

## ZKB MeinIndex Sustainable Emerging Markets

Reporting | CH Sec No. 13 599 733

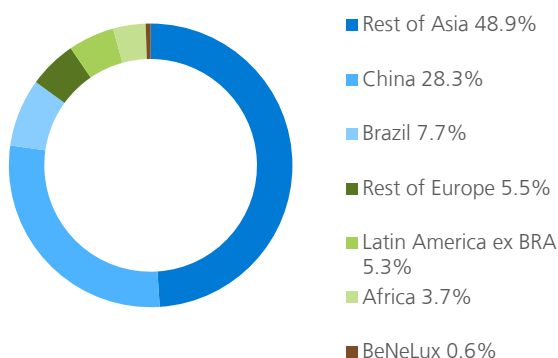
31.08.2023

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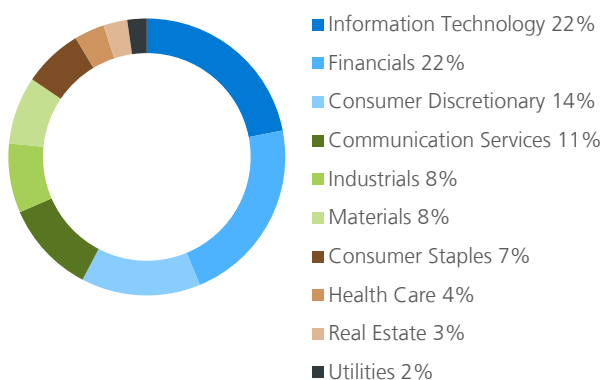
### In brief

- 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 31.08.2023



Distribution by portfolio category as of 31.08.2023



### Performance figures ZKB MeinIndex Sustainable Emerging Markets

Absolute	Annualized	
1m	-4.6%	
3mths	-0.6%	
1y	-2.4%	
3y	-5.2%	-1.7%
5y	-7.5%	-1.5%
since launch	49.4%	4.2%

Annual performance	
2015	-11.0%
2016	11.1%
2017	30.9%
2018	-14.7%
2019	16.2%
2020	2.7%
2021	-1.9%
2022	-17.3%
2023 YTD	1.6%

**Emerging Markets: Tomorrow's Growth Engine**  
Emerging Markets have become increasingly important in terms of their contribution to global GDP as well as their market capitalization. Longterm forecasts predict that by 2050, the combined GDP of the seven largest Emerging Markets (E7) will be twice as high as that of the G7 industrialized countries. The financial crisis has boosted this transformation process even further. The balance will probably continue to shift in favor of the Emerging Markets in view of the unsolved debt crisis in the eurozone and the highly unstable financial situation in the U.S.

**Growing Environmental and Social Risks**  
Unfortunately, the high growth expectations are coupled with increasing environmental and social risks. The fast-paced growth in Emerging Markets is closing the gap between rich and poor countries, thus raising prosperity globally. Yet, at the same time the negative aspects of this development are becoming increasingly obvious as the surge in consumption of resources accelerates and the output of greenhouse gases rises, further accelerating the climate change. Moreover, population growth in Emerging Markets is likely to remain high, partly due to lack of adequate social welfare systems (world population is expected to reach 9 billion by the year 2050).

**Creating Added Value Through Sustainable Companies**  
In order to encounter the problematic effects described above, it is vital that especially companies in Emerging Markets actively strive to uncouple their resource consumption from their economic growth, for instance through more efficient and sustainable production processes. This will gain them an additional competitive edge. In a first step, the ZKB Sustainability Research Team examines the sustainability of all companies qualifying for ZKB MeinIndex Sustainability Emerging Markets. The Team applies a multi-level monitoring procedure encompassing comprehensive and rigorous exclusion criteria as well as quantitative and qualitative environmental, social, and governance criteria. In addition, the respective companies must fulfill one of the following three criteria: inclusion in the MSCI EMMA (ex energy, ex mining), Emerging Markets companies not included in the MSCI EMMA, or companies with a predominant share of sales in Emerging Markets.

**Key data ZKB MeinIndex Sustainable  
Emerging Markets**

CH Sec No.	13 599 733
Bloomberg Symbol	ZKBIEMMA

**Open End ZKB Tracker Certificates**

CH Sec No.	ISIN	Symbol	Tranche
10 716 476	CH0107164763	TREMMO	Retail
10 716 477	CH0107164771	TREMMI	Institutionell

**ZKB MeinIndex Sustainability Emerging Markets**  
In a second step, companies from ZKB's sustainable investment universe are chosen for the ZKB MeinIndex Sustainability Emerging Markets based on their attractiveness as determined by the quantitative ZKB equity selection model.

