr      | Consumer Staples       | 0.29%                   |
| Compal Electronics Inc         | TWD      | Information Technology | 0.37%                   |
| Cia de Saneamento Basico do Es | BRL      | Utilities              | 0.28%                   |
| Cia Energetica de Minas Gerais | BRL      | Utilities              | 0.37%                   |
| Cia Paranaense de Energia - Co | BRL      | Utilities              | 0.39%                   |
| CPFL Energia SA                | BRL      | Utilities              | 0.55%                   |
| Credicorp Ltd                  | USD      | Financials             | 0.87%                   |
| CRRC Corp Ltd                  | HKD      | Industrials            | 0.57%                   |
| CTBC Financial Holding Co Ltd  | TWD      | Financials             | 0.53%                   |
| Delta Electronics Inc          | TWD      | Information Technology | 0.53%                   |
| Eclat Textile Co Ltd           | TWD      | Consumer Discretionary | 0.20%                   |
| Ecopro BM Co Ltd               | KRW      | Industrials            | 0.18%                   |
| Ecopro Co Ltd                  | KRW      | Industrials            | 0.17%                   |
| Equatorial Energia SA          | BRL      | Utilities              | 0.22%                   |
| Eurobank Ergasias Services and | EUR      | Financials             | 0.48%                   |
| Evergreen Marine Corp Taiwan L | TWD      | Industrials            | 0.39%                   |
| Far East Horizon Ltd           | HKD      | Financials             | 0.42%                   |
| Far Eastern New Century Corp   | TWD      | Industrials            | 0.37%                   |
| FirstRand Ltd                  | ZAr      | Financials             | 0.43%                   |
| Formosa Chemicals & Fibre Corp | TWD      | Materials              | 2.06%                   |
| Fubon Financial Holding Co Ltd | TWD      | Financials             | 0.25%                   |
| Fuyao Glass Industry Group Co  | HKD      | Consumer Discretionary | 0.89%                   |
| Gamuda Bhd                     | MYR      | Industrials            | 0.85%                   |
| Globalwafers Co Ltd            | TWD      | Information Technology | 0.20%                   |
| Gruma SAB de CV                | MXN      | Consumer Staples       | 0.45%                   |
| Grupo Financiero Banorte SAB d | MXN      | Financials             | 0.43%                   |

