

**If you are in any doubt about the contents of this Prospectus and the relevant Supplement you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

### **Brown Advisory Funds plc**

An umbrella fund with segregated liability between sub-funds.

A company incorporated with limited liability as an open-ended investment company with variable capital under the laws of Ireland with registered number 409218 authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as amended.

### **PROSPECTUS for Switzerland**

This Prospectus is dated 01 June 2023

The Supplements for the Shares of the Fund are comprised in the present Prospectus version. This document may be distributed in Switzerland only and it does not constitute a prospectus for the purposes of applicable Irish law.

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

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## INTRODUCTION

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### Central Bank Authorisation

The Company is an investment company with variable capital incorporated on 11 October 2005 and authorised in Ireland as an umbrella undertaking for collective investment in transferable securities with segregated liability between its sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (S.I. No. 143 of 2016) and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019 (S.I. No. 230 of 2019) as may be amended, supplemented or consolidated from time to time. This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.

### Investor Responsibility

Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.

### Investment Risk

The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company. Shares constituting each Fund are described in a Supplement to this Prospectus for each such Fund, each of which is an integral part of this Prospectus and is incorporated herein by reference with respect to the relevant Fund. Please see the risk factors described under the heading "RISK FACTORS" below.

### Establishment and Incorporation

The Company is structured as an open-ended umbrella fund with segregated liability between sub-funds. Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one Class may be issued in relation to a Fund. All Shares of each Class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new Class of Shares (which must be issued in accordance with the requirements of the Central Bank), the Company will prepare and the Directors will issue a new or revised Supplement, as applicable, setting out the relevant details of each such Fund or new Class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each Class of Shares) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to individual Funds and the Classes of Shares available therein are set out in the relevant Supplement.

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

### Key Investor Information Document

Key Investor Information Documents are available for the Funds of the Company. In addition to summarising some important information in this Prospectus, the Key Investor Information Documents may contain information on the historical performance and the ongoing charges for each of the Funds. The Key Investor Information Documents can be obtained from the registered office of the Company which is set out in the section "DIRECTORY".

### Preliminary Charge/Repurchase Charge

Where a Preliminary Charge and/or Repurchase Charge is payable in respect of a subscription or

**redemption for certain Classes of Shares, the resulting difference at any one time between the issue price and the repurchase price means that investment in such Shares should be viewed as medium to long term.**

A Preliminary Charge of up to 3% of the issue price may be charged by the Manager for the payment to the Investment Manager on the issue of Shares, out of which the Investment Manager may, for example, pay commission to financial intermediaries. Further details of this Preliminary Charge will be set out in the relevant Supplement.

A Repurchase Charge of up to 2% of the gross repurchase price of any Class of Shares of a Fund may be charged by the Company as described in "SHARE DEALINGS – REPURCHASE OF SHARES". The amount of Repurchase Charge (if any) will be set out in the relevant Supplement.

### **Restrictions on Distribution and Sales of Shares**

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Shares are offered only on the basis of the information contained in this Prospectus and the latest audited annual accounts and any subsequent half-yearly reports will be made available to the public at the office of the Administrator.

Any further information or representations given or made by any person should be disregarded and accordingly, should not be relied upon.

Neither the delivery of this Prospectus, the latest published annual report or accounts of the Company (once published) nor the offer, placement, allotment or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus or in any such report is correct as of any time subsequent to the date thereof or that the affairs of the Company have not be changed since the date thereof.

Statements in this Prospectus are based on law and practice currently in force in Ireland and are made as at the date of this Prospectus and are subject to change.

No information or advice herein contained shall constitute advice to a proposed investor in respect of his personal position. Accordingly, no representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences of an investment in the Company. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this document as legal or tax advice.

The Shares are not, and are not expected to be liquid, except as described in this Prospectus.

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into other languages specified by the regulatory authorities in those jurisdictions provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, Irish law.

This Prospectus should be read in its entirety before making an application for Shares.

### **United States**

The Shares have not been, and will not be, registered under the 1933 Act or qualified under any applicable state statutes, and the Shares may not be transferred, offered or sold in the United States (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person (as defined in Appendix II), except pursuant to registration or an applicable exemption. The Company has not, and will not be, registered under the 1940 Act, and investors will not be entitled to the benefits of such registration. Any re-sales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the Company. Applicants for Shares will be required to certify whether they are a U.S. Person and will be required to declare whether they are Irish Residents.

The Directors have the power to impose restrictions on the shareholdings by (and consequently to redeem Shares held by), or the transfer of Shares to, any U.S. Person (unless permitted under certain exceptions under the laws of the United States), or by any person who appears to be in breach of the laws or requirements of any country or government authority, or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered. See the section “Repurchase of Shares: Mandatory Repurchases.”

The Shares have not been approved or disapproved by the SEC, any state securities commission or the U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy of adequacy of these offering materials. Any representation to the contrary is unlawful.

## Hong Kong

**Warning – The contents of this Prospectus have not been reviewed nor endorsed by any regulatory authority in Hong Kong. Hong Kong residents are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.**

The Company is not authorised by the Securities and Futures Commission (“SFC”) in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance (“SFO”). This Prospectus has not been approved by the SFC in Hong Kong nor has a copy of it been registered with the Registrar of Companies in Hong Kong. Accordingly:

- a) Shares may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to “professional investors” within the meaning of Part I of Schedule 1 to the SFO and any rules made under the SFO, or in other circumstances which do not result in the document being a “prospectus” as defined in the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (“CWUMPO”) or which do not constitute an offer or invitation to the public for the purposes of the CWUMPO or the SFO; and
- b) No person shall issue or possess for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so in (a) above or under the laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors”.

This Prospectus is distributed on a confidential basis and may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed. No Shares in the Company will be issued to any person other than the person to whom this Prospectus has been addressed and no person other than such addressee may treat the same as constituting an invitation for him to invest.

