

Termsheet as of 02/12/2024

ZKB Tracker Certificate dynamic on Baryon US Equity Portfolio Sustainable Growth

14.07.2020 - Open End | Valor 50 659 145

This document is for advertising purposes only

Important indications

This document constitutes an advertisement within the meaning of Art. 68 of the Swiss Federal Act on Financial Services (FinSA). It does not constitute a Base Prospectus, Final Terms, Key Information Document or any other equivalent document under FinSA and has neither been filed with nor submitted for review by a review body pursuant to Art. 51 et seq. FinSA. For information on the legally binding product documentation, please refer to the section "Documentation" below.

This document may not be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction other than Switzerland and does not constitute an offer to, or solicitation by, any person in any jurisdiction other than Switzerland.

This document is a term sheet prepared in view of the issuance of the product described herein and will be amended during the term of the product if events occur that affect the product or if the terms and conditions of the product change for any reason.

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:	CH0506591459
Issuer:	Zürcher Kantonalbank, Zurich
Underlying:	Baryon US Equity Portfolio Sustainable Growth
Initial Fixing Date:	07.07.2020
Settlement Date:	14.07.2020
Final Fixing Date:	On the relevant exercise day (Open End)
Redemption Date:	5 bank working days after the relevant exercise day (Open End)
Type of settlement:	cash
Information on the offer and admission to trading	
Place of the offer:	Switzerland
Notional Amount/ Denomination/Trading Units:	Up to USD 54'000'000, with the right to increase/ USD 100.00 Denomination per product/1 Structured Product or multiples thereof
Issue price:	USD 100.00/100.00% of the value of the Underlying on the Initial Fixing Date
Information on listing:	The product will not be listed on an official exchange.

Final Terms

Derivative Category/Designation Regulatory Notification

1. Product specific conditions and product description

Participation Product/Tracker Certificate (1300, according to the Swiss Structured Products Association)

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 Underlying of this Structured Product is managed dynamically and on a discretionary basis during the term. Further information about the investment strategy – if available – can be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zürich, department VRIS or by way of e-Mail address documentation@zkb.ch.

Title Universe

The Title Universe consists of US stocks and a liquidity component. Liquid American options on US stocks can also be used. The option exposure is always covered - either through liquidity (for short puts) or through equity exposure (short calls). The liquidity component is held in USD cash or in the form of a USD money market ETF (liquidity management intent) and is less than 50% at all times. The ETF must have a CH distribution licence. 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 manages the portfolio composition on a discretionary basis in accordance with its qualified market judgement. The Investment Manager may carry out up to 12 rebalancings per year (unless otherwise agreed with the Calculation Agent, in which case the annual fee may be adjusted). The Calculation Agent is authorised under certain circumstances to reject a rebalancing proposal from the Investment Manager in part or in full. This applies, for example (but not exclusively), to a lack of liquidity, changes in the law, tax events and internal or external restrictions. When selecting the individual Underlyings, the Investment Manager ensures sufficient liquidity and tradability. The Rebalancing is based on net prices of the Underlyings (average of the net prices of the Underlyings converted into the basket currency by the Issuer). The rebalancing period may be extended by the Issuer in the event of limited market liquidity.

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

Baryon AG, Zurich

Baryon AG is not subject to the prudential supervision of the FINMA and is supervised by the Self-regulatory organisation (SRO) Swiss Association of Asset Managers (SAAM).

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.

Swiss Security Code /ISIN

50 659 145/CH0506591459

Notional Amount/ Denomination/Trading Units

Up to USD 54'000'000, with the right to increase/USD 100.00 Denomination per product/1 Structured Product or multiples thereof

Issue Price

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

Value of Basket

USD 100.00 on the Initial Fixing Date

Ratio

1 ZKB Tracker Certificate dynamic represents 1 Underlying

Currency

USD

Currency hedging

No

Mode of settlement

cash

Option Strategy

In the course of a Rebalancing, the Investment Manager has the possibility to use option contracts on US shares. This includes short positions in listed US vanilla call and put options. The Investment Manager chooses the parameters (strike, term) of the options used on a discretionary basis, but ensures sufficient liquidity. The term of the selected options must not

exceed one year.

Premiums received for short positions are credited to the cash position on the rebalancing day. On rebalancing days, short positions in put options may only be entered into to the extent that the maximum possible loss from all put option positions cannot exceed 100% of the value of the liquidity component valid at that time. Short positions in call options must always be fully covered by an existing equity position in the Underlying (covered call writing). In the course of a Rebalancing, the Investment Manager has the possibility to close out option positions early. The corresponding profit/loss from the closing out is offset against the cash position.

