

Global Sustainable Total Return Bond Strategy

One Year On...

PORTFOLIO MANAGERS



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In early 2021, we had the good fortune to reunite professionally at Brown Advisory to lead the development of a new global sustainable fixed income platform. Having worked together for a meaningful proportion of our careers, we viewed this as an incredible opportunity to draw upon our prior experience building successful global fixed income businesses, from the ground up, and to evolve our proven investment process to include the integration of how we assess our investible universe from the top-down and the bottom-up. We are working together again at a firm where our values and aspirations are aligned—this is incredibly important to us. Our goal to develop client-focused, global, long-term, fixed income solutions with a meaningful and differentiated Environmental, Social and Governance (ESG) lens is encouraged and supported. We couldn't be more excited about the journey so far as well as what lies ahead, and we are pleased to mark this one-year milestone for our strategy.

There is no doubt that 2022 was one of the most challenging investing environments on record, and one of, if not the worst year for fixed income investors in generations. We have often been asked whether we would have wished to launch a new strategy in fairer climes for fixed income, to which we have answered with a resounding “no”. There is no better way, in our opinion, to truly prove out our differentiated approach to investing than doing it in difficult market environments. We are buoyed by our achievements in the first year of our Global Sustainable Total Return Bond strategy, which we launched in early 2022 as two separate vehicles, the first on 31st January 2022 denominated in GBP and the second on 31st March denominated in USD. We would highlight three key areas as we look back on this period.

Firstly, while admittedly a short period of time over which to measure our performance, we are pleased to have reached this one-year milestone meaningfully ahead of our secondary benchmark. The Global Sustainable Total Return Bond GBP composite returned -3.5% net of fees compared to the Bloomberg Global Aggregate (1-10 Year) Index GBP Hedged which returned -5.7% over the one-year period since launch.

In combination with this favourable performance, we also believe our differentiated approach to ESG investing across the broadest range of asset classes and geographies has enabled us to attract a solid base of early clients, investing more than \$300 million with us in the first year. As we grow, we value the opportunity to build long-term partnerships with investors that share the same values as us as individuals and at Brown Advisory. Our clients understand and appreciate that performance comes first but that we are all also equally keen to participate in helping to solve some of the existential issues that we face as a society, especially those that fall into the environmental and social categories. We believe our responsibility lies within a dual mandate of delivering an attractive stream of risk-adjusted returns over the long term while simultaneously generating a positive impact on global sustainability.

Finally, we have continued to invest in our team with several new hires over the period, bringing complementary expertise and perspectives that we believe are accretive to our efforts and help deliver risk-adjusted returns through the economic cycle. At Brown Advisory we are opportunistic and we focus on hiring talented individuals that align with our values and investment philosophy—helping to deliver on our promise to our clients.

Past performance is not indicative of future results and you may not get back the amount invested. The composite performance shown above reflects the performance of the Global Sustainable Total Return Bond – GBP Composite managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Please see full composite disclosure statement at the end of this presentation for more information.

Please see the end of the document for important disclosures.

OUR APPROACH

We believe a global, sustainable, and flexible approach to fixed income can offer investors access to a more attractive stream of income and risk-adjusted returns while simultaneously generating a positive impact on global sustainability issues. This approach is centred on three main features. First, integrating ESG research into fundamental bottom-up credit analysis helps provide a deeper understanding of potential investment risks and opportunities without sacrificing total returns, whilst helping direct capital to issuers contributing positively to ESG matters.

Second, we believe that adding depth and breadth to the investment opportunity set (including foreign countries, regions, sectors, and currencies) increases the potential to generate higher income and realise diversification benefits. Our comprehensive top-down macro analysis combined with rigorous bottom-up security selection informs our dynamic asset allocation. Third, we believe an active approach (untethered to a benchmark) can provide the flexibility to tactically allocate risk to areas of the bond market where we see the most attractive risk-reward profiles (alpha).