## Japan

This Prospectus is not, and under no circumstances is to be considered as, a public offering of securities in Japan. No registration pursuant to Article 4 paragraph 1 of Japan’s Financial Instruments and Exchange Act (“FIEA”) has been or will be made with respect to the solicitation of applications for acquisition of the Shares of the Company on the grounds that such solicitation would constitute a “solicitation for qualified institutional investors” as set forth in Article 23-13, paragraph 1 of the FIEA. The offering is made on the condition that each investor enters into an agreement whereby the investor covenants not to transfer its Shares (i) to persons other than qualified institutional investors as defined in Article 2, paragraph 3, item 1 of the FIEA (“QIIs”), or (ii) without entering into an agreement whereby the transferee covenants not to transfer its Shares to persons other than QIIs. This Prospectus is distributed on a confidential basis and may not be reproduced in any form or transmitted to any person other than the persons to whom it is addressed. No shares in the Company will be issued to any person other than the person to whom the Prospectus has been addressed and no persons other than such addressees may treat the same as constituting an invitation for them to invest.

## Australia

The Company is not a registered managed investment scheme within the meaning of Chapter 5C of the Australian Corporations Act 2001 (Cth) (the “Corporations Act”).

This Prospectus is not a prospectus or product disclosure statement under the Corporations Act. Accordingly, Shares in the Company may not be offered, issued, sold or distributed in Australia other than by way of or pursuant to an offer or invitation that does not need disclosure to investors either under Part 7.9 or Part 6D.2 of the Corporations Act, whether by reason of the investor being a "wholesale client" (as that term is defined in section 761G of the Corporations Act and applicable regulations) or otherwise. Accordingly, this Prospectus is provided to prospective investors and, by receiving it, each prospective investor is deemed to represent and warrant that it is a "wholesale client".

Nothing in this Prospectus constitutes an offer of Shares or financial product advice to a 'retail client' (as defined in section 761G of the Corporations Act and applicable regulations).

The issuer of this Prospectus is not licensed in Australia to provide financial product advice including in relation to the Company. Note that as all investors must be wholesale clients, no cooling off rights are available.

The Distributor is exempt from the requirement to hold an Australian financial services licence under the Corporations Act in respect of the financial services it provides to wholesale clients in Australia and is regulated by the Securities and Exchange Commission under the laws of the United States, which differ from Australian laws.

### **Company Documentation**

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Constitution of the Company, copies of which are available from the Administrator.

This Prospectus and the relevant Supplements shall be governed by and construed in accordance with Irish law.

Defined terms used in this Prospectus shall have the meanings attributed to them in the "DEFINITIONS" section below unless the context requires otherwise.

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## DIRECTORY

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### **Board of Directors**

Paul McNaughton (Chairman, Irish Resident)\*  
David M. Churchill (U.S. Resident)  
Tony Garry (Irish Resident)\*  
Robert Alexander Hammond-Chambers (U.K. Resident)\*  
Brett D. Rogers (U.S. Resident)

### **Registered Office of the Company**

Second Floor  
5 Earlsfort Terrace  
Dublin D02 CK83  
Ireland

\*denotes independent Director

### **Manager**

*Brown Advisory (Ireland) Limited*  
Second Floor  
5 Earlsfort Terrace  
Dublin D02 CK83  
Ireland

### **Investment Manager and Distributor**

*Brown Advisory, LLC*  
901 South Bond Street  
Suite 400  
Baltimore  
Maryland 21231  
United States

### **Depositary**

*Brown Brothers Harriman Trustee Services (Ireland) Limited*  
30 Herbert Street  
Dublin D02 W329  
Ireland

### **Administrator, Registrar, and Transfer Agent**

*Brown Brothers Harriman Fund Administration Services (Ireland) Limited*  
30 Herbert Street  
Dublin D02 W329  
Ireland

### **Sub-Investment Managers**

*Brown Advisory Limited*  
6 – 10 Bruton Street  
London W1J 6PX  
United Kingdom

*Metropolis Capital Limited*  
Amersham Court  
154 Station Road  
Amersham  
Buckinghamshire HP6 5DW  
United Kingdom

*Beutel, Goodman & Company Ltd.*  
20 Eglinton Avenue West, Suite 2000 P.O. Box  
2005, Toronto  
Ontario M4R 1K8 Canada

### **Legal Advisors as to Irish law**

*Dechert*  
Second Floor  
5 Earlsfort Terrace  
Dublin D02 CK83  
Ireland

### **Legal Advisors as to U.S. law**

*Dechert LLP*  
One International Place  
40<sup>th</sup> Floor  
100 Oliver Street  
Boston  
Massachusetts 02110-2605  
United States

***Company Secretary***

*Dechert Secretarial Limited*  
Second Floor  
5 Earlsfort Terrace  
Dublin D02 CK83  
Ireland

***Auditors***

*PricewaterhouseCoopers*  
One Spencer Dock  
North Wall Quay  
Dublin D01 X9R7  
Ireland

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## DEFINITIONS

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“1933 Act”	the U.S. Securities Act of 1933 (as amended);
“1940 Act”	the U.S. Investment Company Act of 1940 (as amended);
“Accounting Period”	a period ending on 31 October of each year;
“Administration Agreement”	the agreement dated 10 January 2020 among the Company, the Manager, and the Administrator as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
“Administrator”	Brown Brothers Harriman Fund Administration Services (Ireland) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank;
“AIF”	an alternative investment fund;
“Application Form”	the application form for Shares;
“Base Currency”	in relation to any Fund such currency as is specified in the Supplement for the relevant Fund;
“Benchmarks Regulation”	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
“Business Day”	in relation to any Fund such day or days as is or are specified in the Supplement for the relevant Fund;
“Central Bank”	the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company;
“Central Bank Regulations”	UCITS the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (S.I. No. 230 of 2019) as may be amended or consolidated from time to time;
“CIS”	an open-ended collective investment scheme within the meaning of Regulation 4(3) of the Regulations and which is prohibited from investing more than 10% of its assets in another such collective investment scheme;
“Class”	any class of Shares each representing interests in Fund and references to “Classes of Shares” or “Share Classes” shall be construed accordingly;
“Code”	the U.S. Internal Revenue Code of 1986, as amended;
“Companies Act”	the Companies Act 2014 as may be amended, supplemented, consolidated or re-enacted from time to time;
“Company”	Brown Advisory Funds plc;
“Comparator Benchmark”	a benchmark index which is used to show the performance of the Fund against but which is not used to constrain portfolio composition or as a target for the performance of the Fund, as set out in the Supplement for the relevant Fund;

