

Brown Advisory US Flexible Equity Fund

Supplement No. 6 dated 29 February 2024 to the Prospectus of the Company dated 29 February 2024 for Brown Advisory Funds plc

This Supplement contains specific information in relation to Brown Advisory US Flexible Equity Fund (the “**Fund**”), a fund of Brown Advisory Funds plc (the “**Company**”) an umbrella type open-ended investment company with variable capital and segregated liability between funds, governed by the laws of Ireland and authorised by the Central Bank of Ireland (the “**Central Bank**”).

This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 29 February 2024.

The Directors of Brown Advisory Funds plc, whose names appear in the Directors of the Company section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Investment Manager has determined that the Fund is an Article 8 Fund.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 29 February 2024

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Definitions

In this Supplement, the following words and phrases shall have the meanings indicated below:

“ Comparator Benchmark ”	for the purposes of this Supplement, the S&P 500® Net Index; and
“ S&P 500® Net Index ”	the S&P 500® Net Index provided by S&P Dow Jones Indices LLC which includes 500 leading companies and covers approximately 80% of available market capitalisation.

Investment Objective and Policies

Investment Objective

The objective of the Fund is to achieve capital appreciation by investing primarily in U.S. equities.

Investment Policies

The Fund aims to achieve its investment objective by investing at least 80% of its net assets in equity securities of mid-size and large companies that the Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes. The Investment Manager defines mid-size and large companies as those generally with market capitalisations above \$2 billion at the time of purchase. The Fund will invest in companies which are listed or traded on the U.S. markets and exchanges listed in Appendix I of the Prospectus.

The Fund may also invest in non-U.S. securities, convertible bonds including U.S. Rule 144A Securities, ADR, U.S. treasury bills, fixed and/or floating rate U.S. government securities, real estate investment trusts and unlisted securities, subject to the limits set out in the Prospectus.

The Fund's exposure to non-U.S. securities (including securities of issuers in Emerging Market Countries) will not exceed 15% of its Net Asset Value and its exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

The Fund also promotes certain Sustainability Characteristics through its investment selection and ongoing monitoring processes, as described under **Promotion of Sustainability Characteristics**. The Fund focuses on the promotion of such characteristics at a portfolio level and does not commit to making Sustainable Investments.

Profile of a Typical Investor and Target Market Identification

The Fund is suitable for any investor (institutional and, unless prohibited by the rules of a particular jurisdiction, retail) seeking to achieve capital appreciation over the long term (*i.e.*, greater than five (5) years) by investing in a diversified portfolio consisting primarily of equity securities.

Investors should desire that Sustainability Characteristics be considered as part of the Fund's investment due diligence process.

The Fund invests primarily in equities as described above, so investors should consider an investment in the Fund as medium to high risk.

The Fund is categorised as a non-complex UCITS fund vehicle. This Fund is appropriate for all investors

(retail, professional clients, and eligible counterparties) with a basic knowledge of the capital markets who seek to achieve capital appreciation over the long term (*i.e.*, greater than five (5) years) as a core component of a portfolio of investments.

Investors should be prepared to bear all losses (*i.e.*, 100% of the original investment amount). The Fund may not be compatible for investors outside the target market or those that are not able to bear all losses with respect to their investment.

The Fund is available through all distribution channels (*e.g.*, investment advice, portfolio management, non-advised sales, and pure execution services).

Investment Manager's Investment Process

The Investment Manager's bottom-up research process analyses the fundamental and sustainability characteristics of its investments.

The Investment Manager believes that when executed successfully, this investment approach can achieve the investment objective of the Fund.

Purchasing Portfolio Securities

The Investment Manager will use in-house research and other third-party data sources to identify a universe of companies across a broad range of industries whose underlying fundamentals are considered by the Investment Manager to be attractive. The Investment Manager will focus on companies that it believes exhibit the following desirable characteristics:

- favourable business economics supported by enduring competitive advantages;
- capable and trustworthy management;
- positive industry dynamics; and
- sensible capital allocation.

