Article 10 Transparency Statement in respect of

Brown Advisory Global Sustainable Income Bond Fund (GBP) (the "Fund")

LEI code: 635400ZM2HZ19IUQOF19

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

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

Brown Advisory LLC (the "Investment Manager")

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

13 May 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, Sustainable Investments 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 produce income over a full economic cycle, by investing in a broad range of global fixed-income securities and associated FDIs and currencies. The Fund is actively managed and is not constrained by any benchmark.

The Fund promotes certain Sustainability Characteristics through its investment selection and ongoing monitoring processes. The Fund is actively managed, investing primarily in a dynamic portfolio of bonds, which may have either corporate, sovereign, sub-sovereign, supranational or securitised issuers.

At least 80% of the Net Asset Value of the Fund will be assessed and determined to promote environmental and social characteristics. In addition, a minimum of 50% of the Fund's Net Asset Value will be in investments that have been determined to be Sustainable Investments.

The Sub-Investment Manager's research process includes an assessment of Sustainability Characteristics and Sustainability Risks for every issuer and/or security in the Fund, with the aim of protecting the financial performance of the Fund by identifying securities and/or issuers that have Sustainability Characteristics that support or improve their financial position, while also seeking to avoid those issuers and or/securities exposed to material Sustainability Risk. These assessments are then conducted on portfolio holdings periodically after investment in order to monitor ongoing compliance with the Sub-Investment Manager's sustainability criteria. The Sub-Investment Manager monitors the Sustainability Characteristics of the Fund through sustainability indicators and the Fund is bound by an exclusion policy.

In assessing the Sustainability Characteristics and Sustainability Risks of the Fund, the Sub-Investment Manager uses data sources which include publicly available data, third party data providers, information gathered from engagement activity, if applicable, and the Sub-Investment Manager's research team's analysis. The Sub-Investment Manager conducts ongoing discussions with issuers to inform its investment

research and decision-making.

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 Fund integrates sustainable investment research within its investment process thereby promoting Sustainability Characteristics. The Fund is actively managed, investing primarily in a dynamic portfolio of bonds, which may have either corporate, sovereign, sub-sovereign, supranational or securitised issuers.

Given the Fund's varied allocation to types of issuer, the Fund has identified two broad portfolio-level Sustainability Characteristics which will be monitored and assessed as appropriate to the asset type. These are:

- **Climate and Natural Capital**: investments that the Sub-Investment Manager considers contribute to positive climate or natural capital outcomes through their general activities or a specific use of proceeds.
- **Community and Human Capital**: investments that the Sub-Investment Manager considers contribute to human capital or societal outcomes through their general activities or a specific use of proceeds.

The Fund does not have Sustainable Investment as its objective but does commit to investing at least 50% of the Fund's NAV in Sustainable Investments.

d) Investment Strategy

The investment objective of the Fund is to produce income over a full economic cycle, by investing in a broad range of global fixed-income securities and associated FDIs and currencies. The Fund is actively managed and is not constrained by any benchmark.

The Fund may invest up to:

- 60% of its Net Asset Value in below-Investment Grade or Non-Investment Grade fixed-income securities;
- 25% of its Net Asset Value in fixed-income securities of Emerging Market Countries;
- 40% of its Net Asset Value in ABS including MBS and CMBS;
- 10% of its Net Asset Value in non-Agency ABS;
- 20% of its Net Asset Value in convertible securities including CoCos;
- 20% of its Net Asset Value in China onshore bonds traded through Bond Connect;
- 10% of its Net Asset Value in Investment Grade (at time of purchase) CLOs and CMOs, in aggregate;
- 30% of its Net Asset Value in Rule 144A Securities; and
- 15% of its Net Asset Value in Rule 144A Securities with no registration rights.

The Sub-Investment Manager combines top-down, global macroeconomic analysis with bottom-up, fundamental research to help identify the countries, sectors, industries and companies that it believes will offer the greatest total return potential over the long term.

The Sub-Investment Manager will conduct a Good Governance Assessment at the sector, company or security level for every investment made in the Fund. This assessment may include, though is not limited to, analysis of the following indicators for various asset classes:

- Corporate issuers: ownership and control; board and management composition and structure; employee relations; remuneration practices; shareholder rights; accounting practices; transparency and disclosure; business ethics; tax transparency.
- Sovereign issuers: civil liberties & security; institutional strength and regulatory environment; corruption and transparency.
- Sub-sovereign issuers: corruption and stewardship of capital; board and management team; transparency and disclosure.
- Securitised issuers: business ethics and lending practices, deal structure and incentives alignment, transparency and disclosure.
- Supranational issuers: government ties and influence; corruption and stewardship of capital; transparency and disclosure.

