Transparency Code

(CORUM Tellia)

CONTENTS

1. SCOPE AND FUNDS COVERED BY THE TRANSPARENCY CODE

The Transparency Code applies to the SRI Labelled fund under management **CORUM Tellia** (**formerly CORUM Butler SMART ESG Fund**), art.8 product as per SFDR definition, with its AUM of €15.4 millions as at January 2025. The main characteristics of this fund are:

- **Legal Structure:** Irish UCITS domiciled fund, sub-fund of CORUM Butler UCITS ICAV, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations.
- **Shareclasses Categories:** Distribution or capitalisation shares intended for professional and retail clients/investors.
- **Primary Asset Class the fund invests in:** European high yield bonds.
- **ESG Investment approach:** *Best in Universe*, exclusion, liability.
- **sectoral exclusions:** controversial weapons (chemical and biological non-nuclear weapons), tobacco production, adult entertainment, whale meat, predatory lending, palm oil, oil sands, recreational cannabis (therapeutic allowed).
- **Other sectoral exclusions:** thermal coal once the income generated is greater than 5% of the turnover.
- **Normative exclusions:** non-compliance with the UN Global Pact.

All regulatory and pre-contractual documentation and relevant Policies are available at the following address: CORUM Tellia - corumbutler.

2. GENERAL OVERVIEW ON THE GROUP, THE MANAGEMENT COMPANY & THE INVESTMENT MANAGER

Founded in 2011, the CORUM Butler Group, headquartered in Paris, is a European savings stakeholder. It is 100% independent, and its capital belongs to its senior managers. The Group runs two core business, one is the management and marketing of savings solutions in the Real Estate environment (SCPI) and the other one is the financing of business projects through credit UCITS funds.

The Management Company of the Group UCITS funds above is CORUM Butler Asset Management Limited (**CBAM**), an Irish UCITS Management Company based in Dublin (Ireland) and regulated by Central Bank of Ireland - Company website: https://www.corumbutler.com/.

The Investment Management is delegated to Butler Investment Managers Limited (**BIM**), based in London (UK) - Company website: http://www.butler-ig.com

2.2. Principles of the responsible investment approach

The SRI approach is implemented as result of:

(i) the **SRI labeling** of CORUM Tellia launched in 2019, which intervenes in the financing of business projects in the context of certain Environmental, Social and Governance (ESG) criteria as set out in its Supplement; and

(ii) the classification, as of December 2022, of some of its active range of bond funds into "**article 8**" products under Sustainable Finance Disclosure Regulations, also known as SFDR, to promote Environmental, Social and Governance (ESG) characteristics.

To strengthen its ESG commitment, the Group has become a signatory of the United Nations Global Compact. This global initiative encourages companies to adopt a socially responsible attitude by committing to integrating and promoting several principles in the areas of human rights, labour law, the environment and the fight against corruption.

The approach of the Management Company and the Investment Manager is part of the Group's Corporate Social Responsibility (CSR) Policy, available upon request

2.3. How has the Management Company formalised its responsible investment approach?

The Management Company has formalised its ESG approach within a dedicated Sustainability Policy where the regulatory framework, governance, monitoring process strategy for integrating sustainability criteria are described. It is subject to annual review or more frequently to reflect material changes, it is approved by CBAM Board and published on the website: https://corumbutler-am.com/

The French "SRI Label" has been also obtained for CORUM Tellia, following a certification process requiring the fund to meet certain specific obligations and criteria related to the selection of issuers, transparency in communication with investors, and engagement with issuers. These elements are formalized across a number of internal documents (e.g. policies, Supplement.).

As part of the documentation above, there is an ESG Engagement Policy aimed at encouraging the companies concerned to improve their ESG practices over time, with a structured approach and long-term follow-up and an annual Engagement Report where recap of all companies engaged during the previous year is disclosed.

2.4. How the ESG risks/opportunities, including those related to climate change, are approached and implemented by the Management Company and the Investment Manager?

The Investment Manager assesses the extra-financial performance of companies using an extra-financial data and ESG rating provider (Sustainalytics, or any equivalent service provider). The ESG rating allows the main stakes involved in each of the ESG dimensions to be taken into account in the investment management process of the funds managed.

