

ZKB Tracker Certificate on a basket of high dividend stocks II

10.11.2017 - 10.11.2020 | Swiss Security Code 36 816 385

New Issue

Product Category/Name

1. Product Description

Participation Product/Tracker Certificate (1300, according to the "Swiss Derivative Map" provided by the Swiss Structured Products Association)

CISA Notification

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.

Issuer

Zürcher Kantonalbank, Zurich

Lead Manager, Paying Agent, Exercise Agent and Calculation Agent

Zürcher Kantonalbank, Zurich

Rating of the Issuer

For Products issued by Zürcher Kantonalbank: Standard & Poor's AAA, Moody's Aaa, Fitch AAA

Symbol/ Swiss Security Code/ISIN

**DIVABZ/
36 816 385/CH0368163850**

Notional Amount/Denomination/ Trading Units

CHF 10'000'000.00/CHF 100.00/1 Structured Product or multiples thereof

Number of Structured Products

Up to 100'000, with the right to increase

Issue Price

CHF 100.00 / 102.04% of Basket Value on the Initial Fixing Date

Currency

CHF

Underlying	Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares
	ABB Ltd	CH0012221716 / ABBN SE	SIX Swiss Exchange	26.1610	6.25	0.234127
	Adecco SA	CH0012138605 / ADEN SE	SIX Swiss Exchange	78.6619	6.25	0.077865
	APG SGA SA	CH0019107025 / APGN SE	SIX Swiss Exchange	432.6866	6.25	0.014156
	Burkhalter Holding AG	CH0212255803 / BRKN SE	SIX Swiss Exchange	118.4022	6.25	0.051730
	Cembra Money Bank AG	CH0225173167 / CMBN SE	SIX Swiss Exchange	88.5937	6.25	0.069136
	Kardex AG	CH0100837282 / KARN SE	SIX Swiss Exchange	118.0868	6.25	0.051869
	Kühne + Nagel International AG	CH0025238863 / KNIN SE	SIX Swiss Exchange	173.3212	6.25	0.035339
	Novartis AG	CH0012005267 / NOVN SE	SIX Swiss Exchange	83.5728	6.25	0.073289
	PSP Swiss Property AG	CH0018294154 / PSPN SE	SIX Swiss Exchange	88.6447	6.25	0.069096
	Schweiter Technologies AG	CH0010754924 / SWTQ SE	SIX Swiss Exchange	1228.5893	6.25	0.004985
	Swiss Life Holding AG	CH0014852781 / SLHN SE	SIX Swiss Exchange	344.4307	6.25	0.017783
	Swiss Prime Site AG	CH0008038389 / SPSN SE	SIX Swiss Exchange	86.2859	6.25	0.070985
	Swiss Re Ltd	CH0126881561 / SREN SE	SIX Swiss Exchange	93.2552	6.25	0.065680
	Swisscom Ltd	CH0008742519 / SCMN SE	SIX Swiss Exchange	502.5126	6.25	0.012189
	Valora Holding AG	CH0002088976 / VALN SE	SIX Swiss Exchange	318.6053	6.25	0.019224
	Zurich Insurance Group AG	CH0011075394 / ZURN SE	SIX Swiss Exchange	302.6574	6.25	0.020237

* 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 98.00 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 represents 1 Underlying

Dividend Payments

The Investor will receive a payment as compensation for the dividend payment of the Structured Product.

The compensation payment takes place annually on 09 November, for the first time retroactively on 09 November 2018, (modified following business day convention). The compensation payment will correspond to 100.00% of the net dividend payment.

Initial Fixing Date

From 3 November 2017 till 6 November 2017

The Issuer has the right to expand the Initial Fixing period if required by current market conditions e.g. liquidity.

Settlement Date

10 November 2017

Last Trading Date

2 November 2020

Final Fixing Date

From 3 November 2020 till 4 November 2020

The Issuer has the right to expand the Final Fixing period if required by current market conditions e.g. liquidity.

