



Brown Advisory Sustainable Bond Fund

Institutional Shares | BAISX

Annual Shareholder Report | June 30, 2025



This annual shareholder report contains important information about the Brown Advisory Sustainable Bond Fund (the “Fund”) for the period of July 1, 2024, to June 30, 2025. You can find additional information about the Fund at <https://www.brownadvisory.com/mf/how-to-invest>. You can also request this information by contacting us at 1-800-540-6807.

WHAT WERE THE FUND COSTS FOR THE PAST YEAR? (based on a hypothetical \$10,000 investment)

| Class Name | Costs of a \$10,000 investment | Costs paid as a percentage of a \$10,000 investment |
|----------------------|--------------------------------|---|
| Institutional Shares | \$42 | 0.41% |

HOW DID THE FUND PERFORM LAST YEAR AND WHAT AFFECTED ITS PERFORMANCE?

For the 12-month period ended June 30, 2025, the Fund underperformed its regulatory benchmark, the Bloomberg U.S. Aggregate Bond Index.

WHAT FACTORS INFLUENCED PERFORMANCE

Although we experienced periods of risk aversion during the period, there was a decidedly robust bid for risk assets, especially after the tariff announcement. Positive contributors to performance were led by our overweight position in corporate credit and generally positive security selection. Our ongoing overweight in asset-backed bonds was also additive as securitized credit outperformed mortgage bonds in a volatile interest rate environment. Active yield curve management resulted in mixed performance results as our mild yield curve steepening posture detracted at times as expected policy accommodation wax and waned.

POSITIONING

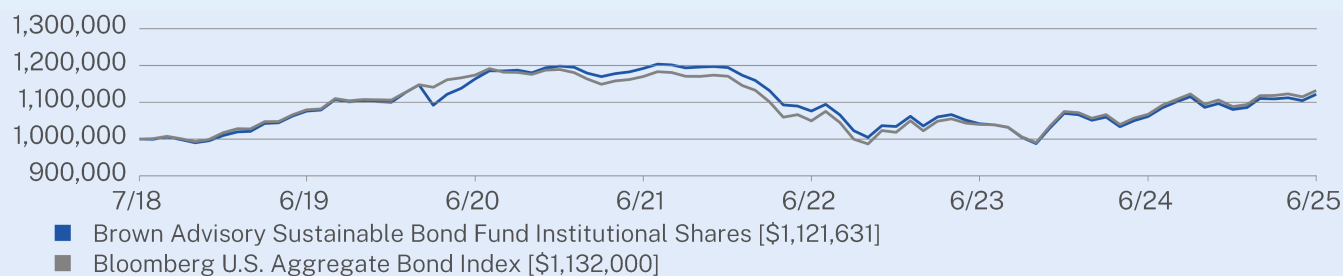
We maintained an overweight position in corporate credit, by market value, during the period, while tactically increasing spread duration over time. Given the tumult in the mortgage bond market, we moved to an overweight position to capitalize on elevate yields and spreads from a high-quality sector. Toward the end of the period, we reduced our duration overweight which was reflective of recent sticky inflation data and continued full employment. We did maintain a yield curve steepening bias as well as an underweight to the longest key rates given the ongoing sizable deficit projections.

PERFORMANCE

The Fund underperformed its regulatory benchmark for the reported period. The primary detractors were duration positioning and mortgage bonds in a volatile interest rate environment. This was offset, partially, through an overweight in corporate credit and asset-backed bonds during a period of compressing spreads, particularly after a bout of weakness post tariff-announcement.

HOW DID THE FUND PERFORM SINCE INCEPTION?*

The \$1,000,000 chart reflects a hypothetical \$1,000,000 investment in the class of shares noted. The chart uses total return NAV performance and assumes reinvestment of dividends and capital gains. Fund expenses, including 12b-1 fees, management fees and other expenses were deducted.

CUMULATIVE PERFORMANCE (Initial Investment of \$1,000,000)**ANNUAL AVERAGE TOTAL RETURN (%)**

| | 1 Year | 5 Year | Since Inception (07/02/2018) |
|--|--------|--------|---------------------------------|
| Institutional Shares | 5.68 | -0.73 | 1.65 |
| Bloomberg U.S. Aggregate Bond Index | 6.08 | -0.73 | 1.79 |

* The Fund's past performance is not a good predictor of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

KEY FUND STATISTICS (as of June 30, 2025)

| | |
|---------------------------|---------------|
| Net Assets | \$575,811,377 |
| Number of Holdings | 169 |
| Net Advisory Fee | \$1,734,450 |
| Portfolio Turnover | 104% |

Visit <https://www.brownadvisory.com/mf/funds/sustainable-bond-fund> for recent performance information.

WHAT DID THE FUND INVEST IN? (% of net assets, as of June 30, 2025)

| Security Type | (%) | Top 10 Issuers | (%) |
|--|-------|--|-------|
| Corporate Bonds | 37.3% | Federal National Mortgage Association | 13.6% |
| Agency Residential Mortgage-Backed Securities | 29.4% | United States Treasury Note | 12.0% |
| U.S. Treasury Securities | 21.2% | Ginnie Mae II Pool | 7.3% |
| Foreign Government Agency Issues | 5.1% | Federal Home Loan Mortgage Corp. | 6.8% |
| Asset-Backed Securities | 4.8% | Kreditanstalt fuer Wiederaufbau | 6.4% |
| Money Market Funds | 2.1% | United States Treasury Bond | 5.1% |
| Non-Agency Commercial Mortgage-Backed Securities | 1.6% | European Investment Bank | 5.1% |
| Municipal Bonds | 0.9% | United States Treasury STRIP | 4.0% |
| U.S. Treasury Bills | 0.1% | First American Government Obligations Fund | 2.1% |
| Cash & Other | -2.5% | BX Trust | 1.6% |

For additional information about the Fund; including its prospectus, financial information, holdings and proxy information, scan the QR code or visit <https://www.brownadvisory.com/mf/how-to-invest>.

HOUSEHOLDING

To reduce Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). If you would prefer that your Brown Advisory LLC documents not be househanded, please contact Brown Advisory LLC at 1-800-540-6807, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by Brown Advisory LLC or your financial intermediary.

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