



Brown Advisory Sustainable Bond Fund



Investor Shares | BASBX

Annual Shareholder Report | June 30, 2024

This annual shareholder report contains important information about the Brown Advisory Sustainable Bond Fund (the “Fund”) for the period of July 1, 2023, to June 30, 2024. You can find additional information about the Fund at <https://www.brownadvisory.com/mf/how-to-invest>. You can also request this information by contacting us at 1-800-540-6807.

What were the Fund costs for the past year?

(based on a hypothetical \$10,000 investment)

Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Investor Shares	\$46	0.46%

How did the Fund perform last year and what affected its performance?

For the 12-month period ended June 30, 2024, the Fund underperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index.

WHAT FACTORS INFLUENCED PERFORMANCE

Exposure to intermediate maturity Treasuries weighed on the Fund’s performance as the market priced out an aggressive monetary easing cycle as inflation data turned higher after a period of sustained declines. Exposure to mortgage-backed bonds also detracted from performance as these bonds experienced duration extension as interest rates rose. Positive contributors to relative performance were led by strong security selection in corporate bonds and the mild overweight held over the period. Asset-backed bonds also positively contributed to performance due to their attractive yields and short average maturities which benefited from the inverted yield curve.

POSITIONING

We tactically added duration in the portfolio during the first half of the period but moved back to a neutral position as interest rates moved higher in the face of ongoing elevated inflation data. In addition, the Fund moved to an overweight allocation to corporate bonds and agency MBS based on elevated yields and ongoing strong fundamentals.

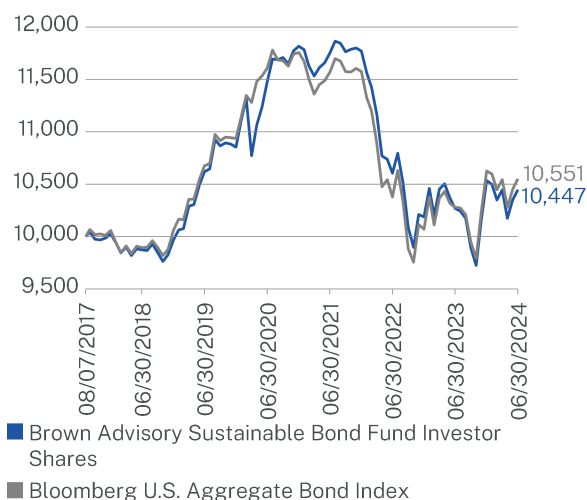
PERFORMANCE

The Fund underperformed for the reported period. The Fund’s mild overweight to mortgages was a detractor, this was partially offset by strong corporate bond performance as fundamentals remained strong and credit spread tightened markedly over the period and to a lesser degree exposure to asset-backed bonds with shorter average maturity profiles that had elevated yields as the Federal Reserve’s policy continued to result in an inverted yield curve.

How did the Fund perform since inception?*

The \$10,000 chart reflects a hypothetical \$10,000 investment in the class of shares noted and does not assume the maximum sales charge. The chart uses total return NAV performance and assumes reinvestment of dividends and capital gains. Fund expenses, including 12b-1 fees, management fees and other expenses were deducted. Performance for other share classes will vary.

CUMULATIVE PERFORMANCE



ANNUAL AVERAGE TOTAL RETURN (%)

	1 Year	5 Year	Since Inception (08/07/2017)
Investor Shares	1.73	-0.32	0.64
Bloomberg U.S. Aggregate Bond Index	2.63	-0.23	0.78

* The Fund’s past performance is not a good predictor of the Fund’s future performance. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

Key Fund Statistics (as of June 30, 2024)

Net Assets	\$558,246,407	Net Advisory Fee	\$1,788,733
Number of Holdings	164	Portfolio Turnover	251%

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

What did the Fund invest in? (% of net assets, as of June 30, 2024)

Security Type	(%)	Top 10 Issuers	(%)
Corporate Bonds	32.1%	Federal National Mortgage Association	14.2%
Agency Residential Mortgage-Backed Securities	30.1%	United States Treasury Note	8.4%
Foreign Government Agency Issues	16.0%	Ginnie Mae II Pool	8.2%
U.S. Treasury Securities	14.8%	Federal Home Loan Mortgage Corp.	5.2%
Asset-Backed Securities	5.5%	European Investment Bank	4.7%
Short-Term Investments	4.1%	United States Treasury STRIP	4.4%
Municipal Bonds	1.5%	International Bank for Reconstruction & Development	4.4%
Non-Agency Commercial Mortgage-Backed Securities	0.5%	First American Government Obligations Fund	3.9%
Agency Commercial Mortgage-Backed Securities	0.1%	Inter-American Development Bank	3.8%
Cash & Other	-4.7%	Kreditanstalt fuer Wiederaufbau	3.2%

Householding

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

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

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