Redemption Date

10 November 2020

Initial Fixing Level	From 3 November 2017 till 6 November 2017, 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.				
Final Fixing Level	From 3 November 2020 till 4 November 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 Final Fixing Value of each component if applicable.				
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> $\sum_{i=1}^N S_{i,T} \times W_{i,T}$ <p>where</p> <p>$S_{i,T}$ = Value of the Component i of the Underlying on Final Fixing Date</p> <p>$W_{i,T}$ = Weighting of the Component i of the Underlying (number of Shares) on Final Fixing Date</p> <p>T = Final Fixing Date</p> <p>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.</p>				
Listing	Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 10 November 2017.				
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 0.3400% p.a.				
Sales: 044 293 66 65	<table border="0"> <tr> <td>SIX Telekurs: 85,ZKB</td> <td>Reuters: ZKBSTRUCT</td> </tr> <tr> <td>Internet: www.zkb.ch/strukturierteprodukte</td> <td>Bloomberg: ZKBY <go></td> </tr> </table>	SIX Telekurs: 85,ZKB	Reuters: ZKBSTRUCT	Internet: www.zkb.ch/strukturierteprodukte	Bloomberg: ZKBY <go>
SIX Telekurs: 85,ZKB	Reuters: ZKBSTRUCT				
Internet: www.zkb.ch/strukturierteprodukte	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 are paid out to the investor annually. Redemption is based on the weighted value of Underlying components on the Final Fixing Date.				
Taxes	<p>The annual compensation payments are subject to Swiss income tax for private investors with Swiss tax domicile at the time of payment. 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.</p> <p>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.</p>				
Documentation	<p>This document constitutes the Final Terms in accordance to article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. These Final Terms supplement the Issuance Programme of the Issuer dated 17 April 2017 and published in German in the currently valid version. These Final Terms and the Issuance Programme constitute the complete Issuance and Listing Prospectus for this issuance (the 'Listing Prospectus'). Except as otherwise defined in these Final Terms, capitalised terms used in these Final Terms have the meaning as defined in the Glossary in the Issuance Programme. In case of discrepancies between information or the provisions in these Final Terms and those in the Issuance Programme, the information and provisions in these Final Terms shall prevail. Structured Products will be issued as uncertified rights (Wertrechte) and registered as book entry securities (Bucheffekten) with SIX SIS AG. Investors have no right to require the issuance of any certificates or proves of evidence for the Structured Products. These Final Terms and the Issuance Programme can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIDS or by e-mail at documentation@zkb.ch. This document is not a prospectus in accordance with articles 652a or 1156 of the Swiss Code of Obligations.</p>				

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://zkb-finance.mdgms.com/products/stp/index.html 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-notice.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 %
CHF 68.60	-30.00%	CHF 68.60	-31.40%
CHF 78.40	-20.00%	CHF 78.40	-21.60%
CHF 88.20	-10.00%	CHF 88.20	-11.80%
CHF 100.00	+2.04%	CHF 100.00	0.00%
CHF 107.80	+10.00%	CHF 107.80	7.80%
CHF 117.60	+20.00%	CHF 117.60	17.60%
CHF 127.40	+30.00%	CHF 127.40	27.40%

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.

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

4. Additional Terms

Modifications

If an extraordinary event as described in Section IV of the Issuance Programme 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 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. Specific modification rules for certain types of Underlyings stated in Section IV of the Issuance Programme shall prevail. 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

Compare specific provisions in the Issuance Programme.

Selling Restrictions

The selling restrictions contained in the Issuance Programme are applicable (EEA, U.S.A./U.S. persons, Guernsey).

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.

The Issuer has not undertaken any actions to permit the public offering of the Structured Products or the possession or the distribution of any document produced in connection with the issuance of the Structured Products in any jurisdiction other than Switzerland. The distribution of these Final Terms or other documents produced in connection with the issuance of the Structured Products and the offering, sale and delivery of the Structured Products in certain jurisdictions may be restricted by law. Persons, which have received these Final Terms or any other documents produced in connection with the issuance of the Structured Products, such as the Issuance Programme, Termsheets, marketing or other selling material, are required by the Issuer to inform themselves about and to observe any such restrictions.

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 dealer within the meaning of the Swiss Federal Act on Securities Exchanges and Securities Trading (BEHG; SR 954.1), Zürcher Kantonalbank is subject to the prudential supervision of FINMA, Laupenstrasse 27, CH-3003 Bern, <http://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.

Zurich, 6 November 2017, last update on 18 September 2018

Underlying on 18 09 2018

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ABB Ltd	CH0012221716 / ABBN SE	SIX Swiss Exchange	26.1610	6.25	0.234127
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Corporate Actions

Date	Underlying	Action		
23.11.2017	Valora Holding AG	Rights Issue on 23.11.2017	No of Shares old 0.019224	No of Shares new 0.019353
18.09.2018	Swiss Prime Site AG	Capital Increase on 18.09.2018	No. of Shares old 0.070985	No. of Shares new 0.071532