<b>“Constitution”</b>	the constitution comprising the memorandum and articles of association of the Company as amended from time to time in accordance with the requirements of the Central Bank;
<b>“Connected Person”</b>	the persons defined as such in the section headed “Portfolio Transactions and Conflicts of Interest”;
<b>“Currency Class”</b>	the currency of denomination of a Class;
<b>“Data Protection Legislation”</b>	the Data Protection Acts 1998 to 2018, the GDPR and any other laws applicable to the Company in relation to the processing of personal data;
<b>“Dealing Day”</b>	in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least two Dealing Days for each Fund in each Month carried out at regular intervals;
<b>“Dealing Deadline”</b>	in relation to applications for subscription, repurchase or exchange of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund;
<b>“Delegated Regulations”</b>	the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/5/EU of the European Parliament and of the Council of 17 December 2015, with regard to obligations of depositaries;
<b>“Depositary”</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited or any other person or persons for the time being duly appointed Depositary in succession to the said Brown Brothers Harriman Trustee Services (Ireland) Limited subject to the approval of the Central Bank;
<b>“Depositary Agreement”</b>	the agreement dated 10 January 2020 among the Company, the Manager, and the Depositary as amended, supplemented, or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>“Directors”</b>	the directors of the Company and each a Director;
<b>“Distributor”</b>	Brown Advisory LLC (acting in its capacity as a distributor) or such other entity as may be duly appointed by the Manager in accordance with the requirements of the Central Bank as a distributor of the Company or a Fund in certain jurisdictions;
<b>“EEA”</b>	European Economic Area (the current members being: the EU Member States, Iceland, Liechtenstein and Norway);
<b>“EEA Member State”</b>	a member state of the EEA;
<b>“Emerging Market Country”</b>	any country having an economy or market that is considered by the International Monetary Fund or World Bank to be developing or is a recent (within two (2) years) or current index member in the MSCI Emerging Markets Index;
<b>“ESMA”</b>	the European Securities and Markets Authority;
<b>“EU”</b>	the European Union;
<b>“EU Member State”</b>	a member state of the EU;
<b>“Exchange Charge”</b>	the charge, if any, payable on the exchange of Shares as is specified herein;
<b>“FATCA” or “Foreign Account Tax Compliance Act”</b>	sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these Sections of the Code;

<b>“FDI”</b>	a financial derivative instrument permitted by the Regulations;
<b>“Financial Account”</b>	a “Financial Account” as used in the intergovernmental agreement between the United States and Ireland for the purposes of FATCA;
<b>“Financial Institution”</b>	a “Financial Institution” as defined in FATCA;
<b>“Fund”</b>	a separate portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and “Funds” means all or some of the Funds as the context requires or any other funds as may be established by the Company from time to time with the prior approval of the Central Bank;
<b>“GDPR”</b>	the General Data Protection Regulation (Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC);
<b>“Hedged Share Class”</b>	a Class which is not denominated in the Base Currency of a Fund to which a currency hedging strategy is applied;
<b>“Initial Issue Price”</b>	the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;
<b>“Initial Offer Period”</b>	the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;
<b>“Investment Grade”</b>	(i) a rating of BB/Ba or higher, by Standard & Poor’s (“S&P”) or Moody’s Investment Services (“Moody’s”), respectively; or (ii) unrated but determined by the Manager and/or the Investment Manager to be of comparable quality;
<b>“Investment Management and Distribution Agreement”</b>	the agreement dated 10 January 2020 among the Company, the Manager, and the Investment Manager as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>“Investment Manager”</b>	Brown Advisory LLC, or any successor investment manager to the Company duly appointed in accordance with the requirements of the Central Bank, and a reference to an Investment Manager shall be deemed to include a Sub- Investment Manager, where applicable;
<b>“Irish Resident”</b>	an “Irish Resident” as defined in “TAXATION – Ireland”;
<b>“Irish Taxable Person”</b>	an “Irish Taxable Person” as defined in “TAXATION – Ireland”;
<b>“Issue Price”</b>	as the context admits, the Initial Issue Price or the Net Asset Value per Share;
<b>“Management Agreement”</b>	the agreement dated 10 January 2020 between the Company and the Manager as may be amended, supplement, or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>“Manager”</b>	Brown Advisory (Ireland) Limited or any other person or persons for the time being duly appointed manager of the Company in succession to said Manager;
<b>“Markets”</b>	means the stock exchanges and regulated markets set out in Appendix I;
<b>“MiFID II”</b>	collectively, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, the Commission Delegated Directive (EU)

2017/593 of 7 April 2016 and the Markets in Financial Instruments (MiFIR) Regulation (EU) No 600/2014;

