

# ZKB Tracker Certificate Dynamic on US Equities Focus Basket

23.05.2018 - Open End | Swiss Security Code 39 941 437

## 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)

### 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.**

### Investment Profile

The composition of the Underlying of this Structured Product is managed **dynamically** and **discretionary** over the course of its term. This ZKB Tracker Certificate Dynamic implements the equity strategy of Survista Financial Advisors AG. It is a diversified portfolio with a focus on the American market. Further information about the investment strategy – if available – can be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zürich, department VRIDS or by way of e-Mail address [documentation@zkb.ch](mailto:documentation@zkb.ch).

### Title Universe

stocks of companies with a focus on the American market

### Rebalancing

The Investment Manager rebalances the portfolio composition based on its qualified evaluation of the market up to ten times a year. The Investment Manager considers only stocks which provide sufficient liquidity and tradeability. 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 current basket composition of the Underlying is listed in the Annex to this termsheet.

### Issuer

Zürcher Kantonalbank, Zurich

### Rating of the Issuer

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

### Lead Manager, Paying Agent, Exercise Agent and Calculation Agent

Zürcher Kantonalbank, Zurich

### Investment Manager

Survista Financial Advisors AG, Zurich  
Survista Financial Advisors 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).

### Symbol/ Swiss Security Code/ISIN

**USATRZ/**  
39 941 437/CH0399414371

### Notional Amount/Denomination/ Trading Units

USD 25'000'000.00/USD 1'000.00/1 Structured Product or multiples thereof

### Number of Structured Products

Up to 25'000, with the right to increase

### Issue Price

**USD 1'000.00** / 100.00% of Basket Value on the Initial Fixing Date

### Currency

USD

Underlying per Initial Fixing Date	Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares/ Amount
	Alphabet Inc	US02079K1079 /GOOG UW	NASDAQ	1081.7700	16.67	0.154068
	Amazon.Com Inc	US0231351067 /AMZN UW	NASDAQ	1587.2800	16.67	0.105001
	Archer-Daniels-Midland Co	US0394831020 /ADM UN	New York Stock Exchange	44.5200	16.67	3.743636
	Macy's Inc	US55616P1049 /M UN	New York Stock Exchange	33.1700	16.67	5.024621
	Microsoft Corp	US5949181045 /MSFT UW	NASDAQ	97.1500	16.67	1.715560
	Newmont Mining Corp	US6516391066 /NEM UN	New York Stock Exchange	39.6900	16.67	4.199211

\* 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 1'000.00 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.  
The effective dividend payment will get wholly (less non-reclaimable taxes) reinvested in the corresponding components of the Underlying.

**Initial Fixing Date** 16 May 2018

**Settlement Date** 23 May 2018

**Early Redemption Right of the Issuer** The Issuer has the right to call the Structured Product for Early Redemption each year per 15 December (Exercise Date; modified following) which has to be announced at least 20 banking days in advance without any reasons (for the first time per 15 December 2018). The information to the holder of the Structured Product will be published by the SIX Swiss Exchange.

**Early Redemption Right of the Investor** In addition to the possibility of selling the Structured Products at any time in the secondary market, the investor has each year per 15 December the right to exercise his Structured Products (for the first time per 15 December 2018). The according exercise notice has to be received no later than 5 banking days before the respective exercise date by Zürcher Kantonalbank (Zürcher Kantonalbank, Department IHHV, Josefstrasse 222, P.O. Box 8010 Zurich).  
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** Closing prices of the components of the Underlying on Related Exchanges, on 16 May 2018  
Local taxes, transactions fees and foreign commissions are included in the Initial Fixing Value of each component if applicable.

## Redemption Method

On Exercise 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:

$$\sum_{i=1}^N S_{i,T} \times W_{i,T} - \text{Fees}$$

where

$S_{i,T}$	=	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
T	=	Final Fixing Date

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

Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 23 May 2018.

## Annual Fee

0.33% 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 Calculation Agent receives 0.33% p.a. and the Investment Manager receives 0.00% p.a. for their relevant duties.

## 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/strukturierteprodukte](http://www.zkb.ch/strukturierteprodukte)

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 Exercise 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 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 2018 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 (Bucheffecten) 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](mailto:documentation@zkb.ch).** This document is not a prospectus in accordance with articles 652a or 1156 of the Swiss Code of Obligations.

## Information on the Underlying

Information on the performance of the Underlying/a component of the Underlying is publicly available on [www.bloomberg.com](http://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 after Year 1

### Profit and Loss Expectations after Year 1

ZKB Tracker Certificate Dynamic

Basket		Redemption	
Value	Percent	ZKB Tracker Certificate Dynamic	Performance %
USD 700.00	-30.00%	USD 697.69	-30.23%
USD 800.00	-20.00%	USD 797.36	-20.26%
USD 900.00	-10.00%	USD 897.03	-10.30%
USD 1000.00	+0.00%	USD 996.70	-0.33%
USD 1100.00	+10.00%	USD 1096.37	9.64%
USD 1200.00	+20.00%	USD 1196.04	19.60%
USD 1300.00	+30.00%	USD 1295.71	29.57%

Source: Zürcher Kantonalbank

The performance of the ZKB Tracker Certificate Dynamic is analog to the performance of the Underlying less any Fees.

