

EU Sustainable Finance Disclosure Regulation (the SFDR) – Zurich Invest ICAV (the ICAV)

Zurich Climate Focus World Equity Fund (the Fund) – Sustainability Related Disclosures

Legal Entity Identifier: 635400OKRXWHZSXZF516

1 SUMMARY

The ICAV is authorised by the Central Bank of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and as an open-ended umbrella fund with segregated liability between sub-funds.

Investors should note the classification of the Fund as an Article 8 product under SFDR. On 15 December 2022, the Fund was reclassified from a fund that has sustainable investment as its objective in accordance with Article 9 of SFDR to a fund that promotes environmental or social characteristics in accordance with Article 8 of SFDR. This decision was taken in light of the requirement to update the Fund's supplement (the **Supplement**) to address the more detailed disclosure requirements set out in the regulatory technical standards issued under SFDR which applied to the Fund from 1 January 2023. Certain guidance published by the European Commission outlines that a financial product to which Article 9 of SFDR applies may invest in a wide range of underlying assets, provided that, subject to certain exceptions, these underlying assets qualify as 'sustainable investments' as defined in point 17 of Article 2 of SFDR. Given the broad market exposure provided by the index previously tracked by the Fund, significant changes to the intended risk and return profile of the Fund would have been required to be made in order for the Fund to adhere to this guidance, and the Directors in consultation with the Manager took the decision to reclassify the Fund as an Article 8 fund under SFDR to better align the more detailed disclosure being introduced into the Supplement with applicable guidance.

The Fund promotes, among other characteristics, environmental characteristics by seeking to track, before fees and expenses, the return performance of the MSCI World Climate Paris Aligned Ex Select Business Involvement Screens Index (the **Index**). The Fund does not have as its objective sustainable investment. The Index provides exposure to companies that are working towards a climate neutral economy by seeking to align with the climate goals of the Paris Agreement on carbon reduction and the recommendations of the Task Force on Climate-Related Financial Disclosures (**TCFD**). The Index is designed to exceed the minimum standards of the EU Paris Aligned Benchmark under Regulation (EU) 2016/1011 (as amended).

In addition to seeking to achieve the investment objective of the Fund as set out above, the ICAV will also seek to offset the estimated carbon footprint of the Fund's portfolio of investments (**Carbon Offsetting**) in respect of share classes of the Fund identified as Carbon Offsetting Classes. Carbon Offsetting will not be implemented in respect of share classes of the Fund that are not Carbon Offsetting Classes.

The Fund's investment manager, DWS International GmbH (the **Investment Manager**) will aim to invest in the underlying equity and equity related securities of the Index in similar weighting given to such constituents in the Index. Morgan Stanley Capital International (**MSCI**) ESG research products and services are used in the construction of the Index

The Fund invests at least 90% of its net assets in the Index which is aligned with the promoted environmental characteristics. Within this category, at least 25% of the Fund's investments qualify as sustainable investments. Up to 10% of the Fund's investments are not aligned with these characteristics.

The Index is rebalanced semi-annually as of the close of the last business day of May and November each year.

The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Fund are: exposure to controversial sectors, involvement in controversial weapons, involvement in tobacco business, estimated carbon footprint and worst in class exposure.

The ability of the Fund to track the Index is dependent on information and data made directly available to it by MSCI. However, information from third party data providers and/or constituents of the Index may be incomplete, inaccurate or unavailable.

MSCI ESG research products and services are provided by MSCI ESG Research LLC, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide.

Direct engagement with constituents of the Index is not part of the Fund's environmental investment strategy.

2 NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental characteristics, but does not have as its objective sustainable investment.

3 ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Fund promotes, among other characteristics, environmental characteristics by seeking to track, before fees and expenses, the return performance of the Index. The Index provides exposure to companies that are working towards a climate neutral economy by seeking to align with the climate goals of the Paris Agreement on carbon reduction and the recommendations of the TCFD. The Index is designed to exceed the minimum standards of the EU Paris Aligned Benchmark under Regulation (EU) 2016/1011 (as amended).