Cash flows	The potential income to the underlying components (e.g. dividends, interest or other distributions) is generally reinvested (after deduction of any withholding taxes and duties) by adjusting the weighting of the corresponding underlying components.															
Initial Fixing Date/Initial Fixing Value	07.07.2020, Closing prices of the underlying components on the reference exchange(s). The Issuer has the right to expand the time period for the Initial Fixing if required by current market conditions e.g. liquidity. Local taxes, transactions fees and foreign commissions are included in the Initial Fixing Value of each component if applicable.															
Settlement Date	14.07.2020															
Final Fixing Date/Final Fixing Value	On the relevant exercise date (Open End)															
Redemption Date	5 bank working days after the relevant exercise day (Open End).															
Relevant Exercise Date	The Exercise Date on which the redemption amount is determined due to the exercise of the redemption right.															
Redemption right of the Issuer	The Issuer has the right to redeem the outstanding Products daily on banking days at the registered office of the Issuer (the ' Exercise Dates '), for the first time on 16 July 2021. On the ' Relevant Exercise Date ', the redemption amount is determined, which is governed by the information under the section Redemption Method. The announcement and thus the declaration of intent to exercise the Redemption right is made with a notice period of 366 banking days (calculated as the number of calendar days between the date of submission of the declaration of intent and the Relevant Exercise Date) on the website of Zürcher Kantonalbank. No statement of reasons is required.															
Redemption Method	<p>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:</p> $\text{Ratio} * \left(\sum_{i=1}^N S_{i,T} * W_{i,T} * FX_{i,T} \right) - \text{Fees}$ <p>where</p> <table><tr><td>Ratio</td><td>=</td><td>1</td></tr><tr><td>$S_{i,T}$</td><td>=</td><td>Value of the Component i of the Underlying on Final Fixing Date</td></tr><tr><td>$W_{i,T}$</td><td>=</td><td>Weighting of the Component i of the Underlying (number of Shares) on Final Fixing Date</td></tr><tr><td>Fees</td><td>=</td><td>Annual Fee and Rebalancing Fees</td></tr><tr><td>T</td><td>=</td><td>Final Fixing Date</td></tr></table> <p>Any liquidity component in the product may bear interest at the reference interest rate of the product currency (both negative and positive). This affects the value of the 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.</p>	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	T	=	Final Fixing Date
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														
T	=	Final Fixing Date														
Listing	The Structured Product shall not be listed on an official exchange.															
Secondary market	Under normal market conditions, Zürcher Kantonalbank intends to quote bid and/or ask prices for this product on a regular basis. If both bid and offer prices are quoted, the intention is to apply a spread of max. 1.50%. There is no obligation to provide corresponding liquidity. The non-binding indicative prices can be accessed at www.zkb.ch/finanzinformationen															
Annual Fee	0.20% 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 0.00% 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 are paid out.															
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 together with the applicable Base prospectus of the Issuer for the issuance of Structured Products approved by SIX Exchange Regulation Ltd (together with any supplements thereto, the "Base prospectus") constitute the product documentation for the present issue.

If this Structured Product was offered for the first time prior to the date of the respective applicable Base prospectus, the further legally binding product terms and conditions (the "Relevant Conditions") are derived from the Base prospectus or issuance program which was in force at the time of the first offer. The information on the Relevant Conditions is incorporated by reference of the respective Base prospectus or issuance program into the applicable Base prospectus in force at the time of issuance.

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 or the Relevant Conditions. In case of discrepancies between information or the provisions in these Final Terms and those in the Base prospectus or the Relevant Conditions, the information and provisions in these Final Terms shall prevail. The present products will be issued in the form of uncertificated securities (Wertrechte) and registered as book-entry securities (Bucheffecten) with SIX SIS Ltd. 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. VRIS or by e-mail at documentation@zkb.ch. They are also available on <https://www.zkb.ch/finanzinformationen>.

Design of the effects

The Structured Products are issued as uncertificated securities and held as intermediated securities at SIX SIS Ltd. The issue of securities or certificates of evidence is excluded.

Further 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.

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 on Baryon US Equity Portfolio Sustainable Growth

Basket Value	Percent	Redemption	Performance in %
USD 40.00	-60%	USD 39.80	-60.20%
USD 60.00	-40%	USD 59.80	-40.20%
USD 80.00	-20%	USD 79.80	-20.20%
USD 100.00	0%	USD 99.80	-0.20%
USD 120.00	20%	USD 119.80	19.80%
USD 140.00	40%	USD 139.80	39.80%
USD 160.00	60%	USD 159.80	59.80%

The performance of the ZKB Tracker Certificate Dynamic is analog to the performance of the Underlying less any Fees. This means that the investor may suffer a partial or total loss. Possible 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. Additional risk factors may have a significant impact on the value of the product during the term. The price quoted on the secondary market can therefore deviate substantially from the above table.

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

Investments relating to emerging markets are exposed to risks, particularly political and economic risks. The political system, stability and political culture of emerging markets can differ greatly from developed countries and have a negative impact on the performance of the Underlying and/or the currency. As a rule, the Underlying and the currency do not have the liquidity of developed markets. Purchases and sales lead to comparably strong price movements. In emerging markets in particular, temporary or permanent currency transfer restrictions may be introduced and/or the binding to a reference currency may be changed or cancelled.

4. Additional Terms

Modifications

Investments relating to emerging markets are exposed to risks, particularly political and economic risks. The political system, stability and political culture of emerging markets can differ greatly from developed countries and have a negative impact on the performance of the Underlying and/or the currency. As a rule, the Underlying and the currency do not have the liquidity of developed markets. Purchases and sales lead to comparably strong price movements. In emerging markets in particular, temporary or permanent currency transfer restrictions may be introduced and/or the peg to a reference currency may be changed or cancelled.

Market Disruptions

Compare specific provisions in the Base Prospectus.

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 the Zürcher Kantonalbank are recorded. Investors, who have telephone conversations with these units consent tacitly to the recording.

Further indications

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 and Zürcher Kantonalbank.

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, 7 July 2020, last update on 5 Dezember 2024