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 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 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, 16 May 2018, last update on 25 March 2020

Underlying on 24 03 2020

Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares/ Amount
Alphabet Inc	US02079K1079 /GOOG UW	NASDAQ	1104.9221	9.09	0.073194
Amazon.Com Inc	US0231351067 /AMZN UW	NASDAQ	1936.2047	9.09	0.041769
Bank of America Corp	US0605051046 /BAC UN	New York Stock Exchange	19.0939	9.09	4.235606
Electronic Arts	US2855121099 /EA UW	NASDAQ	100.0644	9.09	0.808221
Estee Lauder Companies Inc	US5184391044 /EL UN	New York Stock Exchange	151.2173	9.09	0.534820
Medtronic PLC	IE00BTN1Y115 /MDT UN	New York Stock Exchange	77.8763	9.09	1.038495
Microsoft Corp	US5949181045 /MSFT UW	NASDAQ	142.6715	9.09	0.566855
Newmont Goldcorp Corporation	US6516391066 /NEM UN	New York Stock Exchange	44.7496	9.09	1.807260
Nike Inc	US6541061031 /NKE UN	New York Stock Exchange	66.2719	9.09	1.220337
Palo Alto Networks Inc	US6974351057 /PANW UN	New York Stock Exchange	157.4480	9.10	0.514221
Visa Inc	US92826C8394 /V UN	New York Stock Exchange	148.1558	9.09	0.545872

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## Corporate Actions

Date	Underlying	Action		
			Amount old	Amount new
		Rebalancing on 06.06.2018		
06.06.2018	Alphabet Inc	Rebalancing	0.154068	0.155537
06.06.2018	Amazon.Com Inc	Rebalancing	0.105001	0.104276
06.06.2018	Archer-Daniels-Midland Co	Rebalancing	3.743636	3.947907
06.06.2018	Macy's Inc	Rebalancing	5.024621	4.409645
06.06.2018	Microsoft Corp	Rebalancing	1.715560	1.725307
06.06.2018	Newmont Mining Corp	Rebalancing	4.199211	4.573894
		Rebalancing on 26.07.2018		
26.07.2018	Alphabet Inc	Rebalancing	0.155537	0.126905
26.07.2018	Amazon.Com Inc	Rebalancing	0.104276	0.086824
26.07.2018	Archer-Daniels-Midland Co	Rebalancing	3.947907	3.348620
26.07.2018	Bank of America Corp	Buy	-	5.136809
26.07.2018	Macy's Inc	Rebalancing	4.409645	3.911053
26.07.2018	Microsoft Corp	Rebalancing	1.725307	1.454364
26.07.2018	Newmont Mining Corp	Rebalancing	4.573894	4.263553
		Rebalancing on 19.02.2019		
19.02.2019	Alphabet Inc	Rebalancing	0.126905	0.124962
19.02.2019	Amazon.Com Inc	Rebalancing	0.086824	0.086095
19.02.2019	Archer-Daniels-Midland Co	Rebalancing	3.348620	3.337638
19.02.2019	Bank of America Corp	Rebalancing	5.136809	4.847719
19.02.2019	Macy's Inc	Rebalancing	3.911053	5.579518
19.02.2019	Microsoft Corp	Rebalancing	1.454364	1.296088
19.02.2019	Newmont Mining Corp	Rebalancing	4.263553	4.089242
18.04.2019	Newmont Goldcorp Corporation	Change of Identification on 18.04.2019	Name old Newmont Mining Corp	Name new Newmont Goldcorp Corp
18.04.2019	Newmont Goldcorp Corporation	Change of Identification on 18.04.2019	Name short old Newmont Mining s	Name short new Newmont Goldcorp s
		Rebalancing on 30.10.2019		
30.10.2019	Alphabet Inc	Rebalancing	0.124962	0.083122
30.10.2019	Amazon.Com Inc	Rebalancing	0.086095	0.059264
30.10.2019	Archer-Daniels-Midland Co	Rebalancing	3.337638	2.528943
30.10.2019	Bank of America Corp	Rebalancing	4.847719	3.264046
30.10.2019	Electronic Arts	Buy	-	1.106500
30.10.2019	Estee Lauder Companies Inc	Buy	-	0.541585
30.10.2019	Macy's Inc	Rebalancing	5.579518	6.843020
30.10.2019	Microsoft Corp	Rebalancing	1.296088	0.726354
30.10.2019	Newmont Goldcorp Corporation	Rebalancing	4.089242	2.692101
30.10.2019	Visa Inc	Buy	-	0.586578
		Rebalancing on 24.03.2020		
24.03.2020	Alphabet Inc	Rebalancing	0.083122	0.073194
24.03.2020	Amazon.Com Inc	Rebalancing	0.059264	0.041769
24.03.2020	Archer-Daniels-Midland Co	Sell	2.528943	-
24.03.2020	Bank of America Corp	Rebalancing	3.264046	4.235606
24.03.2020	Electronic Arts	Rebalancing	1.106500	0.808221
24.03.2020	Estee Lauder Companies Inc	Rebalancing	0.541585	0.534820
24.03.2020	Macy's Inc	Sell	6.843020	-
24.03.2020	Medtronic PLC	Buy	-	1.038495
24.03.2020	Microsoft Corp	Rebalancing	0.726354	0.566855
24.03.2020	Newmont Goldcorp Corporation	Rebalancing	2.692101	1.807260
24.03.2020	Nike Inc	Buy	-	1.220337
24.03.2020	Palo Alto Networks Inc	Buy	-	0.514221
24.03.2020	Visa Inc	Rebalancing	0.586578	0.545872