Article 10 Transparency Statement in respect of

Brown Advisory Global Leaders Sustainable Fund

LEI code: 635400P3DLZQRU6FSW86

a sub-fund of Brown Advisory Funds plc (the "Company")

Prepared by Brown Advisory (Ireland) Limited (the "Manager")

Brown Advisory LLC (the "Investment Manager")

Brown Advisory Limited (the "Sub-Investment Manager")

17 January 2023

Words and expressions defined in the supplement to the prospectus of Company relating to the Fund shall, unless the context otherwise requires have the same meaning when used in this Article 10 Transparency Statement.

(a) Summary

The investment objective of the Fund is to achieve capital appreciation by investing primarily in global equities. There can be no assurance that the Fund will achieve its investment objective. The Fund aims to achieve its investment objective by investing at least 80% of its net assets in global equity securities. The Fund also will, under normal market conditions: (1) invest at least 40% of its net assets outside the United States (including Emerging Market Countries) which may be reduced to 30% if market conditions are not favourable; and (2) hold securities of issuers located in at least three countries. The equity securities in which the Fund may invest include common stock, preferred stock, American Depositary Receipts ("**ADRs**") and Global Depositary Receipts ("**GDRs**") and the Fund may also invest in CIS (including, exchange traded funds ("**ETFs**")) subject to the limits set out in the Prospectus. The equity securities in which the Fund may invest will be issued by mid- and large-capitalisation companies generally with market capitalizations above $2 billion at the time of purchase that the Fund's Sub-Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes.

The Fund promotes environmental and social characteristics, but does not have as its objective sustainable investment. The Fund commits to investing a minimum proportion of its assets in Sustainable Investments in its promotion of environmental and social characteristics.

The Sub-Investment Manager expects that expects that 80% of the Fund's investments will be in companies that have been determined to be sustainable investments and the remaining 20% may also include sustainable investments, but is also permitted to include other investments that promote other environmental and social characteristics. This 20% may also consist of any cash that the Fund may not yet have allocated to an investment or for liquidity or currency hedging purposes through the use of FDI.

As a percentage of the Fund's portfolio, the Manager (in conjunction with the Sub-Investment Manager) has determined that the Fund will have 0% exposure to investments in economic activities that qualify as environmentally sustainable economic activities under the Taxonomy Regulation (Taxonomy-Aligned Investments). However, the investments underlying the Fund may be in Sustainable Investments.

The Fund promotes environmental and social characteristics through sustainability drivers that are characterised as "*Sustainable Business Advantages*" ("**SBAs**"). There are three ways that investee companies can use SBAs to improve their financial position: (i) Revenue Growth, (ii) Cost Improvements, and/or (iii) Enhanced Franchise Value. Companies with SBAs by their nature promote environmental or social factors through all or a subset of their sustainable products, services or operations.

The Fund's investment strategy to promote enviromental and social characteristics is the Sub-

Investment Manager's bottom-up research process which is comprised of integrated fundamental and ESG research.

Environmental and social characteristics are promoted by the Fund's emphasis on what it believes are leading companies with strong ESG practices. When assessing the sustainability profile of a company, the Sub-Investment Manager seeks companies with sustainable opportunities, defined as companies that use sustainability to improve their financial position. One way that companies may improve their financial position is through what the Sub-Investment Manager deems to be internal sustainability strategies that lead to one or more Sustainable Business Advantages or SBAs.

ESG Assessments are conducted for every holding in the Fund, however at the Sub-Investment Manager's discretion, the Fund is permitted to make an investment without a written ESG Assessment on file at the time of purchase, as long as the Sub-Investment Manager believes the security meets the Fund's sustainability criteria.

The Sub-Investment Manager also promotes environmental and social characteristics by seeking to avoid companies that it believes do not adhere to certain global norms and conventions, and companies that derive a significant portion of their revenues from activities that the Sub-Investment Manager deems to be in conflict with sustainable investment principles, including, but not limited to revenues knowingly drawn from controversial weapons or related business activities, and certain fossil fuel enterprises. Companies that are subject to sanctions are also excluded. In determining whether or not to invest based upon these principles, the Sub-Investment Manager may consider screening tools from vendors that it deems to be reliable. These third-party ESG data are utilised to complement the Sub-Investment Manager's internal ESG assessments and ratings as an additional reference measure for the Fund's sustainability profile.

