Article 10 Transparency Statement in respect of

BA Beutel Goodman US Value Fund (the "Fund")

LEI code: 6354002F2ICLDM3QCY81

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

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

Beutel Goodman & Company Ltd. (the "Sub-Investment Manager")

26 April 2025

This Article 10 Transparency Statement (the "**Statement**") is published by the Manager of the Company, which has delegated investment management of the Fund to the Investment Manager. The Investment Manager has delegated some of the day-to-day portfolio management of the Fund to Sub-Investment Manager. The Statement meets the requirements of the EU Sustainable Finance Disclosure Regulation ("**SFDR**"), specifically Article 10(1) of Regulation (EU) 2019/2088 and Articles 25 to 36 of the Commission Delegated Regulation (EU) 2022/1288. In accordance with Article 10 of the SFDR, financial market participants such as the Manager are required to publish and maintain summary information on a public website regarding financial products which promote environmental or social characteristics or which have sustainable investment as their objective. The purpose of the statement is to provide transparency on the Fund's environmental or social characteristics and the methodologies that are used to assess, measure and monitor these characteristics within the investment strategy.

Words and expressions defined in the supplement to the prospectus of the Company relating to the Fund shall have the same meaning unless otherwise defined in this Statement.

(a) Summary

The Fund is an Article 8 Fund pursuant to the SFDR and promotes environmental or social characteristics but does not have as its objective sustainable investment.

The investment objective of the Fund is to achieve capital appreciation by investing primarily in U.S. 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 Asset Value in equity securities of U.S. mid-cap and large-cap companies, which the Sub-Investment Manager considers to be those with market capitalisations greater than $5 billion at the time of purchase. The Fund may invest a significant portion of its assets in the securities of a single issuer or small number of issuers.

In addition, a minimum of 80% of the Fund's investment will be in investments that align with the Fund's environmental or social characteristics.

The Sub-Investment Manager considers material Sustainability Characteristics as part of its fundamental company research. Sustainability Characteristics are assessed as part of the investment process for every security in the Fund. The Sub-Investment Manager monitors the Sustainability Characteristics of the Fund through sustainability indicators and the Fund has investment restrictions.

The assessment of Sustainability Characteristics is guided by a framework of qualitative and quantitative analysis of Sustainability Characteristics, and uses third-party sustainability data and ratings, among others, as a resource. The Sub-Investment Manager's research methodology encompasses a fundamentally driven analysis to identify valuation opportunities in quality companies from a bottom-up perspective.

The Sub-Investment Manager's disciplined investment research process generally involves meeting with investee company management, which can provide important insights into issuers and sustainability factors, and how these may impact long-term shareholder value.

The data sources the Sub-Investment Manager uses to obtain the environmental and social data consist primarily of MSCI, Bloomberg, CDP, and company reports. Whilst all external data sources serve as inputs to the Sub-Investment Manager's research process, all final determinations are made based on the Sub-Investment Manager's proprietary research.

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 or social characteristics but does not have as its objective sustainable investment.

(c) Environmental or Social Characteristics of the Fund

The Sub-Investment Manager considers material Sustainability Characteristics as part of its fundamental company research. Sustainability Characteristics are assessed as part of the investment process for every security in the Fund.

The Sustainability Characteristics that the Sub-Investment Manager considers within this analysis because they may be material are:

- **Environmental:** efficient and/or effective management of natural resource usage and relevant governance expertise that would mitigate environmental risks as monitored through factors such as carbon emissions, energy, waste, and/or water ("**Climate and Resource Usage**").

- **Social:** leadership in human capital management and/or strategic oversight, including appropriate policies and a demonstrable track record of supply chains and the labour force including human rights, diversity and inclusion, product quality and safety and data privacy and security. These factors are monitored through an assessment of supply chain policies and audit practices; board, management and employee diversity and compliance with global standards (*e.g.*, UNGC Principles or UN Guiding Principles) ("**Human Capital and Supply Chain Management**").