**Allocation to Homogeneous Country Groups**  
Starting point for the equity selection is the allocation of all Emerging Market shares that are considered sustainable to homogeneous country groups:

- Europe
- Africa
- Brazil
- Latin America ex Brazil
- China
- India
- Asia ex China and ex India

The idea behind this allocation is to compare equities with similar risk/return characteristics. For instance, the markets of Europe (including the heavyweight Russia), Africa (with South Africa) and Brazil export energy and materials and are thus strongly driven by the development of commodity markets. In contrast, the exporting countries in the rest of Asia, including the high-tech countries Korea and Taiwan, are primarily subject to general global economic development. China and India, in turn, are large and broadly diversified economies whose structures resemble those of industrialized countries more closely. In addition to those distinguished characteristics, the individual Emerging Markets strongly differ in terms of their stages of development.

ZKB MeinIndex Sustainability Emerging Markets attempts to take these structural differences into account through its country allocation.

**Quantitative Approach to Equity Selection**  
After the allocation to homogeneous groups of countries, the attractiveness of individual equities is determined by means of a quantitative model. The use of a quant model enables to systematically manage the large, heterogeneous and broadly diversified universe of Emerging Markets despite all structural differences.

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## ZKB MeinIndex Sustainable Emerging Markets Components as of 31.08.2023

Underlying	Currency	Portfolio category	Weight as of 31.08.2023
3SBio Inc	HKD	Health Care	0.25%
Accton Technology Corp	TWD	Information Technology	0.24%
Acer Inc	TWD	Information Technology	0.23%
Advantech Co Ltd	TWD	Information Technology	0.26%
Alibaba Group Holding Ltd	HKD	Consumer Discretionary	3.63%
America Movil SAB de CV	MXN	Communication Services	0.47%
ASE Technology Holding Co Ltd	TWD	Information Technology	0.35%
Aspen Pharmacare Holdings Ltd	ZAr	Health Care	0.36%
Baidu Inc	HKD	Communication Services	0.79%
Fibra Uno Administracion SA de	MXN	Real Estate	0.61%
Banco Bradesco SA	BRL	Financials	0.24%
Banco BTG Pactual SA	BRL	Financials	0.58%
Banco do Brasil SA	BRL	Financials	0.66%
Bank of the Philippine Islands	PHP	Financials	0.35%
Bosideng International Holding	HKD	Consumer Discretionary	0.59%
Bumrungrad Hospital PCL	THB	Health Care	0.25%
BYD Electronic International C	HKD	Information Technology	0.53%
Cheng Shin Rubber Industry Co	TWD	Consumer Discretionary	0.83%
China CITIC Bank Corp Ltd	HKD	Financials	0.98%
China Communications Services	HKD	Industrials	0.60%
China Construction Bank Corp	HKD	Financials	1.89%
China Everbright Environment G	HKD	Industrials	0.51%
China Feihe Ltd	HKD	Consumer Staples	0.34%
China Medical System Holdings	HKD	Health Care	0.29%
China Overseas Land & Investme	HKD	Real Estate	0.39%
China Resources Gas Group Ltd	HKD	Utilities	0.40%
China Resources Land Ltd	HKD	Real Estate	0.79%
China State Construction Inter	HKD	Industrials	0.36%
CIMB Group Holdings Bhd	MYR	Financials	1.18%
Clicks Group Ltd	ZAr	Consumer Staples	0.47%
Compal Electronics Inc	TWD	Information Technology	0.27%
Cia Energetica de Minas Gerais	BRL	Utilities	0.93%
COSCO SHIPPING Holdings Co Ltd	HKD	Industrials	0.62%
COSCO SHIPPING Ports Ltd	HKD	Industrials	0.46%
Coway Co Ltd	KRW	Consumer Discretionary	0.27%
CPFL Energia SA	BRL	Utilities	0.66%
Credicorp Ltd	USD	Financials	1.42%
CRRC Corp Ltd	HKD	Industrials	0.76%
Delta Electronics Inc	TWD	Information Technology	0.87%
Ecopro BM Co Ltd	KRW	Industrials	0.32%
ENN Energy Holdings Ltd	HKD	Utilities	0.28%
Eurobank Ergasias Services and	EUR	Financials	0.41%
Feng TAY Enterprise Co Ltd	TWD	Consumer Discretionary	0.26%
FirstRand Ltd	ZAr	Financials	0.38%
Formosa Chemicals & Fibre Corp	TWD	Materials	2.12%
Gamuda Bhd	MYR	Industrials	0.48%
Grupo Financiero Banorte SAB d	MXN	Financials	0.51%
Haier Smart Home Co Ltd	HKD	Consumer Discretionary	0.94%
Haitian International Holdings	HKD	Industrials	0.53%
Hankook Tire & Technology Co L	KRW	Consumer Discretionary	0.35%
Hanmi Pharm Co Ltd	KRW	Health Care	0.33%
Hanon Systems	KRW	Consumer Discretionary	0.26%
Hanwha Solutions Corp	KRW	Materials	0.26%
Hapvida Participacoes e Invest	BRL	Health Care	0.24%