The Sub-Investment Manager employs Socially Responsible Investment ("**SRI**") screening to confirm that an investment meets minimum environmental and/or social guidelines prior to purchase. This screening is then conducted on portfolio holdings periodically after investment in order to monitor ongoing compliance with these minimum criteria.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

(b) No Sustainable Investment Objective

The Fund promotes environmental and social characteristics, but does not have as its objective sustainable investment. The Fund commits to investing a minimum proportion of its assets in Sustainable Investments in its promotion of environmental and social characteristics. The Fund seeks to avoid investments that severely negatively impact society or the environment, especially where there is no evidence of efforts to reduce the harm they contribute to. In assessing harm, the Sub-Investment Manager may consider available '*Principal Adverse Indicators*' ("**PAI**") (as defined in Annex 1 of SFDR), controversial business exposure, ESG controversies, and ESG risk exposure and management practices.

Where an investee company is deemed to be doing significant harm to the environment or society, and due diligence (including engagement) with the company indicates that the harm is systemic, detractive from the Fund's investment, and the harm is unlikely to be mitigated within the Sub-Investment Manager's investment horizon, the Sub-Investment Manager will exit the position.

As the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities contained in the Taxonomy Regulation, the "*do no significant harm*" principle does not apply to the investments underlying the Fund.

Although the Fund promotes environmental characteristics, the Fund does not promote the environmental objectives contained in the Taxonomy Regulation. Accordingly, as a percentage of the Fund's portfolio, the Manager (in conjunction with the Sub-Investment Manager) has determined that the Fund will have 0% exposure to investments in economic activities that qualify as environmentally sustainable economic activities under the Taxonomy Regulation (Taxonomy-Aligned Investments).

However, the investments underlying the Fund may be in Sustainable Investments.

(c) Environmental or Social Characteristics of the Fund

The Fund promotes environmental and social characteristics through sustainability drivers that are characterised as "*Sustainable Business Advantages*" ("**SBAs**"). There are three ways that investee companies can use SBAs to improve their financial position:

1. **Revenue Growth**: attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve for challenging sustainability issues;
2. **Cost Improvements**: improving margins from efficient operations, risk mitigation or other measures that increase productivity while using less resources;
3. **Enhanced Franchise Value**: improving customer loyalty, attracting and retaining top talent, growing faster or taking market share through sustainable commitments and/or positive societal impact.

Companies with SBAs by their nature promote environmental or social factors through all or a subset of their sustainable products, services or operations. Identified SBAs may be aligned with one or more of, though not limited to, the promotion of the following environmental or social characteristics:

- sustainable technology innovation;
- efficient production & conservation;
- diversity, equity and inclusion;
- economic mobility & community development; and/or
- health and wellness.

(d) Investment Strategy

The objective of the Fund is to achieve capital appreciation by investing primarily in global equities. There can be no assurance that the Fund will achieve its investment objective.

Under normal circumstances, the Fund aims to achieve its investment objective by investing at least 80% of its net assets in global equity securities. The Fund also will, under normal market conditions: (1) invest at least 40% of its net assets outside the United States (including Emerging Market Countries) which may be reduced to 30% if market conditions are not favourable; and (2) hold securities of issuers located in at least three countries. The Fund determines whether a company is considered to be located outside the United States by considering whether: (i) it is organised under the laws of, or maintains its principal office in, a country located outside the United States; (ii) its securities are principally traded on trading markets in countries located outside the United States; (iii) it derives at least 50% of its total revenue or profits from either goods produced or services performed or sales made in countries located outside the United States; or (iv) it has at least 50% of its assets in countries located outside the United States. The Fund integrates socially responsible investment screens and risk-based analysis into the portfolio construction process. The equity securities in which the Fund may invest include common stock, preferred stock, American Depositary Receipts ("**ADRs**") and Global Depositary Receipts ("**GDRs**") and the Fund may also invest in CIS (including, exchange traded funds ("**ETFs**")) subject to the limits set out in the Prospectus. The equity securities in which the Fund may invest will be issued by mid- and large-capitalisation companies generally with market capitalizations above $2 billion at the time of purchase that the Fund's Sub-Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes.