(d) Investment Strategy

The objective of the Fund is to achieve capital appreciation by investing primarily in U.S. 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 Asset Value in equity securities of U.S. mid-cap and large-cap companies, which the Sub-Investment Manager considers to be those with market capitalisations greater than $5 billion at the time of purchase.

The Fund may invest a significant portion of its assets in the securities of a single issuer or small number of issuers.

In pursuing the investment objective and policies of the Fund, the Sub-Investment Manager will identify and invest in companies at what it assesses are discounts to their estimated business value, which the Sub-Investment Manager considers to be the present value of sustainable free cash flow. The Sub-Investment Manager defines “sustainable free cash flow”, not just as cash flow from continuing operations, but also the ability for companies to generate sufficient earnings to cover the cost of capital over an economic cycle and pay dividends to shareholders.

To identify these investment opportunities, the Sub-Investment Manager’s fund managers and research team engage in a disciplined, bottom-up investment process highlighted by rigorous, internally-generated fundamental research. Such fundamental research includes analysis of the primary business drivers, risk factors, capital structure, valuation, capital allocation and management, and free cash flow sustainability of each contemplated investment.

Accordingly, investments are made only when the Fund believes the chosen investments are attractively valued relative to the market, their peer groups, and their own price history. Valuation techniques also permit the Sub-Investment Manager to mitigate the potential downside risk of an investment candidate by demonstrating the difference in the estimated value of a company’s security and its current market price.

With regards to the governance of the Fund’s investee companies, the Sub-Investment Manager will seek quality and established management teams that have formalised governance structures. Indicators that are considered in this analysis are board and committee composition and structure including expertise and diversity, shareholder rights provisions, compensation packages, and business ethics.

(e) Proportion of Investments

A minimum of 80% of the Fund’s investment will be in investments that align with the Fund’s environmental or social characteristics. The Fund will allocate 100% of such assets to category 1B, investments that promote social or environmental characteristics but do not qualify as Sustainable Investments. The Fund may make investments that qualify as Sustainable Investments, but the Fund is not committed to making Sustainable Investments.

It may make cash and other short term investments for defensive or liquidity purposes or pending investment

Up to 20% of the Fund Net Asset Value may consist of other investments and instruments of the Fund that cannot be aligned with the Sustainability Characteristics of the Fund. These can include, for example, cash that has not yet been allocated to an investment or that is used for

liquidity or hedging purposes, or companies that have not been determined to be aligned with the Sustainability Characteristics promoted by the Fund.

Minimum environmental and social safeguards set in exclusion criteria and screening still apply to the underlying securities.

(f) Monitoring of Environmental or Social Characteristics

The Sub-Investment Manager considers material Sustainability Characteristics as part of its fundamental company research. Sustainability Characteristics are assessed as part of the investment process for every security in the Fund.

The Fund uses the following sustainability indicators:

- Available PAI Indicators on sustainability factors as described in Annex I of SFDR.
- Sustainability Risk evaluation (internal qualitative and / or quantitative assessment).
- Sustainability performance evaluation (internal qualitative and / or quantitative assessment).
- Specific environmental sustainability indicators (*e.g.*, carbon footprint).
- Specific social sustainability indicators (*e.g.*, diversity metrics).

The Sub-Investment Manager obtains sustainability information, including PAIs, from various external providers that it believes to be reliable (*i.e.*, MSCI).

(g) Methodologies

The assessment of Sustainability Characteristics is guided by a framework of qualitative and quantitative analysis of Sustainability Characteristics, and uses third-party sustainability data and ratings, among others, as a resource. The Sub-Investment Manager's research methodology encompasses a fundamentally driven analysis to identify valuation opportunities in quality companies from a bottom-up perspective.