The Investment Manager follows an investment philosophy referred to as "*flexible equity*". Flexibility allows the Investment Manager to evaluate many types of opportunities expanding the bargain hunting concepts of value investing to a broad range of investments. The Investment Manager emphasises individual security selection based on identifying long-term attractive businesses *i.e.*, those with significant desirable characteristics and few or no undesirable characteristics (such as excessive financial leverage, risk of business or product obsolescence, excessive compensation, misaligned incentives or management hubris), when they are available at bargain prices. Bargain prices most often arise in the stock market due to short-term investor perceptions or temporary business challenges creating undue price declines and price recovery potential, or because the Investment Manager believes that the business has favourable prospects which are typically unrecognised by industry or changes for the better in company management or industry conditions.

Selling Portfolio Securities

The Investment Manager will monitor the companies in the Fund's portfolio to determine if there have been any fundamental changes in the companies. The Investment Manager may sell a security or reduce its position in a security if:

- the security's market price exceeds the Investment Manager's estimate of intrinsic value;
- the ratio of risk and reward of continuing to own the company's equity is no longer attractive; and/or
- the Investment Manager needs to raise cash to purchase a more attractive investment

opportunity, satisfy net redemptions, or other purposes.

Promotion of Sustainability Characteristics

The Investment Manager's research process includes an assessment of Sustainability Characteristics and Sustainability Risks for every company in the Fund, with the aim of protecting the financial performance of the Fund by identifying companies that, overall, approach sustainability issues in a responsible manner while also avoiding those companies exposed to material Sustainability Risks.

This research is fully integrated into the Investment Manager's investment process and is provided through a combination of in-house expertise and/or third-party providers.

The research approach is based on a qualitative assessment of each security across a broad range of factors, but will contain certain quantitative elements. The purpose of this assessment is to ensure that the Fund is investing in companies which, overall, approach sustainability issues in a responsible manner. The Investment Manager will avoid those companies that it believes to either be failing to manage Sustainability Risks or to not have in place appropriate mitigants or plans to secure an improved position with respect to Sustainability Risks. The Fund may invest in a company that is exposed to legacy material Sustainability Risks or that is lagging in management of Sustainability Risks. However, the Investment Manager will seek to find evidence of a positive Sustainability Risk-management trajectory, which it will document before making an investment.

The Fund does not focus on any one particular sustainability issue, instead identifying companies which satisfy a more holistic assessment, using qualitative and/or quantitative analysis.

While the Investment Manager's holistic approach means that a wide variety of Sustainability Characteristics and Sustainability Risks are considered, the following Sustainability Characteristics are promoted by the Fund:

- **Environmental:** good management of greenhouse gas emissions and appropriate structures and expertise to mitigate material environmental risks;
- **Social:** good human capital management, with a focus on the promotion of diversity at the board level and a track record of mitigating human rights related risks at the company and in the supply chain. These characteristics may be monitored through any one or more of: an assessment of supply chain policies and audit practices; board, management and employee diversity; and compliance with global standards (e.g., the UNGC Principles). This investment selection process may lead to the exclusion of companies with poor working conditions and/or high employee turnover relative to peers given the risks that the Investment Manager believes these characteristics may present to the investment thesis.

With regards to the governance of the Fund's investee companies, the Investment Manager will seek quality and established management teams that have formalised governance structures. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: board and committee composition and structure in terms of expertise and diversity; shareholder rights provisions; business ethics and compensation packages. The Fund will engage, through proxy voting and other mechanisms, to vocalise the importance of appropriate incentives (e.g., compensation) to enable long-term performance. This investment selection process may lead to the exclusion of companies where the Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

The Investment Manager believes that a focus on these particular indicators will both limit investment risks associated with Sustainability Risks, while contributing to a more responsible business approach that may potentially benefit performance. The application of the Fund's Sustainability Characteristics and **Exclusion Policy** (see below) could result in performance that is better or worse than the performance of a similar fund, depending on the performance of the excluded investments and the investments included in place of such excluded investments.