| <b>Underlying</b>              | <b>Currency</b> | <b>Portfolio category</b> | <b>Weight as of 29.03.2024</b> |
|--------------------------------|-----------------|---------------------------|--------------------------------|
| Grupo Financiero Inbursa SAB d | MXN             | Financials                | 0.23%                          |
| H World Group Ltd              | USD             | Consumer Discretionary    | 0.52%                          |
| Haier Smart Home Co Ltd        | HKD             | Consumer Discretionary    | 1.09%                          |
| Hana Financial Group Inc       | KRW             | Financials                | 0.29%                          |
| Hengan International Group Co  | HKD             | Consumer Staples          | 0.70%                          |
| Huatai Securities Co Ltd       | HKD             | Financials                | 0.29%                          |
| Hyundai Mobis Co Ltd           | KRW             | Consumer Discretionary    | 0.53%                          |
| IHH Healthcare Bhd             | MYR             | Health Care               | 0.82%                          |
| Inari Amertron Bhd             | MYR             | Information Technology    | 0.35%                          |
| Indorama Ventures PCL          | THB             | Materials                 | 0.56%                          |
| Industrial & Commercial Bank o | HKD             | Financials                | 1.93%                          |
| Itau Unibanco Holding SA       | BRL             | Financials                | 0.81%                          |
| JD.com Inc                     | HKD             | Consumer Discretionary    | 0.52%                          |
| KB Financial Group Inc         | KRW             | Financials                | 0.30%                          |
| KGHM Polska Miedz SA           | PLN             | Materials                 | 0.73%                          |
| Kimberly-Clark de Mexico SAB d | MXN             | Consumer Staples          | 0.25%                          |
| Legend Biotech Corp            | USD             | Health Care               | 0.25%                          |
| Lenovo Group Ltd               | HKD             | Information Technology    | 0.34%                          |
| LG Corp                        | KRW             | Industrials               | 0.38%                          |
| LG Electronics Inc             | KRW             | Consumer Discretionary    | 0.28%                          |
| LG Energy Solution Ltd         | KRW             | Industrials               | 0.30%                          |
| Li Auto Inc                    | HKD             | Consumer Discretionary    | 0.24%                          |
| Lite-On Technology Corp        | TWD             | Information Technology    | 0.25%                          |
| Lotte Chemical Corp            | KRW             | Materials                 | 0.25%                          |
| LPP SA                         | PLN             | Consumer Discretionary    | 0.37%                          |
| Malayan Banking Bhd            | MYR             | Financials                | 1.44%                          |
| Malaysia Airports Holdings Bhd | MYR             | Industrials               | 0.69%                          |
| MediaTek Inc                   | TWD             | Information Technology    | 1.41%                          |
| Meituan                        | HKD             | Consumer Discretionary    | 1.10%                          |
| Metropolitan Bank & Trust Co   | PHP             | Financials                | 0.40%                          |
| Micro-Star International Co Lt | TWD             | Information Technology    | 0.35%                          |
| Mirae Asset Securities Co Ltd  | KRW             | Financials                | 0.21%                          |
| Moneta Money Bank AS           | CZK             | Financials                | 0.63%                          |
| MR DIY Group M Bhd             | MYR             | Consumer Discretionary    | 0.36%                          |
| Naspers Ltd                    | ZAr             | Consumer Discretionary    | 1.21%                          |
| National Bank of Greece SA     | EUR             | Financials                | 0.70%                          |
| Natura & Co Holding SA         | BRL             | Consumer Staples          | 0.19%                          |
| NAVER Corp                     | KRW             | Communication Services    | 0.24%                          |
| NEPI Rockcastle NV             | ZAr             | Real Estate               | 0.58%                          |
| Nestle Malaysia Bhd            | MYR             | Consumer Staples          | 0.86%                          |
| NetEase Inc                    | HKD             | Communication Services    | 0.69%                          |
| New Oriental Education & Techn | HKD             | Consumer Discretionary    | 0.34%                          |
| NH Investment & Securities Co  | KRW             | Financials                | 0.29%                          |
| NIO Inc                        | USD             | Consumer Discretionary    | 0.20%                          |
| Orient Overseas International  | HKD             | Industrials               | 0.35%                          |
| OTP Bank Nyrt                  | HUF             | Financials                | 0.92%                          |
| PICC Property & Casualty Co Lt | HKD             | Financials                | 0.47%                          |
| Piraeus Financial Holdings SA  | EUR             | Financials                | 0.45%                          |
| Powszechna Kasa Oszczednosci B | PLN             | Financials                | 0.28%                          |
| Powszechny Zaklad Ubezpieczen  | PLN             | Financials                | 0.48%                          |
| President Chain Store Corp     | TWD             | Consumer Staples          | 1.06%                          |
| Bank Central Asia Tbk PT       | IDR             | Financials                | 1.02%                          |
| Bank Mandiri Persero Tbk PT    | IDR             | Financials                | 0.77%                          |
| Bank Negara Indonesia Persero  | IDR             | Financials                | 0.53%                          |
| Bank Rakyat Indonesia Persero  | IDR             | Financials                | 0.77%                          |
| Kalbe Farma Tbk PT             | IDR             | Health Care               | 0.60%                          |
| Sarana Menara Nusantara Tbk PT | IDR             | Communication Services    | 0.34%                          |
| Telkom Indonesia Persero Tbk P | IDR             | Communication Services    | 0.40%                          |
| Raia Drogasil SA               | BRL             | Consumer Staples          | 0.28%                          |
| Rumo SA                        | BRL             | Industrials               | 0.26%                          |

**Underlying****Currency****Portfolio category****Weight as of 29.03.2024**

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