<b>“MiFID Regulations”</b>	European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017), as amended from time to time and any regulations or conditions made thereunder by the Central Bank;
<b>“Minimum Additional Investment Amount”</b>	such amount (if any) as the Directors may from time to time prescribe as the minimum additional investment amount required by each Shareholder for Shares of each Class in a Fund as is specified in this Prospectus or in the Supplement for the relevant Fund;
<b>“Minimum Fund Size”</b>	\$10 million or such other amount (if any) as the Directors may consider for each Fund and set out in the Supplement for the relevant Fund;
<b>“Minimum Initial Investment Amount”</b>	such amount or number of Shares (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of each Class in a Fund as is specified in this Prospectus or in the Supplement for the relevant Fund;
<b>“Minimum Repurchase Amount”</b>	such number or value of Shares of any Class (if any) as specified in the Supplement for the relevant Fund;
<b>“Minimum Shareholding”</b>	such number or value of Shares of any Class (if any) as specified in this Prospectus or in the Supplement for the relevant Class of Shares within a Fund;
<b>“Money Market Instruments”</b>	instruments normally dealt in on the money markets which are liquid, have a value which can be accurately determined at any time and include, but are not limited to, government debt, commercial paper, bankers acceptances, certificates of deposit and other short term debt securities as ancillary liquid assets, and which are further described in the UCITS Rules;
<b>“Month”</b>	a calendar month;
<b>“MSCI Emerging Market Index”</b>	MSCI Emerging Markets Index is a free float-adjusted market capitalisation-weighted index of twenty-one (21) emerging market countries. The index is unmanaged and returns assume the reinvestment of dividends;
<b>“Net Asset Value” or “Net Asset Value per Share”</b>	in respect of the assets of a Fund or the Shares in a Fund, the amount determined in accordance with the principles set out in the “Calculation of Net Asset Value/Valuation of Assets” section below as the Net Asset Value of a Fund or the Net Asset Value per Share;
<b>“OECD”</b>	the Organisation for Economic Co-operation and Development, (the current members being: Australia, Austria, Belgium, Canada, Chile, Columbia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States);
<b>“OTC derivative”</b>	a financial derivative instrument permitted by the Regulations which is dealt in over the counter;
<b>“Paying Agent”</b>	such entity as may be duly appointed by the Company or its delegate in accordance with the requirements of the Central Bank as the paying agent of the Company or a Fund;
<b>“Person Closely Associated”</b>	in relation to a Director:: <ol style="list-style-type: none"><li>1. the spouse of the Director;</li></ol>

2. dependent children of the Director;
3. other relatives of the Director, who have shared the same household as that person for at least one year on the date of the transaction concerned; or
4. any person:
  - a) the managerial responsibilities of which are discharged by a person (i) discharging managerial responsibilities within the issuer, or (ii) referred to in paragraph (1), (2) or (3) of this definition;
  - b) that is directly or indirectly controlled by a person referred to in subparagraph (a) of paragraph (4) of this definition;
  - c) that is set up for the benefit of a person referred to in subparagraph (a) of paragraph (4) of this definition; or
  - d) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (4) of this definition.

<b>“Preliminary Charge”</b>	in respect of a Fund, the charge payable (if any) on the subscription price for Shares as is specified in the Supplement for the relevant Fund;
<b>“Regulation 4(3)”</b>	clause 4(3) of the Regulations;
<b>“Regulations”</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (S.I. No. 143 of 2016) and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019 (S.I. No. 430 of 2019) as may amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to time be imposed thereunder by the Central Bank;
<b>“Repurchase Charge”</b>	in respect of a Fund, the charge payable (if any), out of the gross repurchase price for Shares as is specified in the Supplement for the relevant Fund;
<b>“Risk Management Process”</b>	a statement which is designated to monitor, measure and manage the risks associated with the use of FDI, a copy of which has been filed with the Central Bank and which will be updated from time to time to include any additional FDIs which the Manager proposes to employ on behalf of the Funds;
<b>“SEC”</b>	the U.S. Securities and Exchange Commission;
<b>“Settlement Date”</b>	in respect of receipt of monies for subscription for Shares or dispatch of monies for the repurchase of Shares, the date specified in the Supplement for the relevant Fund. In the case of repurchases this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of completed repurchase documentation including relevant anti-money laundering documentation;
<b>“Shareholders”</b>	holders of Shares and each a Shareholder;
<b>“Shares”</b>	participating shares in the Company representing interests in a Fund and where the context so permits or requires any Class of participating shares representing interests in a Fund;

<b>“Sub-Investment Management Agreement”</b>	an agreement between the Manager and/or the Investment Manager and a Sub-Investment Manager to whom the assets of a Fund (or a proportion thereof) are allocated as set out in the Supplement for the relevant Fund and as may be amended, supplemented, or otherwise modified from time to time;
<b>“Sub-Investment Manager(s)”</b>	the person or persons appointed by the Manager and/or Investment Manager pursuant to a Sub-Investment Management Agreement as set out in the Supplement for the relevant Fund;
<b>“Supplement”</b>	any supplement to the Prospectus issued on behalf of the Company from time to time;
<b>“Target Benchmark”</b>	a benchmark index which is as a target for the performance of the Fund but which is not used to constrain portfolio composition, as set out in the Supplement for the relevant Fund;
<b>“TCA”</b>	the Irish Taxes Consolidation Act, 1997, as amended;
<b>“Transferable Securities”</b>	mean: <ol style="list-style-type: none"> <li>1. shares in companies and other securities equivalent to shares in companies;</li> <li>2. bonds and other forms of securitised debt;</li> <li>3. other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, other than the techniques and instruments referred to in regulation 48A of the Regulations; and</li> <li>4. such securities as specified for the purposes of Part 2, Schedule 2 of the Regulations;</li> </ol>
<b>“UCITS”</b>	an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance with Council Directives 2009/65/EC, as amended, supplemented, consolidated or otherwise modified from time to time: <ol style="list-style-type: none"> <li>1. the sole object of which is the collective investment in transferable securities and/or in other liquid financial instruments of capital raised from the public and which operates on the principle of risk-spreading; and</li> <li>2. the shares of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of that undertaking's assets;</li> </ol>
<b>“U.S. Person”</b>	a “U.S. Person” as defined in Appendix II herein;
<b>“U.S. Reportable Account”</b>	a Financial Account held by a U.S. Reportable Person;
<b>“U.S. Reportable Person”</b>	a “U.S. Reportable Person” as defined in Appendix II herein;
<b>“U.S. Taxpayer”</b>	a “U.S. Taxpayer” as defined in Appendix II herein;
<b>“UCITS Rules”</b>	the Central Bank UCITS Regulations and any guidance or Q&A document issued by the Central Bank from time to time pursuant to the Central Bank UCITS Regulations; or any document published by the Central Bank which sets down all of the conditions which the Central Bank imposes on UCITS, their management companies and depositaries;
<b>“Umbrella Cash Account”</b>	an account maintained at the level of the Company;



**“United Kingdom” and “U.K.”** the United Kingdom of Great Britain and Northern Ireland;

**“United States” and “U.S.”** the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction; and

**“Valuation Point”** means the day and time(s) with reference to which the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund provided that there shall be at least two Valuation Points in every Month.