At the Investment Manager's discretion, the Fund is permitted to make an investment without a written assessment on file at the time of purchase, as long as the Investment Manager believes the relevant security meets the Fund's binding requirements relating to Sustainability Characteristics and the written assessment is finalised shortly thereafter.

If, through the research process, a company is flagged as having significant exposure to potentially material Sustainability Risks, the Investment Manager will conduct further due diligence, which may include engagement with the company, to ensure that it has an accurate understanding of the way the company manages such Sustainability Risks. In determining whether or not to invest based upon these principles, the Investment Manager may use third-party data to assess relevant exposures. The Investment Manager is permitted to invest in a security if it determines the security has an acceptable Sustainability Risk profile notwithstanding contrary third-party data or third-party recommendations.

Exclusion Policy

The Fund also takes a qualitative and quantitative approach to its exclusion policy.

The Fund has adopted the following binding restrictions and will not invest in companies that:

- manufacture whole controversial weapons systems, including cluster munitions, land mines, biological weapons, and/or chemical weapons;
- defy the UNGC Principles;
- derive more than 10% consolidated revenue from tobacco;
- derive more than 10% consolidated revenue from civilian firearms; and/or
- derive more than 10% consolidated revenue from adult entertainment.

As a result, the universe of investments available to the Fund will be more limited than that of funds that do not apply such exclusions.

The Investment Manager applies a qualitative approach to the remaining investment universe.

In addition to the Fund's **Investment Policies and Investment Restrictions** described above, the Investment Manager may adopt certain additional internal investment criteria which may further restrict the Fund's investments, such as evolving internal Investment Manager policies limiting or prohibiting investments in businesses that engage in certain types of weapons manufacturing, natural resource activities or are identified as failing to meet certain criteria put forth by the United Nations or other global organisations.

Impact of Sustainability Risks and PAIs

Together, the results of the Investment Manager's assessment on the Sustainability Characteristics of the companies in which the Fund invests; the implementation of the binding and exclusionary criteria (outlined above) as part of the Investment Manager's investment process; and the Fund's participation in engagement with investee companies, are likely to diminish the impacts of Sustainability Risks on the returns, and improve the overall risk profile, of the Fund.

The Manager (in conjunction with the Investment Manager) conducts an assessment of the PAIs of its investment decisions on Sustainability Characteristics across all of the holdings in the Fund where such data is available and reliable. Further information is available in the “*Statement on the Due Diligence Policies of the Manager on the Principal Adverse Impacts of Investment Decisions*”, available at: <https://www.brownadvisory.com/intl/ucits-legal-document-library>. In addition, information on PAIs on sustainability factors will be available in the annual report and audited financial statements of the Manager.

Taxonomy Regulation Disclosures

As required by Article 6 of the Taxonomy Regulation, the Fund must disclose that the “*do no significant harm*” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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 any of the investments underlying the Fund.

Although the Fund promotes certain environmental characteristics, the Fund does not commit to making Sustainable Investments or to pursuing the environmental objectives contained in the Taxonomy Regulation. Accordingly, the Manager (in conjunction with the Investment Manager) has determined that 0% of the investments underlying the Fund will be in Taxonomy-Aligned Investments.

Benchmark Index

The Fund uses the Comparator Benchmark to compare performance. The Fund is actively managed and is not constrained by any benchmark.

In its construction and method of calculation, the Comparator Benchmark does not take into account the Sustainability Characteristics described under **Promotion of Sustainability Characteristics** above in a manner that is consistent with the Fund’s approach towards the Sustainability Characteristics. Further information in respect of the methodology used for the calculation of the benchmark can be found [here](#).

Financial Derivative Instruments

Subject to the Regulations and to the conditions and limits laid down by the Central Bank from time to time, the Fund may utilise **FDIs**. The Fund only intends to use FX contracts to hedge currency FX risks arising for Hedged Share Classes of the Fund. In addition, convertible bonds may represent derived investment positions whose value at maturity or interest rate is linked to equity securities and which may therefore embed FDIs. The leverage exposure of the Fund through the use of FDIs will not exceed 100% of the Fund’s Net Asset Value, as measured using the commitment approach.

