

ZKB Tracker Certificate on Construction Materials Basket (USD)

19.08.2021 - 19.08.2024 | Swiss Security Code 110 587 579

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: CH1105875798 Symbol: CONMDZ Issuer: Zürcher Kantonalbank Underlying: Construction Materials Basket (USD) Initial Fixing Date: 12 August 2021 Settlement Date: 19 August 2021 Final Fixing Date: 12 August 2024 Redemption Date: 19 August 2024 Type of settlement: cash
Information concerning the offer and admission to trading
Place of the offer: Switzerland Notional Amount/Denomination/Trading Units: USD 20'000'000.00/USD 100.00/1 structured product or multiples thereof Issue price: USD 100.00 Information on listing: Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 19 August 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

CONMDZ/
110 587 579/CH1105875798

Notional Amount/Denomination/ Trading Units

USD 20'000'000.00/USD 100.00/1 structured product or multiples thereof

Number of structured products

Up to 200'000, with the right to increase

Issue Price

USD 100.00/103.90% of Basket Value on the Initial Fixing Date

Currency

USD

Underlying

Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares
Ashtead Group PLC	GB0000536739 / AHT LN	London Stock Exchange	GBP 57.01211	3.00	0.036685
BillerudKorsnas AB	SE0000862997 / BILL SS	Nasdaq Stockholm	SEK 189.57843	5.00	0.220658
Caterpillar Inc	US1491231015 / CAT UN	New York Stock Exchange	USD 220.27304	3.00	0.013109
Cemex SAB Sponsored ADR Repr 10 CPO	US1512908898 / CX UN	New York Stock Exchange	USD 7.99120	5.00	0.602225
Compagnie de Saint-Gobain SA	FR0000125007 / SGO FP	Euronext Paris	EUR 64.58969	5.00	0.063520
Construction Partners Inc	US21044C1071 / ROAD UW	NASDAQ GS	USD 34.47517	5.00	0.139593
Eagle Materials Inc	US26969P1084 / EXP UN	New York Stock Exchange	USD 155.04325	5.00	0.031040
H & E Equipment Services Inc	US4040301081 / HEES UW	NASDAQ GS	USD 35.51533	3.00	0.081303
HeidelbergCement AG	DE0006047004 / HEI GY	Xetra	EUR 76.21143	5.00	0.053833
Holcim Ltd	CH0012214059 / HOLN SE	SIX Swiss Exchange	CHF 54.00810	5.00	0.082293
James Hardie Industries PLC	AU000000JHX1 / JHX AT	Australian Securities Exchange	AUD 50.39756	5.00	0.130193
Louisiana-Pacific Corp	US5463471053 / LPX UN	New York Stock Exchange	USD 60.43906	5.00	0.079626
Martin Marietta Materials Inc.	US5732841060 / MLM UN	New York Stock Exchange	USD 388.99834	5.00	0.012372
SIKA AG	CH0418792922 / SIKA SE	SIX Swiss Exchange	CHF 330.64959	5.00	0.013442
Stora Enso Oyj	FI0009005961 / STERV FH	Nasdaq Helsinki	EUR 16.98755	5.00	0.241513
Summit Materials Inc	US86614U1007 / SUM UN	New York Stock Exchange	USD 35.53533	5.00	0.135429
Terex Corp	US8807791038 / TEX UN	New York Stock Exchange	USD 53.75806	3.00	0.053713
United Rentals Inc	US9113631090 / URI UN	New York Stock Exchange	USD 361.39420	3.00	0.007990
UPM-Kymmene OYJ	FI0009005987 / UPM FH	Nasdaq Helsinki	EUR 35.00525	5.00	0.117203
Vulcan Materials Co	US9291601097 / VMC UN	New York Stock Exchange	USD 192.38885	5.00	0.025014
West Fraser Timber Co.Ltd	CA9528451052 / WFG CT	Toronto Stock Exchange	CAD 92.01380	5.00	0.065513
Weyerhaeuser Co	US9621661043 / WY UN	New York Stock Exchange	USD 35.02525	5.00	0.137401

* 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

USD 96.25 on Initial Fixing Date

Ratio

1 ZKB Tracker Certificate 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

12 August 2021

Settlement Date

19 August 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

9 August 2024

Final Fixing Date

12 August 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

19 August 2024

Initial Fixing Level

Closing prices of the components of the Underlying on Related Exchanges, on 12 August 2021

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 12 August 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:

$$IV_t = IV_{t-1} + IV_{t-1} * \sum_{i=1}^n \left[w_t^i * \left(\frac{BW_t^i - BW_{t-1}^i}{BW_{t-1}^i} * \frac{FX_t^i}{FX_{t-1}^i} + FXRoll_{t-1,t}^i \right) \right]$$

Where:

IV_t Intrinsic value on trading day t (IV_0 = USD 96.25)

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

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.

Listing/Secondary market

Application to list on the SIX Swiss Exchange will be filed, planned first trading day will be 19 August 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 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 Final Fixing Date.

Taxes

For private investors with Swiss tax domicile, the reinvested dividends are subject to Swiss income tax at maturity. 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 %
USD 38.50	-60.00%	USD 38.50	-61.50%
USD 57.75	-40.00%	USD 57.75	-42.25%
USD 77.00	-20.00%	USD 77.00	-23.00%
USD 100.00	+3.90%	USD 100.00	0.00%
USD 115.50	+20.00%	USD 115.50	15.50%
USD 134.75	+40.00%	USD 134.75	34.75%
USD 154.00	+60.00%	USD 154.00	54.00%

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 USD. If the investor's reference currency differs from the USD, the investor bears the risk between the USD 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.

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, 12 August 2021, last update on 13 August 2021