ZKB MeinIndex Sustainable Europe

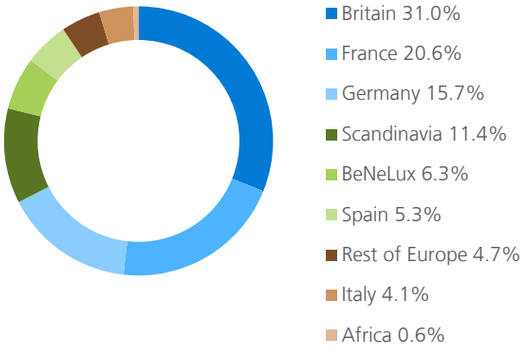
Reporting | CH Sec No. 18 984 103 31.07.2019

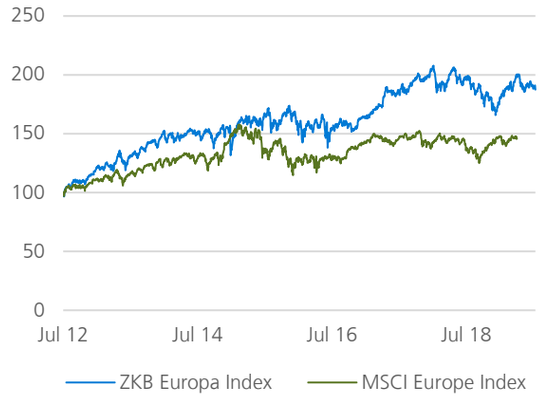
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In brief

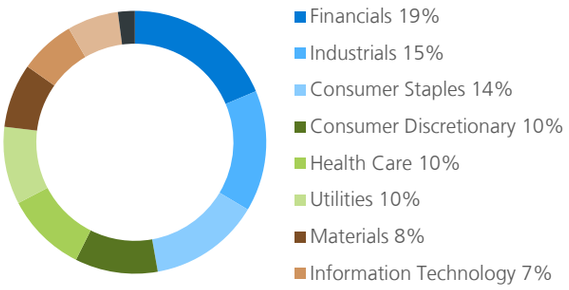
- Systematic selection of securities out of the sustainable investment universe of Zürcher Kantonalbank
- Investment in both sustainability industry leaders and smaller companies with innovative, sustainable products (innovators)

Distribution by region as of 31.07.2019





Distribution by portfolio category as of 31.07.2019



Performance figures ZKB MeinIndex Sustainable Europe

Absolute		Annualized
1m	-1.2%	
3mths	-6.6%	
1y	-5.9%	
3y	21.4%	7.1%
5y	25.4%	5.1%
since launch	87.3%	12.4%

Annual performance	
2013	27.2%
2014	5.7%
2015	9.0%
2016	-3.0%
2017	20.9%
2018	-14.4%
2019 YTD	10.5%

Crisis as chance
Europe is challenged in several ways. Without political integration the euro is threatened to break apart, the aging of society sets the public finances under additional pressure, and globally competition is increasing from emerging economies. In Europe, however, many well-armed companies are located which can benefit from regional and global developments.

Aiming at sustainable growth model
The euro crisis is a result of large imbalances between northern and southern Europe, which have built up since the introduction of the Euro in 1999. The southern periphery countries of Portugal, Spain, Italy and Greece could borrow money at very low interest rates and could afford large imports in order to meet the growing consumption. Countries in northern Europe, especially Germany, could improve their competitiveness and increase trade surpluses . With the change in growth prospects since the beginning of the financial crisis in 2008, the accumulated national debt in the periphery were no longer bearable in the long term. In addition to the need for massive austerity measures, structural adjustments and fiscal policy coordination the promotion of has become even more important on the agenda of European policy. At the EU summit in late June 2012 was as a supplement to the Fiscal Pact, the "Pact for Growth and Employment" definitely adopted, according to which around EUR 120 billion will be mobilized via the European Investment Bank, project bonds, or diversion of existing EU funds. The wider framework for the coordination of the growth policy in Europe is the 10-year strategy "Europe 2020" of the European Commission, which replaced the Lisbon Strategy by 2010. Focus of the growth strategy is the reduction of greenhouse gases and increasing resource efficiency, promoting education and innovation plus the reduction of poverty and the increase of employment. This means that sustainability is firmly anchored at the political level and financially supported.