The strategy also will identify Sustainable Investments, investing at least 50% of the Fund in issuers that positively contribute to identified sustainability outcomes, being one or more of:

- Affordable Housing
- Clean Energy
- Clean Water and Sanitation
- Diversity, Inclusion and Equality
- Economic Mobility and Community Development
- Education
- Efficient Production and Conservation
- Health and Wellness
- Sustainable Agriculture and Natural Resource Management
- Sustainable Finance
- Sustainable Technology Innovation

The Fund is also bound by its exclusion policy.

e) Proportion of Investments

At least 80% of the Net Asset Value of the Fund will be assessed and determined to promote environmental and social characteristics. In addition, a minimum of 50% of the Fund's Net Asset Value will be in investments that have been determined to be Sustainable Investments.

Up to 20% of the Fund's Net Asset Value may consist of other investments that have not been determined to be aligned with the environmental and/or social characteristics.

f) Monitoring of Environmental or Social Characteristics

The Sub-Investment Manager's research process includes an assessment of Sustainability Characteristics and Sustainability Risks for every issuer and/or security in the Fund, with the aim of protecting the financial performance of the Fund by identifying securities and/or issuers that have Sustainability Characteristics that support or improve their financial position while also seeking to avoid those issuers and or/securities exposed to material Sustainability Risk.

These assessments are then conducted on portfolio holdings periodically after investment in order to monitor ongoing compliance with the Sub-Investment Manager's sustainability criteria.

The following are the sustainability indicators used to measure the environmental or social

characteristics of the Fund for each type of asset:

- **Climate and Natural Capital**
    - Corporate issuers:
        - greenhouse gas emissions intensity.
        - net zero target alignment.
        - percentage of corporate bonds that the Sub-Investment Manager considers contribute to positive environmental outcomes.
    - Sovereign issuers:
        - greenhouse gas emissions intensity.
        - net zero target alignment.
        - percentage of sovereign bonds that the Sub-Investment Manager considers contribute to positive environmental outcomes.
    - Sub-sovereign issuers:
        - percentage of sub-sovereign bonds that the Sub-Investment Manager considers contribute to positive environmental outcomes.
    - Supranational issuers:
        - percentage of supranational bonds that the Sub-Investment Manager considers contribute to positive environmental outcomes.
    - Securitised issuers:
        - percentage of securitised bonds that the Sub-Investment Manager considers contribute to positive environmental outcomes.
- **Community and Human Capital:**
    - Corporate issuers:
        - percentage of corporate bonds that the Sub-Investment Manager considers contribute to positive social outcomes
        - percentage of issuers with UNGC Principles compliance.
    - Sovereign issuers:
        - average weighted Freedom House score.
        - percentage of issuers with EU sanctions compliance.
        - percentage of sovereign bonds that the Sub-Investment Manager considers contribute to positive social outcomes.
    - Sub-sovereign issuers:
        - percentage of sub-sovereign bonds that the Sub-Investment Manager considers contribute to positive social outcomes.
    - Supranational issuers:
        - percentage of supranational bonds that the Sub-Investment Manager considers contribute to positive social outcomes.
    - Securitised issuers:
        - percentage of securitised bonds that the Sub-Investment Manager considers

contribute to positive social outcomes.

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

g) Methodologies

The Sub-Investment Manager's research process includes an assessment of Sustainability Characteristics and Sustainability Risks for every issuer and/or security in the Fund, with the aim of protecting the financial performance of the Fund by identifying securities and/or issuers that have Sustainability Characteristics that support or improve their financial position while also seeking to avoid those issuers and or/securities exposed to material Sustainability Risk.

The Sub-Investment Manager uses a combination of proprietary qualitative and quantitative approach to identify, consider and integrate a sustainable investment research assessment (the "**SIRA**"), which comprises four elements (and will be implemented as relevant for each asset type):

- a risk assessment of the issuer's exposure to, and management of, a variety of sustainability factors (the "**Risk Assessment**");
- a sustainable opportunity assessment of factors that the Sub-Investment Manager believes may provide positive environmental and social benefits generated by either the issuer or the individual security, including, where relevant, the identification of a sustainable investment theme and the source of the impact being one or more of the following: impactful issuer, targeted use of proceeds, or labelled bond (the "**Opportunity Assessment**");
- an assessment of an issuer's labelled bond criteria for any bonds that are deemed to be financing or aligned with environmental and/or social projects or outcomes in alignment with recognised frameworks, such as the ICMA's labelled bond principles (the "**Labelled Bond Assessment**"); and
- an assessment of whether issuers follow good governance practices.

