

ZKB Tracker Certificate Dynamic on a BCVs Real Assets Basket

23.10.2020 - Open End | Swiss Security Code 56 677 991

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 Dynamic SSPA Category: Tracker Certificate (1300, acc. to the Swiss Derivative Map) ISIN: CH0566779911 Issuer: Zürcher Kantonalbank Underlying: a BCVs Real Assets Basket Initial Fixing Date: From 16 October 2020 till 19 October 2020 Settlement Date: 23 October 2020 Final Fixing Date: --- (Open End) Redemption Date: --- (Open End) Type of settlement: cash
Information concerning the offer and admission to trading
Place of the offer: Switzerland Notional Amount/Denomination/Trading Units: CHF 15'000'000.00/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: The product will not be listed on an official exchange.

New Issue

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.

Investment Profile

The composition of the Underlying of this Structured Product is managed **dynamically** and **discretionary** over the course of its term.

The Investment Manager selects a basket composed mainly of underlyings related to real assets and optimised for an environment of financial repression (sustained low interest rates). The diversified basket is also composed of underlyings that will benefit from a recovery in inflation. The objective is to protect purchasing power in the medium and long term. The basket is composed of investment products with an allocation to real estate, commodities, equities, as well as convertibles and TIPS.

Further information about the investment strategy – if available – can be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zürich, department VRIE or by way of e-Mail address documentation@zkb.ch.

Title Universe

The Title Universe consists of funds and ETF's. The Underlying constituents are listed at a recognized exchange (World Federation of Exchanges or FESE (Federation of European Securities Exchanges)). The current composition of the Underlying can be found under www.zkb.ch/strukturierteprodukte.

Rebalancing	The Investment Manager rebalances the portfolio composition based on its qualified evaluation of the market. The Investment Manager considers only Underlying Components which provide sufficient liquidity and tradability. The Rebalancing is based on net prices of the Underlying Components (average of the net prices of the Underlying Components converted into the basket currency by the Issuer). The rebalancing period may be prolonged by the Issuer due to limited tradability. The current basket composition is listed in the Annex to this termsheet.					
Issuer	Zürcher Kantonalbank, Zurich					
Rating of the Issuer	Standard & Poor's AAA, Moody's Aaa, Fitch AAA					
Lead Manager, Paying Agent, Exercise Agent and Calculation Agent	Zürcher Kantonalbank, Zurich					
Investment Manager	<p>Banque Cantonale du Valais, Sion</p> <p>Banque Cantonale du Valais is a bank according to the Swiss Federal Act on Banks and Saving Institutions (BankG; SR 952.0) and a securities dealer according to the Swiss Federal Act on Securities Exchanges and Securities Trading (BEHG; SR 954.1) and subject to the prudential supervision of the FINMA, Laupenstrasse 27, CH-3003 Bern, http://www.finma.ch.</p> <p>The Investment Manager may not only act as distributor of the Structured Product and/or Investment Manager in relation to the Underlying but also as asset manager or financial advisor in relation to the investors in the Structured Products. This may lead to potential conflicts between the interests of the investors and the interests of the Investment Manager. The Investment Manager has taken all necessary measures to avoid such potential conflict of interest or, if such avoidance is not reasonably possible, will disclose such conflict of interest to the investors concerned.</p>					
Swiss Security Code/ISIN	56 677 991 (not listed)/CH0566779911					
Notional Amount/Denomination/ Trading Units	CHF 15'000'000.00/CHF 100.00/1 Structured Product or multiples thereof					
Number of Structured Products	Up to 150'000, with the right to increase					
Issue Price	CHF 100.00 /100.00% of Basket Value on the Initial Fixing Date					
Currency	CHF					
Underlying per Initial Fixing Date	Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares/ Amount
	BONHOTE IMMOBILIER	CH0026725611/ BIM SE	SIX Swiss Exchange	CHF 147.93829	1.40	0.009634
	Credit Suisse Real Estate Fund Siat Edmond de Rothschild Real Estate	CH0012913700/ SIAT SW	SIX Swiss Exchange	CHF 214.43456	4.00	0.018654
	iShares Core SPI(R) ETF (CH)	CH0124238004/ ERRES SE	SIX Swiss Exchange	CHF 139.35640	1.40	0.010046
	iShares Core SPI(R) ETF (CH)	CH0014586710/ FIR SW	SIX Swiss Exchange	CHF 219.97329	1.40	0.006364
	iShares Core SPI(R) ETF (CH)	CH0237935652/ CHSPI SE	SIX Swiss Exchange	CHF 128.43926	5.00	0.038929
	iShares III PLC - iShares MSCI World Small Cap UCITS	IE00BF4RFH31/ WSML LN	London Stock Exchange	USD 5.48982	3.00	0.600776
	iShares SMIM(R) ETF (CH)	CH0019852802/ CSSMIM SE	SIX Swiss Exchange	CHF 280.09201	2.00	0.007141
	Patrimonium Real Estate Fund	CH0034995214/ PSREF SW	SIX Swiss Exchange	CHF 173.90188	1.40	0.008051
	SSgA SPDR ETFs Europe II PLC - SPDR Refinitiv Global Convertible Bond UCITS	CH0039415010/ RSPF SW	SIX Swiss Exchange	CHF 137.82067	1.40	0.010158

