

# ZKB Tracker Certificate Dynamic on a Industry 4.0 Basket

31.05.2019 - 31.05.2022 | Swiss Security Code 42 980 079

## 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.**

### Investment Profile

The composition of the Underlying of this Structured Product is managed **dynamically** and **discretionary** over the course of its term. Further information about the investment strategy – if available – can be obtained free of charge from Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zürich, department VRIE or by way of e-Mail address [documentation@zkb.ch](mailto:documentation@zkb.ch).

### Title Universe

The Title Universe consists of worldwide companies of the industrial sector of the future. 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](http://www.zkb.ch/strukturierteprodukte).

### Rebalancing

The Investment Manager rebalances the portfolio composition based on its qualified evaluation of the market quarterly on 15 March, 15 June, 15 September and 15 December. The Investment Manager considers only stocks which provide 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 current basket composition of the Underlying is listed in the Annex to this termsheet.

### 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

Luzerner Kantonalbank, Luzern  
Luzerner Kantonalbank is a bank according to the Swiss Federal Act on Banks and Saving Institutions (BankG; SR 952.0) and a securities dealer according to the Swiss Federal Act on Securities Exchanges and Securities Trading (BEHG; SR 954.1). Luzerner Kantonalbank is subject to the prudential supervision of the FINMA, Laupenstrasse 27, CH-3003 Bern, <http://www.finma.ch>.

### Symbol/ Swiss Security Code/ISIN

**INDU4Z/**  
42 980 079/CH0429800797

### 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** / 100.30% of Basket Value on the Initial Fixing Date

### Currency

CHF

Underlying per Initial Fixing Date	Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares/ Amount
	ABB Ltd	CH0012221716 /ABBN SE	SIX Swiss Exchange	CHF 18.8795	5.00	0.264043
	Alphabet Inc	US02079K3059 /GOOGL UW	NASDAQ	USD 1145.4718	5.00	0.004335
	Ansys Inc	US03662Q1058 /ANSS UW	NASDAQ	USD 182.4164	5.00	0.027224
	Cisco Systems Inc	US17275R1023 /CSCO UW	NASDAQ	USD 54.3812	5.00	0.091319
	Dassault Systemes SA	FR0000130650 /DSY FP	Euronext Paris	EUR 136.7398	5.00	0.032442
	Duerr AG	DE0005565204 /DUE GY	Xetra	EUR 31.5973	5.00	0.140396
	Fanuc Corp	JP3802400006 /6954 JT	Tokyo	JPY 18285.0756	5.00	0.029738
	Hexagon AB	SE0000103699 /HEXAB SS	Stockholm	SEK 463.5273	5.00	0.102641
	Honeywell International Inc	US4385161066 /HON UN	New York Stock Exchange	USD 167.2444	5.00	0.029693
	Isra Vision Inc	DE0005488100 /ISR GY	Xetra	EUR 32.3891	5.00	0.136965
	Jenoptik AG	DE000A2NB601 /JEN GY	Xetra	EUR 29.1122	5.00	0.152381
	Maxim Integrated Products Inc	US57772K1016 /MXIM UW	NASDAQ	USD 53.8210	5.00	0.092270
	Mitsubishi Electric Corp	JP3902400005 /6503 JT	Tokyo	JPY 1377.0364	5.00	0.394883
	Palo Alto Networks Inc	US6974351057 /PANW UN	New York Stock Exchange	USD 216.6539	5.00	0.022922
	PTC Inc	US69370C1009 /PTC UW	NASDAQ	USD 85.5017	5.00	0.058081
	Rockwell Automation Inc	US7739031091 /ROK UN	New York Stock Exchange	USD 154.9132	5.00	0.032057
	Salesforce.com Inc	US79466L3024 /CRM UN	New York Stock Exchange	USD 154.9932	5.00	0.032040
	SAP AG	DE0007164600 /SAP GY	Xetra	EUR 113.8454	5.00	0.038966
	Siemens AG	DE0007236101 /SIE GY	Xetra	EUR 105.4645	5.00	0.042063
	STMicroelectronics NV	NL0000226223 /STM FP	Euronext Paris	EUR 13.7013	5.00	0.323777

\* 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.