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 identify Sustainability Characteristics that help to maintain or improve an issuer's financial position while also seeking to avoid those issuers and or/securities exposed to material Sustainability Risks. The Sub-Investment Manager seeks to avoid those issuers that it believes either to 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 Sub-Investment Manager seeks to exclude companies and industries that are not aligned with the Fund's Sustainability Characteristics. In addition to the Sub-Investment Manager's proprietary and qualitative analysis, the Sub-Investment Manager relies on third-party providers to apply a rules-based screening process which seeks to identify corporate bond issuers that may have controversial business involvement, as determined by the Sub-Investment Manager. When third-party data is not available, the Sub-Investment Manager will utilise discretion in making investments.

Specifically, the Fund seeks to exclude knowingly owning bonds issued by companies:

- that violate the UNGC Principles or the OECD Guidelines for Multinational Enterprises; and/or
- that conduct animal testing for non-medical purposes and do not exhibit strong ethical policies and practices; and/or

- that directly manufacture controversial weapons and their essential components (defined as blinding laser weapons, chemical and biological weapons, cluster munitions, incendiary weapons (white phosphorous), anti-personnel land mines, non- detectable fragments, nuclear weapons, and/or depleted uranium); and/or

- involved in the cultivation and production of tobacco products.

The Fund also applies the following investment guidelines in respect of underlying issuers to ensure that an issuer will not be included if it knowingly has more than:

- 1% or more of its revenue from exploration, mining, extraction, distribution or refining of hard coal and lignite; and/or

- 10% or more of its revenue from exploration, extraction, distribution or refining of oil fuels; and/or

- 50% or more of its revenue from exploration, extraction, manufacture, or distribution of gaseous fuels; and/or

- 50% or more of its revenue from electricity generation with a GHG intensity of more than 100g CO2e/kWh; and/or

- 5% of its revenue derived directly from alcohol products.

The exception to the above is that the Fund may invest in labelled bonds (without limitation) or other fixed-income securities that are issued to raise capital to support environmental or social projects and objectives, and often times help to facilitate the transition to more sustainable practices. Investment in such instruments will be subject to diligence by the Sub-Investment Manager.

The Fund also considers PAIs at portfolio level.

In addition to the Fund's investment policies and exclusion policy, the Sub-Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund investments.

h) Data Sources and Processing

The Sub-Investment Manager relies on a number of data sources when assessing Sustainability Characteristics and Sustainability Risks. These sources include publicly available data, third party data providers, information gathered from engagement activity if applicable and the Sub-Investment Manager's research team's analysis. Third party data is one input in the Fund's approach but is not the primary factor in the assessment.

Responsibility for data accuracy and any data accessed via a third party platform is delegated to the respective data provider. Any in-house data that is derived from the Sub-Investment Manager's internal research database is peer-reviewed prior to being distributed internally.

Estimated data varies by the dataset and is dependent on the coverage of the data provider.

i) Limitations to Methodologies and Data

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

Due to inconsistencies with respect to the evaluation of particular issuers by third party research and data providers, the evaluation of an investment's sustainability characteristics may differ between financial market participants. For this reason, the Sub-Investment Manager always uses a combination of qualitative and quantitative data. Quantitative data is provided by either the company directly or by a third party data provider and this is then overlaid by the qualitative assessment undertaken by the Investment Manager's research team. Whilst the data providers are responsible for the accuracy of the data, the insights that the Sub-Investment Manager's research teams gain through their interaction with the companies and their own analysis, limits the effect of poor/lack of data in the investment process.

j) Due Diligence

As noted above, the Sub-Investment Manager's sustainable investment research team conduct a significant amount of up-front due diligence prior to investing and monitor the issuers in the Fund on an on-going basis. Additional monitoring is also undertaken through a quarterly review of certain Sustainability Characteristics of the Fund. In addition to the in-house qualitative analysis, the Sub-Investment Manager has access to data from third-party providers. The research process may also include but is not limited to a review of public filings, meetings with management teams and site visits to operations, research around industry and competitive dynamics, and checks with competitors or suppliers.

The Sub-Investment Manager's research team is tasked with overseeing and monitoring the portfolio managers' approach to integrating sustainability considerations and engagement insights into their investment due diligence.

k) Engagement Policies

The Sub-Investment Manager conducts ongoing discussions with issuers to inform its investment research and decision-making. When possible and material to an investment decision, these conversations are a component of the Sub-Investment Manager's research process and on-going monitoring.

Where an investment is deemed to be doing significant harm to the environment or society, and due diligence (including engagement) with the investment indicates that the harm is systemic, detractive from the Fund's investment, and the harm is unlikely to be mitigated, the Sub-Investment Manager will exit the position in a manner that the Sub-Investment Manager believes to be in the best interests of the Fund, taking account of such factors such as costs of dealing and ensuring the Fund is fully invested.

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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