SSgA SPDR ETFs Europe II PLC - SPDR Refinitiv Global Convertible Bond UCITS	IE00BDT6FS23/ GCVC SE	SIX Swiss Exchange	CHF 37.01085	10.00	0.270191
Swiss Life REF (CH) Swiss Properties	CH0293784861/ SLREFS SW	SIX Swiss Exchange	CHF 129.32000	2.00	0.016524
UBS (Irl) ETF PLC - MSCI ACWI ESG Universal UCITS	IE00BDQZN667/ AWESGT SW	SIX Swiss Exchange	CHF 11.51803	10.00	0.868204
UBS ETFs PLC - CMCI Composite SF UCITS ETF Class -A- CHF	IE00B58FQX63/ CCCHAS SE	SIX Swiss Exchange	CHF 47.05276	7.50	0.159396
UBS (CH) Property Fund - Direct Residential	CH0026465366/ DRPF SW	SIX Swiss Exchange	CHF 17.44902	1.00	0.057310
Xtrackers II SICAV - Xtrackers II Global Infl.-Linked Bd UCITS Distr	CH0014420829/ ANFO SW	SIX Swiss Exchange	CHF 85.20478	6.00	0.070419
Xtrackers II SICAV - Xtrackers II Global Infl.-Linked Bd UCITS Distr	LU0641007421/ XG7G SE	SIX Swiss Exchange	CHF 114.76951	25.00	0.217828
Xtrackers (IE) PLC - Xtrackers MSCI World Communication Services UCITS	IE00BM67HR47/ XWTS GY	Xetra	EUR 13.59534	2.00	0.137253
Xtrackers (IE) PLC - Xtrackers MSCI World Consumer Staples UCITS	IE00BM67HN09/ XDWS LN	London Stock Exchange	USD 39.47492	2.00	0.055922
Xtrackers (IE) PLC - Xtrackers MSCI World Health Care UCITS	IE00BM67HK77/ XDWH LN	London Stock Exchange	USD 40.72741	2.00	0.053987
Xtrackers (IE) PLC - Xtrackers MSCI World Information Technology UCITS	IE00BM67HT60/ XDWT LN	London Stock Exchange	USD 48.30304	2.00	0.045520
Xtrackers (IE) PLC - Xtrackers MSCI World Utilities UCITS	IE00BM67HQ30/ XDWU LN	London Stock Exchange	USD 29.03435	2.00	0.075730
ZKB Gold ETF CHF H	CH0139101601/ ZGLDHC SE	SIX Swiss Exchange	CHF 486.67299	7.50	0.015411

* 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 100.00 on Initial Fixing Date

The terms and conditions of the present product have been adjusted due to Corporate Actions, refer to table Corporate Actions.

Ratio

1 ZKB Tracker Certificate Dynamic represents 1 Underlying

Dividend Payments

No dividends will be paid out. The dividend as a whole will be reinvested into the Structured Product in the form of a net dividend.

Initial Fixing Date

From 16 October 2020 till 19 October 2020
The Issuer has the right to expand the time period for the Initial Fixing if required by current market conditions e.g. liquidity.

Settlement Date

23 October 2020

Redemption right of the Issuer

The Issuer has the right to redeem the outstanding Structured Products quarterly on the 15th day of March, June, September and December (fixing date; modified following), for the first time on 15 December 2020. 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 announcement and thus the declaration of intent to exercise the Redemption right is made with a notice period of 20 banking days on the website of Zürcher Kantonalbank. No statement of reasons is required. The redemption will be executed with a value date of 5 bank working days after the fixing date (Redemption Date).

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 quarterly per 15th day of the months March, June, September and December (fixing date; modified following) to the Issuer, for the first time on 15 December 2020. 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.

Initial Fixing Level

From 16 October 2020 till 19 October 2020, 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.

Redemption Method

On Redemption Date, investors receive in cash for every certificate 100% of the Underlying as defined on the Final Fixing Date and according to the following formula:

$$\text{Ratio} * \left(\sum_{i=1}^N S_{i,T} * W_{i,T} * FX_{i,T} \right) - \text{Fees}$$

where

Ratio = 1

$S_{i,T}$ = Value of the Component i of the Underlying on Final Fixing Date

$W_{i,T}$ = Weighting of the Component i of the Underlying (number of Shares) on
Final Fixing Date

Fees = Annual Fee and Rebalancing Fees

$FX_{i,T}$ = Exchange rate of the Component i of the Underlying (to CHF) on Final Fixing
Date

T = Final Fixing Date

Negative interests could be charged on any potential Cash Components (overnight reference interest rate of the respective currency). This has a negative impact on the value of the structured product.

If capital events that were unknown at the time of issue take place during the life of the ZKB Tracker Certificate Dynamic, they shall be taken into account by adjusting the weighting of the affected Component of the Underlying accordingly.

Listing

The Structured Product shall not be listed on an official exchange.

The Issuer shall provide a secondary market with a bid-ask spread of no more than 1.00% under normal market conditions.

