CORUM Butler Asset Management Limited
("the Company")

ESG Engagement Policy

Version	Date	Comments
1.0	12 March 2024	New Policy
2.0	10 March 2025	Annual review

Contents

1. OVERVIEW AND SCOPE

CORUM Butler Asset Management Limited (the "Company") is authorised as an Alternative Investment Fund Manager ("AIFM") under the European Union (Alternative Investment Fund Managers) Regulations 2013, as amended (the "Irish Regulation") and as a UCITS Fund Manager under the EU Commission Delegated Regulation (EU) No. 231/2013 (the "Commission Regulation") (collectively, the "Regulations") as amended and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended (the "Central Bank UCITS Regulations").

The oversight of the Funds under management investee companies is delegated to Butler Investment Managers (the "Investment Manager" or "IM").

This policy describes how the Company and Investment Manager on behalf of the funds under management integrates ESG engagement into the investment strategy.

The Company and the IM view ESG engagement as a fundamental part in the investment process. Through constructive and ongoing dialogue with issuers, it is strongly believed that the ESG engagements can enable to achieve better investment and, where applicable, ESG outcomes for clients/investors.

As such, the IM' ESG engagements focus on issuers where the engagement will be additive to the investment process. The objective of the engagements is specific to each issuer and focused on issues that are material to the issuer from an ESG credit risk/opportunities and/or ESG impact perspective. The core engagement philosophy is that there will be no engagements that are likely to harm the value of our clients/investors' positions in the issuer. While it is not possible to know with certainty what the effect of an engagement will be in advance, the IM will prioritise engagements and objectives based on internal analysis, will preserve or improve the value of the positions in the issuer and avoid those that will conflict with this intention.

2. APPROACH

The IM view engagement as part of its ongoing and fundamental dialogue with companies within the funds investment universe and as a constant and valuable part of its work. The IM's approach to engagement is rooted in constructive dialogue with issuers and quality engagements over quantity.

Engagement can take the form of meetings, on-site visits, calls and emails and can be with stakeholders such as management, competitors, customers etc.

In summary, there are three main reasons for the IM engaging with a company in the investment universe of the Fund:
1. ongoing monitoring of the company's business and elevating company awareness;
2. deeper company analysis and challenge/feedback;
3. seeking to affect real change in a company due to specific behaviour or event.

The IM understands its fiduciary duty as encompassing the need to contribute positively to addressing major socio-economic and environmental challenges in the interests of its clients, investors, stakeholders and of

company. This means that not only the IM assesses the way ESG factors can materially impact the value of companies, but also how the companies impact the environment, and social matters or human rights.
PAIs are therefore considered via a combination of approaches that can vary depending on the asset class, investment process or type of strategy and fund range.

a) ENGAGEMENT: it is a continuous and purpose driven process aimed at influencing the activities or behaviour of investee companies. The aim of engagement activities can fall into two categories: to engage an issuer to improve the way it integrates the environmental and social dimensions, to engage an issuer to improve its impact on environmental, social, and human rights-related or other sustainability matters that are material to society and the global economy.

b) EXCLUSION: the IM has defined activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the SFDR. This approach applies to all funds in scope.

c) CONTROVERSY MONITORING: the IM is tracking potential controversies using third-party data (Bloomberg alert, Credit research received, Sustainalytics). Once the information are received, the IM is assessing if it can be classified it as a controversy or not. Then, the level of involvement (direct, indirect) is assessed and also the level of severity and the materiality (how long it will impact the company reputation and credit metrics). An *ad hoc* committee may be invoked in case of disagreement in the portfolio management team. In the most severe and repeated cases, when no credible corrective action is taken, the IM may qualify the company as involved in a severe controversy, meaning that it is no longer allowed to invest in that company (as long as the company is involved/affected by the controversy). This may ultimately lead to exclusion from the active investment universe.

As the engagements are highly relevant to the investment process and also provide valuable insights to the issuers the IM engage with, the approach to engagements emphasizes quality over quantity. This means that the main focus is on fewer but more substantive engagements. Such dialogues are likely to enrich the investment analysis while at the same time provide useful insights to issuers into how they compare to industry peers and how markets perceive their ESG initiatives.

