

# ZKB Tracker Certificate Dynamic on Sustainable Technology Basket - 28Apr23



## Master Data

Investment Type	ZKB Tracker Certificate Dynamic	
Issuer	ZKB - Zürcher Kantonalbank (AAA/Aaa/AAA)	
Initial Fixing Date	3 May 2021	
Settlement Date	10 May 2021	
Final Fixing Date/Redemption Date/Maturity	Open-End	
Asset Manager:	Colombo Wealth SA	
ISINs		
	CHF Share Class	CH1105857846
	EUR Share Class	CH1105857853
	USD Share Class	CH1105857861
Symbol:		
	CHF Share Class	CWSTCZ
	EUR Share Class	CWSTEZ
	USD Share Class	CWSTUZ
Currency:	CHF/EUR/USD	
Issue Price:	100	
TER:	1.25% p.a.	
Management Fees:	0.9% p.a.	

## Investment Philosophy and Profile

The composition of the Underlying of this Structured Product is managed dynamically and discretionary over the course of its term.

The Investment Manager selects stocks with a focus on companies in the technology sector.

The sustainable tech basket consists of 25 equally weighted information and communications technology stocks of the S&P 500 universe. The stock selection is based on an ESG screening by our partner with a special focus on the Governance part. Moreover, it is essential that all three aspects, Environment, Social and Governance, should be addressed in an integrated fashion. The Investment Manager can hold a cash position. The Investment Manager continuously ensures that the cash quota does not exceed 50% of the certificate value at any time.

### Monthly Comment

March was a game changer in terms of rates hikes anticipation by the Federal Reserve. The sell-off in the Financial sector following the collapse of Silicon Valley Bank, and the forced take-over of Credit Suisse by UBS drastically changed the market sentiment. The anticipation of a more restrictive credit policy by commercial banks created a perception that a recession could slow down the inflation in the coming months. Bonds rallied quickly to a level unseen since September with traders anticipating that less rates hikes were ahead which means that rate cuts could be envisaged quicker than expected. The quick action of the Central Banks to bring liquidity to the markets quickly stopped the correction in the market. High quality stocks outperformed the index as ever in times of crisis and the overall repricing following the above actions benefitted the performance of the overall IT and Communication Services sectors. In this context, the S&P500 IT sector was up by 10.93% in March. Those who strongly contributed to the performance of the certificate were Microsoft (+15.6%), Apple (+11.9%), and Juniper Networks (+11.8%). To the opposite, the three bottom performers have been Cognizant Technology (-2.7%), EPAM Systems (-2.8%) and CDW Corporation (-3.7%).

In this framework, the NASDAQ TR Index was up by 6.8% and the Colombo Tech certificates was up by 2.51%. The underperformance of the certificate this month vs the index, comes from the fact that our model ranked low in terms of Governance technology giants (not in our portfolio) such as Facebook and Google that performed extremely well in Q1. As a summary:

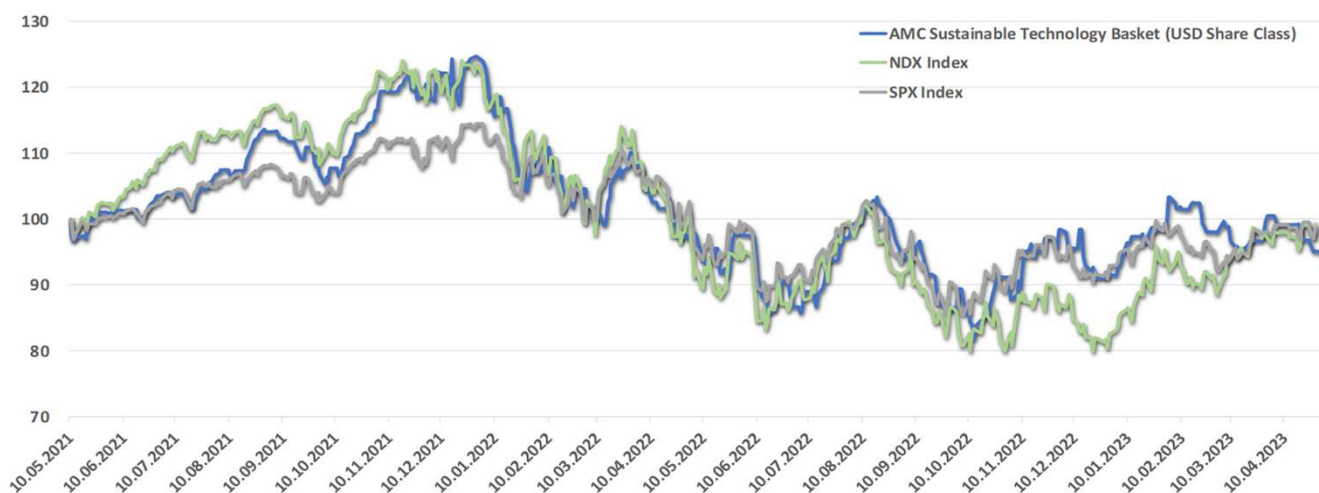
ITD (7.5.2021): Certificate -0.1% Nasdaq TR -9.8%

YTD: Certificate 9.9% Nasdaq TR 17.0%

## Performance and Risk Ratio (USD share class; data as of 28/04/2023)

	YTD Performance	Since Inception Performance	1 Year Volatility	Sharpe Ratio
Sustainable Tech Basket Certificate (USD)	4.12%	-4.81%	23.70%	-0.23
Nasdaq Index (USD)	21.08%	-0.85%	32.73%	-0.16
S&P500 (USD)	8.59%	-0.45%	24.36%	-0.26

On April 27, we went through our annual rebalancing of the S&P500 portfolio and subsequently the technology portfolio. The highlights of this rotation is that the allocation to the Information Technology Sector (in our all-sectors US model) is back to pre-covid levels. Also, several technology giants such as Google, Adobe or Netflix have returned in the portfolio. This is explained mainly by a reduction of the risks disclosed in their 10k reports (that were high during covid in 2021) and disclosure of new business opportunities. Also, the model is shifting importantly to large caps, which seems to be a reflection that larger companies are better positioned to face the current market uncertainties.



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