Annual Fee

1.10% p.a. The Annual Fee will be charged based on the value of the Structured Product and is pro rata temporis included in the trading price. Of the Annual Fee, the Issuer receives 0.20% p.a. and the Investment Manager receives 0.90% p.a. for their relevant duties.

Rebalancing Fee

A Rebalancing Fee of 0.10% of the transaction value will be charged per Rebalancing.

Clearing House

SIX SIS AG/Euroclear/Clearstream

Distribution fees

No distribution fees in the form of a discount on issue price, reimbursement of a part of the issue price or other one-off and/or periodic charges are paid out to one or several distribution partners of this Structured Product.

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 Dynamic is equivalent to buying the Underlying less any Fees. A single, low-cost transaction gives investors the opportunity to participate fully in the performance of the Underlying. Dividend Payments of underlying components in the basket are paid out to the investor by means of Dividend reinvestment in the Underlying. Redemption is based on the weighted value of Underlying components on the Fixing Date.

Taxes

The Issuer reports the taxable factors (change to previous year's value) divided in the components income and capital gain to the Swiss Federal Tax Administration on 31 October each year. The income part is subject to Swiss income tax for private investors with Swiss tax domicile as per reporting date. The capital gain part is not subject to Swiss income tax. 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 Swiss Exchange 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. The Underlyings/Components of the Underlyings may include a management fee.

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.

Governing Law/Jurisdiction

Swiss Law/Zurich

2. Profit and Loss Expectations after Year 1

Profit and Loss Expectations after Year 1

ZKB Tracker Certificate Dynamic

Basket		Redemption	
Value	Percent	ZKB Tracker Certificate Dynamic	Performance %
CHF 85.00	-15.00%	CHF 84.07	-15.94%
CHF 90.00	-10.00%	CHF 89.01	-10.99%
CHF 95.00	-5.00%	CHF 93.96	-6.05%
CHF 100.00	0.00%	CHF 98.90	-1.10%
CHF 105.00	+5.00%	CHF 103.85	3.85%
CHF 110.00	+10.00%	CHF 108.79	8.79%
CHF 115.00	+15.00%	CHF 113.74	13.74%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate Dynamic is analog to the performance of the Underlying less any Fees. Rebalancing Fees are not included in the table above.

The figures in the table above are valid after Year 1 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.

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 Dynamic is an investment product whose price fluctuates to the same degree as the Underlying less any Fees. Depending on price trends, the price of a ZKB Tracker Certificate Dynamic could fall below the Issue Price. The risk profile of the ZKB Tracker Certificate Dynamic corresponds to that of the Underlying. The ZKB Tracker Certificate Dynamic is denominated in CHF. The investor bears all the risks in connection with a possible exchange rate risk between the product currency, the currency of the components of the Underlying, and his reference currency.

4. Additional Terms

Modifications

If an extraordinary event occurs in relation to the Underlying/a component of the Underlying, which makes it impossible or particularly cumbersome for the Issuer, to fulfil its obligations under the Structured Products or to calculate the value of the Structured Products, the Issuer shall at its own discretion take all the necessary actions and, if necessary may modify the terms and conditions of these Structured Products at its own discretion in such way, that the economic value of the Structured Products after occurrence of the extraordinary event corresponds, to the extent possible, to the economic value of the Structured Products prior to the occurrence of the extraordinary event. If the Issuer determines, for whatever reason, that an adequate modification is not possible, the Issuer has the right to redeem the Structured Products early.

Market Disruptions

If, due to the occurrence of a Market Disruption in relation to the Underlying/a component of the Underlying no market price can be determined, the Issuer or the Calculation Agent shall determine the market price of the Underlying/the component of the Underlying at its free discretion, considering the general market conditions and the last market price of relevant Underlying/component of the Underlying affected by the Market Disruption and has the right, if the Market Disruption persists on the Redemption Date, to postpone the Redemption Date to the first Banking Day on which the Market Disruption has terminated. It shall make comparisons with the provisions laid down in the Base Prospectus, which shall take precedence. This provision shall apply accordingly to the determination of the value of the Structured Products, if the Underlying/a component of the Underlying is affected by a Market Disruption.

Early Termination in Case of Change of Law

The Issuer reserves the right of early termination in respect of all Structured Products issued under this issuance program for tax reasons (such as, e.g., in the situation in which the Issuer would be required on account of new tax laws to pay additional amounts which result from the withholding or deduction of current or future taxes, imposts, charges or fees, regardless of type), as well as in the case of limitations in respect of its activities as Issuer through new laws or administrative measures (e.g., if it is prohibited under supervisory law from issuing Structured Products).

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 (FinIAG; 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, 23 September 2020, last update on 7 December 2020

Corporate Actions

Date	Underlying	Action		
30.11.2020	Swiss Life REF (CH) Swiss Properties	Rights Issue on 30.11.2020	No. of Shares old 0.015786	No. of Shares new 0.016524
07.12.2020	BONHOTE IMMOBILIER	Rights Issue on 07.12.2020	No. of Shares old 0.009463	No. of Shares new 0.009634