

Structured Products are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to an authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA. Investors bear the issuer risk.

# "ZKB EV Battery Basket"

January 2022

## Electric vehicles increasingly conquer the roads

The tracker certificate combines 31 stocks selected by ZKB Asset Management, which benefit from the strongly increasing demand for electric vehicles and the corresponding battery technology.

Global sales of electric vehicles ("EVs") have picked up strongly in 2021. According to recent figures from Bloomberg New Energy Finance (BNEF), EVs already accounted for 7.2% of global passenger vehicle sales in the first half of 2021. This represents an increase of around 83% compared to 2020 and 168% compared to 2019. This significant growth in sales figures is due in no small part to government initiatives and ambitions to reduce CO<sub>2</sub> emissions. Battery technology is at the heart of the success of EVs and thus the reduction of CO<sub>2</sub> emissions in mobility.

For example, current U.S. President Joe Biden has set a goal that half of new cars sold in the U.S. will be electric vehicles by 2030. Great Britain is already going one step further and wants to say goodbye to the internal combustion engine completely by 2035. Norway goes even a step further and wants to phase it out as early as 2025, although according to current forecasts this goal could even be achieved as early as 2022 or 2023. In large parts of the world, the end of passenger vehicles with combustion engines is no longer a question of "if", but rather of "when".

The 31 companies selected by ZKB Asset Management cover the entire EV value chain and clearly benefit from this strong, decades-long demand trend. Battery technology is the heart of the selection. The selection of companies ranges from mining companies, which among other things extract the lithium, nickel, and copper so important for batteries, to manufacturers of batteries and semiconductors, to global automotive groups, some of which have now focused their product range exclusively on electric vehicles.

## The new basket in detail

The 31 stocks selected by ZKB Asset Management will be included in the basket at the initial fixing date with the designated weights. The geographic diversification and the broadly positioned companies with diverse end markets across the entire EV value chain allow a diversified participation in the EV growth trend and battery technology. There are no distributions to the investor. The net dividends

distributed by the underlying components flow entirely to the structured product for reinvestment. The weighting of each stock is driven by its quality and profitability.

## Key data

### ZKB Tracker-Certificate dynamic

Underlying	EV Battery Basket
Currency	CHF
Trading unit	1 structured product
Issue price	CHF 100.00
Subscription deadline	28. January 2022, 4.00p.m
Initial Fixing	31. January 2022
Issue Date	07. February 2022
Final Fixing	Open End
ISIN	CH1139749498
Valor	113974949

## Overview over the selected stocks Batteries & Semiconductors (33% weighting)

### LG Chem

LG Chem is a chemical company. Its products include petrochemicals and other engineering plastics. LG Chem is also a major player in the production of lithium-ion-batteries.

### Panasonic

Panasonic manufactures batteries and other electronic products. In addition to batteries, Panasonic produces home appliances, car navigation systems, digital devices, computer peripherals, telecommunications, and electronic components for industry. Panasonic has associated companies around the world.

### Samsung SDI

Samsung SDI specializes in the development of lithium-ion battery (LIB) technology. The company also manufactures cathode ray tubes (CRT) for televisions and computer monitors. Samsung SDI also produces LCD components and rechargeable batteries for mobile phones, PDAs, energy storage systems and solar modules.

**TDK**

TDK produces electronic components such as magnetic tapes and magnetic cores used in batteries. The company also sells inductors, transformers, ceramic capacitors, magnets, local area network (LAN) components, sensors, and semiconductors. TDK markets its products worldwide.

**SK Innovation**

SK Innovation is active in the development and manufacture of batteries for electric vehicles, for example. The business segment for batteries is the fastest growing segment. SK Innovation is active worldwide.

**Infineon Technologies**

Infineon Technologies develops, manufactures, and markets semiconductors used in batteries, among other applications. Its products include power semiconductors, microcontrollers, safety controllers, radio frequency products and sensors. It markets its products to the automotive, communications, consumer, and security electronics sectors.

