

ZKB Tracker Certificate on US Real Investment Trusts (CHF)

23.07.2021 - 23.07.2024 | Swiss Security Code 110 587 251

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, acc. to the Swiss Derivative Map) ISIN: CH1105872514 Symbol: USRECZ Issuer: Zürcher Kantonalbank Underlying: US Real Investment Trusts (CHF) Initial Fixing Date: 16 July 2021 Settlement Date: 23 July 2021 Final Fixing Date: 16 July 2024 Redemption Date: 23 July 2024 Type of settlement: cash
Information concerning the offer and admission to trading
Place of the offer: Switzerland Notional Amount/Denomination/Trading Units: CHF 25'000'000.00/CHF 100.00/1 structured product or multiples thereof Issue price: CHF 100.00 Selling restrictions: EEA, U.S.A./U.S. persons, United Kingdom, Guernsey Information on listing: Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 23 July 2021

Final Terms

1. Product Description

Product Category/Name

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

Regulatory Notification

This product 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

Symbol/ Swiss Security Code/ISIN

**USRECZ/
110 587 251/CH1105872514**

Notional Amount/Denomination/ Trading Units

CHF 25'000'000.00/CHF 100.00/1 structured product or multiples thereof

Number of structured products

Up to 250'000, with the right to increase

Issue Price CHF 100.00/104.06% of Basket Value on the Initial Fixing Date

Currency CHF

Underlying	Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares
	Alexandria Real Estate Equities Inc	US0152711091 / ARE UN	New York Stock Exchange	USD 193.83277	8.33	0.044935
	Camden Property Trust	US1331311027 / CPT UN	New York Stock Exchange	USD 143.79437	8.33	0.060572
	Chatham Lodging Trust	US16208T1025 / CLDT UN	New York Stock Exchange	USD 12.18103	3.00	0.257413
	Crown Castle International Corp	US22822V1017 / CCI UN	New York Stock Exchange	USD 203.16047	8.33	0.042872
	Extra Space Storage Inc	US30225T1025 / EXR UN	New York Stock Exchange	USD 172.46757	7.00	0.042421
	Healthcare Realty Trust	US4219461047 / HR UN	New York Stock Exchange	USD 31.20998	6.00	0.200933
	Healthcare Trust of America Inc	US42225P5017 / HTA UN	New York Stock Exchange	USD 27.89358	6.00	0.224822
	Host Hotels & Resorts Inc	US44107P1049 / HST UN	NASDAQ	USD 16.20813	3.00	0.193455
	Registered Shs National Retail Properties Inc	US6374171063 / NNN UN	New York Stock Exchange	USD 48.59729	3.00	0.064521
	Pebblebrook Hotel Trust	US70509V1008 / PEB UN	New York Stock Exchange	USD 22.69280	3.00	0.138174
	Physicians Realty Trust	US71943U1043 / DOC UN	New York Stock Exchange	USD 18.71281	6.00	0.335124
	Prologis Inc	US74340W1036 / PLD UN	New York Stock Exchange	USD 127.99620	8.33	0.068048
	Public Storage	US74460D1090 / PSA UN	New York Stock Exchange	USD 314.65029	7.00	0.023252
	Rexford Industrial Realty Inc	US76169C1009 / REXR UN	New York Stock Exchange	USD 59.57403	8.33	0.146202
	Spirit Realty Capital Inc	US84860W3007 / SRC UN	New York Stock Exchange	USD 48.71111	3.00	0.064370
	Sun Communities Inc	US8666741041 / SUI UN	New York Stock Exchange	USD 184.59769	3.00	0.016986
	VICI Properties Inc	US9256521090 / VICI UN	New York Stock Exchange	USD 31.33880	8.33	0.277926

* Local taxes, transactions fees and foreign commissions are, if applicable, included in the Initial Fixing Value of each component and are thus borne by the holders of the structured product. This applies particularly, though not exclusively, when exercising rights associated with the structured product and/or a Rebalancing.

Basket Value CHF 96.10 on Initial Fixing Date

Ratio 1 ZKB Tracker Certificate represents 1 Underlying

Dividend Payments The Investor will receive a payment as compensation for the dividend payment of the structured product. The compensation payment takes place annually on 23 July, for the first time retroactively on 23 July 2022, (modified following business day convention). The compensation payment will correspond to 100.00% of the net dividend payment.