In this Prospectus, all references to the “Euro” or “€” are to the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating Member States of the EU and any successor currency as determined at the discretion of the Directors, all references to “**U.S. Dollar(s)**” or “**\$**” or “**US\$**” or “**U.S.\$**” or “**USD**” are to the lawful currency of the United States of America, all references to “**Pounds**” or “**Pounds Sterling**” or “**GBP**” or “**£**” are to the lawful currency of the United Kingdom, all references to “**CHF**” or “**Swiss Franc**” are to the lawful currency of Switzerland, all references to “**SEK**” or “**Swedish Kroner**” are to the lawful currency of Sweden and all references to “**NOK**” or “**Norwegian Kroner**” or “**kr**” are to the lawful currency of Norway.

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## FUNDS

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The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

### **Investment Objective and Policies**

The Constitution provides that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund. Details of the investment objective and policies for each Fund of the Company appear in the Supplement for the relevant Fund.

Any change in the investment objective or any material change to the investment policies of a Fund as disclosed in the relevant Supplement may only be made with the prior written approval of all Shareholders or approval on the basis of a majority of votes cast at a general meeting of the Shareholders of the Fund. In the event of a change of investment objective and/or policies on the basis of a majority of votes cast at a general meeting of Shareholders of a Fund, a reasonable notification period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund may, subject to the investment restrictions set out under the heading "**Investment Restrictions**" below, invest in cash deposits, Money Market Instruments and in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit, and government securities issued by an OECD member country or by any supranational entity provided that the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better.

### **Investment Restrictions**

Unless otherwise specified in the Supplements, the investment restrictions applying to each Fund of the Company under the Regulations are set out below. These are, however, subject to the qualifications and exemptions contained in the Regulations and in the Central Bank UCITS Regulations. Any additional investment restrictions for other Funds will be formulated by the Directors at the time of the creation of such Fund and detailed in the relevant Supplement.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders.

#### **1. Permitted Investments**

Investments of a Fund are confined to:

- 1.1. transferable securities and Money Market Instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State;
- 1.2. recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- 1.3. Money Market Instruments, other than those dealt on a regulated market;
- 1.4. units of UCITS;
- 1.5. units of AIFs;
- 1.6. deposits with credit institutions; and/or
- 1.7. FDI.

## 2. Investment Restrictions

2.1. A Fund may invest no more than 10% of net assets in transferable securities and Money Market Instruments other than those referred to in paragraph 1. Permitted Investments above.

### 2.2. Recently Issued Transferable Securities

A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1 above) within a year. This restriction will not apply in relation to investment by the Fund in certain U.S. securities known as Rule 144A securities provided that:

2.2.1. the securities are issued with an undertaking to register with the SEC within one (1) year of issue; and

2.2.2. the securities are not illiquid securities i.e. they may be realised by the Fund within seven (7) days at the price, or approximately at the price, at which they are valued by the Fund.

2.3. A Fund may invest no more than 10% of net assets in transferable securities or Money Market Instruments issued by the same body provided that the total value of transferable securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4. Subject to the prior approval of the Central Bank, the limit of 10% (referred to in 2.3 above) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund. The Company may not utilise this provision in respect of the Funds without the prior approval of the Central Bank.

2.5. The limit of 10% (referred to in 2.3 above) is raised to 35% if the transferable securities or Money Market Instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.

2.6. The transferable securities and Money Market Instruments referred to in 2.4 and 2.5 above shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3 above.

2.7. Deposits with any one credit institution, other than credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions located in the United Kingdom, the Channel Islands, the Isle of Man, Australia, or New Zealand held as ancillary liquidity, must not exceed 10% of net assets.

2.7.1. This limit may be raised to 20% in the case of deposits made with the Depository.

2.8. The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.

2.8.1. This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than a EEA Member State) to the Basle Capital Convergence Agreement of July, 1988 or a credit institution authorised in the United Kingdom, the Channel Islands, the Isle of Man, Australia, or New Zealand.

2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

2.9.1. investments in transferable securities or Money Market Instruments;

2.9.2. deposits; and/or

2.9.3. counterparty risk exposures arising from OTC derivatives transactions.

2.10. The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

- 2.11. Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and Money Market Instruments within the same group.
- 2.12. A Fund may invest up to 100% of net assets in different transferable securities and Money Market Instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, the United Kingdom, the United States or any of the following:

- OECD Governments, excluding those listed above (provided the relevant issues are investment grade)
- Government of the People's Republic of China;
- Government of Brazil (provided the issues are of investment grade);
- Government of India (provided the issues are of investment grade);
- Government of Singapore;
- European Investment Bank;
- European Bank for Reconstruction and Development;
- International Finance Corporation;
- International Monetary Fund;
- Euratom;
- The Asian Development Bank;
- European Central Bank;
- Council of Europe;
- Eurofima;
- African Development Bank;
- International Bank for Reconstruction and Development (The World Bank);
- The Inter-American Development Bank;
- European Union;
- Federal National Mortgage Association (Fannie Mae);
- Federal Home Loan Mortgage Corporation (Freddie Mac);
- Government National Mortgage Association (Ginnie Mae);
- Student Loan Marketing Association (Sallie Mae);
- Federal Home Loan Bank;
- Federal Farm Credit Bank;
- Tennessee Valley Authority;
- Straight-A Funding LLC;
- Export-Import Bank,

provided that such a Fund must hold securities from at least six (6) different issues, with securities from any one issue not exceeding 30% of net assets.

