

Tax-Exempt Sustainable Fixed Income

SUSTAINABLE DRIVERS PROFILE MATRIX

Fourth Quarter 2023

The Brown Advisory U.S. Tax-Exempt Sustainable Fixed Income strategy seeks to deliver attractive after-tax returns and capital appreciation by incorporating sustainable investment research that strengthens bottom-up, credit-focused research, while producing positive environmental and social impacts with tax-advantages.

SUSTAINABILITY PROFILES FOR PORTFOLIO HOLDINGS (AS OF 12/31/2023)

AIRPORTS/PORTS

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
Dallas Fort Worth International Airport	Efficient Production & Conservation	Impactful Issuer	Dallas Fort Worth (DFW) is one of the largest carbon neutral airports in the world purchasing 100% of its electricity from renewable sources and incorporating green building standards into its construction projects, among other initiatives. DFW has committed to net zero emissions by 2030.
Portland International Jetport	Sustainable Technology Innovation	Labeled Green Bond	Portland International Jetport (PWM) has strategically installed a geothermal heating and cooling system and was the second terminal in the United States to achieve LEED Gold. PWM was also the first airport in the United States to produce an FAA-approved aircraft deicing fluid from previously used recycled fluid.

The holdings listed above are a few samples of the portfolio's holdings within the airports/ports sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

CONTINUING CARE RETIREMENT COMMUNITIES

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
National Senior Communities	Health & Wellness	Impactful Issuer	National Senior Campuses is a non-profit committed to providing housing, healthcare and other related services to middle income seniors. Specifically, it provides governance oversight, supervision and strategic planning for 16 continuing care retirement communities across the US, serving a population of over 20,000 residents.

The holding listed above is a sample of the portfolio's holdings within the continuing care retirement community sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

EDUCATION

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
KIPP NYC Public Schools	Education	Labeled Social Bond	KIPP NYC students have outperformed NYS and NYC peers in both math and English, and have outperformed national rates for high school graduation, college matriculation, and college graduation. 99% of KIPP NYC students are students of color, and 90% qualify for free and reduced lunch. The new buildings that were funded by these issuances incorporate LEED Silver equivalency standards.
Chicago Park District	Efficient Production & Conservation	Impactful Issuer	The Chicago Park District is the largest municipal park manager in the nation by acres of green space, and it was recognized by the EPA for being one of the largest green power users. Through its B100 program, the District reduced its greenhouse gas emissions and particulates by approximately 85% compared to standard diesel fuel.
Morgan State University	Education	Targeted Use of Proceeds	Morgan State University is a public historically black research university (HBCU) and the largest of Maryland's HBCUs. The university expands access to quality education and creates opportunities for economic mobility. The bond proceeds are intended to finance the construction of a new on-campus student housing facility that should replace around 280 beds and provide an additional 390 new beds to improve the amount and quality of on-campus student housing.

The holdings listed above are a few samples of the portfolio's holdings within the education sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

Source: Underlying portfolio companies. The conclusions provided are based on fundamental research of Brown Advisory's sustainable investment team. Please see the end of this presentation for important disclosures.

SUSTAINABILITY PROFILES FOR PORTFOLIO HOLDINGS (AS OF 12/31/2023)

ELECTRIC UTILITIES

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
Berkshire Wind Power Cooperative Corporation	Clean Energy	Labeled Green Bond	This facility is the second largest operating wind farm in Massachusetts, capable of producing enough electricity to power 7,800 homes and offset the production of approximately 800,000 metric tons of carbon dioxide. Proceeds of this bond are intended to expand current capacity to 19.6 MWs of wind energy.
New York Power Authority	Clean Energy	Labeled Green Bond	To transition to 100% carbon-free electricity by 2035, New York Power Authority (NYP) is focused on modernizing its generation and transmission assets and expanding the use of renewable energy sources. To support this transition, NYPA has issued Green Bonds that are intended to finance capital (transmission) projects, which are expected to accelerate progress towards the State's clean energy and climate goals. These projects consist of building new transmission lines to relieve congestion and rebuilding existing transmission lines is expected to increase its resiliency, which will be key to accommodating additional proposed renewable energy projects in the State.

The holdings listed above are a few samples of the portfolio's holdings within the electric utilities sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

GENERAL OBLIGATION

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
Commonwealth of Massachusetts	Multi-Sector	Labeled Green Bond	Through its green bond program, Massachusetts finances a range of environmental projects including energy efficiency improvements, open space protection of wildlands, clean water initiatives, and the Bedford Marine Commerce Terminal Project, which is the first heavy-lift cargo facility in the nation to also support offshore wind.
Detroit City School District	Education	Impactful Issuer	Detroit City School District is Michigan's largest public education system, serving 50,000+ students from pre-kindergarten to 12th grade and providing access to education to largely minority and low-income populations. As of 2020 (the most recent data available), 82% of students were Black and 14% Hispanic; and 78% of students are eligible for free-and-reduced lunch.

The holdings listed above are a few samples of the portfolio's holdings within the general obligation sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

HOSPITALS

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
Lakeland Regional Health Systems Obligated Group	Health & Wellness	Targeted Use of Proceeds	Lakeland Regional's new Pavilion for Women and Children, financed by these bonds, addresses the pressing need for non-emergency capacity in Polk County. As of October 2021, since the opening of the facility in 2018, births at the hospital have increased 12%, neonatal ICU admissions are up 11%, and pediatric surgeries are up 73%, indicating how essential this additional capacity is for the health of the community. In 2019, the Pavilion received the LEED for Healthcare certification and used 19% less energy and 32% less water than a typical U.S. hospital of a similar size.
HealthRIGHT 360	Health & Wellness	Labeled Social Bond	HealthRIGHT 360 is one of the largest safety net health care providers in California. HealthRIGHT 360 provides access to vital health and social services to vulnerable and underserved communities. The bonds are intended to finance the renovation and equipment of care facilities including those providing residential treatment, primary care, substance abuse treatment, and mental health services.

