

ZKB Tracker Certificate on "Traceable Gold"

11.05.2021 - Open End | Swiss Security Code 110 585 855

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) Symbol: TCBUSZ ISIN: CH1105858554 Issuer: Zürcher Kantonalbank, Zürich Underlying: Traceable Gold Initial Fixing Date: 4 May 2021 Settlement Date: 11 May 2021 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: USD 63'141'400/USD 180.404/1 Structured Product or multiples thereof Issue price: USD 180.404 Selling restrictions: EA, 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 11 May 2021.

Final Terms

Product Category/Name

Participation Product/Tracker Certificate (1300, according to the "Swiss Derivative Map" provided by the Swiss Structured Products Association)

CISA Notification

This is a Structured Product. It 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

Swiss Security Code/ISIN

TCBUSZ/110 585 855/CH1105858554

Notional Amount/Denomination/Trading Units

USD 63'141'400/USD 180.404/1 Structured Product or multiples thereof

Number of Structured Products

Up to 350'000, with the right to increase

Issue Price	USD 180.404 /100.35% of the Initial Fixing Level multiplied by the Ratio		
Currency	USD		
Underlying	Troy Ounce of Gold in USD Bloomberg GOLDS COMDTY/274702/XD0002747026 The Issuer carries out hedging transactions in "Traceable Gold" (cf. the explanations given under Key Product Features). The Issuer thus complies with the comprehensive sustainability regulations of the London Bullion Market Association. The Issuer knows the origin of the individual gold bars and the refineries are obliged to provide regular and detailed information about the origin of the gold.		
Ratio	1 ZKB Tracker Certificate represents 0.1 Underlying		
Settlement Date	11 May 2021		
Redemption right of the Issuer	The Issuer has the right to redeem the outstanding Structured Products quarterly on the 15th day of March, June, September and December (fixing date; modified following), for the first time on 15 June 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 quarterly per 15th day of the months March, June, September and December (fixing date; modified following) to the Issuer, for the first time on 15 June 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, 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	USD 1'797.75 (LBMA Gold Price PM Fixing in USD on Initial Fixing Date)		
Listing/Secondary market	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 11 May 2021.		
Redemption Method	On the Redemption Date, the Investor will receive for each Structured Product the price realised by the Issuer for the termination of the corresponding hedging transactions (sale of the "Traceable Gold" held by the Issuer) less fees. However, the redemption amount of the Structured Product is at least: $R \times ST - \text{Fees}$ where R = Ratio ST = LBMA Gold Price PM Fixing in USD on Fixing Date Fees = Annual Fee T = Fixing Date according to Redemption right of the Issuer and Right to return of the Investor		
Annual Fee	0.50% p.a. The Annual Fee will be charged based value of the Structured Product and is pro rata temporis included in the trading price.		
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/strukturierteprodukte	Reuters: ZKBSTRUCT Bloomberg: ZKBY <go>	

Key Elements of the Product

In terms of value, buying this structured product 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.

Execution of hedging transactions in "Traceable Gold"

In order to hedge the risks associated with Structured Products, the Issuer enters into appropriate hedging transactions. The promotion of sustainability is part of the Issuer's performance mandate. This principle is also to be applied to the procurement and sale of gold, which is why the Issuer conducts hedging transactions in connection with this Structured Product in so-called "Traceable Gold".

When procuring this gold, the Issuer will therefore follow the latest version of the London Bullion Market Association (LBMA) "Responsible Gold Guidance" ("Guidance"). This is a comprehensive set of rules and regulations which essentially deals with the observance of human rights, the fight against money laundering and terrorist financing, as well as the responsible and sustainable use of nature and the environment. The Guidance is binding for all producers (refineries) that produce according to the LBMA standards and is valid along the entire value chain. The criteria listed in the Guidance are to be understood as a minimum standard.

In addition, the gold held as collateral for this product is processed exclusively by refineries which verify the exact origin of the newly mined gold (country, region, etc.) and document this to the Issuer. Only countries and regions which fully meet all standards of the LBMA and those of the refineries are consistently selected. The Issuer therefore knows the origin of the individual gold bars (mine) and the refineries are obliged to provide regular and detailed information on the origin of the gold. Traceability is thus guaranteed and is implemented by the refineries. The gold is consistently mined, transported and refined in a segregated manner so that it is never mixed with conventionally mined gold.

The "Traceable Gold" purchased by the Issuer is held by the Issuer in a segregated deposit for this product. The Investor has no direct or indirect claim to the "Traceable Gold".

Taxes

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 is publicly available on www.bloomberg.com.

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

Underlying		Redemption	
Value	Percent	ZKB Tracker Certificate	Performance %
USD 1'258.43	-30.00%	USD 124.77	-30.60%
USD 1'438.20	-20.00%	USD 142.60	-20.68%
USD 1'617.98	-10.00%	USD 160.42	-10.77%
USD 1'797.75	0.00%	USD 178.25	-0.85%
USD 1'977.53	10.00%	USD 196.07	9.07%
USD 2'157.30	20.00%	USD 213.90	18.98%
USD 2'337.08	30.00%	USD 231.72	28.90%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate corresponds at least to the performance of the Underlying less the fees.

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

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 less any Fees. 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 USD.

If the investor's reference currency differs from the USD, the investor bears the exchange rate risk between his reference currency and the USD.

4. Additional Terms

Modifications

If, due to the occurrence of a Market Disruption in relation to the Underlying/a component of the Underlying no market price can be determined, the Issuer or the Calculation Agent shall determine the market price of the Underlying/the component of the Underlying at its free discretion, considering the general market conditions and the last market price of relevant Underlying/component of the Underlying affected by the Market Disruption and has the right, if the Market Disruption persists on the Redemption Date, to postpone the Redemption Date to the first Banking Day on which the Market Disruption has terminated. It shall make comparisons with the provisions laid down in the Issuance Programme, which shall take precedence. This provision shall apply accordingly to the determination of the value of the Structured Products, if the Underlying/a component of the Underlying is affected by a Market Disruption.

Market Disruptions

Compare specific provisions in the Issuance Programme.

Restrictions de vente

EEE, Etats-Unis/Personnes des Etats-Unis, Royaume-Uni, Guernsey

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 Issuance Programme. 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.

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>.

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, 5 May 2021