

# ZKB Tracker Certificate on ZKB SMI® Put-Schreiber Leverage 2 Index

24.04.2020 - Open End | Swiss Security Code 50 658 543

## 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.

<b>Information on the securities</b>
<b>Type of product:</b> ZKB Tracker Certificate <b>SSPA Category:</b> Tracker Certificate (1300) <b>ISIN:</b> CH0506585436 <b>Symbol:</b> ZSMIPZ <b>Issuer:</b> Zürcher Kantonalbank, Zürich <b>Underlying:</b> ZKB SMI® Put-Schreiber Leverage 2 Index <b>Initial Fixing Date:</b> 17 April 2020 <b>Settlement Date:</b> 24 April 2020 <b>Final Fixing Date:</b> --- (Open End) <b>Redemption Date:</b> --- (Open End) <b>Type of settlement:</b> cash
<b>Information concerning the offer and admission to trading</b>
<b>Place of the offer:</b> Switzerland <b>Notional Amount/Denomination/Trading Units:</b> CHF 25'000'000.00/CHF 1'000.00/1 Structured Product or multiples thereof <b>Issue price:</b> CHF 1'000.00 <b>Selling restrictions:</b> EA, U.S.A./U.S. persons, United Kingdom, Guernsey <b>Information on listing:</b> Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 24 April 2020.

## 1. Product Description

### Product Category/Name

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

### Conflicts of interest

Zürcher Kantonalbank and its affiliated companies may in its role as universal bank participate in any transactions, which are in direct relation to the Structured Product issued by Zürcher Kantonalbank. Zürcher Kantonalbank pursuis such products either in the interest of its clients or in its own interest. Hence conflicts of interest between the investors in Structured Products issued by Zürcher Kantonalbank and Zürcher Kantonalbank itself may not be completely ruled out. Furthermore, Zürcher Kantonalbank may perform additional functions related to the issuance of Structured Products, such as the function as index sponsor, which potentially bear conflicts of interest. Zürcher Kantonalbank has set up its internal processes in order to avoid conflicts of interest or, if such avoidance is not sufficiently feasible, will disclose such conflicts of interest to affected clients. Further information regarding conflicts of interest may be found in the respective base prospectus.

### 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

<b>Rating of the Issuer</b>	Standard & Poor's AAA, Moody's Aaa, Fitch AAA
<b>Lead Manager, Paying Agent, Exercise Agent and Calculation Agent</b>	Zürcher Kantonalbank, Zurich
<b>Symbol/ Swiss Security Code/ISIN</b>	<b>ZSMIPZ/</b> 50 658 543/CH0506585436
<b>Notional Amount/Denomination/ Trading Units</b>	CHF 25'000'000.00/CHF 1'000.00/1 Structured Product or multiples thereof
<b>Number of Structured Products</b>	Up to 25'000, with the right to increase
<b>Issue Price per Structured Product</b>	<b>CHF 1'000.00</b> /100.00% of Underlying on the Initial Fixing Date multiplied by the Ratio
<b>Currency</b>	CHF
<b>Underlying</b>	<b>ZKB SMI® Put-Schreiber Leverage 2 Index</b> /CH0529758168/Bloomberg: ZKBPUTW2 Index
<b>Ratio</b>	1 Structured Product corresponds to 0.94570346 Underlyings.
<b>Initial Fixing Date</b>	17 April 2020
<b>Settlement Date</b>	24 April 2020
<b>Stop-Loss Level, Stop-Loss Event</b>	<b>CHF 500.00</b> (50.00% of Denomination)  A Stop-Loss Event occurs if the Calculation Agent determines during the term of the product, that the bid price of the Structured Product falls under the Stop-Loss Level. In this case, the Structured Product will be redeemed early and the Calculation Agent will dissolve the Product in the interest of the investors. The actual selling price of the index components for the underlying instrument is used to calculate the redemption. The Stop-Loss Level does by no means represent a minimum redemption amount. Especially in cases of market volatility may the redemption amount deviate for the Stop-Loss Level. The payment will occur 5 business days after the occurrence of the transaction. The investors have no obligation to make further contributions.
<b>Redemption right of the Issuer</b>	The Issuer has the right to redeem the outstanding Structured Products on a daily basis (fixing date; modified following), for the first time on 25 May 2020. On the fixing date, the redemption amount is determined, which is governed by the information under the section Redemption Method. The announcement and thus the declaration of intent to exercise the Redemption right is made with a notice period of 5 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).
<b>Right to return of the Investor</b>	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 December 2020. 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 <a href="mailto:derivate@zkb.ch">derivate@zkb.ch</a> . 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.
<b>Maturity</b>	Open End
<b>Initial Fixing Level</b>	CHF 1'057.41, Closing price of Underlying, on 17 April 2020
<b>Redemption Method</b>	On the Redemption Date, investors receive for every Structured Product an amount corresponding to 100% of the Redemption Value on the fixing date multiplied by the Ratio less any accrued Fees.