The research approach is based on a qualitative assessment of each security but will include certain quantitative elements. The purpose of this assessment is to seek to ensure that the Fund is investing in companies which, overall, approach sustainability issues in a responsible manner while excluding those that are considered by the Sub-Investment Manager either to be failing to address sustainability issues or to not have in place appropriate mitigants or plans to secure a positive long-term trajectory. The Fund does not focus on any one particular Sustainability Characteristic, instead focusing on materiality and seeking to identify companies which satisfy a more holistic long-term assessment, using a framework of qualitative and quantitative analysis.

The Sub-Investment Manager considers sustainability criteria to be part of the material risks and opportunities associated with the long-term sustainability of investments. Using a bottom-up, disciplined, value-investing approach, each research report or update which the Sub-Investment Manager prepares incorporates sustainability considerations. Most material factors to an investment are identified through a mixture of internal research, third-party data providers and meetings with company management. Using a bottom-up, disciplined, value-investing approach, each research report or update the Sub-Investment Manager prepares

incorporates sustainability considerations.

The Fund has adopted the following binding restrictions and will not invest in companies that derive significant revenue (typically in excess of 10% of total revenue on an annual basis, or as may otherwise be determined by the Sub-Investment Manager from time-to-time) from:

- adult entertainment;
- casinos and gaming;
- companies that produce controversial weapons (0% total revenue);
- conventional weapons and/or ammunition;
- oil and gas exploration and production (primary business or 50%+ of revenue);
- thermal coal; and
- tobacco and recreational drugs.

Companies the Sub-Investment Manager is aware are involved in severe and widespread controversies in violation of the UNGC Principles will also be excluded from investment.

The Fund also considers PAI at portfolio level.

The Sub-Investment Manager considers PAIs.

(h) Data Sources and Processing

The data sources the Sub-Investment Manager uses to obtain the environmental and social data consist primarily of MSCI, Bloomberg, CDP, and company reports. Whilst all external data sources serve as inputs to the Sub-Investment Manager's research process, all final determinations are made based on the Sub-Investment Manager's proprietary research. The Sub-Investment Manager may run parallel screens for information using different data sources to identify any inconsistencies in the data which bear further investigation. If the Sub-Investment Manager finds an inconsistency, the Sub-Investment Manager may take several steps including verifying data directly with the company and questioning the data provider. The Sub-Investment Manager's portfolio managers and research analysts also review the data as they are best positioned to identify a metric or number that appears to be an outlier due to their robust knowledge of the company. The Sub-Investment Manager understands the methodologies of the data providers and have indicated in the data sheets whether or not a metric is reported or estimated. For the most part, the Sub-Investment Manager prefers actual data and does not rely significantly on estimated data. Through the sourcing and comparison of various data sources, the Sub-Investment Manager seeks to rely on latest available data for each portfolio company. The reporting of sustainability data by companies is inconsistent and evolving and portfolio companies are encouraged to report factors in a robust and timely manner.

(i) Limitations to Methodologies and Data

The limitations to the data and data sources are often related to inconsistent calculation and disclosure requirements among companies and jurisdictions, as well as missing disclosure,

inaccurate data and estimates. The Sub-Investment Manager aims to mitigate the lack of disclosure issue by engaging with companies regarding missing data and metrics. The Sub-Investment Manager may also contact data providers if the Sub-Investment Manager believes there is an error to seek further information. The Sub-Investment Manager generally tries to avoid using estimated data as the Sub-Investment Manager's level of confidence in the accuracy of estimates is low, particularly as it relates to greenhouse gases ("**GHG**") emissions. The Sub-Investment Manager believes that the disclosure and quality of environmental and social metrics will likely continue to improve as investors demand improved disclosure, Task Force on Climate-Related Financial Disclosures (TCFD) membership broadens, standardisation under the International Sustainability Standards Board (ISSB) is adopted, and regulators augment required disclosures. The Sub-Investment Manager also believes that companies hiring auditors to verify their ESG metrics will also start to become widely adopted. All these efforts will improve the Sub-Investment Manager's confidence in the data used to evaluate a company's Sustainability Characteristics. The Sub-Investment Manager uses the available data to help identify if there are priority issues on which to engage a company. The Sub-Investment Manager does not use the data for quantitative "*best in class*" or "*worst in class*" investment screens as a basis for investment so data limitations should not lead to false conclusions.

