

Key Information Document

CH0198083237 (the product)

Purpose This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Name of the Product	ZKB Mini-Future Short on NZD/CHF Exchange Rate
ISIN	CH0198083237 (the product)
Manufacturer	Zürcher Kantonalbank, our website: zkb.ch/finanzinformationen , for more information call us on +41 (0) 44 293 66 65.
Issuer	Zürcher Kantonalbank
Competent Authority	n.a. (not regulated in the European Union)

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You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type This product is a debt security in the form of an uncertificated security issued under Swiss law.

Objectives The aim of this product is to grant you a specific entitlement at predefined conditions. The product enables you to participate disproportionately in the price performance of the Underlying in line with the Leverage. As a result, you are exposed to a very high risk of a total loss of your invested capital. The product profits from falling prices of the Underlying. The product has no fixed maturity and, subject to the occurrence of a Stop-Loss Event or termination and redemption by the Issuer, will only become due for redemption upon effective exercise by you. As of the first trading day of the product, you have the right on each trading day - subject to a Stop-Loss Event - to exercise the product and demand payment of the corresponding Redemption Amount (as described below) from the Issuer. The corresponding written exercise notice must be received by the Exercise Agent no later than 11:00 a.m. CET. The product may only be exercised in the minimum exercise number (see below the Ratio), otherwise an exercise is invalid and has no effect. In addition, the Issuer is entitled to terminate and repurchase unexercised products at any time, but for the first time 3 months after the first trading day. On the relevant Final Fixing Date, you will receive a Redemption Amount as described below.

The redemption of the product will take place either upon effective exercise by you or termination by the Issuer or upon the occurrence of a Stop-Loss Event and will be determined as follows:

- If a **Stop-Loss Event has occurred**, the product expires immediately and is deemed to be automatically exercised. In this case, you will receive a Stop-Loss Redemption Amount in the Product Currency on the Final Fixing Date, which depends on the price of the Underlying. The **"Stop-Loss Redemption Amount"** is equal to the amount by which the Stop-Loss Liquidation Price falls below the Current Financing Level (as described below), converted where applicable into the product Currency, divided by the Ratio. The **"Stop-Loss Liquidation Price"**, converted into the product Currency, if applicable, shall be determined on the basis of the proceeds from the settlement of the hedging transactions realized for the Underlying within a period of one hour during the trading hours of the certificate after the occurrence of the Stop-Loss Event. If a Stop-Loss Event occurs less than one hour before the eventual end of a trading period, the period shall be extended to the next trading day. The minimum Stop-Loss Redemption Amount is 0 (zero). If the Stop-Loss Redemption Amount is less than the purchase price of the product, you will suffer a loss.
- If **no Stop-Loss Event has occurred** and the product is either effectively exercised by you or terminated by the Issuer, you will receive a redemption amount in the product Currency on the relevant Final Fixing Date, which depends on the closing price of the Underlying. The Redemption Amount is equal to the higher of either 0 (zero) or the difference by which the closing price of the Underlying falls below the Current Financing Level, divided by the Ratio, converted where applicable into the product Currency. You will suffer a loss if the Redemption Amount is lower than the purchase price of the product.

A **"Stop-Loss Event"** occurs when the price of the Underlying touches or exceeds the Current Stop-Loss Level during the Observation Period. The Stop-Loss Level is adjusted on each Stop-Loss Level Fixing Date, in each case after the Financing Level has been adjusted, so that the distance between the Current Financing Level and the Stop-Loss Level again corresponds to the Stop-Loss Buffer. The **"Current Stop-Loss Level"** is therefore the Current Financing Level multiplied by the result of 100% less the Stop-Loss Buffer.

The **"Financing Level"** is the leveraged capital provided by the Issuer. On each trading day of the product, the Financing Level is adjusted (and is then the **"Current Financing Level"**) to take into account the Issuer's financing costs, based on the netting of a money market interest rate and a Financing Spread. Any investment income of the Underlying will be credited to the Financing Level.

