

**PERFORMANCE RETURN**

The CORUM Butler Smart ESG Fund (BSESG) returned +0.78% in December 2020 (EUR Founder Pooled Accumulating Share Class ISIN: IE00BK5Z1950).

**INVESTMENT OBJECTIVE & STRATEGY**

The Investment Manager will focus on investing in a diversified portfolio using a wide range of fixed income securities with the ability to invest in fixed and floating rate instruments and indices. The fund will seek to achieve a positive long-term rate of return from investment in fixed income securities of issuers selected based on their financial performance as well as their ESG characteristics.

**MONTHLY COMMENTS**

The CORUM Butler Smart ESG Fund (Euro Founder Accumulating Share Class) returned -0.42% in 2020. The year was marked by abrupt market movements due to the sanitary crisis. In these circumstances, the Fund was actively managed in order to limit drawdowns and recoup losses. The fund underperformed its hurdle rate during the year (50% Iboxxmja + 50%(Euribor 1m + 1%) = +0.71%). Despite an overperformance of the portfolio since April, the fund never catches up the march drawdown. The fund saw yearly positive inflows. Besides seeding inflows, +30% of beginning-of-year-aum came from the retail investors.

Credit investors can no longer ignore ESG trend of these last years. 2020 saw this tendency accelerating: labelled funds are seeing massive inflows versus the broad market, incoming regulations require investors to formulate sustainability policies, and ESG-friendly bonds are not yet tight versus peers. In 2021, financial analysts expect a larger green premium to emerge and Sustainability Linked Bonds to increase in popularity. In this context, we expect more and more debt issuer to be more transparent on ESG policy, thus widening our investment universe.

Going forward, 2021 seems poised to be the year where the world will come back to normality thanks to the roll out of anti-COVID vaccines worldwide. The transition from a heavily subsidized economy to a more market based one and the avoidance of policy mistakes in the interval will be key to sustain the steady performance that the HY market has delivered since July last year. Absent of any of these potential policy mistake and assuming that the vaccines will be effective, we think it's fair to expect a positive performance from the market in general and from BSD in particular for the year.

# BUTLER

## INVESTMENT MANAGERS

**KEY FEATURES**

Structure	<b>UCITS Fund</b>
Domicile	<b>Ireland</b>
Liquidity	<b>Daily</b>
Inception date	<b>10.10.2019</b>
Base currency	<b>EUR</b>
Hurdle rate	<b>50% IBOXXMJA+50%(EURIBOR1M+1%)</b>
Fund AUM	<b>€ 2.8 million</b>

**FEES****Founder share class**

Management fees	<b>0.50%</b>
Performance fees over the hurdle rate	<b>5.00%</b>
ISIN codes:	EUR: IE00BK5Z1950 USD: IE00BK5Z1F12 GBP: IE00BK5Z1281 CHF: IE00BK5Z1D97

**Institutional share class**

Management fees	<b>0.80%</b>
Performance fees over the hurdle rate	<b>15.00%</b>
ISIN codes:	EUR: IE00BK5Z1067 USD: IE00BK5Z1406 GBP: IE00BK5Z1281 CHF: IE00BK5Z1398

The performance of EUR Founder Pooled Accumulating Share Class might differ from the performance of other share classes of the Fund.

**FUND STATISTICS**

Number of positions	<b>23</b>
Mod Duration	<b>2.48</b>
Spread Duration	<b>2.64</b>
NAV	<b>100.78</b>
Net Exposure	<b>92.08%</b>

**ESG CHARACTERISTICS**

	<b>BESG</b>	<b>Universe*</b>
ESG rating	BBB	A
Carbon Emission Intensity (t/\$m sales)	287.6	159.0

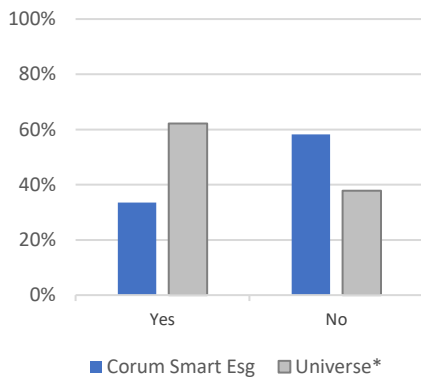
**EUR Founder Pooled Accumulating Share Class (ISIN: IE00BK5Z1950)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2020</b>	-0.24%	-1.41%	-10.53%	3.36%	1.51%	0.84%	1.15%	1.33%	-0.58%	0.20%	3.94%	0.78%	<b>-0.42%</b>
<b>2019</b>	-	-	-	-	-	-	-	-	-	0.08%	0.34%	0.78%	<b>1.21%</b>

\*Universe = Top 80% of ESG rated by MSCI ESG Manager – Based on European High Yield in €-currency.