Creating Added Value Through Sustainable Companies
By investing in sustainable companies does not only promote sustainable growth in Europe, but invests in companies that can benefit better from long-term trends or are less affected of new strains. Within an industry it is those that distinguish themselves by low environmental impact, social responsibility and responsible business management from the others. For example, a company in the sector raw materials can with more efficient obesity and benefit at the same time from the rapidly increasing demand. And sustainable banks in which the responsible corporate leadership is at focus, have proved more resistant to crises. Also small companies that develop new technologies such as renewable energy, more efficient use of resources or public transport gain through these trends.

ZKB MeinIndex Sustainability Europe
In a second step, companies from ZKB's sustainable investment universe are chosen for the ZKB MeinIndex Sustainability Europe based on their attractiveness as determined by the quantitative ZKB equity selection model. The ZKB MeinIndex Sustainability Europe is an index covering Europe ex Switzerland.

Allocation to Sectors
In addition to titles from the MSCI Europe Index the sustainability universe consits of other sustainable companies
from the European region that meet certain minimum requirements for market capitalization and trading volume.
Starting point of the title selection is the division of all as sustainable classified titles from Europe by sector while excluding
Switzerland. Since all energy and mining companies are excluded by the sustainability filter, the universe is composed of the
following sectors:
- Consumer Staples
- Consumer Discretionary
- Financials
- Health Care
- Industrials
- Information Technology
- Materials (ex Mining)
- Telecommunications Services
- Utilities

Based on this classification, it is possible to compare securities with similar risk-return characteristics. At the sector level, financial stocks, followed by consumer and health care companies have the largest weight. On a country basis, the UK, with a share of almost a third of the index resembles the heavy weight. France and Germany are represented each with around one sixth of the index, followed by Scandinavia and the BeNeLux countries. Spain and Italy make up the smallest share.

Key data ZKB MeinIndex Sustainable Europe

CH Sec No.	18 984 103
Bloomberg Symbol	ZKBIEURI

Open End ZKB Tracker Certificates

CH Sec No.	ISIN	Symbol	Tranche
10 716 646	CH0107166461	TREURO	Retail
10 716 647	CH0107166479	TREURI	Institutionell

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 Europe Components as of 31.07.2019

