



Tracker Certificate Dynamic on the Timber Finance Forest-based Construction Basket

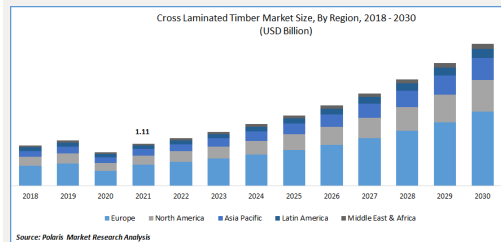
Innovative investment in the timber and forest industry

Mass timber is changing the world and creating new opportunities for investors: from energy to the Built Environment climate change is forcing many industries to rethink established business practices. Mass timber construction has been one market with solid growth; since the “Timber Turnaround” in 2020, the global forest and timber industry has entered a new growth cycle.

The investment strategy of the “Timber Finance Forest-based Construction Basket” tracks companies from the modern forestry and timber industry, who’s products contribute to the long-term storage of CO₂ in durable wood products used in timber construction.

Turnaround in the Forest and Timber Industry

Mass timber construction is booming: one of the growth drivers is the global Cross Laminated Timber market: In 2021, it was estimated at USD 1,11 billion, and various studies forecast strong annual growth through 2028. ¹



At the same time, mass timber buildings in North America are expected to double every two years through 2034. ²

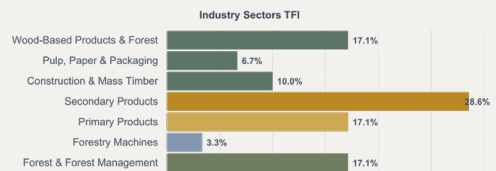
CO₂-Storage

Timber is rapidly gaining importance as a CO₂ storage solution, sustainably managed forests ^{3a} in combination with timber construction enable additional CO₂ to be sequestered from the atmosphere and store it long-term. In a recent UN concept paper, ^{3b} timber from sustainably managed forests was recognized for its dual climate value: Not only do forests remove CO₂ from the atmosphere, but the use of timber in construction replaces greenhouse gas-intensive conventional building materials.



Tracker Certificate

The tracker certificate (Valor 123 576 365, Symbol TIMBRZ) launched by, MRB Fund Partners as investment manager, the Zürcher Kantonalbank (AAA) as issuer and Timber Finance as investment advisor, is based on an equities basket of 20 leading listed companies from the European and North American forest and timber industries and includes the following industry sectors.



The certificate is managed on a discretionary basis and contains companies from the investment universe of the of the Timber Finance Carbon Capture & Storage Index, the world’s first timber Index focusing on the CO₂ stored in durable wood products used in timber construction (ISIN DE000SLOECH7). ⁴

¹ <https://www.polarismarketresearch.com/industry-analysis/cross-laminated-timber-market> <https://www.fortunebusinessinsights.com/cross-laminated-timber-clt-market-102884>

² <https://www.smartlam.com/wp-content/uploads/2020/08/The-Marshall-Effect-SmartLam-NA.pdf>

^{3a} In line with the UN concept paper according to footnote 3b

^{3b} <https://unfccc.int/sites/default/files/resource/a64-sb001-aa-a05.pdf>

⁴ <https://www.solactive.com/indices/?index=DE000SLOECH7>



Image: Timber high-rise "Rocket" in Winterthur. ©Ina Invest

Examples of Securities in the Tracker Certificate

- PotlatchDeltic, USA (5,7%), manages ca. 1,8m hectares of forests and manufactures primary wood products.
- Steico, D (5,7%), manufactures structural wood products as well as wood fibre insulation. Wood-based insulation help create energy efficient buildings and at the same time stores CO₂ long-term.
- Nexity, F (3,3%), since 2015 develops timber buildings and has targeted minimum 33% of its developed office spaces to be built with timber by 2030. In 2019, Nexity built 19% of its office space with timber and reached 63% of its target in 2021.

Investment Rationale

- Today's timber buildings are not single-family homes. They are skyscrapers and major urban buildings. The tallest timber high-rise is currently being built in Switzerland at 100 meters high. Around the world, numerous other timber skyscrapers are being planned.
- Disruptive technologies are changing traditional use cases/applications. Timber can now be used to build highway bridges, basements, load-bearing structures, and high-rise buildings, replacing emission-intensive concrete and steel.
- Governments and developers are demanding and promoting urban timber buildings. In Europe and North America – with an eye on net zero targets and the Paris Agreement – numerous building code requirements are being passed to reduce the carbon footprint of buildings which help facilitate the growth of timber construction.
- Timber construction is a negative emission technology. Combined with sustainable, climate-resilient forest management, mass timber construction is one of the most promising negative emission technologies.

General Product Details

Product Type	ZKB Tracker Certificate Dynamic
SSPA Category	Tracker-Certificate (1300 Swiss Derivative Map)
ISIN	CH1235763658
Symbol	TIMBRZ
Issuer	Zürcher Kantonalbank
Underlying	Timber Finance Forest-based construction basket
Notional Amount/Denomination/ Trading Units	CHF 25'000'000.00/CHF100.00/(indicative) 1 structured product or multiples thereof
Issue price	CHF 100.00 (indicative)
Information on listing	SIX Swiss Exchange, first trading day 26 th of April 2023
Investment Manager	MRB Fund Partners AG
Investment Advisor	Timber Finance Management AG
Product Currency	CHF
Product Fee	1,1%
Listing	SIX Swiss Exchange
Place of Offer/Authorization	Switzerland



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