4 INVESTMENT STRATEGY

The Investment Manager will aim to invest in the underlying equity and equity related securities of the Index in similar weighting given to such constituents in the Index. In order to replicate the Index, the Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (for example where the weighting of the issuer in the Index is increased as a result of the issuer's dominant market position, or as a result of a merger)..

The following MSCI ESG research products and services are used in the construction of the Index:

1. MSCI ESG Ratings provides research, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating - a seven point scale from "AAA" to "CCC". In addition, MSCI ESG Ratings provides scores and percentiles indicating how well a company manages each key issue relative to industry peers.
2. MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy.

5 PROPORTION OF INVESTMENTS

The Fund invests at least 90% of its net assets in the Index which is aligned with the promoted environmental characteristics. Within this category, at least 25% of the Fund's investments qualify as sustainable investments. The Fund may invest directly in equity and/or equity-related securities included in the Index. The Fund may also invest in futures which relate to the Index or constituents of the Index.

Up to 10% of the Fund's investments are not aligned with these characteristics. These investments include companies generating a relatively small share of their revenue from products or services targeting one or more environmental and/or social objective which are used for diversification purposes as well as cash and liquid assets, such as short-term bank deposits and money market instruments which are used for efficient portfolio management purposes. There are no minimum environmental or social safeguards for these investments.

The Fund does not use derivatives to attain the environmental characteristics promoted by the Fund.

6 MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Index is rebalanced semi-annually as of the close of the last business day of May and November each year. Index changes are disclosed by the Index provider to the market in advance of implementation allowing the Investment Manager to rebalance the Fund's portfolio of assets concurrently with the Index change.

7 METHODOLOGIES

The following are the sustainability indicators used to measure the attainment of the environmental promoted by the Fund:

1. Exposure to controversial sectors is used as an indicator for an issuer's involvement in controversial sectors and controversial activities;
2. Involvement in controversial weapons is used as an indicator for an issuer's involvement in controversial weapons;
3. Involvement in tobacco business is used as an indicator for an issuer's involvement in tobacco business;
4. Estimated carbon footprint calculated using historical estimated data sourced from Morgan Stanley Capital International is used as an indicator for an issuers carbon emissions; and
5. Worst in class exposure is used as an indicator of a portfolio's market value exposed to companies with a low ESG rating.

8 DATA SOURCES AND PROCESSING

The ability of the Fund to track the Index is dependent on information and data made directly available to it by MSCI. The Index is based on the MSCI World Index (the **Parent Index**) and includes equities and equity-related securities of large and mid-cap issuers across 23 developed markets countries, namely Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US.

The Index is constructed using MSCI's climate metrics and models, including forward-looking data from MSCI ESG Research's enhanced Climate Value-at-Risk Transition and Physical risk models. The Index follows a transparent and rules based optimized index methodology. The Index uses a wide variety of key climate metrics from the MSCI Climate Risk Centre in its construction and is designed with an aim to go beyond EU minimum standards to meet the needs of institutional investors seeking to address climate change risks and opportunities in a holistic manner.

Data quality is ensured through the use of MSCI ESG research products and services which are provided by MSCI ESG Research LLC, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide. The following MSCI ESG Research LLC products are used in the construction of the Index: MSCI ESG Ratings and MSCI ESG Controversies.

9 LIMITATIONS TO METHODOLOGIES AND DATA

Information from third party data providers and/or constituents of the Index may be incomplete, inaccurate or unavailable. This in turn may result in the incorrect inclusion or exclusion of a company from the Index. These

limitations are mitigated by the regular rebalancing of the Index which takes place on a semi-annual basis being May and November of each calendar year. Index changes are disclosed by the Index provider to the market in advance of implementation allowing the Investment Manager to rebalance the Fund's portfolio of assets concurrently with the Index change.