This should be read in conjunction with the sections of the Prospectus entitled **FUNDS – Use of FDI** and **RISK FACTORS – Currency Risk**.

Investment Restrictions

In addition to the investment restriction set out below, the general investment restrictions set out in the Prospectus under **FUNDS – Investment Restrictions** shall apply.

Investments made by the Fund in shares or units of a CIS may not exceed, in aggregate, 10% of the Net Asset Value of the Fund. The CIS, in which the Fund invests, must be prohibited from investing more than 10% of their net assets, in aggregate, in CIS.

Borrowings

In accordance with the general provisions set out in the Prospectus under **FUNDS – Borrowing and Lending Powers**, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis. It is not intended to borrow for leverage purposes.

The Manager operates a Risk Management Process on behalf of the Fund in relation to its use of FDIs, details of which are set out in the Prospectus under **FUNDS – Use of FDI – Risk Management**.

Risk Factors

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out in the Prospectus under **RISK FACTORS**. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

Dividend Policy

Details of the dividend policy for the Fund are set out in the Prospectus under **SHARE CLASS INFORMATION**.

Key Information for Buying and Selling

Base Currency

U.S. Dollars.

Business Day

Any day (except Saturday or Sunday) on which the New York Stock Exchange is open, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

Each Business Day.

Dealing Deadline

3.00 p.m. Irish Time on each Business Day.

Valuation Point

10.00 p.m. Irish Time on each Business Day.

Share Class Information

As of the date of this Supplement, the Share Classes listed in the tables below with a corresponding tick (✓) under **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under **Subscription Open** are no longer available for

subscription in the Fund. Investors seeking to invest in any other Classes as set out in the Prospectus under **SHARE CLASS INFORMATION** should contact the Investment Manager. Upon receipt of sufficient interest in any such Class, such a Class may be launched.

The applicable Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for the Shares are set as out in the Prospectus under **SHARE CLASS INFORMATION**.

Initial Offer Period / Initial Issue Price

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under **Initial Offer Period Open**, the Initial Offer Period remains open and will close upon the earlier of: (i) the first investment by a Shareholder in such Class of Shares; or (ii) such earlier or later date as the Directors may determine and notify to the Central Bank.

Investors may apply to subscribe for such Shares during the Initial Offer Period at the Initial Issue Price for each Class. The Initial Issue Price for such Classes is as set out in the tables below under **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under **Initial Offer Period Open** are currently in issue and are available for subscription at prices calculated with reference to the Net Asset Value per Share, as indicated by “NAV” under **Initial Issue Price**.

After the Initial Offer Period, Shares will be continuously open for subscriptions on the relevant Dealing Day and the Issue Price shall be the Net Asset Value of the relevant Class of Shares on the relevant Dealing Day.

Class A Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class A Acc Shares	✓	X	NAV
Dollar Class A Dis Shares	✓	✓	\$10.00
Sterling Class A Acc Shares	✓	✓	£10.00
Sterling Class A Acc H Shares	✓	✓	£10.00
Sterling Class A Dis Shares	✓	✓	£10.00
Sterling Class A Dis H Shares	✓	✓	£10.00
Euro Class A Acc Shares	✓	✓	€10.00
Euro Class A Acc H Shares	✓	X	NAV
Euro Class A Dis Shares	✓	✓	€10.00
Euro Class A Dis H Shares	✓	✓	€10.00
Swiss Franc Class A Acc Shares	✓	✓	CHF10.00
Swiss Franc Class A Acc H Shares	✓	X	NAV
Swiss Franc Class A Dis Shares	✓	✓	CHF10.00
Swiss Franc Class A Dis H Shares	✓	✓	CHF10.00