Three Main Objectives

<p>1 TOTAL RETURN OVER AN ECONOMIC CYCLE</p> <p>An active and flexible approach that allocates to liquid global fixed income and foreign exchange asset classes that we believe have the highest alpha potential in the context of valuation that corresponds with our investment views</p>	<p>2 BOND-LIKE CHARACTERISTICS</p> <p>A core strategy that acts as a complement and counterbalance to equity risk</p>	<p>3 SUSTAINABILITY</p> <p>An ESG research framework that assesses investment risk and opportunity across all the asset classes we invest in—corporates, securitised, and sovereigns—and, seeking to identify securities which can deliver both investment performance and positive impact</p>
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MARKETS

We've been faithfully considering the new paradigm into which the global economy has transitioned, led by structurally higher inflation and lower growth that all central banks are trying to navigate. Our positioning in the strategy to start 2022 was out-of-consensus as we believed inflation was not "transitory", and both central bank and market participant pricing of future rate hikes were woefully low. Having little interest rate and corporate credit exposure as part of a very defensive investment posture helped protect our investors from much of the draw-down that occurred during the year. Undoubtedly, however, the macro backdrop has evolved over the past twelve months and prevailing opinions on the current state-of-play seem to have coalesced into two camps. The first camp feels a sense of confidence that central banks will be able to "thread the needle" and navigate a soft landing for their economies despite having hiked policy rates aggressively to combat inflation; the second camp is far less sanguine and is not asking the question of whether recession is avoidable, but rather what type of recession the global economy will face—deep or shallow, short or prolonged. What became apparent to us through the fourth quarter of 2022 is that this debate is still necessary given our view of the late-cycle nature of the global economy. The global economy has shown resiliency in the face of what have been significant headwinds. Inflation at multi-decade highs, weak

global activity, a challenging geopolitical environment, a rapid central bank tightening cycle that includes higher rates and quantitative tightening programs, negative inflection points within housing markets, and waning fiscal stimulus have all posed challenges. However, growth has bounced firmly back from the negative readings in the first half of 2022 in the U.S., and declining energy prices, thanks to a warmer-than-expected winter in Europe, has been a boon to the U.K. and continental European economies. GDP in the U.S. for the third quarter was 3.2%,¹ and we believe the final result for the fourth quarter is likely to show another above-zero reading. European forward-looking data suggests that economies are teetering on the 0% razor's edge of growth, but we believe some short-term respite from the World Cup and help from Mother Nature may help to keep growth in positive territory for Q4. These better-than-expected outcomes can be attributed to many factors that include the still robust labour markets and declining levels of inflation, albeit from an extreme level. China's reversal of its COVID-19 restrictions has also put a tailwind behind global growth and risk appetite and suggests that there is a chance that China can once again be a growth engine for the global economy, but we are watching how this evolves. A large population that is mostly unvaccinated may cause fits and starts to this unlocking, and we doubt that it will all happen in a straight line from here. Challenges also remain within the Chinese real estate

¹Source: U.S. Bureau of Economic Analysis

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market and global supply chain reallocations away from China—both meaningful drivers of the overall economy. Alongside the China re-opening story, we believe the single biggest determinant for how asset prices perform this upcoming year centres on the U.S. and the likelihood of recession in 2023. Ultimately, in our view, a requirement for keeping the U.S. economy out of recession and producing the elusive “soft landing” will be a gradual reduction in the demand for labour while still maintaining a low unemployment rate. Given the recent performance of stocks and bonds along with market expectations that the Federal Reserve will be lowering rates in 2023, we would conclude that a soft landing remains possible, but it is still, in our view, a very challenging landing to navigate.

A global, sustainable and flexible approach to fixed income can offer investors access to a more attractive stream of income and risk-adjusted returns while simultaneously generating a positive impact on global sustainability

POSITIONING

Over the last 12 months, the portfolio benefitted from an asset allocation strategy that was shorter in duration, positioned for flattening rates curves, active in foreign currency, and underweight corporate credit. Current positioning is more neutral as we have added duration in countries where we think the majority, if not all, of the rate hiking cycle has occurred, taken profit on much of our curve flattening positions while taking our exposure to corporate credit up. We think 2023 will be a year with far less directionality and momentum than 2022; we believe increased dispersion between countries’ monetary policy cycles means more relative value opportunities in rates and currencies, as well as valuation differences in regional corporate credit spreads which will allow us to be dynamic in our allocation to the asset class across countries.

