

**Pre-contractual disclosure for the financial products referred to in  
Article 8 paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6,  
first paragraph, of Regulation (EU) 2020/852**

**Product name: Invesco Step-In Income Builder Fund I (the “Fund”)  
Legal entity identifier: 254900Z6CUCT12SKGG63**

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**Environmental and/or social characteristics**

*Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.*

*The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.*

**Does this financial product have a sustainable investment objective?**

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Yes</b>  | <input checked="" type="checkbox"/> <b>No</b>  |
| <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%         | <input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%                 | <input type="checkbox"/> with a social objective   |
|  | <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments   |



**What environmental and/or social characteristics are promoted by this financial product?**

The Fund gradually transitions its asset allocation from investing 90% of its assets in European government bonds at launch (“Government bond allocation”), to investing up to 100% of its assets in equities at the end of a four-year investment period (“Equity allocation”).

The environmental and social characteristics are as follows:

**Government bond allocation:**

The Fund promotes the social characteristic of limiting negative social externalities by avoiding investments in sovereign issuers that significantly violate social rights or are subject to certain international sanctions.

**Equity allocation:**

The Fund aims to promote environmental characteristics related to natural resource utilization and pollution (for example by exclusion of companies involved in fossil fuel, thermal coal, oil and gas production and generation). The Fund also promotes social characteristics related to human rights (by excluding companies in violation of any UN Global Compact’s principles, based on third-party data and the Investment Manager’s proprietary analysis and research) and by excluding controversial activities issuers involved in (but not limited to) manufacturing or sale of conventional weapons or production and distribution of tobacco.

Social features are considered by excluding companies with controversial business behaviours.

Finally, the Fund includes only issuers that score in the top 85% based on region and sector based on the MSCI ESG score.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

*Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.*

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

With regards to Government bonds, sovereign issuers rated C or below (on a scale of A-E) by the investment manager's qualitative assessment will be excluded.

With regards to the ESG screening for equities, the Fund uses a variety of indicators to attain the social and environmental characteristics. This includes a best-in-class measure based on a wholistic ESG score (selecting the companies in the top 85% based on the MSCI ESG scoring with both region and sector).

Exclusions depending on business involvement in controversial activities and controversies will be in place including exclusion of issuers in violations of the UN Global Compact or other social controversies based on third-party data.

The exclusions are based on the following parameters:

- Level of involvement in Coal extraction and production;
- Level of involvement in unconventional oil and gas such as arctic oil and gas exploration extraction, oil sands extraction and Shale Energy extraction;
- Level of involvement in thermal coal extraction, power generation;
- Level of involvement in oil and gas production, supporting products and services and generation;
- Level of involvement in Tobacco production and tobacco related products;
- Level of involvement in military contracting weapons;
- Involvement in controversies based on the following social criteria: biodiversity, pollution, community involvement, social supply chain, human rights, forced child labor, labor relations and corruption.

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

*Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes, the Fund considers principal adverse impacts on sustainability factors (PAIs) by carrying out a qualitative and quantitative review of key metrics (primarily the 14 indicators as defined in Table 1 of the Annex I of the regulatory technical standards for Regulation 2019/2088). The quantitative includes a review of current Invesco holdings and the relevant PAI data. An absolute threshold is set that will flag issuers that fail to meet minimum standards, as well as companies that flag on a binary output (such as controversial weapons or UN Global Compact violations). Once issuers are flagged for the quantitative review, research is done to consider the company’s performance on the flagged PAIs. Based on the research findings, a plan is proposed for each flagged issuer by the ESG Research team to the investment team. The investment team will review the consideration plan and determine the correct steps to take forward. Most consideration plans indicate monitoring or bilateral engagement. In some limited circumstances, actions taken may also include industry body engagement, underweighting or divestment (exiting the security). Information on principal adverse impacts on sustainability factors is available in the annual report of the SICAV.
- No



**What investment strategy does this financial product follow?**

As part of the investment strategy, the Fund applies the various exclusions on a continuous basis as further described below.

*The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.*

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

**Government bond allocation:**

The Investment Manager will exclude sovereigns issuers rated C or below based on the investment manager qualitative assessment.

**Equity allocation:**

The Investment Manager will exclude issuers that do not score in the top 85%, based on MSCI ESG score within both region and sector.

