

ZKB MeinIndex Sustainable Solar

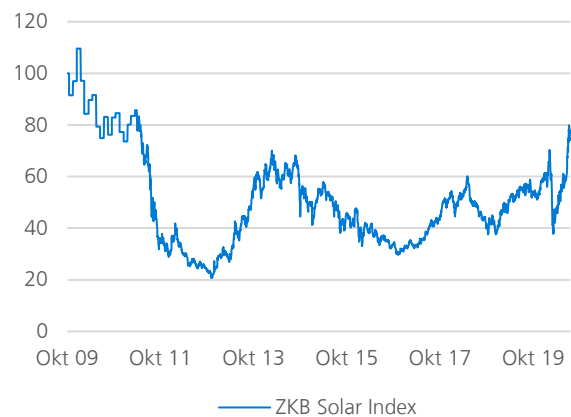
Reporting | CH Sec No. 10 687 107

31.07.2020

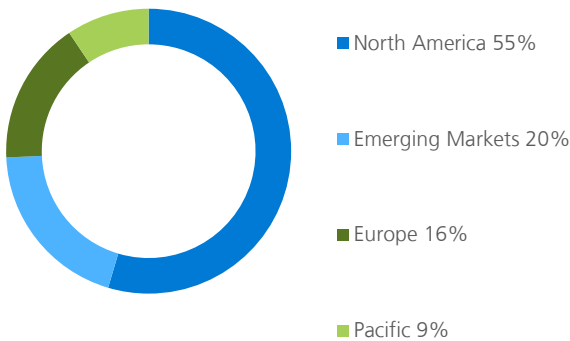
This is a Structured Product. It does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and it is not subject to authorisation or supervision by FINMA. The issuer risk is borne by investors.

In brief

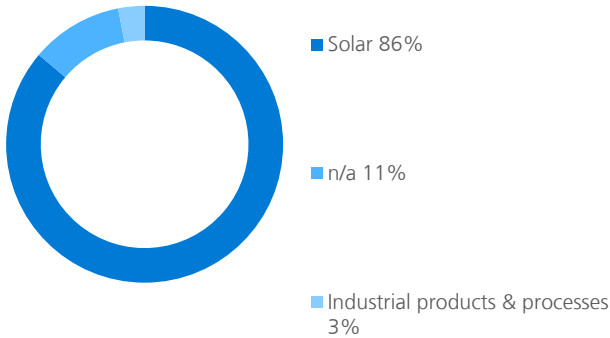
- Unlike fossil fuels, solar energy is infinitely available and the amount transmitted is equivalent to 5,000 times the world's energy consumption.
- Solar energy is available on a decentralized basis, consequently requiring less transfer capacity.
- The current decade will see photovoltaics achieve network parity (when production costs for solar power are the same as the cost of electricity from the grid).
- The share of solar technologies in the energy mix in year 2040 is forecasted at up to 20 % (a growth factor of 320).



Distribution by region as of 31.07.2020



Distribution by portfolio category as of 31.07.2020



Performance figures ZKB MeinIndex Sustainable Solar

| Absolute | | Annualized |
|--------------|--------|------------|
| 1m | 25.4% | |
| 3mths | 41.5% | |
| 1y | 32.0% | |
| 3y | 80.8% | 26.9% |
| 5y | 54.8% | 11.0% |
| since launch | -25.8% | -2.4% |

| Annual performance | |
|--------------------|--------|
| 2013 | 124.0% |
| 2014 | -9.9% |
| 2015 | -6.5% |
| 2016 | -34.1% |
| 2017 | 66.9% |
| 2018 | -26.2% |
| 2019 | 52.2% |
| 2020 YTD | 28.1% |

Solar energy and sustainability

In future, people will be able to use a large number of different energy sources. Fossil fuels will sooner or later run out, or it will no longer be possible to use them for climate reasons. Renewables can and must take the leading role in future energy provision. Solar power has a vital contribution to make. The energy transmitted to the earth from the sun is around 5,000 times greater than the world's energy consumption. No other renewable energy source can compete with that. A major advantage of solar energy is that it can be harnessed everywhere on earth. For example, a vast number of unused roofs is available for the on-site use of solar energy as electricity or heat. Solar energy can also be added incrementally, i.e. in small units, thus lessening the risk of large-scale power outages. In particular, the production of electricity from the sun – photovoltaics – has made enormous progress over the past 10 years in terms of production technologies and cost reductions. In the foreseeable future, it will be possible for government support to be withdrawn. Production of solar modules is nearing industrial levels, bringing corresponding economies of scale. Costs are also falling as a result, meaning that in the current decade, electricity from photovoltaic modules will cost the same as electricity from the grid ("network parity"). If we accept forecasts from numerous quarters that solar technologies will account for up to 20 % of world energy production by the middle of the 21st century, this represents an enormous growth factor.