Underlying	Currency	Portfolio category	Weight as of 31.07.2019
adidas AG	EUR	Consumer Discretionary	1.56%
Allianz SE	EUR	Financials	3.35%
ASML Holding NV	EUR	Information Technology	0.39%
Atos SE	EUR	Information Technology	0.88%
Aviva PLC	GBp	Financials	1.73%
AXA SA	EUR	Financials	1.73%
Banco Bilbao Vizcaya Argentari	EUR	Financials	0.29%
Banco Santander SA	EUR	Financials	2.91%
BNP Paribas SA	EUR	Financials	1.04%
BT Group PLC	GBp	Communication Services	0.70%
Capgemini SE	EUR	Information Technology	0.64%
Carrefour SA	EUR	Consumer Staples	1.41%
Chr Hansen Holding A/S	DKK	Materials	1.04%
Cie Generale des Etablissement	EUR	Consumer Discretionary	2.04%
Cie de Saint-Gobain	EUR	Industrials	1.51%
Continental AG	EUR	Consumer Discretionary	0.48%
Danone SA	EUR	Consumer Staples	2.87%
Deutsche Telekom AG	EUR	Communication Services	1.58%
Dialog Semiconductor PLC	EUR	Information Technology	0.16%
Edenred	EUR	Industrials	0.37%
Electrolux AB	SEK	Consumer Discretionary	0.62%
Enagas SA	EUR	Utilities	1.55%
Encavis AG	EUR	Utilities	0.90%
Epiroc AB	SEK	Industrials	0.25%
Evonik Industries AG	EUR	Materials	1.96%
Experian PLC	GBp	Industrials	2.47%
Fresenius SE & Co KGaA	EUR	Health Care	0.66%
GlaxoSmithKline PLC	GBp	Health Care	3.62%
Hennes & Mauritz AB	SEK	Consumer Discretionary	0.75%
Halma PLC	GBp	Information Technology	0.22%
HSBC Holdings PLC	GBp	Financials	1.52%
Husqvarna AB	SEK	Consumer Discretionary	0.22%
Indra Sistemas SA	EUR	Information Technology	0.28%
ING Groep NV	EUR	Financials	1.05%
Intesa Sanpaolo SpA	EUR	Financials	1.65%
Investec PLC	GBp	Financials	0.63%
Iren SpA	EUR	Utilities	0.36%
J Sainsbury PLC	GBp	Consumer Staples	0.23%
K+S AG	EUR	Materials	0.20%
Kapsch TrafficCom AG	EUR	Information Technology	0.18%
Kering SA	EUR	Consumer Discretionary	1.44%
Kingfisher PLC	GBp	Consumer Discretionary	0.77%
Kingspan Group PLC	EUR	Industrials	0.73%
Kone Oyj	EUR	Industrials	0.82%
Koninklijke Ahold Delhaize NV	EUR	Consumer Staples	1.52%
Land Securities Group PLC	GBp	Real Estate	1.03%
Legal & General Group PLC	GBp	Financials	0.50%
Lloyds Banking Group PLC	GBp	Financials	0.54%
Marks & Spencer Group PLC	GBp	Consumer Discretionary	0.81%
Merck KGaA	EUR	Health Care	0.16%
Metso Oyj	EUR	Industrials	1.06%
Mitchells & Butlers PLC	GBp	Consumer Discretionary	0.28%
Mondi PLC	GBp	Materials	1.38%
National Grid PLC	GBp	Utilities	1.15%

Underlying	Currency	Portfolio category	Weight as of 31.07.2019
Nokia Oyj	EUR	Information Technology	0.30%
Novo Nordisk A/S	DKK	Health Care	1.43%
Novozymes A/S	DKK	Materials	0.38%
Bekaert SA	EUR	Materials	1.39%
Persimmon PLC	GBp	Consumer Discretionary	0.73%
Puma SE	EUR	Consumer Discretionary	0.46%
Randstad NV	EUR	Industrials	0.74%
RELX PLC	GBp	Industrials	2.68%
REN - Redes Energeticas Nacion	EUR	Utilities	0.57%
Koninklijke Philips NV	EUR	Health Care	0.94%
Sanofi	EUR	Health Care	2.39%
SAP SE	EUR	Information Technology	1.34%
Schneider Electric SE	EUR	Industrials	0.96%
Siemens AG	EUR	Industrials	2.30%
Siemens Gamesa Renewable Energ	EUR	Industrials	0.28%
Skanska AB	SEK	Industrials	0.20%
SKF AB	SEK	Industrials	0.49%
Smith & Nephew PLC	GBp	Health Care	0.73%
Snam SpA	EUR	Utilities	2.08%
SSAB AB	SEK	Materials	0.68%
Standard Chartered PLC	GBp	Financials	1.68%
STMicroelectronics NV	EUR	Information Technology	0.77%
STO SE & Co KGaA	EUR	Materials	0.66%
Suez	EUR	Utilities	0.25%
Telefonaktiebolaget LM Ericsso	SEK	Information Technology	1.68%
Telefonica Deutschland Holding	EUR	Communication Services	0.06%
Telenet Group Holding NV	EUR	Communication Services	0.26%
Telenor ASA	NOK	Communication Services	1.30%
Tesco PLC	GBp	Consumer Staples	2.25%
Unibail-Rodamco-Westfield	EUR	Real Estate	1.03%
Unilever NV	EUR	Consumer Staples	2.33%
Unilever PLC	GBp	Consumer Staples	3.00%
United Utilities Group PLC	GBp	Utilities	0.57%
Veolia Environnement SA	EUR	Utilities	2.09%
Vodafone Group PLC	GBp	Communication Services	2.39%
Yara International ASA	NOK	Materials	0.17%

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