### 3. **Investment in Collective Investment Schemes (CIS)**

- 3.1. A Fund may not invest more than 20% of net assets in any one CIS (which includes exchange traded funds).
- 3.2. Investment in AIFs may not, in aggregate, exceed 30% of net assets of any Fund.
- 3.3. ACIS in which a Fund invests must be prohibited from investing more than 10% of its net assets in other open-ended CIS.
- 3.4. When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Fund's Manager or by any other company with which the Fund's Manager is linked by common management or control, or by a substantial direct or indirect holding, that Manager or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
- 3.5. Where a commission (including a rebated commission) is received by the Fund's Manager and/or or

Investment Manager, as applicable, by virtue of an investment in the units of another CIS, this commission must be paid into the property of the relevant Fund.

#### 4. **Index Tracking UCITS**

- 4.1. A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- 4.2. The limit in 4.1 above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

#### 5. **General Provisions**

- 5.1. An investment company, Irish Collective Asset-management Vehicle (“ICAV”) or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2. A Fund may acquire no more than:
  - 5.2.1. 10% of the non-voting shares of any single issuing body;
  - 5.2.2. 10% of the debt securities of any single issuing body;
  - 5.2.3. 25% of the units of any single CIS;
  - 5.2.4. 10% of the Money Market Instruments of any single issuing body.

The limits laid down in 5.2.2, 5.2.3 and 5.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3. 5.1 and 5.2 above shall not be applicable to:
  - 5.3.1. transferable securities and Money Market Instruments issued or guaranteed by an EU Member State or its local authorities;
  - 5.3.2. transferable securities and Money Market Instruments issued or guaranteed by a non-EU Member State;
  - 5.3.3. transferable securities and Money Market Instruments issued by public international bodies of which one or more EU Member States are members;
  - 5.3.4. shares held by a Fund in the capital of a company incorporated in a non-EU member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
  - 5.3.5. shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders’ request exclusively on their behalf.
- 5.4. The Manager on behalf of a Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or Money Market Instruments which form part of their assets.
- 5.5. The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six (6) months following the date of their authorisation, provided they observe the

principle of risk spreading.

- 5.6. If the limits laid down herein are exceeded for reasons beyond the control of the Manager on behalf of a Fund, or as a result of the exercise of subscription rights, the Manager on behalf of a Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the shareholders.
- 5.7. Neither the Manager nor a Fund, may carry out uncovered sales of:
- 5.7.1. transferable securities;
  - 5.7.2. Money Market Instruments<sup>1</sup>;
  - 5.7.3. units of CIS; or
  - 5.7.4. FDI.
- 5.8. A Fund may hold ancillary liquid assets.

## 6. **Financial Derivative Instruments**

- 6.1. A Fund's global exposure (as prescribed by the Central Bank UCITS Regulations) relating to FDI must not exceed its total Net Asset Value.
- 6.2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- 6.3. A Fund may invest in FDI dealt in over-the-counter (i.e. OTC derivatives) provided that the counterparties to over-the-counter contracts are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4. Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

It is intended that each Fund should have the power to avail of any change in the law, Regulations or guidelines which would permit investment in assets and securities on a wider basis in accordance with the requirements of the Central Bank.

### **Use of FDI**

The Manager may, on behalf of a Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for investment or hedging purposes, (to protect the Fund's unrealised gains by hedging against possible adverse fluctuations in the securities markets or changes in interest rates or currency exchange rates that may reduce the market value of the Fund's investment portfolio) or for the purposes of efficient portfolio management. Full details, including a description of the relevant instruments and the purpose for which they will be utilised shall be, where applicable, set out in the relevant Supplement.

Where a Fund invests in FDI for investment or hedging purposes or for the purposes of efficient portfolio management, a Risk Management Process will be submitted to the Central Bank by the Manager, prior to the Fund engaging in such transactions in accordance with the Central Bank's requirements as such are set out in the Central Bank UCITS Regulations. The Manager on behalf of the Fund will on request provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

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<sup>1</sup> Any short selling of money market instruments by a Fund is prohibited.

The Manager may engage in such techniques for the reduction of risk, cost or the generation of additional capital or income for each Fund with an appropriate level of risk, taking into account the risk profile of the Company as described in this Prospectus and the general provisions of the Regulations.

The use of techniques for efficient portfolio management is not expected to raise the risk profile of a Fund or result in higher volatility.

As is required to be disclosed in this Prospectus by Regulation 23(2) of the Central Bank UCITS Regulations, all revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. Direct and indirect operational costs and fees arising from efficient portfolio management techniques (which shall not include hidden revenue) will be paid to the counterparty to the agreement, who shall not be related to the Company, the Manager, the Investment Manager or the Depositary. The entities to which such direct or indirect operational costs and/or fees have been paid during the Company's fiscal year (including whether such entities are related to the Company or the Depositary) will be disclosed in the annual report for such period.

#### *Forward Foreign Exchange Contracts*

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. If the Fund uses such contracts, it will be subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Fund to cover its commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

#### *Futures and Options on Futures*

A Fund may enter into futures contracts (including contracts for difference) and options on futures contracts, which involve the purchase or sale of a contract to buy or sell a specified security or other financial instrument at a specific future date and price on an exchange or the over-the-counter market. A Fund may enter into such contracts as a substitute for taking a position in any underlying asset or to increase returns.

#### *Options*

A Fund may purchase call and put options and write (i.e. sell) covered call and put option contracts in accordance with its investment objective and policies. A "call option" is a contract sold for a price giving its holder the right to buy a specific number of securities at a specific price prior to a specified date. A "covered call option" is a call option issued on securities already owned by the writer of the call option for delivery to the holder upon the exercise of the option. A "put option" gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying securities at the exercise price at any time during the option period. A put option sold by a Fund is covered when, among other things, a Fund segregates permissible liquid assets having a value equal to or greater than the exercise price of the option to fulfil the obligation undertaken or otherwise covers the transaction. A Fund may purchase and sell call and put options in respect of specific securities (or groups or "baskets" of specific securities) or securities indices, currencies (as described in more detail above) or futures. A Fund also may enter into over-the-counter options contracts, which are available for a greater variety of securities, and a wider range of expiration dates and exercise prices, than are exchange-traded options. Successful use by a Fund of options and options on futures will depend on the Investment Manager's ability to predict correctly movements in the prices of individual securities, the relevant securities market generally, non-U.S. currencies or interest rates.