In addition, the equity securities in which the Fund may invest will include the equity securities of companies that the Sub-Investment Manager believes are leaders within their industry or country as demonstrated by an ability to deliver high relative return on invested capital over time. This typically can be attributable to, among other things, a strong competitive position and a defendable barrier to entry (such as high start-up costs or other obstacles that prevent competitors from easily entering an industry).

The Fund may invest in participatory notes (“**P-Notes**”) in order to gain exposure to securities and markets in India which may not be efficiently accessed through direct investment. The Fund may also use forward foreign exchange contracts to hedge currency foreign exchange risks arising from Hedged Share Classes. In addition, the Fund may also invest in U.S. treasury bills, fixed and/or floating rate U.S. government securities, subject to the limits set out in the Prospectus.

The Fund’s exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

All securities invested in will be listed or traded on the markets and exchanges listed in Appendix 1 of the Prospectus.

The Fund’s investment strategy to promote enviromental and social characteristics is the Sub-Investment Manager’s bottom-up research process which is comprised of integrated fundamental and ESG research.

Environmental and social characteristics are promoted by the Fund’s emphasis on what it believes are leading companies with strong ESG practices. When assessing the sustainability profile of a company, the Sub-Investment Manager seeks companies with sustainable opportunities, defined as companies that use sustainability to improve their financial position. One way that companies may improve their financial position is through what the Sub-Investment Manager deems to be internal sustainability strategies that lead to one or more Sustainable Business Advantages or SBAs.

Environmental areas of focus may include one or any combination of the following: climate change, natural resources stewardship, pollution and waste management. Social considerations may include one or any combination of the following: human capital management and labour practices, customer well-being, supply chain management and community relations. From a governance perspective, the focus is on board and committee composition and structure, shareholder rights, management incentives, and business ethics.

The Sub-Investment Manager also promotes environmental and social characteristics by seeking to avoid companies that it believes do not adhere to certain global norms and conventions, and companies that derive a significant portion of their revenues from activities that the Sub-Investment Manager deems to be in conflict with sustainable investment principles, including, but not limited to revenues knowingly drawn from controversial weapons or related business activities, and certain fossil fuel enterprises. Companies that are subject to sanctions are also excluded. In determining whether or not to invest based upon these principles, the Sub-Investment Manager may consider screening tools from vendors that it deems to be reliable. These third-party ESG data are utilised to complement the Sub-Investment Manager’s internal ESG assessments and ratings as an additional reference measure for the Fund’s sustainability profile.

While not every company in the Fund will possess a sustainable opportunity, every company will at minimum promote environmental and social characteristics through possessing an acceptable ESG risk profile.

ESG Assessments are conducted for every holding in the Fund, however at the Sub-Investment Manager’s discretion, the Fund is permitted to make an investment without a written ESG Assessment on file at the time of purchase, as long as the Sub-Investment Manager believes the security meets the Fund’s sustainability criteria.

(e) Proportion of Investments

The Sub-Investment Manager expects that expects that 80% of the Fund’s investments will be in companies that have been determined to be sustainable investments and the remaining 20% may also include sustainable investments, but is also permitted to include other investments that promote other environmental and social characteristics. This 20% may also consist of any cash that the Fund may not yet have allocated to an investment or for liquidity or currency hedging purposes through the use of FDI.

(f) Monitoring of Environmental or Social Characteristics

The Sub-Investment Manager employs Socially Responsible Investment ("**SRI**") screening to confirm that an investment meets minimum environmental and/or social guidelines prior to purchase. This screening is then conducted on portfolio holdings periodically after investment in order to monitor ongoing compliance with these minimum criteria.

Quarterly reports on Fund holdings are created by the Sub-Investment Manger's Reporting and Business Intelligence team with data sourced from the proprietary research assessments which is reviewed by the Portfolio Managers. These reports document the proprietary ESG ratings assigned to a holding together with available third party data.

(g) Methodologies

To monitor the environmental and social characteristics, the Sub-Investment Manager utilises Socially Responsible Investment Guidelines.

SRI is broadly defined as an investment approach that aims to integrate social, environmental and ethical considerations into investment selection. Therefore, the equity securities in which the Fund invests are screened based on certain SRI criteria in accordance with various principles set out in declarations and conventions signed by the international community.