Initial Fixing Date 16 July 2021

Settlement Date 23 July 2021

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 annually per 15th day of December (fixing date; modified following) to the Issuer, for the first time on 15 December 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.												
Last Trading Date	16 July 2024												
Final Fixing Date	16 July 2024 The Issuer has the right to expand the time period for the Final Fixing if required by current market conditions e.g. liquidity.												
Redemption Date	23 July 2024												
Initial Fixing Level	16 July 2021, Net price of the Components of the Underlying on a best effort basis. Local taxes, transactions fees and foreign commissions are included in the Initial Fixing Value of each component if applicable.												
Final Fixing Level	Closing prices of the components of the Underlying on Related Exchanges, on 16 July 2024. Local taxes, transactions fees and foreign commissions are included in the Final Fixing Value of each component if applicable.												
Redemption Method	On Redemption Date, investors receive for every certificate 100% of the Underlying. The net asset value is calculated using the following formula on each trading day t: $IV_t = IV_{t-1} + IV_{t-1} * \sum_{i=1}^n \left[w_t^i * \left(\frac{BW_t^i - BW_{t-1}^i}{BW_{t-1}^i} * \frac{FX_t^i}{FX_{t-1}^i} + FXRoll_{t-1,t}^i \right) \right]$ <p>Where:</p> <table border="0"> <tr> <td>IV_t</td> <td>Intrinsic value on trading day t ($IV_0 = CHF 96.10$)</td> </tr> <tr> <td>n</td> <td>Number of Underlyings</td> </tr> <tr> <td>w_t^i</td> <td>Weight in % of Underlying i at time t</td> </tr> <tr> <td>BW_t^i</td> <td>Price of Underlying i at time t</td> </tr> <tr> <td>FX_t^i</td> <td>Price of the currency of Underlying i at time t</td> </tr> <tr> <td>$FXRoll_{t-1,t}^i$</td> <td>Net interest income / interest expense in % of FX Rolls between time t-1 and t in the currency of underlying component i</td> </tr> </table> <p>If capital events that were unknown at the time of issue take place during the life of the ZKB Tracker Certificate, they shall be taken into account by adjusting the weighting of the affected Component of the Underlying accordingly.</p>	IV_t	Intrinsic value on trading day t ($IV_0 = CHF 96.10$)	n	Number of Underlyings	w_t^i	Weight in % of Underlying i at time t	BW_t^i	Price of Underlying i at time t	FX_t^i	Price of the currency of Underlying i at time t	$FXRoll_{t-1,t}^i$	Net interest income / interest expense in % of FX Rolls between time t-1 and t in the currency of underlying component i
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$FXRoll_{t-1,t}^i$	Net interest income / interest expense in % of FX Rolls between time t-1 and t in the currency of underlying component i												
Listing/Secondary market	Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 23 July 2021.												
Clearing House	SIX SIS AG/Euroclear/Clearstream												
Distribution fees	Distribution fees in the form of a discount on the Issue price, reimbursement of a part of the Issue price or other one-off and/or periodic charges may have been paid to one or several distribution partners of this structured product. Distribution fees paid to distribution partners may amount up to 1.0000% p.a.												
Sales: 044 293 66 65	SIX Telekurs: .zkb Internet: www.zkb.ch/finanzinformationen Reuters: ZKBSTRUCT Bloomberg: ZKBY <go>												
Key Elements of the product	In terms of value, buying a ZKB Tracker Certificate is equivalent to buying the Underlying. A single, low-cost transaction gives investors the opportunity to participate fully in the performance of the Underlying. Dividend Payments of Underlying components are paid out to the investor annually. Redemption is based on the weighted value of Underlying components on the Final Fixing Date.												

Taxes

For private investors with Swiss tax domicile, the annual compensation payments are subject to Swiss income tax at the time of payment. 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.

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/a component of the Underlying is publicly available on www.bloomberg.com. Current annual reports are published on the website of the respective business entity. The transfer of the Underlying/a component of the Underlying is conducted in accordance with their respective statutes.

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 at Maturity

Profit and Loss Expectations at Maturity

ZKB Tracker Certificate

Basket		Redemption	
Value	Percent	ZKB Tracker Certificate	Performance %
CHF 38.44	-60.00%	CHF 38.44	-61.56%
CHF 57.66	-40.00%	CHF 57.66	-42.34%
CHF 76.88	-20.00%	CHF 76.88	-23.12%
CHF 100.00	+4.06%	CHF 100.00	0.00%
CHF 115.32	+20.00%	CHF 115.32	15.32%
CHF 134.54	+40.00%	CHF 134.54	34.54%
CHF 153.76	+60.00%	CHF 153.76	53.76%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate is analog to the performance of the Underlying.

The figures in the table above are valid at Maturity 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. For presentation purposes it is assumed, that the currency of the Underlying remains constant during the lifetime of the present Structured Product.

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

4. Additional Terms

Modifications

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 products or to calculate the value of the products, the Issuer shall at its own discretion take all the necessary actions and, if necessary may modify the terms and conditions of these products at its own discretion in such way, that the economic value of the products after occurrence of the extraordinary event corresponds, to the extent possible, to the economic value of the 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 products early.

Market Disruptions

Compare specific provisions in the base prospectus.

Substitution of Underlying

During the term of the structured product, changes in or substitution of the Underlying by the Calculation Agent can occur. In this case, it cannot be ruled out that such changes or substitutions will negatively affect the value of the structured product. Likewise, it cannot be ruled out that in the case of a structured product based on an index that changes in the composition of the index as a result of change or substitutions in respect of individual index components, for example, as a result of the withdrawal or addition of individual securities, may negatively influence the price of the index and accordingly the value of the structured product.

Selling Restrictions

EEA, U.S.A./U.S. persons, United Kingdom, Guernsey

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>.

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 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.

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, 16 July 2021, last update on 20 July 2021