<b>Redemption Value</b>	Closing price of the underlying instrument on the fixing date. In the event of a Stop-Loss Event, the Calculation Agent will liquidate the product in a manner that protects the interest of the investor. The price actually achieved for the index constituents is used to calculate the Redemption Value.	
<b>Listing</b>	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 24 April 2020.	
<b>Clearing House</b>	SIX SIS AG/Euroclear/Clearstream	
<b>Annual Fee</b>	0.50% 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.	
<b>Distribution fees</b>	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.	
<b>Sales: 044 293 66 65</b>	SIX Telekurs: .zkb Internet: www.zkb.ch/finanzinformationen	Reuters: ZKBSTRUCT Bloomberg: ZKBY <go>
<b>Key Elements of the Product</b>	The purchase of a ZKB Tracker Certificate reflects in terms of value the purchase of the Underlying. The investor has the possibility to fully participate in the Index performance through a single transaction.	
<b>Taxes</b>	There are no income taxes in this product. Capital gains are tax-free. 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.	
<b>Documentation</b>	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 AG 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. <b>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 <a href="mailto:documentation@zkb.ch">documentation@zkb.ch</a>. They are also available on <a href="https://www.zkb.ch/finanzinformationen">https://www.zkb.ch/finanzinformationen</a>.</b>	

## Information on the Underlying

The ZKB SMI® Put Writing Leverage 2 Index is a systematic index whose methodology was developed quantitatively. Based on an algorithm, the index sells each week a put option on the SMI® with a 4 week expiry and a 95% strike. This means, if the SMI® does not suffer a loss of more than 5% within 4 weeks, the entire option premium is collected for the strategy. Since its launch in 1988, the SMI® has not decreased by more than 5% within four weeks in about 90% of the time.

The parameters of the index were analyzed and optimized with regard to a balanced risk-reward mix. The short expiry of four weeks realizes higher yields on an annualized basis than options with long expiries. The fixed strike creates balance between earned premium and risks taken. The leverage effect helps to achieve higher returns in rising markets.

Thanks to the systematic implementation, the timing risk is minimized.

Information on the performance of the Underlying is publicly available on [www.bloomberg.com](http://www.bloomberg.com). Current annual reports are published on the website of the respective index provider. For indexes with Zürcher Kantonalbank as index sponsor, the general index regulations may be obtained from <https://zkb-finance.mdgms.com/products/stp/classes/zkbmeinindex/index.html>. Specific information on the index may be obtained from the relevant index guide which can be ordered free of charge at Zürcher Kantonalbank, Sales Structured Products, IHHV, P.O. Box, 8010 Zurich or by e-mail at [derivate@zkb.ch](mailto:derivate@zkb.ch).

## 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

Index		Redemption	
Level	Percent	ZKB Tracker Certificate	Performance %
422.964	-60.00%	Stop-Loss Event	Stop-Loss Event
634.446	-40.00%	CHF 597.00	-40.30%
845.928	-20.00%	CHF 796.00	-20.40%
1057.41	0.00%	CHF 995.00	-0.50%
1268.892	+20.00%	CHF 1194.00	19.40%
1480.374	+40.00%	CHF 1393.00	39.30%
1691.856	+60.00%	CHF 1592.00	59.20%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate follows the performance of the Underlying. Differences are due to the annual fees. Therefore, Profit and Loss expectations are analog to the performance of the components of the Underlying less any 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 of this Structured Product depends on additional risk factors between the Initial Fixing Date and the Final Fixing Date. 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. Depending on price movements, the price of a ZKB Tracker Certificate could fall below the Issue Price. The risk profile is equal to the one of the Underlying. The ZKB Tracker Certificate is denominated in CHF. The investor bears all the risks in connection with a possible exchange rate risk between the product currency, the currency of the components of the Underlying, and his reference currency.

#### 4. Additional Terms

<b>Modifications</b>	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 Structured Products or to calculate the value of the Structured Products, the Issuer shall at its own discretion take all the necessary actions and, if necessary may modify the terms and conditions of these Structured Products at its own discretion in such way, that the economic value of the Structured Products after occurrence of the extraordinary event corresponds, to the extent possible, to the economic value of the Structured 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 Structured Products early.
<b>Market Disruptions</b>	Compare specific provisions in the Issuance Programme.
<b>Selling Restrictions</b>	EEA, U.S.A./U.S. persons, United Kingdom, Guernsey
<b>Prudential Supervision</b>	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, <a href="https://www.finma.ch">https://www.finma.ch</a> .
<b>Recording of Telephone Conversations</b>	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.
<b>Further Information</b>	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.
<b>Material Changes</b>	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.
<b>Responsibility for the Final Terms</b>	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, 21 April 2020, last update on 16 November 2020