Class B Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class B Acc Shares	✓	X	NAV
Dollar Class B Dis Shares	✓	X	NAV
Sterling Class B Acc Shares	✓	✓	£10.00
Sterling Class B Acc H Shares	✓	✓	£10.00
Sterling Class B Dis Shares	✓	X	NAV
Sterling Class B Dis H Shares	✓	X	NAV
Euro Class B Acc Shares	✓	✓	€10.00
Euro Class B Acc H Shares	✓	X	NAV
Euro Class B Dis Shares	✓	X	NAV
Euro Class B Dis H Shares	✓	✓	€10.00
Swiss Franc Class B Acc Shares	✓	✓	CHF10.00
Swiss Franc Class B Acc H Shares	✓	✓	CHF10.00
Swiss Franc Class B Dis Shares	✓	✓	CHF10.00
Swiss Franc Class B Dis H Shares	✓	✓	CHF10.00

Class C Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class C Acc Shares	✓	X	NAV
Dollar Class C Dis Shares	✓	X	NAV
Sterling Class C Dis Shares	✓	X	NAV
Sterling Class C Dis H Shares	✓	X	NAV

Class J Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class J Acc Shares	✓	✓	\$10.00

Class M Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class M Dis Shares	✓	X	NAV
Sterling Class M Dis Shares	✓	X	NAV

Class P Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class P Acc Shares	✓	✓	\$10.00
Euro Class P Acc H Shares	✓	✓	€10.00

Class SI Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class SI Acc Shares	✓	✓	\$10.00
Dollar Class SI Dis Shares	✓	✓	\$10.00
Sterling Class SI Acc Shares	✓	✓	£10.00
Sterling Class SI Acc H Shares	✓	✓	£10.00
Sterling Class SI Dis Shares	✓	✓	£10.00
Sterling Class SI Dis H Shares	✓	✓	£10.00
Euro Class SI Acc Shares	✓	✓	€10.00
Euro Class SI Acc H Shares	✓	✓	€10.00
Euro Class SI Dis Shares	✓	✓	€10.00
Euro Class SI Dis H Shares	✓	✓	€10.00

Settlement Date

In the case of applications, two (2) Business Days after the relevant Dealing Day.

In the case of repurchases, two (2) Business Days after the relevant Dealing Day (assuming the receipt of the relevant duly signed repurchase documentation including all relevant anti-money laundering documentation).

Preliminary Charge

Class A Shares and Class P Shares

If subscribing through a financial intermediary for Class A Shares or Class P Shares, a Preliminary Charge of up to 3% of the Issue Price may be deducted from the amount payable in respect of the subscription.

The Preliminary Charge is payable to financial intermediaries appointed by the Manager or by a Distributor, in accordance with applicable laws and regulations. The Preliminary Charge may either be deducted from the net amount received by the Administrator for the subscription for Shares or from the amount received by a financial intermediary from investors.

Class A Shares and Class P Shares (Italy only)

If subscribing through a Distributor, bank, or financial intermediary based in Italy for Class A Shares or Class P Shares, an Entry Fee of up to 5% of the Issue Price may be deducted from the amount payable in respect of the subscription.

The Entry Fee is payable to Distributors, banks, and financial intermediaries based in Italy appointed

by the Manager or by a Distributor, in accordance with applicable laws and regulations. The Entry Fee may either be deducted from the net amount received by the Administrator for the subscription for Shares or from the amount received by a Distributor, bank, or financial intermediary from investors.

No Preliminary Charge or Entry Fee is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator, whether subscribing from Italy or elsewhere.

There is no Preliminary Charge or Entry Fee payable for other Share Classes.

Repurchase Charge

1%.

The Repurchase Charge will only be charged in instances where there is a significant (typically in excess of 10%) net redemption or in the case of an investor engaging in excessive trading.

Anti-Dilution Charge

Cost of dealing.

Fees and Expenses

Investment Management Fee and Expense Limitation

The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding the amounts set out in the Prospectus under **FEES AND EXPENSES** (plus VAT, if any) per Share Class of the Net Asset Value of the Fund.

Such fee shall accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager may, at its absolute discretion, pay any portion of the investment management fee to any third party in any manner whatsoever, whether by rebate or otherwise. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for its properly vouched out-of-pocket costs and expenses in the performance of its duties.