#### *Warrants*

A warrant is a security that entitles the holder to buy stock of the company that issued the warrant at future date at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions. Warrants are typically longer-dated options and

are generally traded over-the-counter. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument or to gain exposure to a particular market or financial instrument instead of using a physical security.

A Fund may purchase warrants. Warrants do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants do not necessarily change with the values of the underlying securities and these instruments cease to have value if they are not exercised prior to their expiration dates.

### *Risk Management*

The Manager operates a Risk Management Process on behalf of the Funds in relation to the use of FDI which allows it to accurately measure, monitor and manage the various risks associated with FDI and other investments, and which is intended to ensure that the Fund's investments including FDI exposure remains within the limits described below. This Risk Management Process also takes into account any exposure created through FDI embedded in investments held by the Funds.

The Risk Management Process is a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional FDI which the Manager proposes to employ on behalf of the Funds. Until such time as the risk management statement has been updated, however, the Investment Manager will not use any FDI which is not for the time being included in the Risk Management Process.

### *Collateral Policy*

For the purposes of limiting the Funds' credit risk in respect of OTC derivative transactions or repurchase agreements, collateral may be received from, or posted to, counterparties on behalf of the Funds. Collateral will normally comprise cash and/or securities issued or guaranteed by certain member states of the OECD or by their public or local authorities or by their supranational institutions and organisations provided such collateral complies with the requirements of the Central Bank.

Where collateral is received it will comply with the following:

- **Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations in relation to the acquisition of shares carrying voting rights.
- **Valuation:** Collateral received should be valued on at least a daily mark-to-market basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- **Issuer credit quality:** Collateral received should be of high quality and will be evaluated in accordance with the issuer credit assessment process requirements as set out in the Central Bank UCITS Regulations.
- **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected, on reasonable grounds, to display a high correlation with the performance of the counterparty.
- **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the relevant Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
  - The Funds may be fully collateralised using transferable securities and Money Market Instruments issued or guaranteed by any Member State, one or more of its local authorities, a third country or a public international body of which one or more Member States belongs provided the Funds should receive securities from at least 6 different issues and securities from any single issue shall not account for more than 30% of the relevant Fund's Net Asset Value.
- **Immediately available:** Collateral received should be capable of being fully enforced by the relevant Fund at any time without reference to or approval from the counterparty.



The level of collateral will be sufficient to limit the Funds' exposure to a counterparty within the UCITS Rules and will be determined by the Investment Manager after applying appropriate haircuts to minimise the risk of loss to the Funds.

When applying a haircut, the Manager considers characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of the collateral, adjusted in light of the haircut policy, shall equal or exceed, in value, at all times, the relevant counterparty exposure.

Non-cash collateral cannot be sold, pledged or re-invested.

Where cash collateral is received and re-invested, it will only be invested in deposits with relevant institutions; high-quality government bonds; reverse repurchase agreements (provided the transactions are with credit institutions subject to prudential supervision and are callable at any time for the full amount of cash on an accrued basis); and European short term money market funds. In accordance with Regulation 24(6) of the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the re-investment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above may still present additional risk for a Fund.

A Fund receiving collateral for 30% or more of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- reporting frequency and limit/loss tolerance threshold(s); and
- mitigation actions to reduce loss including haircut policy and gap risk protection.

All counterparties to OTC derivative transactions, repurchase/reverse repurchase agreements or securities lending agreements will be a counterparty that falls within at least one of the following categories as set out under the Central Bank UCITS Regulations:

- i. a credit institution authorised:
  - a. in the EEA;
  - b. within a signatory state, other than a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988; or
  - c. in the United Kingdom, Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
- ii. an investment firm authorised in accordance with MIFID; or
- iii. a group company of an entity issued with a bank holding licence from the Federal Reserve of the United States of America and is subject to its supervision.

Where a counterparty (that falls within one of the preceding categories) to a repurchase or a securities lending agreement which has been entered into on behalf of the Funds:

- a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and
- b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted by the Company.

The Manager will ensure that the Company is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

If the Manager on behalf of the Company enters into a reverse repurchase agreement, it will ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement will be used for the calculation of the net asset value of the Fund.

If the Manager on behalf of the Company enters into a repurchase agreement, it will ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the Regulations.

#### *Safekeeping*

Collateral received on a title transfer basis should be held in custody by the Depositary and will be subject to custody risks associated with those entities. For other types of collateral arrangements, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral. Assets pledged in such transactions by the Funds continue to be safe kept by the Depositary.

#### *Reference to Ratings*

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "Amending Regulations") transpose the requirements of the Credit Ratings Agencies Directive (2013/14/EU) ("CRAD") into Irish Law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the Amending Regulations and the CRAD, notwithstanding anything else in this Prospectus, the Investment Manager shall not solely or mechanically rely on credit ratings in determining the credit quality of an issuer or counterparty. The Investment Manager also relies on other qualitative factors, including: the issuer's or counterparty's capital adequacy, asset quality, financial flexibility and strength, management expertise, earnings and liquidity.

#### *Currency Class Hedging Strategy*

A currency hedging strategy is used for efficient portfolio management purposes effectively to hedge against movements in the values of Hedged Share Classes as a result of changes in the exchange rates against U.S. Dollar of the respective currencies. The currency hedging strategy involves utilising forward foreign exchange contracts to provide a return hedged against fluctuations. This currency hedging policy will seek to limit a Shareholder's risk of loss arising from an appreciation in the value of the currency of the Hedged Share Class relative to the value of the U.S. Dollar.

A Fund shall attempt to hedge a Hedged Share Class against the currency fluctuations. While not the intention, over-hedged and under-hedged positions may arise due to factors outside the control of a Fund. Over-hedged positions are not permitted to exceed 105% of the Net Asset Value of the relevant Hedged Share Class. Hedged positions are kept under review to ensure that over-hedged positions do not exceed the permitted level. This review also incorporates a procedure to ensure that positions materially in excess of 100% will not be carried forward month to month. Under-hedged positions must not fall short of 95% of the proportion of net asset value of the Share Class which is to be hedged and under-hedged positions will be kept under review to ensure it is not carried forward from month to month.