Screening will also be employed to exclude securities issued by issuers which derive or generate a pre-determined level of revenue or turnover from activities such as (but not limited to) activities related to coal, extraction of oil sands, fracking or arctic drilling activities, manufacturing or sale of conventional weapons or production and distribution of tobacco. All issuers considered for investment will be screened for compliance with, and excluded if they do not meet, UN Global Compact principles, based on third-party data. Finally, the investment manager excludes issuers with controversies on social issues, based on third party data. The current exclusion criteria may be updated from time to time. For further details on the exclusions and the associated threshold applied, please refer to section “Where can I find more product specific information online?”)

*Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.*

**What is the policy to assess good governance practices of the investee companies?**

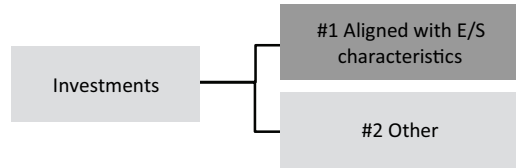
Investee companies are evaluated against a comprehensive set of good governance principles through a multi-step process that combines both quantitative and qualitative assessments.

As part of that process investment teams leverage various indicators from third-party data providers to identify potential material governance concerns. These indicators include both score-based metrics and controversy-based factors, selected to assess key areas such as management structures, employee relations, staff remuneration, and tax compliance. If a company is flagged for potential material governance concerns based on these metrics, a secondary qualitative review is conducted by the global stewardship team. This review determines whether the identified governance issues are sufficiently material to warrant restrictions on the company’s inclusion in the Fund.

If a company is assessed as not following good governance practices, the company will be excluded from the investable universe. If divestment from the Fund is required, this will be initiated as soon as practicable, having due regard to the best interests of Shareholders.



**What is the asset allocation planned for this financial product?**



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The exclusions will be screened to the full investment universe, representing at least 70% of the portfolio (#1 Aligned with E/S characteristics) by virtue of the binding elements of the Fund’s investment strategy. Ancillary liquid assets and money market instruments which are held for cash management/liquidity purposes may not be assessed for compliance with the above exclusion framework. In addition, if a security has become illiquid to the point where there is no willing buyer or the issuer has for example defaulted/undergoing a restructure or filed for bankruptcy protection after the point of purchase, these assets may still be held in the Fund until they can be sold/removed (#2 Other). The purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards is described below in the section “What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?”. For the avoidance of doubt, any derivatives used by the Fund (regardless of purpose) will not be taken into consideration in this calculation. As a result, the calculation is therefore intended to represent the physical investments and holdings of the Fund.

**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund will not use derivatives to attain the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

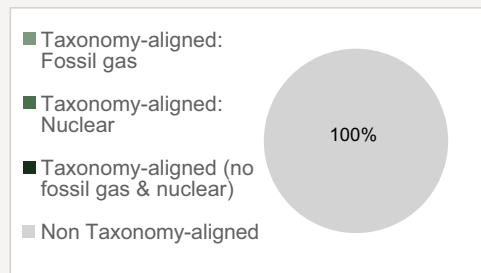
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
- In fossil gas                       In nuclear energy
- No

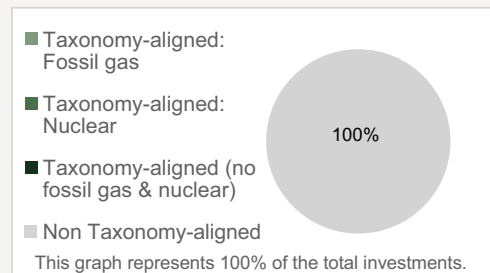
<sup>1</sup>Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

**1. Taxonomy-alignment of investments including sovereign bonds\***



**2. Taxonomy-alignment of investments excluding sovereign bonds\***



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**are sustainable investments with an environmental objective that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

As described above, the Fund may hold up to 30% maximum in currencies, cash, money market funds or money market instruments for cash management/liquidity purposes or be exposed to other transferable securities such as equity-linked notes which will not be assessed for compliance with the above ESG framework. In addition, if a security has become illiquid to the point where there is no willing buyer or the issuer has for example defaulted/undergoing a restructure or filed for bankruptcy protection after the point of purchase, these assets may still be held in the Fund until they can be sold/removed.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund has no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website: [Invesco Europe - Home](#).**

Please select your country and your investor type, you will then be able to access the Fund's product page or the literature section on legal document sites where the "Sustainability-Related disclosures" document will be available, including the summary of the environmental and/or social characteristics that the Fund promotes in your local language.