

ZKB MeinIndex Sustainable Pacific

Reporting | CH Sec No. 18 392 554

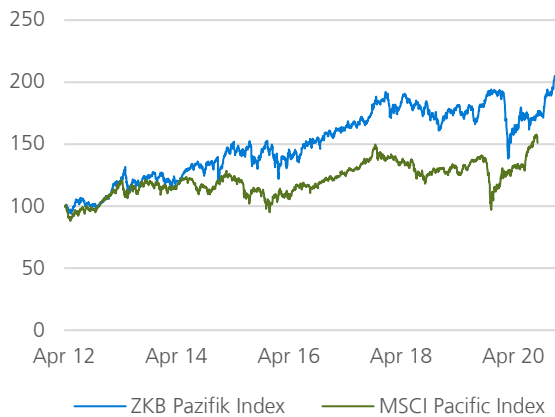
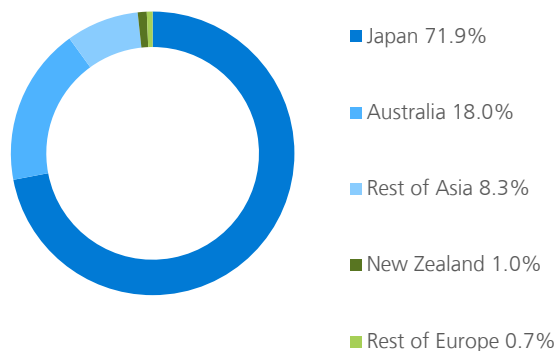
29.01.2021

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.

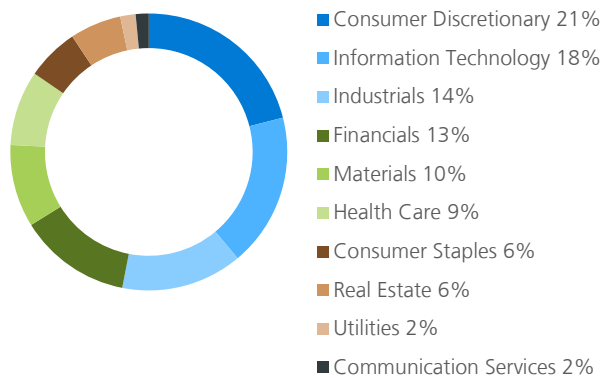
In brief

- 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 29.01.2021



Distribution by portfolio category as of 29.01.2021



Performance figures ZKB MeinIndex Sustainable Pacific

Absolute		Annualized
1m	0.8%	
3mths	15.2%	
1y	5.8%	
3y	8.6%	2.9%
5y	40.3%	8.1%
since launch	97.2%	11.1%

Annual performance	
2013	20.0%
2014	10.1%
2015	9.2%
2016	4.5%
2017	18.0%
2018	-11.8%
2019	17.5%
2020	2.3%
2021 YTD	0.8%

Pacific: Good resistance in the crisis
 Compared internationally the pacific region shows relatively good resistance to the crisis, but is also affected by the general uncertainty (primarily by the euro crisis) and by the weakening of the global economy. The individual countries though do not show the same picture.

Countries' specifics

The country group Pacific includes the following five heterogeneous countries: Japan, Australia, Hong Kong, Singapore and New Zealand. In Japan the state reconstructions after last year's catastrophe will stimulate GDP growth in 2012. For the first time in 30 years Japan's trade balance showed a deficit in 2011 primarily due to higher energy imports caused by the shutdown of almost all of the 54 nuclear plants that produced close to one third of Japan's electricity. Thanks to reconstruction and private investments especially in equipment and real estate growth prospects are good. Australia's situation is completely different: The country made it relatively save through the financial crisis, the real estate market is in good state and the commodity export is booming due to rising demand from emerging markets. The Australian financial sector makes up a substantial part of the index and banks are defensively positioned with their focus on the national market. The real estate sector shows less signs of overheating than other regions. Hong Kong, the gate to main land china, has different core areas. Within the last 20 years the city state has converted to a services economy: Finance, services, logistics, consulting services, trade and tourism are the main industries. Singapore, known as the Asian Switzerland, is already very developed. The country focuses on research and development as well as firstclass products, but highly depends on exports. New Zealand's main activities lie in agricultural products such as milk, meat and woollen products. In respect to growth in the Pacific Area, the country plays only a small role however.

Creating added value through sustainable companies

Before the earth quake and the tsunami which lead to the atomic catastrophe in Fukushima the Japanese government was planning to increase the percentage of nuclear energy to 30% to 50%. The current aim though is the reduction of nuclear energy in favour of alternative energy. Besides the reorganisation of the energy supply, the Japanese industry is in hard competition with other Asian countries and has to solve governance problems in companies.