<b>Basket Value</b>	CHF 99.70 on Initial Fixing Date
<b>Ratio</b>	1 ZKB Tracker Certificate Dynamic represents 1 Underlying
<b>Dividend Payments</b>	The Investor will receive a payment as compensation for the dividend payment of the Structured Product. The compensation payment takes place annually on 31 May, for the first time retroactively on 31 May 2020, (modified following business day convention). The compensation payment will correspond to 100.00% of the net dividend payment.
<b>Initial Fixing Date</b>	From 24 May 2019 till 27 May 2019
<b>Settlement Date</b>	31 May 2019
<b>Last Trading Date</b>	24 May 2022
<b>Final Fixing Date</b>	25 May 2022
<b>Redemption Date</b>	31 May 2022

<b>Initial Fixing Level</b>	<p>From 24 May 2019 till 27 May 2019, Net price of the components of the Underlying on a best effort basis (the Issuer has the right to expand the Initial Fixing period if required by current market conditions e.g. liquidity).</p> <p>Local taxes, transactions fees and foreign commissions are included in the Initial Fixing Value of each component if applicable.</p>
<b>Final Fixing Level</b>	<p>25 May 2022, Net price of the components of the Underlying on a best effort basis (the Issuer has the right to expand the Final Fixing period if required by current market conditions e.g. liquidity).</p> <p>Local taxes, transactions fees and foreign commissions are included in the Final Fixing Value of each component if applicable.</p>
<b>Redemption Method</b>	<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> $\sum_{i=1}^N S_{i,T} \times W_{i,T} \times FX_{i,T} - \text{Fees}$ <p>where</p> <p><math>S_{i,T}</math> = Value of the Component i of the Underlying on Final Fixing Date</p> <p><math>W_{i,T}</math> = Weighting of the Component i of the Underlying (number of Shares) on Final Fixing Date</p> <p>Fees = Annual Fee</p> <p><math>FX_{i,T}</math> = Exchange rate of the Component i of the Underlying (to CHF) 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 Dynamic, they shall be taken into account by adjusting the weighting of the affected Component of the Underlying accordingly.</p>
<b>Listing</b>	<p>Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be 31 May 2019.</p>
<b>Annual Fee</b>	<p>0.55% 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 0.05% p.a. and the Investment Manager receives 0.50% p.a. for their relevant duties.</p>
<b>Clearing House</b>	<p>SIX SIS AG/Euroclear/Clearstream</p>
<b>Distribution fees</b>	<p>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.</p>
<b>Sales: 044 293 66 65</b>	<p>SIX Telekurs: .zkb  Internet: www.zkb.ch/strukturierteprodukte</p> <p>Reuters: ZKBSTRUCT  Bloomberg: ZKBY &lt;go&gt;</p>
<b>Key Elements of the Product</b>	<p>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 are paid out to the investor annually. Redemption is based on the weighted value of Underlying components on the Final Fixing Date.</p>
<b>Taxes</b>	<p>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.</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

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 15 April 2019 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. VRIE 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.

## 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 %
CHF 84.75	-15.00%	CHF 84.28	-15.72%
CHF 89.73	-10.00%	CHF 89.24	-10.76%
CHF 94.72	-5.00%	CHF 94.19	-5.81%
CHF 100.00	+0.30%	CHF 99.45	-0.55%
CHF 104.69	+5.00%	CHF 104.11	4.11%
CHF 109.67	+10.00%	CHF 109.07	9.07%
CHF 114.66	+15.00%	CHF 114.02	14.02%

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. 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 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 CHF. The investor bears all the risks in connection with a possible exchange rate risk between the product currency, the currency of the components of the Underlying, 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, 27 May 2019, last update on 3 July 2020

## Underlying on 24 06 2020

Component	ISIN / Bloomberg	Related Exchange	*Currency / Initial Fixing Value	Weight in %	No. of Shares/ Amount
ABB Ltd	CH0012221716 /ABBN SE	SIX Swiss Exchange	18.8795	5.00	0.264043
Alphabet Inc	US02079K3059 /GOOGL UW	NASDAQ	1145.4718	5.00	0.004335
Ansys Inc	US03662Q1058 /ANSS UW	NASDAQ	182.4164	5.00	0.027224
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Hexagon AB	SE0000103699 /HEXAB SS	Stockholm	463.5273	5.00	0.102641
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Palo Alto Networks Inc	US6974351057 /PANW UN	New York Stock Exchange	216.6539	5.00	0.022922
PTC Inc	US69370C1009 /PTC UW	NASDAQ	85.5017	5.00	0.058081
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SAP AG	DE0007164600 /SAP GY	Xetra	113.8454	5.00	0.038966
Siemens AG	DE0007236101 /SIE GY	Xetra	105.4645	5.00	0.042063
STMicroelectronics NV	NL0000226223 /STM FP	Euronext Paris	13.7013	5.00	0.323777
Cash CHF	CH0002748082 /CHF	other	1	5.00	7.295776

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## Corporate Actions

<b>Date</b>	<b>Underlying</b>	<b>Action</b>		
24.06.2020	Isra Vision Inc	Takeover with delisting on 24.06.2020	No of shares old 0.136965	No of shares new 0
24.06.2020	Cash CHF	Adjustment due to Takeover with delisting on Isra Vision Inc on 24.06.2020	Amount old 0	Amount new 7.295776