OUTLOOK

We still expect that weakness for the global economy is ahead of us, not behind us. The full effects of interest rate increases have yet to be felt, in our view, and economic leading indicators continue to deteriorate. Historically, survey measures of new orders for both the services and manufacturing sectors of the economy, released by the Institute for Supply Management in the U.S., for example, have been reliable indicators of future activity. Both are indicating a weaker environment ahead. Housing sectors are already in recession due to the rapid increase in mortgage rates and are unlikely to experience a meaningful bounce in the near future. Lastly, rates curves generally remain inverted, reflecting tightening monetary policies within a late cycle economic environment. We believe the key, however, to the accuracy of our forecast will be how labour markets evolve over the course of the year. Job openings are elevated and unemployment remains low. In the U.S., the consumer personal savings rate continues to decline and revolving debt is increasing at an alarming rate as people dip into savings and borrow money to meet financial obligations that are increasing due to inflationary pressures. Yet, they are still employed and thus paying their bills and consuming goods and services. Recently, the Federal Reserve (Fed) has shifted its focus in the fight against inflation, and has now joined other central banks like the Bank of England (BoE) in explicitly stating their goals. The stated goal is to weaken the labour market in order to exert downward pressure on wage gains and we remain sceptical of their ability to strike the right balance. Therefore, if the unemployment rate moves higher, along with weakness in other sectors, recessions in the U.S. and Europe will be the most likely outcome, in our view. We do expect inflation to moderate, potentially more than central banks forecast, but don’t anticipate a meaningful loosening of monetary policy. A restrictive level is likely to be maintained for some time and continues to be at odds with market expectations of rate cuts as early as this year. Our view of these market expectations is that if they’re realized, that will occur in the context of a recessionary environment and risk sentiment and valuation don’t currently reflect that risk.

While the depth of a potential recession may be shallow, the following recovery may be weak as the historical policy support may be slow to materialize given the inflationary backdrop. In this environment, we are particularly concerned about eroding fundamentals in the consumer and corporate spheres. Significant government stimulus programs provided the consumer with a financial buffer that likely fades toward the middle of this year. Weaker revenue and higher wage costs will

likely pressure operating margins and earnings for companies. Additionally, companies will likely be refinancing at materially higher rates than the recent past. We added to our credit underweight early in the fourth quarter last year, however we expect credit spreads to widen from current levels and intend to continue to hold a neutral-to-underweight position with the expectation to add at more attractive valuations that we think more reasonably reflect the risks ahead of us. We do not expect longer term global yields to be nearly as volatile as they were last year and we're biased for lower rates later in the year. The shape of the yield curve is likely to steepen, in our view, as expected rate cuts become more likely as the year progresses. We believe that higher quality securitized assets should hold up well yet we remain cautious on securitized credit, particularly those backed by collateral we view most at risk. We view emerging markets

debt as a particularly interesting asset class given economic and monetary policy cycles in select countries. Similarly, we believe that the peak of the U.S. dollar is likely behind us, which may provide some compelling opportunities in currencies both on a directional and carry basis, as well as relative value opportunities between countries. Overall, we expect a less volatile year ahead for fixed income and we're particularly excited to have the word "income" returning to fixed income markets.

We thank you for your support and interest in the strategy.

Chris, Ryan and Colby

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ESG considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. ESG analysis may not be performed for every holding in every strategy. ESG considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify securities that it believes may have desirable ESG outcomes, but investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, the strategy may invest in securities that do not reflect the beliefs and values of any particular investor. The strategy may also invest in securities that would otherwise be screened out of other ESG-oriented funds. Security selection will be impacted by the combined focus on ESG assessments and forecasts of return and risk. The strategy intends to invest in securities with measurable ESG outcomes, as determined by Brown Advisory, and may seek to screen out particular securities and industries. Brown Advisory relies on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.

Past performance is not indicative of future results. Definitions of indices used are below. An investor cannot invest directly into an index.

SONIA (Sterling Overnight Index Average) is an index of very short-term unsecured loans between U.K. financial institutions.

The Bloomberg Global Aggregate Bond Index (GBP Hedged) represents a close estimation of the performance that can be achieved by hedging the currency exposure of its parent index, the Bloomberg Global Aggregate Bond Index, to GBP. The index is 100% hedged to the GBP by selling the forwards of all the currencies in the parent index at the one-month Forward rate. The parent index is composed of government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and emerging markets issuers.