The holdings listed above are a few samples of the portfolio's holdings within the hospitals sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

HOUSING

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
New York State Housing Finance Agency	Affordable Housing	Labeled Sustainability Bond	The New York State Housing Finance Agency aims to provide safe and sanitary housing to families and low-income individuals at affordable rent levels. The Agency intends to use bond proceeds to finance mortgage loans for the new construction of seven affordable housing developments, creating 1,231 units in the Bronx, Monroe, Tioga, and Westchester Counties.
Utah Tax-Exempt Mortgage Securities	Affordable Housing	Targeted Use of Proceeds	The Utah Housing Corporation (UHC) serves the public by improving access to affordable housing for low- and moderate-income individuals. Specifically, UHC was created by Utah legislation to create an adequate supply of money with which mortgage loans at reasonable interest rates could be made.

The holdings listed above are a few samples of the portfolio's holdings within the housing sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

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SPECIAL DISTRICTS

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
City of Austin TX Whisper Valley Public Improvement District	Efficient Production & Conservation	Targeted Use of Proceeds	Whisper Valley is one of the largest sustainable master-planned communities in the United States. The community is located over 2,000 acres with 7,500 residential units and features zero energy-capable homes, modern amenities, and onsite organic gardens.

The holdings listed above are a few samples of the portfolio's holdings within the special districts sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

TRANSPORTATION

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
Metropolitan Transportation Authority (MTA)	Efficient Production & Conservation	Impactful Issuer/ Labeled Green Bond	Not only is New York's MTA the largest regional public transportation provider in the Western Hemisphere, it is recognized as a leading issuer of green bonds. After accounting for operational emissions, the MTA is responsible for annually reducing 17 million net metric tons of emissions.
Central Puget Sound Regional Transit Authority	Efficient Production & Conservation	Labeled Green Bond	The Central Puget Sound Regional Transit Authority provides a sustainable transportation alternative to passengers from around the region, diverting nearly 375,000 tons of greenhouse gas emissions annually; this is equivalent to more than 42 million gallons of gas. The bonds finance projects associated with Sound Transit's Sustainability Plan, enabling more individuals to travel affordably and reliably on environmentally-friendly buses and trains.

The holdings listed above are a few samples of the portfolio's holdings within the transportation sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

WATER AND SEWER UTILITIES

BORROWER	IMPACT THEME	IMPACT SOURCE	SUSTAINABLE DRIVER
Buffalo Sewer Authority	Clean Water & Sanitation	Labeled Green Bond	The Buffalo Sewer Authority funds green infrastructure including rain gardens, green roofs, tree canopies, stormwater planters, and the removal of impervious pavement. The infrastructure aims to reduce stormwater runoff that leads to untreated water discharged into surrounding ecosystems and to reduce the number of sewer backups. Notably, the Authority uses an equity lens to prioritize the environmental and social benefits of the projects in Buffalo's low-income basins.
The Massachusetts Clean Water Trust	Clean Water & Sanitation	Labeled Green Bond	The Massachusetts Clean Water Trust funds water infrastructure projects in the Commonwealth of Massachusetts by providing low interest loans and grants to cities, towns and water utilities. These various projects help enable communities to build or replace water quality infrastructure that enhances ground and surface water resources, ensures the safety of drinking water, and protects public health.

The holdings listed above are a few samples of the portfolio's holdings within the water and sewer utilities sector and do not include the full list of holdings. Names shown were based on what Brown Advisory believes demonstrate strong sustainable drivers.

DESCRIPTIONS OF IMPACT THEMES

Economic Development and Social Inclusion

Affordable Housing	Offering housing options to low- and moderate-income families.
Economic Mobility and Community Development	Increasing employment opportunities and financial inclusion for underserved communities.
Education	Reducing barriers to education for underserved groups.
Diversity, Inclusion, Equality	Supporting race and gender equity; empowering marginalized populations.

Health and Well-Being

Health and Wellness	Promoting health and well-being, and improving access to and quality of health care.
Clean Water and Sanitation	Improving access to clean drinking water and sanitation services; solving infrastructure challenges; managing freshwater ecosystems.

Environment

Sustainable Technology Innovation	Innovating products and services that deliver sustainability results (e.g., energy-efficient products, sustainable transportation).
Efficient Production and Conservation	Reducing use of energy or raw materials, increasing use of renewables, etc., through internal operations.
Clean Energy	Developing, operating or delivering clean energy from wind, solar and other renewable sources.
Sustainable Agriculture and Natural Resource Management	Responsibly managing natural resources, minimizing or reversing land degradation, and protecting biodiversity.

While the primary objective of the strategy is to deliver financial performance, we find it helpful to categorize the type of positive environmental or social outcomes that are associated with our investments. In order to do this, Brown Advisory has developed a set of impact themes. We believe that our framework aligns with the goals and spirit frameworks such as the U.N. Sustainable Development Goals (SDGs), but also relies on our proprietary sustainable investment research capabilities that driver our investment decisions



Source: UN Department of Economic and Social Affairs.

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All investments involve risk. The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned.

Sustainable investment considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify companies that it believes may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. As a result, the strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The strategy may also invest in companies that would otherwise be excluded from other funds that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.

The strategy intends to invest in companies with measurable sustainability-related outcomes, as determined by Brown Advisory, and may seek to screen out particular companies and industries. Brown Advisory may rely on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.