The climate risk is thus taken into account and reflected in the ESG rating of the assets in the portfolio via the analysis of the carbon footprint of the companies. The carbon footprint measures greenhouse gas emissions, past, current or future, direct (Scope 1) or indirect (Scope 2 and 3), associated with emitters in the investment portfolio. The Investment Manager will choose the Scope 1+2 carbon intensity measured in tCO_2e per million dollars of revenue.

2.5. Which functions/teams are involved in the responsible investment process?

The ESG investment process and approach is overviewed and implemented at Management Company and Investment Manager level.

Relevant functions and teams involved in the responsible investment process are the portfolio managers and advisors, operations and marketing teams, Compliance and Risk Functions.

All of the people involved in the ESG investment process have comprehensive ESG knowledge and expertise.

2.6. In what initiatives regarding Responsible Investment (“RI”) is the Group involved?

CORUM Butler Group is a signatory to the United Nations Global Compact. This global initiative encourages companies to adopt a socially responsible attitude by committing to integrating and promoting several principles in the areas of human rights, labour law, the environment and the fight against corruption.

3. GENERAL INFORMATION ON THE FUNDS COVERED BY THE TRANSPARENCY CODE

3.1. What is (are) the objective(s) sought by taking ESG criteria into account within the fund(s)?

The Management Company and the Investment Manager aim to protect themselves from the risks generated by controversial companies or operating in sectors incompatible with current societal challenges, or companies that do not respect fundamental human rights or major international conventions.

CORUM Tellia aims to achieve an annual performance higher than that of its reference indicator, while managing a portfolio investing at least 90% of its total assets in securities issued by issuers that have been subject to an ESG analysis. The Investment Manager considers that the integration of ESG criteria in the management process is compatible with this financial performance objective insofar as ESG issues can have a potentially significant impact on the economic value of an issuer and, therefore, on the risk-return profile of an investment.

3.2 What are the internal and external means used for the ESG assessment of the issuers forming the investment universe of the fund(s)?

The ESG assessment and due diligence process around the issuers involves:

- The investment team, responsible for evaluating and ranking the extra-financial performance of the investment universe;
- The portfolio management team, responsible for applying the exclusion policy and the selectivity approach (*Best-In-Universe*) to the investment universe;
- The Investment Manager’s Operations team, responsible for monitoring compliance with the investment policy prior to any investment;
- The Management Company’s Compliance & Risk Functions, responsible for monitoring compliance with the regulatory and prospectus limits.

The indicators used by the investment team for the application of the exclusion policy and for the assessment of ESG risk are provided by an extra-financial data and rating provider, Sustainalytics or any other equivalent service provider. It is also used raw S&P data for the annual ESG reports (e.g. PAI Statement) of the relevant funds.

The Investment Manager and the Management Company have access to the platform provided by the extra-financial data and rating provider.

3.3. What ESG criteria are taken into account by the fund(s)?

Whether as part of the Investment Manager's exclusion policy, or the ESG rating performed by the external provider, the following criteria are taken into account and integrated into the investment process of CORUM Tellia:

- Violations of the principles of the United Nations Global Compact – Compliance with the ten principles of the United Nations Global Compact is used as a corpus of normative analysis insofar as the ten principles underlying the major international standards cover the main ESG issues;
- The degree of involvement of companies in controversial sectors and products;
- Exposure to controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons);
- The ESG rating of the company:
- The carbon footprint of the companies:
- Gender diversity within senior management;
- The number of accidents at work;
- Signatory or not to the UN Global Compact Treaty.

In particular, the ESG rating of companies in the fund's investment universe is carried out based on a number of indicators in accordance with Sustainalytics' analysis methodology.

For more details on Sustainalytics' ESG rating methodology, please click on this https://community.morningstar.com/s/article/ESG-Risk-Ratings-Methodology-Document

3.4. What principles and criteria related to climate change are taken into account by the fund(s)?

Climate change criteria are directly taken into account in the ESG rating provided by the ESG data provider, as part of pillar E (designed to assess environmental criteria).

In particular, the indicator relating to carbon emissions used is relevant for assessing the risk associated with climate risk. The carbon footprint measures greenhouse gas emissions, past, current or future, direct or indirect, associated with issuers in the investment portfolio (Scope 1 and Scope 2). The unit is tCO_2e per million dollars invested.

3.5. What is the ESG analysis and assessment methodology of issuers (construction, rating scale, etc.)?

The Investment Manager applies its normative and sectoral exclusion policy to this universe based on the raw ESG data provided by Sustainalytics and/or equivalent service providers.