Product information

Issue price	CHF 2.25	Dates	discretion of the Issuer, each banking day on which the Issuer deems it necessary to adjust the Stop-Loss Level.
Product currency	Swiss Franc (CHF)	Initial Leverage Ratio	3.46
Währungspaar	NZD/CHF	Financing Level at Initial Fixing	CHF 0.66
Underlying's Spot Reference Price	NZD/CHF 0.7774	Stop-Loss Level at Initial Fixing	CHF 0.64
Initial Fixing Date	10/01/2013	Initial Financing Spread	3.00% p.a.
First Trading Day	15/01/2013	Maximum Financing Spread	10.00% p.a.
Value Date	17/01/2013	Initial Stop-Loss Buffer	200.00%
Trading units	1 debt security(ies)	Maximum Stop-Loss Buffer	10.00%
Type	Short	Money Market Interest Rate	Money Market Interest Rate Overnight CHF - Money Market Interest Rate Overnight NZD
Mode of settlement	cash settlement		
Observation Period	Continuous from Initial Fixing Date		
Final Fixing Date	The trading day on which a Stop-Loss Event occurs, the Mini-Futures are called by the Issuer or exercised by the investor. The occurrence of a Stop-Loss Event takes precedence over Issuer Call or exercise by the investor.		
Stop-Loss Level Fixing	Each first banking day of the month and, at the		

Underlying data

Underlying	Initial Fixing Date	Initial Fixing Value
NZD/CHF Exchange Rate	10/01/2013	NZD/CHF 0.7774

According to the product terms and conditions, in case of an extraordinary event adjustments may be made to the product and the Issuer may terminate the product early. These events are specified in the product terms and conditions, and mainly relate to the Underlyings, the product and the Issuer. In such cases, the redemption amount may be significantly lower than the purchase price. The Investor should therefore be prepared to accept a partial or total loss of his investments. In addition, the investor bears the risk of a termination at a time that is unfavourable for him and that he can only reinvest the redemption amount at less favourable conditions.

Target Market The product is aimed at Retail investors who are pursuing the objective of general asset accumulation and optimisation and have a very short-term investment horizon. This product is intended for investors with extensive knowledge and/or experience of financial products. The investor may bear losses up to a total loss of the invested capital and places no value on capital protection.

What are the risks and what could I get in return?

Risk indicator

Lower risk < 1 2 3 4 5 6 7 > Higher risk



The risk indicator assumes you keep the product for one calendar day. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early. You may have to pay significant extra costs to cash in early. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product in the risk class 7 on a scale of 1 to 7, where 7 corresponds to risk class the highest. This rates the potential losses from future performance at a very high level, and poor market conditions are very unlikely to impact our capacity to pay you. **If the currency of the country in which you purchase this product or of the account to which sums paid on this product are credited differs from the currency of the product, please be aware of the currency risk. You will receive payments in a different currency so your final return will depend on the exchange rate between the two currencies. This risk is not taken into account in the indicator given above.** This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

Performance scenarios Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Investment of 10,000.00 CHF

Scenarios		Example period (1 calendar day)
Stress scenario	What you might get back after costs	CHF 10,470.59
	Percentage return	4.71 %
Unfavourable scenario	What you might get back after costs	CHF 12,651.79
	Percentage return	26.52 %
Moderate scenario	What you might get back after costs	CHF 13,342.40
	Percentage return	33.42 %
Favourable scenario	What you might get back after costs	CHF 14,055.14
	Percentage return	40.55 %

This table shows how much you could get back within the example period under different scenarios when you invest 10,000.00 CHF. The scenarios depicted show how your investment could perform. The figures are not calculated per year, but for the sample period. Figures in this section and "4. What are the costs?" are not comparable with figures on products with a recommended holding period that deviates from the sample period. The scenarios depicted represent an estimate of future performance based on past changes in the value of this investment; they are not an exact indicator. How much you actually receive depends on how the market performs and how long you hold the investment/product. The stress scenario shows what you could get back in the event of extreme market conditions and does not take into account the eventuality that we may not be in a position to make the payment. This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the example period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so. The figures shown include all the costs of the product itself and include the costs of your advisor or distributor.