The Investment Manager has committed to waive its investment management fee or reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (excluding the fees of the Manager but including the fees and out of pocket expenses of the Administrator and the Depositary) from exceeding an annual rate of 0.25% of the daily Net Asset Value of the Fund. If annual operating costs are less than this amount, no reimbursement will be made by the Investment Manager, and the lower amount will be charged to the Fund.

Management Fee

The fees and expenses of the Manager are paid out of the assets of the Fund as set out in the Prospectus under **FEES AND EXPENSES**.

Administration Fee

The Administrator shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated at each Valuation Point and payable monthly in arrears at an annual rate which will not exceed 0.07% of the Net Asset Value of the Fund (plus VAT, if any) subject to an annual minimum fee which will not exceed US\$48,000 and will also receive registration fees and transaction charges at normal commercial rates. The Administrator shall also be entitled to receive a monthly fee

of up to US\$500 per Share Class of the Fund launched (this fee will not be applied to the first two Share Classes of the Fund launched by the Company) subject to an annual minimum fee for the Company which will not exceed US\$10,000. The Administrator is entitled to be repaid all of its properly vouched out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Depositary Fee

The Depositary shall be entitled to receive an annual maximum fee of 0.03% per annum of the Net Asset Value of the Fund accrued at each Valuation Point and shall be payable monthly in arrears. The Depositary's fees are accrued at each Valuation Point, payable monthly in arrears, and subject to a minimum charge of US\$25,000 per annum. The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees and expenses, transaction charges and cash service charges (all at normal commercial rates) and to recover properly vouched out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

This section should be read in conjunction with the section in the Prospectus entitled **FEES AND EXPENSES**.

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Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Brown Advisory US Flexible Equity Fund (the “Fund”)

Legal entity identifier: 6354009EDBCKOR1LBX12

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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Words and expressions defined in the Prospectus of the Company and/or the Supplement relating to the Fund shall, unless the context appears otherwise, have the same meaning when used in this Annex.



What environmental and/or social characteristics are promoted by this financial product?

The Fund will invest in companies that the Investment Manager considers to have an overall positive assessment, covering a range of Sustainability Characteristics and Sustainability Risks. This assessment is based on either third-party research or the Investment Manager’s research on Sustainability Characteristics. While the Investment Manager’s holistic approach means that a wide variety of Sustainability Characteristics and Sustainability Risks are considered, the following Sustainability Characteristics are promoted by the Fund:

Environmental Characteristics:

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- good management of greenhouse gas emissions; and
- appropriate structures and expertise to mitigate potential environmental risks.

Social Characteristics:

- good human capital management, including a focus on the promotion of diversity at the board level; and
- a track record of mitigating human rights related risks at the company and in the supply chain.

The Investment Manager believes that a focus on these particular characteristics will both limit business risks while contributing to a more responsible business approach.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Environmental and social characteristics are measured by the following indicators:

- Overall responsible management of environment and social characteristics:
 - the percentage of the Fund's investee companies with a sustainability assessment indicating a positive approach to environmental and social issues overall.
- Environmental characteristics:
 - weighted-average greenhouse gas emissions intensity of the Fund's investee companies in terms of the Greenhouse Gas Protocol's definition of Scope 1 emissions (direct emissions owned or controlled by a company) and Scope 2 emissions (emissions that a company causes indirectly and come from where the energy it purchases and uses is produced).
- Social characteristics:
 - weighted-average percentage of women on the board of the Fund's investee companies; and
 - the percentage of the Fund's investee companies that comply with the United Nations Global Compact.

The indicators above are not exhaustive and are analysed to the extent disclosure and data are available.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

- ✘ Yes, the Fund considers PAI Indicators as part of its due diligence process where data is available and reliable. PAI Indicators are no more significant than other factors in the investment due diligence process.

The Fund aims to minimise exposure to the following PAIs:

- Violations of the UNGC Principles and OECD Guidelines for Multinational Enterprises (PAI 10, Table 1)
- Exposure to controversial weapons (PAI 14, Table 1).