Then, the Investment Manager applies its selective approach and excludes the 25% (30% as of 2026) worst-performing issuers in terms of ESG rating from the universe. This selection is made on the basis of ESG data without modifying their methodology or the weight of each of the ESG criteria in their overall ESG rating.

Finally, the Investment Manager ensures compliance with a maximum ratio of 10% of the fund's NAV, invested in unrated issuers.

Sustainalytics' ESG risk rating at the company level establishes the extent to which ESG issues can have an effect on the economic value of that company. To be considered material for risk rating, an ESG issue must have a potentially considerable impact on the economic value of a company and, consequently, on the risk-return profile of an investment.

Sustainalytics' ESG rating methodology consists of evaluating 20 ESG issuers. In this way, this scoring model aims to answer four key questions about companies:

- To what extent can a risk related to factors E, S or G impact the financial value of the business?
- What is the company's exposure to these main risks?
- How well does the business manage key risks?
- What is the share of risk in which the business does not intervene?

The share of unmanaged risk is materialised by an ESG score allowing in particular the comparison with the competitors of a company and serving as a basis for the calculation of the overall ESG risk score of a company.

The score is assigned on a scale from 0 to 100, with lower scores being better (0 indicates that a company has no unmanaged ESG risk). This ESG rating is then categorised into five levels of risk: negligible, low, medium, high and severe.

In addition to the ESG rating, Sustainalytics provides a "controversy rating" which reflects the company's exposure to accidents that have an impact on the environment or civil society.

Further details of the analysis and methodology applied is in the Supplement and in its SDFR Annexes.

3.6. How often is the ESG assessment of issuers reviewed? How are controversies dealt with?

The investment universe is rebalanced at least on annual basis or more frequently if needed at discretion of the Investment Management Team. The assessment of the ESG characteristics of the issuers in the portfolio is reviewed at least once a year, under the supervision of the quarterly ESG Committee.

In addition to these updates, the occurrence of controversies likely to affect issuers may lead to occasional changes in ratings.

The Investment Manager utilizes multi-channel resources for monitoring controversies such as Sustainalytics or any other equivalent service providers, Bloomberg Alerts, Third party Financial Research, and website resources. The severe controversies that arose during the period are presented to the Quarterly ESG Committee, as well as the issuers on the Watch List, for ratification of the investment/divestment decisions made.

4. MANAGEMENT PROCESS

4.1 How are ESG research results incorporated into the construction of a portfolio?

The Investment Manager incorporates an extra-financial analysis based on ESG criteria into the investment process. This analysis consists of a combination of approaches:

- A normative exclusion approach aimed at excluding from the fund's investment universe companies that seriously and repeatedly contravene one or more of the 10 principles of the United Nations Global Compact.
- A sector exclusion approach consisting in excluding companies from the investment universe on the basis of their exposure to controversial sectors. In this case, the analysis excludes companies once they generate turnover in these controversial sectors.
- Issuers not on track to reach "Accord de Paris" carbon intensity (using the following International Energy Agency pathway) are excluded.
- A "*Best in Universe*" approach applied based on the external ESG rating methodology provided by an independent company (i.e. Sustainalytics). This approach consists of excluding the 25% (30% as of 2026) of companies with the lowest ESG risk ratings. These issuers are rated from 0 to 100, 0 indicates that a Company is managing/hedging all its inherent ESG risks. The ESG criteria incorporated into the selection of issuers are as follows:
  - Companies that do not comply with the United Nations Global Compact are excluded from the fund's investment universe.
  - Certain companies are excluded due to an analysis of their exposure to controversial activities and sectors.
  - The fund may invest up to 10% of its assets in companies that have not been subject to an ESG rating.
  - In the event of a deterioration in the ESG rating of an issuer, they will no longer be part of the investment universe, and the managers will remove it from the portfolio. This also applies to issuers who do not yet have an ESG rating, when they first receive one. If their rating is below the level required to be part of the investment universe, they are removed.

4.2 How are climate change criteria incorporated into the construction of a portfolio?

See sections 2.4 and 3.4 for more details.