Japanese companies are considered leading in ecological aspects (i.e. energy efficiency or renewable energies) and thus could profit in the global market. The commodity boom in Australia has social and ecological consequences that have to be observed closely. From a sustainable perspective better is the defensive finance sector that also offers various opportunities and has a high standard in the integration of sustainability in the Pacific Area. For Hong Kong's companies the main challenges lie in governance from a sustainable perspective.

ZKB MeinIndex Sustainability Pacific

After the sustainability analysis, companies from ZKB's sustainable investment universe are chosen for the ZKB MeinIndex Sustainability Pacific based on their attractiveness as determined by the quantitative ZKB equity selection model.

Allocation by sectors

Besides selected titles from the MSCI Pacific Index the sustainable investment universe consists of further sustainable companies in the Pacific Area that fulfil certain minimum requirements regarding market capitalization and trading volume. Starting point for the equity selection is the segmentation of all shares from the Pacific Area that are considered sustainable to sectors. Since all companies from the energy and mining sector have been excluded by the sustainability filter the universe consists of the following sectors:

- Utilities
- Materials (ex Mining)
- Industrials
- Consumer Discretionary
- Consumer Staples
- Health Care
- Financials
- Information Technology
- Telecommunication Services

The idea behind this segmentation is to compare equities with similar risk/return characteristics. In the sector layer the biggest part of the index can be found in the finance sector, followed by stocks from the industrial sector and by consumer discretionary goods stocks. Geographically seen, Japanese stocks currently dominate the index adding up to more than half of the index. The universe is completed by stocks from Hong Kong, Singapore and New Zealand which play a secondary role though.

Key data ZKB MeinIndex Sustainable

Pacific

CH Sec No.	18 392 554
Bloomberg Symbol	ZKBIPAZI

Open End ZKB Tracker Certificates

CH Sec No.	ISIN	Symbol	Tranche
10 716 606	CH0107166065	TRPAZO	Retail

Contact

Sales Structured Products
 Zürcher Kantonalbank
 P.O. Box, 8010 Zürich
 Phone: +41 (0)44 293 66 65
 E-Mail: derivate@zkb.ch

ZKB MeinIndex Sustainable Pacific Components as of 29.01.2021

Underlying	Currency	Portfolio category	Weight as of 29.01.2021
Aeon Mall Co Ltd	JPY	Real Estate	1.04%
AIA Group Ltd	HKD	Financials	2.13%
Ajinomoto Co Inc	JPY	Consumer Staples	1.54%
APA Group	AUD	Utilities	1.80%
Asahi Kasei Corp	JPY	Materials	1.37%
Astellas Pharma Inc	JPY	Health Care	2.33%
Australia & New Zealand Bankin	AUD	Financials	1.83%
Azbil Corp	JPY	Information Technology	0.64%
BOC Hong Kong Holdings Ltd	HKD	Financials	0.77%
Brambles Ltd	AUD	Industrials	2.29%
Bridgestone Corp	JPY	Consumer Discretionary	1.83%
Canon Inc	JPY	Information Technology	0.55%
Chugai Pharmaceutical Co Ltd	JPY	Health Care	0.99%
Coles Group Ltd	AUD	Consumer Staples	1.01%
Computershare Ltd	AUD	Information Technology	1.43%
Dai Nippon Printing Co Ltd	JPY	Industrials	1.69%
Dai-ichi Life Holdings Inc	JPY	Financials	0.96%
Daiichi Sankyo Co Ltd	JPY	Health Care	0.56%
Denso Corp	JPY	Consumer Discretionary	3.05%
Eisai Co Ltd	JPY	Health Care	0.41%
FANUC Corp	JPY	Industrials	1.22%
Fast Retailing Co Ltd	JPY	Consumer Discretionary	1.86%
Fisher & Paykel Healthcare Cor	NZD	Health Care	1.02%
Fortescue Metals Group Ltd	AUD	Materials	2.97%
Fujitsu Ltd	JPY	Information Technology	1.89%
GPT Group/The	AUD	Real Estate	1.20%
Harvey Norman Holdings Ltd	AUD	Consumer Discretionary	0.97%
HKT Trust & HKT Ltd	HKD	Communication Services	0.57%
Hong Kong Exchanges & Clearing	HKD	Financials	0.72%
Hoya Corp	JPY	Health Care	1.45%
Hysan Development Co Ltd	HKD	Real Estate	0.38%
James Hardie Industries PLC	AUD	Materials	0.66%
JB Hi-Fi Ltd	AUD	Consumer Discretionary	0.65%
JSR Corp	JPY	Materials	1.24%
KDDI Corp	JPY	Communication Services	0.61%
Keyence Corp	JPY	Information Technology	2.10%
Kubota Corp	JPY	Industrials	1.15%
Kyudenko Corp	JPY	Industrials	0.49%
Link REIT	HKD	Real Estate	0.80%
Lixil Corp	JPY	Industrials	0.95%
Medibank Pvt Ltd	AUD	Financials	0.68%
MEIJI Holdings Co Ltd	JPY	Consumer Staples	1.35%
Mitsubishi Gas Chemical Co Inc	JPY	Materials	0.67%
Mizuho Financial Group Inc	JPY	Financials	1.09%
Murata Manufacturing Co Ltd	JPY	Information Technology	2.14%
Nabtesco Corp	JPY	Industrials	1.06%
NEC Corp	JPY	Information Technology	0.85%
Newcrest Mining Ltd	AUD	Materials	0.41%
Nitto Denko Corp	JPY	Materials	0.80%
Nomura Research Institute Ltd	JPY	Information Technology	1.49%
NSK Ltd	JPY	Industrials	0.55%
Omron Corp	JPY	Information Technology	2.01%
Ono Pharmaceutical Co Ltd	JPY	Health Care	1.00%
ORIX Corp	JPY	Financials	1.36%