ZKB MeinIndex Sustainability Solar

For the ZKB MeinIndex Sustainability Solar, companies that cover a broad range of solar applications for electricity as well as heat and cold generation are selected from the sustainable investment universe of Zürcher Kantonalbank. The main focus is on the provision of products and systems for electricity production. The most widespread form – crystalline photovoltaics – represents an important part of the index. A more precise differentiation is made between the individual stages in the value chain. Other technologies include the various thin-film technologies, solar thermal electricity production and concentrator technologies. Solar thermal applications for heat / cold

Suppliers and raw materials

Crystalline solar technology has its origins in sand. The raw material for the production of solar wafers and cells – crude silicon – is extracted from silica sand. Producers in this sector include manufacturers of machines and other products for the solar industry (producers of raw materials are excluded).

Wafer/cell (production)

Wafers and the cells produced from them are the most important elements in the production of a solar module.

Modules (production)

A solar module is a packaged, interconnected assembly of cells.

All-round suppliers

Companies which are active in two or more stages of the value chain with notable production activities.

New technologies

In terms of new technologies, a distinction is drawn between four different areas: 1) Thin-film: a series of promising approaches based on thin-film technology, such as amorphous silicon, copper indium gallium diselenide (CIGS) and cadmium telluride (CdTe); 2) Solar thermal/concentrators: this category comprises manufacturers of solar thermal electricity production plants and concentrator modules/systems; 3) Project developers: they develop, build and/or operate projects in the solar value chain; 4) Solar thermal heat/cold: comprises manufacturers of plants and systems for the production of solar thermal heat or cold, such as solar collectors.

Key data ZKB MeinIndex Sustainable Solar

| | |
|------------------|------------|
| CH Sec No. | 10 687 107 |
| Bloomberg Symbol | ZKBISOLR |

Open End ZKB Tracker Certificates

| CH Sec No. | ISIN | Symbol | Tranche |
|------------|--------------|--------|----------------|
| 10 716 406 | CH0107164060 | TRSOLO | Retail |
| 10 716 413 | CH0107164136 | TRSOLI | 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 Solar Components as of 31.07.2020

| Underlying | Currency | Portfolio category | Weight as of 31.07.2020 |
|--------------------------------|----------|---------------------------------|-------------------------|
| 5N Plus Inc | CAD | Solar | 3.65% |
| Canadian Solar Inc | USD | Solar | 4.31% |
| Daqo New Energy Corp | USD | Solar | 6.08% |
| Enphase Energy Inc | USD | Solar | 4.46% |
| First Solar Inc | USD | Solar | 3.73% |
| JinkoSolar Holding Co Ltd | USD | Solar | 3.77% |
| Kyocera Corp | JPY | Solar | 2.66% |
| Kyudenko Corp | JPY | Solar | 3.01% |
| Maxon Solar Technologies Ltd | USD | n/a | 0.65% |
| Nissin Electric Co Ltd | JPY | Industrial products & processes | 3.07% |
| OCI Co Ltd | KRW | Solar | 4.22% |
| Pfeiffer Vacuum Technology AG | EUR | Solar | 3.32% |
| SMA Solar Technology AG | EUR | Solar | 3.81% |
| SolarEdge Technologies Inc | USD | Solar | 4.89% |
| Sunnova Energy International I | USD | n/a | 5.83% |
| SunPower Corp | USD | Solar | 3.86% |
| Sunrun Inc | USD | Solar | 13.06% |
| Vivint Solar Inc | USD | Solar | 15.62% |
| Wacker Neuson SE | EUR | n/a | 4.26% |
| Xinyi Solar Holdings Ltd | HKD | Solar | 5.61% |

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 must 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.