4.3 How are issuers in the fund's portfolio that are not subject to an ESG analysis (excluding UCIs) taken into account?

In the event that securities are not fully assessed and rated by Sustainalytics or any other equivalent service provider at the time that the Investment Management Team consider them as a potential investment, they are authorised to invest marginally in these securities, provided that these unrated securities do not represent more than 10% of the total fund assets.

4.4 Has the ESG assessment process and/or management process changed in the last twelve months?

The following changes to the investment management process occurred in the past 12 months:

1. CORUM Tellia Supplement was updated with effective date 15 August to reflect the fund name change as approved by Central Bank of Ireland;
2. CORUM Tellia Supplement has been updated to be in compliance with the SRI V3 Version applying since 2025;
3. The transparency code was updated to reflect the changes deriving from SRI V3.

4.5 Are part of the assets of the fund(s) invested in charity organisations?

No, the fund does not invest in charity organisations.

4.6 Does the fund(s) engage in securities lending/borrowing?

No, the fund does not engage in transactions of lending/borrowing securities.

4.7 Does (do) the fund(s) use derivatives?

The fund may use total return swaps, options, futures and credit default swaps (CDS), as well as equity or credit indices to hedge its exposures to debt issuers. The fund may also use over-the-counter contracts for currency hedging purposes. Any short exposure of the Fund will be for hedging purposes only and will only be obtained through FDI.

Derivatives will be used only if the Fund has to be covered against interest or credit rate risks.

4.8 Does the fund invest in UCITS?

Yes, the fund may invest in listed open-ended index funds (ETFs) offering exposure to securities compatible with the investment policy of the fund. Exposure to ETFs may be obtained directly through long positions, or through total return swaps, in short positions for hedging purposes, and will be capped at 10% of the NAV of the Fund.

5. ESG INSPECTIONS

5.1 What internal and/or external control procedures have been put in place to ensure compliance of the portfolio with the ESG rules set for the management of the fund(s)?

The below monitoring compliance process is in place:

Portfolio Managers/Investment Management Team

The portfolio managers invest in accordance with each fund's investment policy, including the promotion of ESG characteristics as described in sections 4.1 and 3.6.

If the portfolio is no longer in compliance with the strategy under the ESG relevant criteria, the Investment Manager should carry out the necessary changes in the portfolio.

Operations Team

The operations team is responsible for ensuring that the portfolio always remains in line with the fund's investment strategy as per Supplement and that ESG ratios are respected prior to any investment decision. On a daily basis, it ensures compliance with the 10% exposure rule on securities that do not comply with ESG criteria as a percentage of the fund's total assets, and checks that the portfolio's assets are still within the parameters of the ESG universe.

Additionally, prior to every transaction, the Investment Manager carries out a pre-negotiation inspection regarding:

(i) the exclusion process of the 25% (30% as of 2026) least-performing issuers in terms of ESG rating;
(ii) compliance with the threshold of 10% of unrated issuers in the authorised portfolio and
(iii) any update in their rating that would result in them exceeding the 10% threshold for non-ESG rated issuers.

It verifies and monitors the ESG rating, of the investment universe which is overseen also by the Management Company.

If a portfolio does not comply with the investment policy, the portfolio management team will be informed and will act as described above.

Risk Management and Compliance Function

The Management Company's Control Function inspects the Investment Manager on a regular basis on the follow-up and compliance with all applicable regulatory ratios, including ESG ratios. Among these inspections, the Management Company will monitor:

(iv) compliance with the threshold of 90% of issuers in the portfolio having an ESG rating;
(v) the selection process of the 75% (70% as of 2026) top-rated issuers;
(vi) the ESG rating of issuers in the portfolio; and
(vii) the divestment of any company whose situation has changed, having the effect of placing this issuer in the 25% (30% as of 2026) of worst performing issuers.

6. ESG IMPACT MEASURES AND REPORTING

6.1 How is the ESG quality of the fund assessed?

The quality of the fund is assessed globally via its ESG rating. To more accurately assess on how the issuers in the portfolio are performing, the Investment Manager also uses certain indicators such as carbon emissions intensity, gender diversity within senior management, adherence to the United Nations Global Compact and the issuer's overall ESG rating.

In this way, based on these indicators and the overall ESG rating, the extra-financial performance of the fund is compared with that of its investment universe and communicated on a quarterly basis to the investors and distributors of the fund.

The fund's monthly factsheet are available on the website https://corumbutler-am.com/.