Accordingly, in addition to seeking to gain exposure to issuers that have a Sustainable Business Advantage, the Fund seeks to limit its exposure to particular companies and industries. In addition to the Sub-Investment Manager's proprietary and qualitative ESG analysis, the Sub-Investment Manager relies on a third-party provider to apply a rules-based screening process which seeks to identify companies that may have controversial business involvement, as determined by the Sub-Investment Manager.

Specifically, the Fund seeks to exclude knowingly owning equity securities of companies:

- that defy the ten United Nations Global Compact Principles (UNGC); and/or
- that defy the Norges Bank Exclusion List. Exclusions are the decision of Norges Bank's Executive Board and based on recommendations from the Council on Ethics appointed by the Ministry of Finance; and/or
- that directly manufacture controversial weapons (defined as cluster munitions, land mines, and/or depleted uranium); and/or
- that conduct animal testing for non-medical purposes and do not exhibit strong ethical policies and practices; and/or
- whose primary business activities are directly tied to conventional exploration, extraction, production, manufacturing or refining coal, oil or gas; and/or
- whose primary business activities are directly tied to producing electricity derived from fossil fuels; and/or
- with significant assets directly invested in conventional fossil fuel reserves.

The Fund seeks to apply the following investment guidelines in respect of underlying issuers to ensure that a company will not be included if it knowingly has more than 5% of its revenue derived directly from:

- the manufacture of conventional weapons; and/or
- alcohol products; and/or
- tobacco products; and/or
- adult entertainment; and/or
- gambling.

Investors are informed that criteria applied in developing "*socially responsible*" screens may be additional to the criteria disclosed above.

The Sub-Investment Manager will exclude companies based on information from credible and independent research on issuers represented in the Fund. The Sub-Investment Manager will monitor the Fund's compliance with the SRI criteria. A number of sources are used in this research and may comprise information obtained from official sources, organisations or from the companies themselves.

The Sub-Investment Manager may use specific SRI research from independent research providers in respect of the Fund.

(h) Data Sources and Processing

The Sub-Investment Manager relies on a number of data sources when conducting ESG due diligence. These sources include publicly available data, third party data providers, information gathered from engagement activity if applicable and the Sub-Investment Manager's research team's analysis. Third party data is one input in Fund's approach to ESG analysis but is not the primary factor in the ESG assessment. The ESG research team is responsible for monitoring the data used in its ESG assessments.

(i) Limitations to Methodologies and Data

Investing on the basis of ESG criteria is qualitative and subjective by nature, and there can be no assurance that the data received from the Sub-Investment Manager's vendors or any judgment exercised by the Sub-Investment Manager will reflect the beliefs or values of any particular investor. Data and qualitative information are inherently subject to interpretation, restatement, delay and omission outside the Sub-Investment Manager's control.

Due to inconsistencies with respect to the evaluation of particular companies by third party research and data providers the evaluation of an investment as sustainable may differ between financial market participants.

(j) Due Diligence

The Sub-Investment Manager's ESG research team monitors the companies in the Fund on an on-going basis, and additional monitoring is also undertaken through a quarterly review of certain ESG characteristics of the Fund. In addition to the proprietary and qualitative ESG analysis, the Sub-Investment Manager has access to ESG-related data from third-party providers.

(k) Engagement Policies

The Sub-Investment Manager seeks to conduct ongoing discussions with companies to inform its investment research and decision-making. When possible and material to an investment decision, these conversations are a standard component of the Sub-Investment Manager's ESG research process and take place as part of the Sub-Investment Manager's initial vetting of holdings, and periodically thereafter as part of the monitoring process for existing holdings in the Sub-Investment Manager's portfolios, such as the Fund.

From time to time, the Sub-Investment Manager's investment team collaborates with certain companies/issuers and industry groups to advocate for improved ESG practices, and/or continued implementation of existing ESG-related initiatives as part of its ongoing interest in a portfolio holding. Similarly, the Sub-Investment Manager is asked by companies for feedback and informal advice on the development, improvement and/or communication of the company's ESG efforts from time to time. The Sub-Investment Manager does not act in any formal capacity as an advisor or consultant on these matters, but rather as a sounding board. Finally, the Sub-Investment Manager partners with investor groups and non-profits to help advance certain ESG issues as relevant and important to its investments.

(l) Designated Reference Benchmark

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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