

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.

Did this financial product have a sustainable investment objective?

Yes

No

- It made sustainable investments with an environmental objective: ___%
 - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

- It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
 - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 - with a social objective

- It made sustainable investments with a social objective: ___%

- It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

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

Invesco Global Senior Loan ESG Fund (the “Sub-Fund”) aimed to achieve a high level of current income, consistent with the preservation of capital, while integrating environmental, social and governance (“ESG”) criteria.

The ESG factors included (but not limited to): natural resource utilization, pollution & waste, supply chain impact and environmental opportunities (Environmental pillar, “E”), workforce, community involvement, product responsibility and human rights (Social pillar, “S”), management, shareholder treatment, composition of the board of directors, auditor / regulatory issues, corporate social responsibility strategy, anti- corruption practices and ethics policies and practices (Governance pillar, “G”).

As the Sub-Fund's investments were done indirectly through other sub-funds of Invesco Zodiac Funds, the ESG criteria and the related assessments were done on a look-through basis.

● How did the sustainability indicators perform?

The Sub-Fund used a variety of indicators to attain the social and environmental characteristics. Industry screening:

Sustainability Indicator	Indicator performance
Thermal Coal Extraction	During the reference period, there were no breaches of the Fund's exclusion criteria.
Thermal Coal Power Generation	During the reference period, there were no breaches of the Fund's exclusion criteria.
Arctic Oil and Gas Exploration	During the reference period, there were no breaches of the Fund's exclusion criteria.
Oil Sands Extraction	During the reference period, there were no breaches of the Fund's exclusion criteria.
Shale Energy Extraction	During the reference period, there were no breaches of the Fund's exclusion criteria.
Fracking Related Energy Extraction	During the reference period, there were no breaches of the Fund's exclusion criteria.
Controversial Weapons	During the reference period, there were no breaches of the Fund's exclusion criteria.
Recreational Cannabis	During the reference period, there were no breaches of the Fund's exclusion criteria.
Tobacco Products Production	During the reference period, there were no breaches of the Fund's exclusion criteria.
Gambling Operations	During the reference period, there were no breaches of the Fund's exclusion criteria.
Gambling Specialised Equipment	During the reference period, there were no breaches of the Fund's exclusion criteria.

ESG rating:

The average* ESG rating distribution for the portfolio of the Sub-Fund (assessed on a look-through basis) over the financial year of 2022 was as follows:

ESG Rating Distribution	Portfolio %
1.5 to 2.0	2.20%
2.0 to 2.5	11.80%
2.5 to 3.0	54.80%
3.0 to 3.5	29.50%
3.5 to 4.0	1.70%

Average* portfolio rating: 2.82

*Calculated as the average rates across the end of each calendar month during the period under review.

- ...and compared to previous periods?

N/A

- What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A

- How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

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 Union criteria.

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



How did this financial product consider principal adverse impacts on sustainability factors?

The Sub-Fund considered the principal adverse impacts on sustainability factors by carrying out a qualitative review of the factors during the annual process of updating our proprietary ESG ratings. Our ESG ratings are based on a series of ESG questions, including some that relate to the principal adverse impact indicators listed in Annex 1 of the SFDR RTS, such as carbon emissions, fossil fuel sector exposure and board diversity, among others. The rating process currently relies on qualitative responses from private issuers to our ESG due diligence questionnaire.

In 2022 we added requests for additional quantitative PAI metrics based on Annex 1 to our due diligence questionnaire for the annual ESG review, and we have begun dialogue with management where feasible to encourage provision of relevant data. Given the nature of the asset class, the quantitative data coverage is currently limited, but we will continue to encourage issuers to provide relevant metrics. We expect data provision rates to improve over time as issuers are increasingly required to report ESG data. We will continue to review the situation and seek the most relevant data points available for the principal adverse impacts of our portfolios.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: as at 31 December 2022. Holding list is point in time on a look-through basis combined at the issuer level however individual holdings would vary throughout the year.

Large Investments	Sector	% Assets	Country
HNVR HOLDCO LTD & HOTELBEDS GROUP	Gaming/Leisure	1.89%	United Kingdom
SUMMER BC HOLDCO B SARL	Service	1.44%	United States
DOUGLAS GMBH & KIRK BEAUTY SUN GMBH	Retail	1.34%	Germany
MLN US HOLDCO LLC	Information Technology	1.09%	United States
NEWDAY BONDCO PLC	Financial	1.01%	United Kingdom
GARFUNKELUX HOLDCO 3 SA	Financial	0.98%	Luxembourg
INDIGOCYAN HOLDCO 3 LTD	Service	0.96%	United Kingdom
ALTICE FINANCING SA & ALTICE FINCO SA	Telecommunications	0.96%	Luxembourg
CROWN FINANCE US, INC. & CINEWORLD GROUP PLC WTS	Gaming/Leisure	0.96%	United States
CARNIVAL Corp.	Gaming/Leisure	0.94%	United States
SILK BIDCO AS & EXPLORER II AS	Gaming/Leisure	0.92%	Norway
CASPER BIDCO SAS	Gaming/Leisure	0.88%	France
PETSMART INC	Retail	0.83%	United States
ALTICE FRANCE S.A. & NUMERICABLE US LLC	Telecommunications	0.81%	France
FIRST STUDENT BIDCO INC & FRST STU BID/FRST TRANS	Transportation	0.81%	United States



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

The ESG-criteria is applied on a look-through basis in respect of each underlying loan on an on-going basis by the Investment Manager, integrated as part of the investment process for credit selection and portfolio construction.