6.2 What are the ESG indicators used by the fund?

The four indicators taken into consideration are as follows:

- **Environment:** *carbon emissions intensity* – measures greenhouse gas emissions, according to their most recent publication or according to the estimate of scope 1 + scope 2 emissions, to revenue in USD, which allows a comparison between companies of different sizes. It is expressed in (t CO2/M$ sales).

- **Social:** *Work Accident* - indicates the average number (if any) of serious accidents at work. Reflects the measures implemented by the company to limit or avoid the number of accidents in the workplace.

- **Governance:** *women in Senior Management positions* - indicates the proportion of women in Senior Management positions within the company.

- **Human Rights:** *United Nations Global Compact* - percentage of signatories in our portfolio and in our investment universe

6.3 What are the fund's extra-financial performance objectives?

CORUM Tellia is committed to outperform two of the four extra-financial indicators in the V3 SRI label reference framework.

The extra-financial indicators selected are as follows:

(i) Environmental Pillar - Scope 1+2 carbon intensity (expressed in Tons CO2eq/m$ of sales) - *Source: S&P*

(ii) Social Pillar - Workplace accidents (expressed in absolute numbers) - *Source: S&P*

(iii) Governance Pillar - Gender diversity of senior management (expressed as % women) - *Source: Sustainalytics*

(iv) Human Rights Pillar - Signatory of the United Nations Global Compact (Yes or No, expressed as % signatory at portfolio level) - *Source: Internal research via the official website https://unglobalcompact.org/what-is-gc/participants*

Among these four indicators, the Investment Manager has chosen to outperform:

- **KPI 1 - Human Rights Pillar –** with a coverage rate at portfolio level of 80% and 90% in 2026;

KPI 2 - Environmental Pillar – with a coverage rate at portfolio level of 55% and 60% in 2026. In addition to the selection criteria described in section 4 of this document (*Best-in-Universe, sector exclusion, engagement*), the portfolio is built to be better positioned than the universe on the 2 KPIs Human Rights and Environment - i.e., to have a lower carbon intensity and a higher UNGC signatory rate than the universe. The portfolio is reviewed on ongoing basis by the relevant control function.

The methodology used to evaluate these 2 KPIs is described in the Supplement.

6.4 What means of communication are used to inform investors about the fund's SRI management?

Document	**Content**	**Frequency**	**Link**
Sustainability policy of the investment company	General SFDR/ESG principles and how this is integrated in the investment process decision.	When there is a change	Website https://corumbutler-am.com/
Legal and Compliance documents	UCITS KIIDs, PRIIPS KIDs, Prospectus and Supplement, PAI Statement	Annual	Website CORUM Tellia - Corum Butler
Commercial documents	Summary of information	Quarterly	Website https://corumbutler-am.com/
ESG Engagement Policy and ESG Annual Engagement Report	Summary of the engagement strategies realized by the Investment Manager and the actual engagements held over the previous year.	Annually	Website CORUM Tellia - Corum Butler
Monthly summary of information	With ESG parameters included	Monthly	Website https://www.corumbutler.com/fr/
ESG/SFDR Annex II and IV	Supplement and Financial Statement	Ad hoc for Annex II and Annual for Annex IV	Website CORUM Tellia - Corum Butler
ESG Report	ESG Report (included in the Fund Factsheet)	Monthly on the website (Annually sent to the investors)	Website CORUM Tellia - Corum Butler

SUSTAINALYTICS website	ESG data provider		Website https://www.sustainalytics.com/
Digital communication	Twitter, Facebook Linkedin		Corum on social media

6.5 Does fund management publish the results of its voting and engagement policies?

"As a responsible business, we are obliged to act in the best interest of our investors in the long term. We believe that a constructive dialogue encouraging ESG considerations is a strong lever, encouraging concrete actions from private sector players.

We are committed to supporting and encouraging positive change in the companies held in our portfolios through our interactions with management teams, during which we seek to deepen our understanding of their practices and emphasise aspects of governance, transparency and accountability".

In general, the Investment Manager establish a dialogue with issuers - when possible – also during conferences and roadshows they attend. The findings of those engagements are summarized within a Engagement Report which is published annually on the website. The ESG Engagement Policy describing the process of engagement applied by the Investment Manager is also available on the website.

As the Fund, and the Group in general, does not invest in equity (only in bonds or real estate assets), the voting rights process does not apply.