Save with regard to the exclusions applied by the Fund, no specific thresholds are set for how a company or the overall Fund must perform on a specific PAI indicator.

No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Investment Manager will invest in equity securities of mid-size and large companies generally with market capitalisations above \$2 billion at the time of purchase where the Investment Manager believes the companies have strong or improving long term business characteristics and where the share prices do not reflect these favourable fundamental attributes.

The Investment Manager will use in-house research and other third-party data sources to identify a universe of companies across a broad range of industries whose underlying fundamentals are considered by the Investment Manager to be attractive. The Investment Manager will focus on companies that it believes exhibit the following desirable characteristics:

- favourable business economics supported by enduring competitive advantages;
- capable and trustworthy management;
- positive industry dynamics; and
- sensible capital allocation.

The Investment Manager oversees a research process that will examine individual securities to drive performance. This research process includes the consideration of sustainability information, using internal and/or external data, to identify companies that approach environmental and social issues in a responsible manner. The Investment Manager will avoid those companies it believes to either be failing to manage Sustainability Risks or to not have appropriate mitigants or plans to secure an improved position with respect to Sustainability Risks. The Fund may invest in a company that is exposed to legacy material Sustainability Risks or that is lagging in management of Sustainability Risks. However, the Investment Manager will seek to find evidence of a positive Sustainability Risk-management trajectory, which it will document before making an investment.

The Fund may also pursue strategic engagement with certain companies and other stakeholders either through direct engagement or through collaborative initiatives being undertaken by the Investment Manager broadly. The purpose of this engagement is to enhance due diligence. The Fund also will limit exposure to companies that the Investment Manager deems to be laggards on certain environmental and social characteristics and do not have a positive trajectory for its Sustainability Risks.

Further, the Fund is subject to an exclusion policy as described in response to the next question, and in the Supplement.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Investment Manager will consider in-house or third-party research for every company in the Fund. The analysis focuses on the material risks that may be present, taking into consideration the Investment Manager's view of the company's ability to manage those risks.

Further, the Fund is subject to an exclusion policy to avoid investing in companies that (i) manufacture whole controversial weapons systems, including cluster munitions, land mines,

biological weapons, and/or chemical weapons; (ii) defy the UNGC Principles; (iii) derive more than 10% consolidated revenue from tobacco production; (iv) derive more than 10% consolidated revenue from civilian firearms; and/or (v) derive more than 10% consolidated revenue from adult entertainment.

Should an investment in the Fund develop exposure to any of these businesses or practices, the Investment Manager will engage with the company to understand what plans the company may have to reduce exposure. If the Investment Manager determines that the company has no plans to reduce exposure, the position will be exited in a manner that the Investment Manager believes to be in the best interests of the Fund, taking account of factors such as costs of dealing and ensuring the Fund is fully invested.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

No process is undertaken to reduce the size of the investable universe.

● ***What is the policy to assess good governance practices of the investee companies?***

All companies added to the portfolio are analysed according to a variety of applicable governance factors. This analysis forms part of the Fund's general research on Sustainability Characteristics. Applicable governance factors are:

- ownership and control
- board and management composition and structure
- employee relations
- tax transparency
- remuneration practices
- shareholder rights
- accounting practices
- transparency and disclosure
- business ethics

The Fund will not invest in a company that is assessed to have governance practices that do not align with long-term shareholder value and therefore will not contribute to the Fund's objective of achieving capital appreciation.