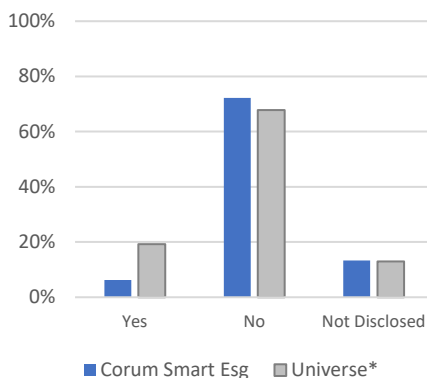
The performance figures quoted above represent the performance of the CORUM Butler Smart ESG Fund since launch on 10.10.2019. These performance figures refer to the past and past performance is not a reliable guide to future performance.

### UN Global Compact Signatory



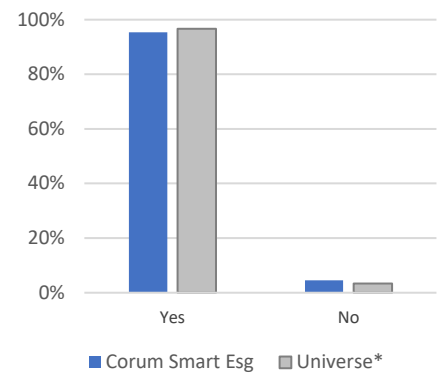
Coverage Corum Smart ESG 100%  
Coverage Universe 100%

### Social Impact: Major Layoffs<sup>1</sup>



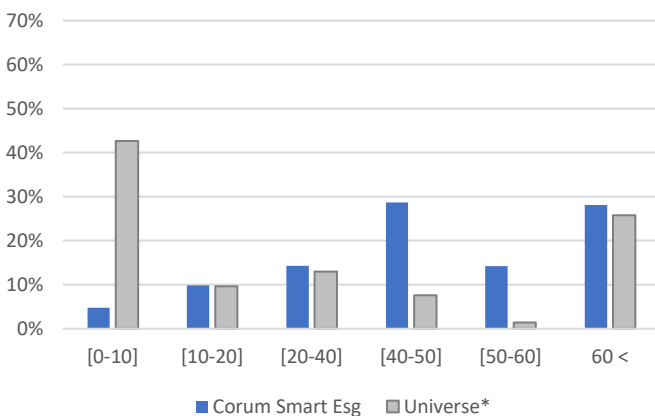
Coverage Corum Smart ESG 70%  
Coverage Universe 63%

### Governance Impact: % Female Director<sup>2</sup>



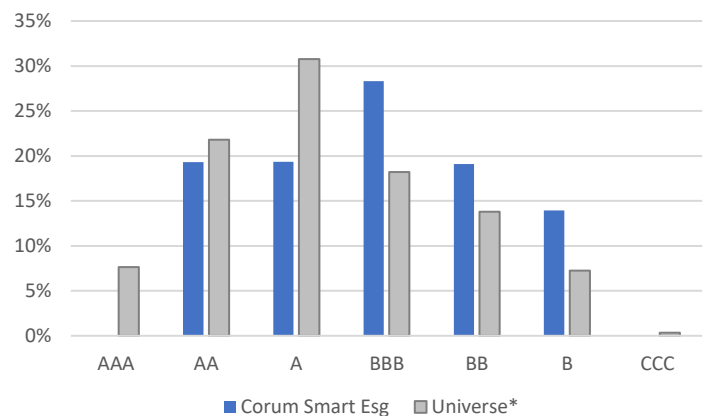
Coverage Corum Smart ESG 100%  
Coverage Universe 100%

### Environmental Impact: Carbon Emission Intensity (t/\$m sales)<sup>3</sup>



Coverage Corum Smart ESG 100%  
Coverage Universe 100%

### ESG Rating<sup>4</sup>



Coverage Corum Smart ESG 100%  
Coverage Universe 100%

\*Universe = Top 80% of ESG rated by MSCI ESG Manager – Based on European High Yield in €-currency.

All charts represent bonds bucket.

<sup>1</sup> It indicates whether the company has undergone substantial layoff (>1,000 employees or 10% of the workforce) in the past three years.

<sup>2</sup> The company's board have at least one female director.

<sup>3</sup> The company's most recently reported or estimated Scope 1 + Scope 2 greenhouse gas emission normalised by sales in USD, which allows for comparison between companies of different size.

<sup>4</sup> MSCI ESG scores measures an issuer's ESG quality relative to peers within a specific industry. The weighted average of the key issue scores are aggregated and companies are ranked from best (AAA) to worst (CCC).

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