

## ZKB MeinIndex Sustainable Europe

Reporting | CH Sec No. 18 984 103

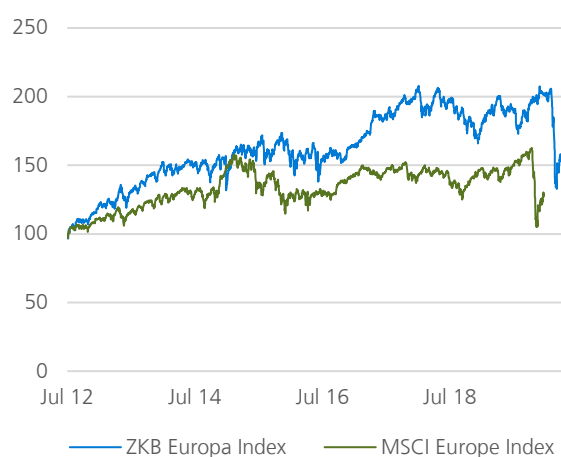
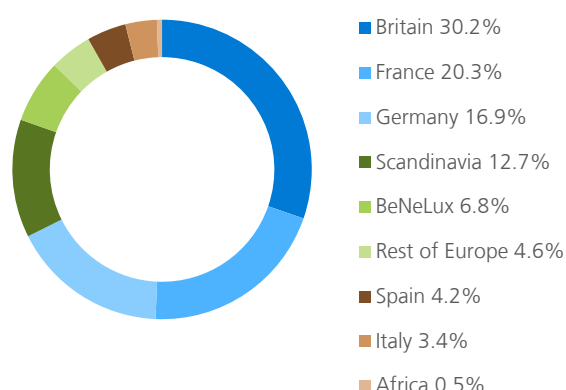
30.04.2020

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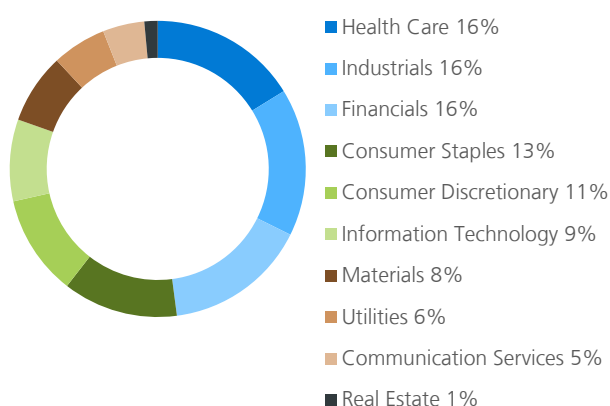
### In brief

- 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 30.04.2020



Distribution by portfolio category as of 30.04.2020



### Performance figures ZKB MeinIndex Sustainable Europe

Absolute	Annualized	
1m	8.3%	
3mths	-16.9%	
1y	-18.6%	
3y	-10.1%	-3.4%
5y	2.2%	0.4%
since launch	63.3%	8.1%

Annual performance	
2013	27.2%
2014	5.7%
2015	9.0%
2016	-3.0%
2017	20.9%
2018	-14.4%
2019	19.6%
2020 YTD	-19.5%

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 consists 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](mailto:derivate@zkb.ch)

## ZKB MeinIndex Sustainable Europe Components as of 30.04.2020

Underlying	Currency	Portfolio category	Weight as of 30.04.2020
adidas AG	EUR	Consumer Discretionary	1.78%
ASML Holding NV	EUR	Information Technology	1.93%
AstraZeneca PLC	GBp	Health Care	1.86%
Atos SE	EUR	Information Technology	1.44%
Aviva PLC	GBp	Financials	1.27%
AXA SA	EUR	Financials	3.11%
Banco Santander SA	EUR	Financials	1.41%
BNP Paribas SA	EUR	Financials	0.89%
British Land Co PLC/The	GBp	Real Estate	0.37%
BT Group PLC	GBp	Communication Services	0.62%
Capgemini SE	EUR	Information Technology	1.84%
Chr Hansen Holding A/S	DKK	Materials	1.24%
Cie Generale des Etablissement	EUR	Consumer Discretionary	1.74%
Coloplast A/S	DKK	Health Care	0.92%
Cie de Saint-Gobain	EUR	Industrials	1.69%
Danone SA	EUR	Consumer Staples	1.72%
Erste Group Bank AG	EUR	Financials	0.34%
EssilorLuxottica SA	EUR	Consumer Discretionary	0.98%
Essity AB	SEK	Consumer Staples	2.20%
Evonik Industries AG	EUR	Materials	2.35%
Experian PLC	GBp	Industrials	0.97%
GlaxoSmithKline PLC	GBp	Health Care	3.80%
Hennes & Mauritz AB	SEK	Consumer Discretionary	1.25%
Halma PLC	GBp	Information Technology	0.61%
Hannover Rueck SE	EUR	Financials	1.85%
Henkel AG & Co KGaA	EUR	Consumer Staples	2.72%
HSBC Holdings PLC	GBp	Financials	1.06%
Industria de Diseno Textil SA	EUR	Consumer Discretionary	1.69%
ING Groep NV	EUR	Financials	1.72%
Intesa Sanpaolo SpA	EUR	Financials	0.97%
Investec PLC	GBp	Financials	0.54%
Iren SpA	EUR	Utilities	0.61%
Kingspan Group PLC	EUR	Industrials	1.11%
KION Group AG	EUR	Industrials	0.45%
Land Securities Group PLC	GBp	Real Estate	1.07%
Marks & Spencer Group PLC	GBp	Consumer Discretionary	0.58%
Merck KGaA	EUR	Health Care	2.66%
Metso Oyj	EUR	Industrials	0.95%
Mondi PLC	GBp	Materials	1.34%
Muenchener Rueckversicherungs-	EUR	Financials	1.19%
National Express Group PLC	GBp	Industrials	0.69%
National Grid PLC	GBp	Utilities	0.85%
Novo Nordisk A/S	DKK	Health Care	2.04%
Bekaert SA	EUR	Materials	1.35%
Outokumpu Oyj	EUR	Materials	0.50%
Persimmon PLC	GBp	Consumer Discretionary	2.45%
Cie Plastic Omnium SA	EUR	Consumer Discretionary	0.47%
Randstad NV	EUR	Industrials	0.85%
RELX PLC	GBp	Industrials	3.57%
REN - Redes Energeticas Nacion	EUR	Utilities	0.62%
Koninklijke Philips NV	EUR	Health Care	0.95%
Sanofi	EUR	Health Care	3.15%
Schneider Electric SE	EUR	Industrials	1.26%
Siemens AG	EUR	Industrials	3.32%

Underlying	Currency	Portfolio category	Weight as of 30.04.2020
Skanska AB	SEK	Industrials	0.51%
Smith & Nephew PLC	GBp	Health Care	0.75%
Snam SpA	EUR	Utilities	1.81%
Standard Chartered PLC	GBp	Financials	1.18%
STMicroelectronics NV	EUR	Information Technology	1.52%
Telefonaktiebolaget LM Ericsson	SEK	Information Technology	1.55%
Telefonica Deutschland Holding	EUR	Communication Services	0.55%
Telefonica SA	EUR	Communication Services	1.13%
Unilever NV	EUR	Consumer Staples	2.65%
Unilever PLC	GBp	Consumer Staples	3.21%
Uponor Oyj	EUR	Industrials	0.70%
Veolia Environnement SA	EUR	Utilities	2.01%
Vodafone Group PLC	GBp	Communication Services	2.23%
Yara International ASA	NOK	Materials	0.83%

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