**STMicroelectronics**

STMicroelectronics develops, manufactures, and markets semiconductor integrated circuits. The company's products are used in the telecommunications, consumer electronics, automotive, computer and industrial sectors. Customers are in North America, Europe, and Asia Pacific.

**GS Yuasa**

GS Yuasa Corporation is a holding company formed by the merger of Yuasa Corp. and Japan Storage Battery Co, Ltd. The two subsidiaries manufacture batteries for automobiles, motorcycles, computers, and lighting products.

**Electric vehicle manufacturers (29.5% weighting)****Tesla**

Tesla Inc. designs, manufactures, and sells high-performance electric vehicles and electric vehicle propulsion components. The company has its own sales and service network and sells electric drive components to other automakers. It operates worldwide.

**Volkswagen**

Volkswagen AG produces and sells vehicles. The company offers small cars as well as luxury class cars, sports cars, trucks, and commercial vehicles. It serves customers worldwide.

**Toyota**

Toyota Motor Corporation manufactures, sells, leases and repairs cars, trucks, buses, and related accessories worldwide. The company also operates vehicle finance services through its subsidiaries.

**Daimler**

Daimler AG develops, manufactures, distributes, and sells a wide range of cars, trucks, vans and buses. In addition, the company provides financial and other services related to the automotive business.

**General Motors**

General Motors designs, builds and sells cars, pick-ups, crossovers, and auto parts. The company offers vehicle insurance, parts, accessories, maintenance, satellite radio, and automotive financing. It sells its vehicles and services worldwide.

**BMW**

Bayerische Motoren Werke Aktiengesellschaft (BMW) manufactures and sells cars and motorcycles. The company offers convertible sports cars, sedans and large-displacement touring motorcycles. It serves customers worldwide.

**XPeng**

XPeng Inc. designs, manufactures, and markets electric vehicles. The company designs, develops, and sells intelligent electric vehicles, as well as financial, spare parts, and maintenance services. XPeng serves customers in China.

**NIO**

NIO Inc. manufactures and sells automobiles. The company offers electric vehicles and parts as well as battery charging services. and battery charging services. NIO serves customers worldwide.

**Li Auto**

Li Auto Inc. manufactures automobiles. The company designs, develops and sells intelligent electric off-road SUVs. Li Auto conducts its business in China.

**Rivian**

Rivian Automotive, Inc. designs and manufactures automobiles. The company offers electric Sport Utility Vehicles and pickup trucks. Rivian Automotive serves customers in the United States.

**Lucid**

Lucid Group manufactures is in the design and manufacture of electric vehicles. Lucid serves customers in the United States.

**BYD Company**

BYD Company Limited manufactures automobiles. The company produces commercial passenger cars, commercial vehicles, and other products. It is also active in battery manufacturing, rail vehicle manufacturing, and other sectors.

## Metals & Chemicals (25% weighting)

### Lundin Mining

Lundin Mining is a diversified Canadian base metals mining company with operations in Brazil, Chile, Portugal, Sweden and the USA. It mainly mines copper, zinc, gold and nickel.

### Antofagasta

Antofagasta owns and operates copper mines in Chile and explores in Chile and Peru. The group also operates a rail network for the mining region in northern Chile and operates a concession for the distribution of water in the region.

### IGO

IGO Limited is an ASX-listed exploration and mining company with a strategic focus on large and permanent assets. The company is engaged in aligning its business with the structural transformation of the energy transition. It is headquartered in Perth.

### Mineral Resources

Mineral Resources is a mining company. The company provides solutions including open pit mining, crushing, processing, transportation and accommodation. It owns and operates iron ore and lithium mining operations and lithium hydroxide processing facilities. Mineral Resources serves customers in Australia.