The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Zürcher Kantonalbank is unable to pay out?

You are exposed to the risk that Zürcher Kantonalbank might be unable to fulfil its obligations in respect of the product, e.g. in the event of insolvency or an administrative order. The Product is not covered by any statutory or other deposit protection scheme. If the Issuer is subject to any resolution measures (e.g. bail-in), your claim rights may be reduced to zero, converted into equity or its maturity date may be altered.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off and ongoing costs. The amounts shown here are the cumulative costs of the product itself, for the example period. The figures assume you invest 10,000.00 CHF. The figures are estimates and may change in the future.

Costs over time The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment of 10,000.00 CHF

Scenario	If you cash in at the end of the example period
Total costs	CHF 196

Impact on return (RIY) per year	3.67%
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Composition of costs The table below shows:

- The impact the different types of costs may have annually on the return on investment you may receive at the end of the example period;
- What the different cost categories mean.

This table shows the impact on return

One-off costs	Entry costs	6.33%	The impact of the costs already included in the price. This is the most you will pay, and you could pay less. This includes the costs of distribution of your product.
	Exit costs	-2.89%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	n/a	There are no portfolio transaction costs for this product.
	Other ongoing costs	0.11%	Impact of the costs that we take each year for managing your investments.

How long should I hold it and can I take money out early?

Recommended holding period: The Product character does not allow any recommendation regarding the holding period. Due to its Leverage, the Product reacts to the smallest price fluctuations of the Underlying and leads to losses or gains within incalculable periods of time. Any recommendation of a holding period would constitute misleading information for speculative investors. For investors who buy the Product for hedging reasons, the holding period depends on the hedging horizon of the individual investor.

In addition, the investor has the option to redeem the product by selling the product through the stock exchange on which the product is listed or by selling the product over-the-counter to the product manufacturer. The product manufacturer will endeavor to publish bid and ask prices for the product under normal market conditions on each banking day, but is not legally required to do so. If you sell the Product before the end of the recommended holding period, the amount you then receive may be less than the amount you would otherwise have received, even substantially.

There is no other way to withdraw your money early than to sell the product via the stock market on which the product is listed, or off-exchange. If you sell the product before the end of the example period, the amount you then receive may be less than the amount you would otherwise have received, even significantly.

Stock market listing	SIX Swiss Exchange	Last stock market trading day	n/a
Smallest tradeable unit	1 debt security(ies)	Price quotation	quoted in units

In exceptional market situations or in the event of technical malfunctions, it may be temporarily difficult or impossible to purchase or sell the product.

How can I complain?

Complaints about the person advising on or selling the product may be addressed directly to that person via the relevant website. Complaints regarding the product (terms and conditions), this document or the conduct of the product manufacturer can be addressed by post to Zürcher Kantonalbank, P.O. Box, 8010 Zurich or by e-mail to documentation@zkb.ch or visit our website www.zkb.ch/finanzinformationen.

Other relevant information

This Key Information Document does not contain all the information on this product. Please refer to the underlying prospectus for the legally binding final terms ("Final Terms") of the product and a detailed description of the risks and opportunities associated with this product. The prospectus, including any supplements, and the Final Terms have been prepared in accordance with the prospectus requirements under Swiss law and are available at www.zkb.ch/finanzinformationen (the prospectus and supplements under "Service"; the Final Terms after entering the relevant ISIN under "Title Search" and then under "Product Download"). The information contained in this Key Information Document does not constitute a recommendation to buy or sell the product and is not a substitute for individual advice from the Bank or the investor's adviser. The latest version of this Key Information Document is available at: www.zkb.ch/finanzinformationen.