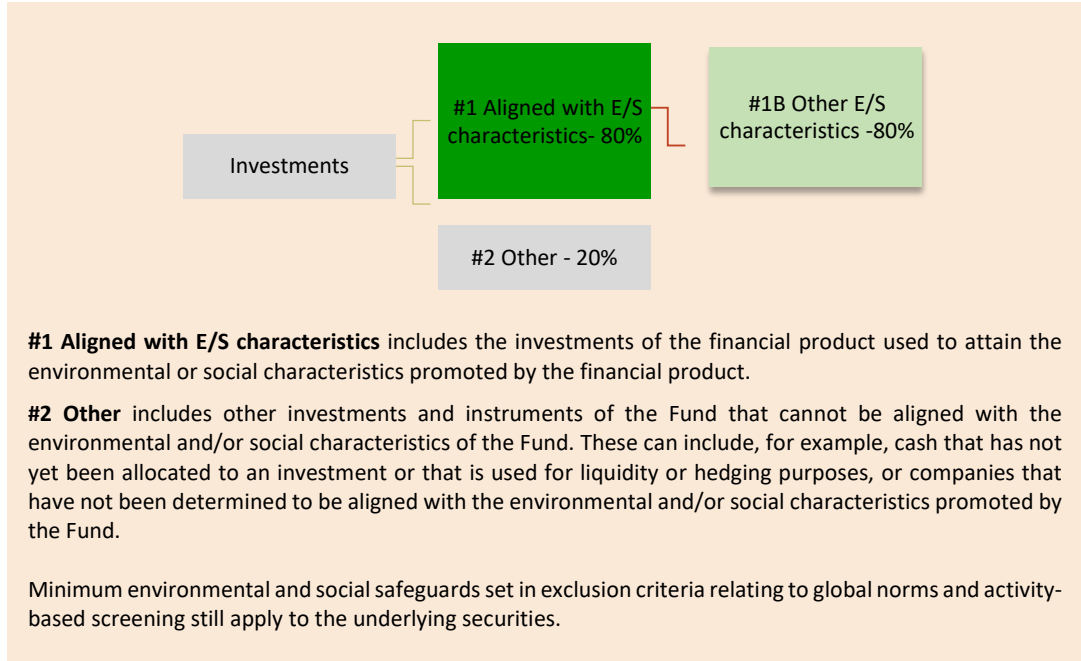
The Fund will engage, through proxy voting and other mechanisms, to vocalise the importance of appropriate incentives (e.g., compensation) to enable long-term performance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

At least 80% of the investments of the Fund, will be assessed and determined to promote environmental and social characteristics. The Fund does not have a sustainable objective.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable.



● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable, the Fund does not commit to making Sustainable Investments.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

Yes:

In fossil gas In nuclear energy

No

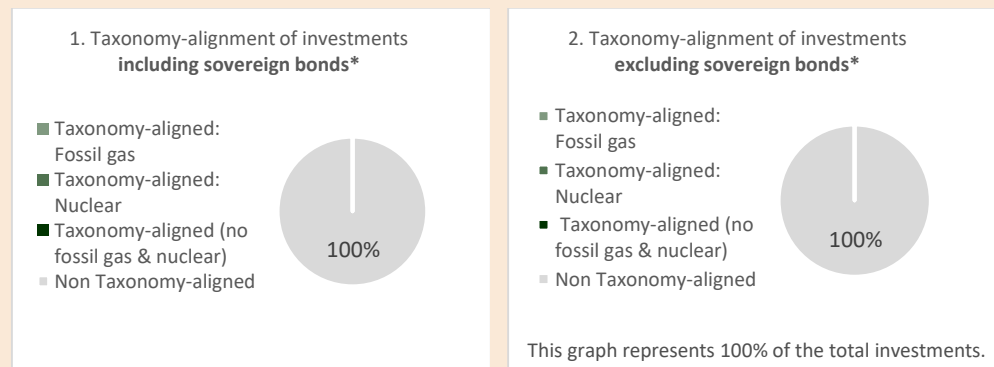
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Investments under “#2 Other” may include other investments that have not been determined to be aligned with the environmental and/or social characteristics of the Fund. For such investments, the Investment Manager will apply the exclusions set out in this Supplement and the binding elements described above.

“#2 Other” may also include any cash or cash equivalents that the Fund may not yet have allocated to an investment or that are being used for liquidity or hedging purposes.



● **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No, the Fund does not use a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics it promotes.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

● **How does the designated index differ from a relevant broad market index?**

Not applicable.

● **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.brownadvisory.com/intl/ucits-legal-document-library>