10 DUE DILIGENCE

MSCI ESG research products and services are provided by MSCI ESG Research LLC, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide.

MSCI ESG Ratings provides research, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating - a seven point scale from "AAA" to "CCC". In addition, MSCI ESG Ratings provides scores and percentiles indicating how well a company manages each key issue relative to industry peers.

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy.

The Index also applies a number of exclusions, including: companies gaining more than 1% revenue from thermal coal mining, companies gaining more than 5% revenue from civilian firearms, unconventional oil and gas extraction, or thermal coal-based power generation, companies gaining more than 10% revenue from alcohol, gambling, conventional weapons or nuclear power, or companies with any tie to tobacco, controversial weapons, any manufacturer of nuclear weapons.

11 ENGAGEMENT POLICIES

Direct engagement with constituents of the Index is not part of the Fund's environmental and social investment strategy. The MSCI ESG research products and services provided by MSCI ESG Research LLC and the exclusions applied by the Index ensure that Index constituents demonstrate both a robust ESG profile as well as a positive trend in improving that profile.

12 DESIGNATED REFERENCE BENCHMARK

The Index is based on the Parent Index and includes equities and equity-related securities of large and mid-cap issuers across 23 developed markets countries, namely Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. The Index is provided by MSCI.

The Parent Index is a market-capitalisation weighted index calculated and maintained administered by MSCI and designed to measure the equity market performance of large and mid-cap companies in the above listed countries. The Parent Index covers approximately 85% of the free float-adjusted market capitalisation in each country.

The Index is designed to support investors seeking to reduce their exposure to transition and physical climate risks and who wish to pursue opportunities arising from the transition to a climate neutral economy while aligning with the climate goals of the Paris Agreement. The Index incorporates the TCFD recommendations and is designed to exceed the minimum standards of the EU Paris Aligned Benchmark (within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended (the **Benchmark Regulation**)).

The Index is built on the Parent Index following an optimization-based approach which aims to exceed the minimum technical requirements in the Benchmark Regulations while aligning with the recommendations of the TCFD and is designed to align with a 1.5°C climate scenario using the MSCI Climate Value-at-Risk and a “self-decarbonization” rate of 10% year on year. The Index aims to reduce exposure to physical risk arising from extreme weather events by at least 50% and shift index weight from “brown” to “green” using the MSCI Low Carbon transition score and by excluding categories of fossil-fuel-linked companies. Furthermore, the Index also aims to increase the weight of companies which are exposed to climate transition opportunities and reduce the weight of companies which are exposed to climate transition risks. The Index also seeks to reduce the weight of companies assessed as high carbon emitters and increase the weight of companies with credible carbon reduction targets through a weighting scheme while achieving both a modest tracking error and a low turnover. Finally, the Index also applies a number of exclusions, including: companies gaining more than 1% revenue from thermal coal mining, companies gaining more than 5% revenue from civilian firearms, unconventional oil and gas extraction, or thermal coal-based power generation, companies gaining more than 10% revenue from alcohol, gambling, conventional weapons or nuclear power, or companies with any tie to tobacco, controversial weapons, any manufacturer of nuclear weapons.

The Index is constructed using MSCI's climate metrics and models, including forward-looking data from MSCI ESG Research's enhanced Climate Value-at-Risk Transition and Physical risk models with extensive emissions capture and green revenue data, Low Carbon Transition Score, Scope 3 emissions data and companies' carbon emission reduction targets. The Index is designed for investors looking to address climate change holistically and allocate in a way that supports the de-carbonization of the economy while being compatible with the Paris Agreement.

The Index follows a transparent and rules based optimized index methodology. The Index uses a wide variety of key climate metrics from the MSCI Climate Risk Centre in its construction and is designed with an aim to go beyond EU minimum standards to meet the needs of institutional investors seeking to address climate change risks and opportunities in a holistic manner.

Additional information about the methodology used for the calculation of the Index is available at www.msci.com.