Underlying	Currency	Portfolio category	Weight as of 29.01.2021
Panasonic Corp	JPY	Consumer Discretionary	0.98%
PCCW Ltd	HKD	Communication Services	0.34%
Recruit Holdings Co Ltd	JPY	Industrials	0.80%
Rinnai Corp	JPY	Consumer Discretionary	0.48%
Secom Co Ltd	JPY	Industrials	1.61%
Sekisui Chemical Co Ltd	JPY	Consumer Discretionary	2.36%
Sekisui House Ltd	JPY	Consumer Discretionary	1.05%
Shionogi & Co Ltd	JPY	Health Care	0.43%
SMC Corp	JPY	Industrials	1.50%
Sompo Holdings Inc	JPY	Financials	1.00%
Sonic Healthcare Ltd	AUD	Health Care	0.55%
Sony Corp	JPY	Consumer Discretionary	5.07%
Sumitomo Electric Industries L	JPY	Consumer Discretionary	1.33%
Sumitomo Mitsui Financial Grou	JPY	Financials	2.53%
Sun Hung Kai Properties Ltd	HKD	Real Estate	1.66%
Swire Pacific Ltd	HKD	Real Estate	0.46%
Taisei Corp	JPY	Industrials	0.83%
TDK Corp	JPY	Information Technology	0.56%
Teijin Ltd	JPY	Materials	0.71%
Tokuyama Corp	JPY	Materials	0.80%
Tokyo Electron Ltd	JPY	Information Technology	2.99%
Toyota Industries Corp	JPY	Consumer Discretionary	0.85%
Trend Micro Inc/Japan	JPY	Information Technology	0.57%
Wharf Real Estate Investment C	HKD	Real Estate	0.45%
Woolworths Group Ltd	AUD	Consumer Staples	2.21%
Yamada Holdings Co Ltd	JPY	Consumer Discretionary	0.52%
Yokogawa Electric Corp	JPY	Information Technology	0.68%

Disclaimer

This document is produced solely for information purposes. All information and data in this document comes from sources which Zürcher Kantonalbank considers to be reliable at the time the document was prepared. All calculations and statements were produced with the greatest care. However, no responsibility can be accepted for their correctness, accuracy, completeness and appropriateness – whether expressed or implied. This document does not constitute an offer to buy or sell any security; nor does it contain the basis for a contract or any other kind of obligation.

All investments, for example in bonds, equities, options and derivatives, involve risk. No investment decision with respect to any security should be taken on the basis of this document. Zürcher Kantonalbank shall not be responsible for any consequences, in particular losses, which arise or may arise as a result of the use of or failure to use the views and conclusions contained in this document. Past performance and investment prices are no guide to the future development of the investment. Zürcher Kantonalbank makes no warranty that the implied or specified performance will be achieved.

Sale or offering of structured products may be subject to country-specific selling restrictions, which must imperatively be followed. For the above-mentioned structured products and the present document the following restrictions apply: U.K., Guernsey, EEA-member states, USA and U.S. persons. In particular this publication and the information contained within not be distributed and / or redistributed, used or relied upon, by any person (whether individual or entity) who may be a US person under Regulation S under the US Securities Act of 1933. US persons include any US resident; any corporation, company, partnership or other entity organized under any law of the United States; and other categories set out in Regulation S. Investors are reminded, that telephone conversations with trading or sales units of the Zürcher Kantonalbank are recorded. Investors, who have telephone conversations with these units consent tacitly to the recording.