### Ganfeng Lithium

Ganfeng Lithium explores and manufactures lithium-based products. The company produces and sells lithium metal, aluminum hydride, fluoride, chloride and other chemical products made from lithium.

### Boliden AB

Boliden AB mines, processes and sells metal & mineral products, primarily zinc and copper. Other products include gold, lead, silver & sulfuric acid. The company has mining & milling operations in Europe and smelting & refining operations in Sweden, Finland & Norway.

### Eramet

Eramet is a mining and metallurgical company. The company refines and produces nickel, man-gan and specialty steel. Its products are used in the iron, steel, aerospace, energy, transportation and engineering industries.

### Glencore

Glencore is a diversified commodities company. The company is divided into three groups: Metals and Minerals, Energy Products, and Agricultural Products. Glencore offers its products and services worldwide.

## Charging infrastructure (weighting 12.5%)

### EnerSys

EnerSys manufactures, markets and distributes industrial batteries and related products such as chargers, power packs and battery accessories. EnerSys also provides services.

### Schneider Electric

Schneider Electric SE manufactures electrical products, in particular electric vehicle chargers, home security systems, light switches, access control, sensors, valves, circuit breakers, cables, accessories, signaling devices, fuses, starter cables and voltage transformers. It serves customers worldwide.

### ABB

ABB offers power and automation technologies. Its businesses include power products (for example, charging stations), power systems, automation products, process automation and robotics.

### Contact

Zürcher Kantonalbank, P.O. Box, 8010 Zurich

Contact person

J. Engelfried / C. Dormann / E. Sherif /

S. Steigmeier / C. Summermatter / F. Zinder

Phone: +41 (0)44 293 66 65 / E-Mail: [derivate@zkb.ch](mailto:derivate@zkb.ch)

[www.zkb.ch/structuredproducts](http://www.zkb.ch/structuredproducts)

### Disclaimer

This document is for marketing purposes. Due to legal, regulatory or tax regulations, products and services may be subject to restrictions based on residence, domicile, nationality or customer segmentation. Therefore, it cannot be excluded that certain products and services may not be suitable or available for all persons. This document has been prepared by Zürcher Kantonalbank with due diligence. However, the Zürcher Kantonalbank does not guarantee the accuracy and completeness of the information contained therein and accepts any liability arising from the use of this document. This document is neither an offer to conclude an agreement nor an invitation to make an offer for products and services. It does not constitute an offer or recommendation for the purchase, holding or sale of financial instruments. Every investment is associated with risks, in particular those of fluctuations in value, earnings and possibly exchange rates. For an assessment of the specific risks of investments, it is recommended that you consult the risk information provided by the bank (e.g. risk brochure, prospectuses, key information document or other product documentation)". The present document has not been drawn up by the "financial analysis" department as defined in the rules of the "Directives on the Independence of Financial Research" published by the Swiss Bankers Association, hence these rules do not apply to this document. However, companies of the Zürcher Kantonalbank Group may publish Research Publications regarding the underlying that might lead to conflicts of interest between the affected affiliates as well as between ZKB and its affiliates towards their investors. This document contains general information and does not take into account personal investment objectives or the financial situation or special needs of a specific recipient. The recipient should carefully check the information for compatibility with his/her personal circumstances before making any investment decision. For the assessment of legal, regulatory, tax and other implications, the recipient is advised to seek professional advice. This document does not constitute a (base) prospectus, final terms or key information document. The base prospectus, the final terms and any key information document may be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, VRIE Department, and from [www.zkb.ch/finanzinformationen](http://www.zkb.ch/finanzinformationen). The structured products mentioned in this document are subject in particular to the sales restrictions set out in the issuance programme (EEA, U.S.A. / U.S. persons, United Kingdom, Guernsey). In particular, the structured products mentioned in this document are not available to US persons under the relevant regulations. Please note that all telephone conversations with trading or sales units of the Zürcher Kantonalbank are recorded. By calling this number you consent tacitly to the recording.