To that effect, the industry screening and the rating process is applied to the whole investment universe, representing at least 90% portfolio (but expected to represent around 95% under normal market conditions) (#1 Aligned with E/S characteristics). The industry screening and the rating process is not applied to cash and cash equivalents (including money market instruments) which are held for cash management/liquidity purposes (#2 Other).

● What was the asset allocation?

As at 31 December 2022 the asset allocation was as follows:

- 97.09% aligned with E/S characteristics
- 2.91% other investments

Investments

#1 Aligned with E/S characteristics 97.09%

#2 Other
2.91%

#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.

In which economic sectors were the investments made?

The Sub-Fund was invested in below sectors (assessed on a look-through basis) over the period of 2022:

Sector/Industry	Average weight % *
Service	13.19%
Information Technology	11.39%
Gaming/Leisure**	10.96%
Financial	7.03%
Healthcare	6.65%
Telecommunications	5.79%
Manufacturing	5.18%
Diversified Media	4.87%
Transportation	4.76%
Chemicals	3.77%
Retail	3.54%
Aerospace	3.29%
Consumer Durables	2.89%
Forest Products/Containers	2.85%
Cable/Wireless Video	2.67%
Consumer Non-Durables	2.60%
Housing	2.42%
Food/Tobacco**	1.85%
Energy	1.11%
Food and Drug	1.08%
Broadcasting	0.99%
Utility	0.52%
Metals/Minerals	0.46%
Wireless Communications	0.14%
Total	100.00%

*Calculated as the average rates across the end of each calendar month during the period under review.

**"Gaming/Leisure" and "Food/Tobacco" are the Credit Suisse Index classification; however, 100% of investments in the Sub-Fund within those classification are in the Leisure or Food category, with no investments in issuers in the Gaming and Tobacco as those are prohibited industries for the Sub-Fund.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully 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 extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

0% of the Sub-Fund's portfolio was aligned with the EU Taxonomy.

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.

Taxonomy-aligned activities are expressed as a share of:

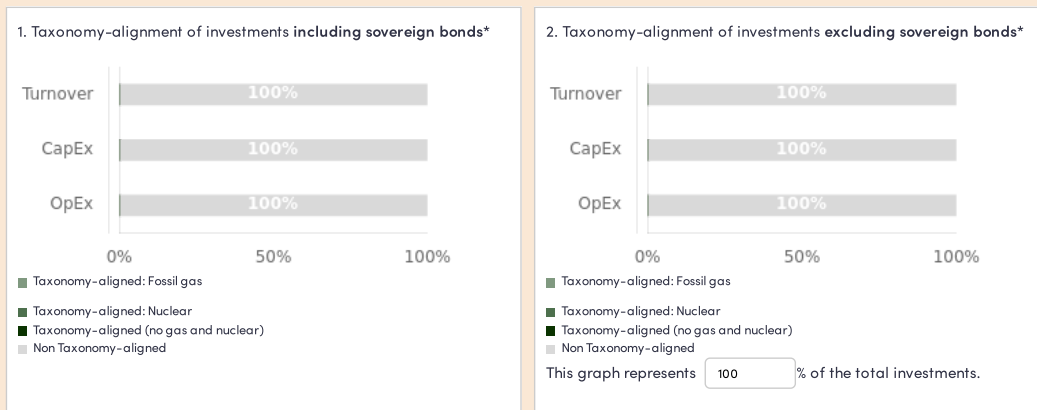
- turnover reflects the "greenness" of investee companies today.
- capital expenditure (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- operational expenditure (OpEx) reflects the green operational activities of investee companies.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- Yes
- In fossil gas In nuclear energy
- No

¹ 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 no significant harm to 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 graphs below show in green the percentage of investments that were 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.



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

● What was the share of investments made in transitional and enabling activities?

0%

● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A

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 was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

0%



What was the share of socially sustainable investments?

N/A



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

"Other" investments included cash and cash equivalents (including money market instruments), held for cash management/liquidity purposes, and which was not subject to the industry screening and the rating process, and did not follow any minimum environmental or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Screening was employed to exclude companies and/or issuers from the investment universe that do not meet the Sub-Fund's ESG criteria, based on the level of involvement in certain controversial activities (as further detailed above). The companies and/or issuers that did not meet the set criteria as a result of the screening, were excluded from the potential investment universe of the Sub-Fund. In addition, the Investment Manager applied the internal ESG rating methodology: based on the proprietary research and due diligence performed on the investee companies with regard to ESG considerations, the Investment Manager assigned a rating on a 1 to 5 scale, where 1 is the best score, for each identified ESG factor. A weighted average score was then calculated for each of the E, S, and G pillars. An overall composite ESG score was also calculated with pillars weighted differently depending on industry. In this context, during the period under review, the Investment Manager engaged with each of the issuers (at least once during the period, by way of written ESG diligence updates and/or conversation with management and sponsor teams) in which the Sub-Fund invests, in order to update the ESG analysis and related scoring of such issuer, in accordance with the internal ESG rating methodology.

Additionally, in 2022, the Investment Manager began to collect principal adverse impacts metrics from the issuers.
As the Sub-Fund's investments were done indirectly through other sub-funds of Invesco Zodiac Funds, the above was done on a look-through basis.



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

How did this financial product perform compared to the reference benchmark?

The Sub-Fund had no specific index designated as a reference benchmark to determine whether the Fund was aligned with the environmental and/or social characteristics that it promoted.

- *How does the reference benchmark differ from a broad market index?*

N/A

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

N/A

- *How did this financial product perform compared with the reference benchmark?*

N/A

- *How did this financial product perform compared with the broad market index?*

N/A

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