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Brown Advisory Global Sustainable Total Return Bond (GBP) Composite

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Composite 3-Yr Ann. Standard Deviation (%)	Bank of England's SONIA Compounded Index		Bloomberg Global Aggregate Bond Index (GBP Hedged)		Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$GBP MM)*	GIPS Firm Assets (\$USD MM)*
				Benchmark Returns (%)	Benchmark 3-Yr Ann. Standard Deviation (%)	Benchmark Returns (%)	Benchmark 3-Yr Ann. Standard Deviation (%)				
2021**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Five or fewer	N/A	N/A	79,715

**Performance not available for the period since the Composite inception date is February 1, 2022.

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2020. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

- *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
- The Global Sustainable Total Return Bond (GBP) Composite (the Composite) includes all discretionary portfolios invested in the Global Sustainable Total Return Bond (GBP) strategy. The objective of the Global Sustainable Total Return Bond (GBP) strategy is to target a positive total return (comprising current income and capital gains) above the Bank of England's SONIA Compounded Index over a full economic cycle, by investing in a broad range of global fixed-income securities and associated FDIs and currencies.
- ESG considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify issuers that it believes may have desirable ESG outcomes, but investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, the strategy may invest in issuers that do not reflect the beliefs and values of any particular investor. The strategy may also invest in issuers that would otherwise be screened out of other ESG oriented funds. Security selection will be impacted by the combined focus on ESG assessments and forecasts of return and risk. The strategy intends to invest in issuers with measurable ESG outcomes, as determined by Brown Advisory, and seeks to screen out particular issuers and industries. Brown Advisory relies on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.
- The Composite creation date is February 28, 2022. The Composite inception date is February 1, 2022.
- The Composite benchmarks are the Bank of England's SONIA Compounded Index and the oftware issues and other Bloomberg Global Aggregate 1-10 Year Total Return Index (GBP Hedged). The Bank of England's SONIA Compounded Index is a measure of the rate at which interest is paid on sterling short-term wholesale funds in circumstances where credit, liquidity and other risks are minimal. SONIA is measured as the trimmed mean of interest rates paid on eligible sterling denominated deposit transactions. The Bloomberg Global Aggregate 1-10 Year Total Return Index (GBP Hedged) represents a close estimation of the performance that can be achieved by hedging the currency exposure of its parent index, the Bloomberg Global Aggregate Index, to GBP and limiting to bonds with maturities between 1 and 10 years. The Index is 100% hedged to the GBP by selling the forwards of all the currencies in the parent index at the one-month Forward rate. The parent index is composed of government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and emerging markets issuers. SONIA and/or SONIA Compounded Index data licensed under the Open Government License v3.0 and copyright the Governor and Company of the Bank of England. The trade marks "Bank of England" and "SONIA" are registered trade marks of the Bank of England. "Bloomberg" and Bloomberg Global Aggregate Bond Index are service marks of Bloomberg Finance L.P. and its affiliates including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Brown Advisory. Bloomberg is not affiliated with Brown Advisory, and Bloomberg does not approve, endorse, review, or recommend the Global Sustainable Total Return Bond strategy. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Global Sustainable Total Return Bond (GBP) Composite. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
- Composite dispersion is an equal-weighted standard deviation of portfolio gross returns calculated for the accounts in the Composite for the entire calendar year period. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the Composite for the entire period.
- Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows, converted to GBP at the prevailing exchange rate: 0.50% on the first \$50 million; 0.30% on the next \$50 million; 0.25% on the next \$50 million; and 0.20% on the balance over \$150 million, with a minimum account market value of \$100 million. Further information regarding investment advisory fees is described in Part II A of the firm's form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- The investment management fee for the Sterling Class C Shares of the Brown Advisory Global Sustainable Total Return Bond Fund (GBP) (the UCITS), which is included in the composite, is 0.15%. The total expense ratio for the Sterling Class C Shares of the UCITS is 0.35%. Further information regarding investment management fees and expenses is described in the fund prospectus.
- The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31. The 3 year annualized standard deviation is not presented as of December 31, 2021 because 36 month returns for the Composite were not available (N/A) and the Composite did not exist.
- The use of derivatives is integral to the investment process of the strategy. The strategy may use, for investment or hedging purposes, exchange traded and OTC derivatives, including futures and options, forward foreign currency contracts, FX futures and FX spots and OTC swaps, and credit default swaps on indices, the underlying reference assets for which will be bonds in which the fund may invest directly, and interest rates and currencies.
- The strategy may employ leverage, but it is not integral to the investment process. The strategy may borrow up to 10% of its Net Asset Value on a temporary basis. It is not intended to borrow for leverage purposes. The strategy may also be leveraged through the use of derivatives, and under normal circumstances is not expected to exceed 500% of its Net Asset Value.
- Valuations and performance returns are computed and stated in British Pounds. All returns reflect the reinvestment of income and other earnings.
- A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
- Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
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