(j) Due Diligence

Sustainability research analysis is undertaken by the Sub-Investment Manager's research analysts across asset classes and industry sectors in a bottom-up, fundamental research process that seeks to examine individual securities and includes an assessment of Sustainability Risks and opportunities.

Fundamental research including integrated analysis of Sustainability Characteristics is considered when making portfolio decisions for the Fund. All of the Sub-Investment Manager's valuations as part of its investment selection process integrate Sustainability Characteristics. Each analyst builds a financial model comprising forecast financial statements, a strengths, weaknesses, opportunities, threats (SWOT) analysis, and identification of material financial risks, including Sustainability Risks. This information is then used to determine several valuation metrics to substantiate an intrinsic value for the company. A focus on integrating research on Sustainability Characteristics into the investment due diligence process in a systematic manner is important to the Sub-Investment Manager's philosophy for Article 8 Funds, including the Fund. The Fund may invest in a company that is exposed to legacy material Sustainability Risks or that is lagging in Sustainability Risk management, if it can ascertain a substantial opportunity for improvement, and a credible pathway for meeting the desired standards within a reasonable period of time post-investment.

The Sub-Investment Manager's portfolio managers also draw on the expertise of dedicated sustainability staff (Head of RI, ESG Lead for Equities and ESG Analyst) as well as the ESG Working Group to help with the gathering and integration of sustainability considerations into investment research. The Sub-Investment Manager's portfolio managers also give a big-picture assessment of material sustainability considerations in company initiation and update

research reports. Active ownership data are included in sustainability "tearsheets" (engagement priorities), the team's engagement trackers which documents all engagements and outcomes, and proxy voting reports.

The Sub-Investment Manager's disciplined investment research process involves meeting with investee company management, which can provide important insights into issuers and sustainability factors, and how these may impact long-term shareholder value.

(k) Engagement Policies

The Fund may also pursue strategic, active engagement with certain companies and other stakeholders to enhance due diligence, monitor Sustainability Risks and encourage companies to improve their sustainability practices ("**Engagement**").

The Sub-Investment Manager's *Responsible Investment Policy Statement* reinforces its dedication to active ownership through corporate engagement and proxy voting. The exercise of its voting rights and ongoing engagement with the companies held in the portfolio are the pillars of its active ownership practices. These serve as important touchpoints, and insights gained from engagement are continually incorporated into company analysis and investment decision-making. The Sub-Investment Manager aims to conduct frequent, meaningful engagements with portfolio companies within the context of a concentrated portfolio.

The Sub-Investment Manager's disciplined investment process focuses on well-managed, high-quality companies with sustainable cash flow generation. When necessary, portfolio managers convey their views on improvements or challenges.

The Sub-Investment Manager believes that it can effect change on sustainability issues by engaging with management. Part of their highly disciplined investment research process involves meeting with company management, which can provide important insights into issuers and sustainability factors, and how these may impact long-term shareholder value.

The Sub-Investment Manager will engage with a company on multiple occasions over a timeframe that allows for positive change. Engagement is both proactive/thematic (as they strive to understand and promote companies' management of key sustainability considerations, *e.g.*, climate change or linking executive compensation to sustainability metrics), and reactive (when controversies arise). The outcomes of Engagement efforts may include establishment of policies, adoption of key performance indicators, implementation of initiatives, and increased disclosures. Failed Engagements can factor into a decision to reduce or divest a holding. The Fund does not seek to engage with companies with the intent to change a core business model.

Engagements typically include the primary analyst and may include other team members (such as the VP, Portfolio Analytics & Responsible Investing and the VP, Investment Services, U.S. & International Equities).

(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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