The IM strongly believe that by asking informed questions, raising concerns and sharing industry best practice, can positively influence issuer ESG practices over the long-term. Issuers hearing the same concerns from multiple investors on the same ESG points can lead to change and contribute to long-term value creation. As a result, it is the IM's responsibility to contribute to such dialogue, even if there is no certainty to claim full credit for the outcomes. Once a meaningful engagement has taken place, an assessment of the engagement is recorded internally. These recordings facilitate monitoring of the ESG-related interactions with issuers, provide helpful insights to the investment process and are used to inform clients/investors of the ESG engagement efforts. It is then tracked the issuer's progress on the ESG issues raised and reflected this in the internal ESG ratings (where ESG risks are integrated), both of which regularly monitored and updated.

3. ESCALATION

When an issuer is not addressing its most material ESG concerns, regardless of whether the IM determine this through engagement or internal analysis, the most effective method of escalation is to reduce the holdings of the issuer's debt with the expectation that this will, over time, impact the issuer's cost of capital.

Having said that, the IM decision to buy, divest or not invest is the most effective instrument of escalation.

The primary example of this is with respect to the internal due diligence process and ESG ratings. Investments in ESG strategies are informed and guided by the internal ESG ratings. The IM will assign issuers under their coverage a rating, which assesses the issuer's impact on the environment and society. Should the IM conclude that the issuer isn't adequately addressing its most material impacts or making progress the way it was expected to, the IM would generally downgrade the overall ESG rating and it can trigger to reduce or even exit the position in the ESG strategies. It should be noted, though, that even if the IM decide to divest an issuer, it might continue to engage with them as they continue to issue new debt.

4. ENGAGEMENT WITH INDUSTRY ORGANISATIONS AND INITIATIVES

The IM is member of a number of industry initiatives, both at fund and Group level which in the last few years have been put in place to achieve the sustainability goals.

The SRI label was created in 2016 by the Ministry of Economy and Finance, aiming to enable retail investors, as well as professional investors, to highlight investment funds that implement a robust socially responsible investment ("SRI") methodology, leading to measurable and concrete results. The SRI approach aims to apply the principles of sustainable development to investment. This means that choice of an investment will not only be dictated by short-term financial considerations but will also consider extra-financial criteria, such as respect for the environment, the well-being of employees within the company or good governance within the company. With the SRI Label, there is the opportunity to contribute, through the investment, to the development of a more sustainable and responsible economy. The SRI label has been obtained for the first time in October 2019, with the launch of one of the funds under management – CORUM Tellia (formerly CORUM Butler Smart ESG Fund). The label was renewed in December 2022 for 3 more years, showing that the efforts have been rewarded.

CORUM Butler Group also became a signatory of the PRI in 2022. The PRI is the world's leading proponent of responsible investment. It's aiming to achieve an economically efficient, sustainable global financial system that is rewarding long-term, responsible investment and beneficial for the environment and society as a whole. The PRI work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability, and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

1. Principle 1: "*We will incorporate ESG issues into investment analysis and decision-making processes*".

2. Principle 2: "*We will be active owners and incorporate ESG issues into our ownership policies and practices*".

3. Principle 3: "*We will seek appropriate disclosure on ESG issues by the entities in which we invest*".

4. Principle 4: "*We will promote acceptance and implementation of the Principles within the investment industry*".

5. Principle 5: "*We will work together to enhance our effectiveness in implementing the Principles*".

6. Principle 6: "*We will each report on our activities and progress towards implementing the Principles*".

To reinforce the commitment, CORUM Butler Group, of which the Company and the Investment Manager are part of, has become a signatory of the United Nations Global Compact. This worldwide initiative encourages companies to adopt a socially responsible attitude by committing to integrating and promoting several principles in terms of human rights, labor law, the environment and the fight against corruption. The motivation is directly linked to the increasing materiality of these factors in the financial analysis of issuers, and to the need to adapt the investment skills to these new challenges. Moreover, the approach of the Company and the Investment Manager is in line with the Group's Corporate Social Responsibility (CSR) Policy.

5. ANNUAL REPORT DISCLOSURE

The Company produce and publish on its website an Annual Engagement Report regarding the implementation of this policy, where engagements made during the previous year and focus on specific cases are duly described.