Underlying	Currency	Portfolio category	Weight as of 31.08.2023
Huatai Securities Co Ltd	HKD	Financials	0.46%
Hypera SA	BRL	Health Care	0.25%
Hyundai Mobis Co Ltd	KRW	Consumer Discretionary	0.35%
IHH Healthcare Bhd	MYR	Health Care	0.23%
Indorama Ventures PCL	THB	Materials	0.68%
International Container Termin	PHP	Industrials	0.68%
Itau Unibanco Holding SA	BRL	Financials	0.76%
JD.com Inc	HKD	Consumer Discretionary	0.70%
KB Financial Group Inc	KRW	Financials	0.34%
Kimberly-Clark de Mexico SAB d	MXN	Consumer Staples	0.93%
Kingsoft Corp Ltd	HKD	Communication Services	0.27%
Klabin SA	BRL	Materials	1.48%
Komerčni Banka AS	CZK	Financials	0.48%
Kumho Petrochemical Co Ltd	KRW	Materials	0.56%
Largan Precision Co Ltd	TWD	Information Technology	0.27%
Lenovo Group Ltd	HKD	Information Technology	0.66%
LG Chem Ltd	KRW	Materials	0.66%
LG Electronics Inc	KRW	Consumer Discretionary	0.39%
LG Energy Solution Ltd	KRW	Industrials	0.27%
LG Uplus Corp	KRW	Communication Services	0.31%
Lite-On Technology Corp	TWD	Information Technology	0.29%
MediaTek Inc	TWD	Information Technology	0.71%
Meituan	HKD	Consumer Discretionary	1.59%
Micro-Star International Co Lt	TWD	Information Technology	0.25%
Minth Group Ltd	HKD	Consumer Discretionary	0.63%
Moneta Money Bank AS	CZK	Financials	0.83%
MR DIY Group M Bhd	MYR	Consumer Discretionary	0.24%
MTN Group Ltd	ZAr	Communication Services	0.32%
Naspers Ltd	ZAr	Consumer Discretionary	1.13%
National Bank of Greece SA	EUR	Financials	0.74%
Natura & Co Holding SA	BRL	Consumer Staples	0.32%
NAVER Corp	KRW	Communication Services	0.25%
NEPI Rockcastle NV	ZAr	Real Estate	0.56%
Nestle Malaysia Bhd	MYR	Consumer Staples	0.27%
NetEase Inc	HKD	Communication Services	1.47%
Nien Made Enterprise Co Ltd	TWD	Consumer Discretionary	0.39%
Nongfu Spring Co Ltd	HKD	Consumer Staples	1.67%
Novatek Microelectronics Corp	TWD	Information Technology	0.31%
Orbia Advance Corp SAB de CV	MXN	Materials	1.32%
Orient Overseas International	HKD	Industrials	0.24%
OTP Bank Nyrt	HUF	Financials	1.27%
Pegatron Corp	TWD	Information Technology	0.50%
Ping An Insurance Group Co of	HKD	Financials	0.39%
Piraeus Financial Holdings SA	EUR	Financials	0.31%
POSCO Future M Co Ltd	KRW	Materials	0.36%
Powszechny Zakład Ubezpieczeń	PLN	Financials	1.43%
Bank Central Asia Tbk PT	IDR	Financials	0.63%
Bank Mandiri Persero Tbk PT	IDR	Financials	1.09%
Bank Negara Indonesia Persero	IDR	Financials	0.74%
Bank Rakyat Indonesia Persero	IDR	Financials	1.38%
Kalbe Farma Tbk PT	IDR	Health Care	0.53%
Telkom Indonesia Persero Tbk P	IDR	Communication Services	1.32%
Raia Drogasil SA	BRL	Consumer Staples	0.23%
Realtek Semiconductor Corp	TWD	Information Technology	0.30%
RHB Bank Bhd	MYR	Financials	0.52%
Rumo SA	BRL	Industrials	0.30%
Samsung Electro-Mechanics Co L	KRW	Information Technology	0.25%
Samsung Electronics Co Ltd	KRW	Information Technology	5.32%
Samsung Fire & Marine Insuranc	KRW	Financials	0.35%
Samsung SDI Co Ltd	KRW	Information Technology	0.34%

Underlying	Currency	Portfolio category	Weight as of 31.08.2023
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