Transaction costs are clearly attributable to a specific Hedged Share Class and the costs and gains or losses of the hedged transaction will accrue solely to the relevant Hedged Share Class. To the extent that hedging is successful, the performance of a Hedged Share Class is likely to move in line with the performance of the underlying assets and investors in a Hedged Share Class will not benefit if the Currency Class falls against the Base Currency.

#### *Fund/Portfolio Currency Hedging Strategy*

Each Fund generally operates the investment portfolio in U.S. Dollar, which shall constitute the Base Currency of the Funds, as set out in the relevant Supplement. As long as a Fund holds securities or currencies denominated in a currency other than the denomination of the Base Currency of a Fund, the value of a Fund may be affected by the value of the local currency relative to the currency in which that Fund is denominated. The Manager may use currency hedging techniques to remove the currency exposure against the U.S. Dollar as applicable in order to limit currency exposure between the currencies of a Fund's investment portfolio and the Base Currency of a Fund;

however, this may not be possible or practicable in all cases. As long as a Fund holds securities denominated in a currency other than the Base Currency of the Fund, the Fund's Net Asset Value will be affected by the value of the local currency relative to the Base Currency.

#### *Use of Indices / Benchmarks*

Investors should note the Funds are actively managed by the relevant Investment Manager, meaning that the issuers and securities in which a Fund invests will not be selected by reference to an index, but rather will be determined using the Investment Manager's investment process as described in each Supplement.

However, certain Funds may use benchmark indices either as Comparator Benchmarks or Target Benchmarks, which are not used to constrain portfolio composition. Where a Comparator Benchmark or Target Benchmark is used, this will be identified in the relevant Supplement and Key Investor Information Document.

The Investment Manager may at any time change such Comparator Benchmarks or Target Benchmarks where, for reasons outside of its control, that Comparator Benchmark or Target Benchmark has been replaced, or another benchmark index may reasonably be considered by the Investment Manager to have become a more appropriate standard. Details and past performance of any Comparator Benchmark or Target Benchmark which are used for the purposes outlined above will be included in the Key Investor Information Document.

Separately, in circumstances where the Funds are using benchmarks in accordance with the Benchmarks Regulation, the Company is required to ensure that the benchmark is either provided by a benchmark administrator included in the register maintained by ESMA or is a benchmark which is included in the register maintained by ESMA. The Benchmarks Regulation contains transitional provisions in respect of third country benchmark administrators allowing existing benchmark administrators a period of time to apply for authorisation or registration under the Benchmarks Regulation. During that period of time, the Funds are permitted to use such benchmarks in accordance with the Benchmarks Regulations.

#### **Borrowing and Lending Powers**

The Manager may not borrow money on behalf of the Company except insofar as is permitted under the Regulations.

The Manager may borrow, on behalf of the Company for the account of a Fund, up to 10% of the Net Asset Value of a Fund and the assets of such Fund may be charged as security for any such borrowings provided that such borrowing is only for temporary purposes. The Manager may acquire non-U.S. currency on behalf of the Company by means of a back-to-back loan agreement(s). Non-U.S. currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding.

The Manager may not carry out uncovered sales of transferable securities, Money Market Instruments and other financial instruments on behalf of the Company.

The Manager may not borrow on behalf of the Company for investment purposes.

Without prejudice to the powers of the Manager to invest in transferable securities on behalf of the Company, the Manager may not lend, or act as guarantor on behalf of third parties on behalf of the Company.

Any special borrowing restrictions relating to a Fund will be formulated by the Directors and disclosed in the relevant Supplement. There are no special borrowing restrictions currently in operation.

## **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Fund and details of the dividend policy for each Fund are set out under the "SHARE CLASS INFORMATION" section of this Prospectus. The Directors intend to operate the distribution policy such as to enable relevant Classes of each Fund to qualify as a reporting fund for the purposes of United Kingdom taxation. Under the Constitution, the Directors are entitled to declare dividends out of the profits of the relevant Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realised and unrealised capital gains on the disposal/ valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund. The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. In selecting these investments the Directors will consult with the Depositary to ensure that the remaining Shareholders are not disadvantaged. A Shareholder may require the Company instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Fund who is or is deemed to be an Irish Taxable Person and pay such sum to the Irish tax authorities.

Any failure to supply the Manager and/or the Administrator with any documentation requested by them for anti-money laundering purposes may result in a delay in the settlement of any dividend payments. In such circumstances, any sums payable by way of dividends to Shareholders shall remain an asset of the Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which such dividend will be paid.

Dividends not claimed (including due to a failure to supply the Manager and/or the Administrator with any documentation requested by them) within six (6) years from their due date will lapse and revert to the relevant Fund.

Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in which case the dividend will be paid at the expense of the payee and will be paid within four Months of the date the Directors declared the dividend.

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## RISK FACTORS

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1. **General Risk**

Securities acquired by the Company are subject to normal market fluctuations and other inherent risks. The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund can go down as well as up and an investor may not get back the amount invested. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase.

While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims. Accordingly, it is not free from doubt that the assets of any Fund of the Company may not be exposed to the liabilities of other Funds of the Company.

2. **Geographic Concentration Risk**

Where a Fund's investments are concentrated in one particular region that Fund is more vulnerable to economic, political, regulatory or other developments in that particular region than a more geographically diversified portfolio would be.

3. **Segregated Liability Risk**

The Company is an umbrella investment company with segregated liability between its Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some or all liabilities of another Fund, for example, on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the Company, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which may not recognise the principle of segregation of liability between Funds.

4. **Depositary Risk**

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay. If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that OTC derivatives traded by a Fund will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under the Central Bank UCITS Regulations, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

5. **U.S. Withholding Tax Risk**

The Company (or each Fund) will be required to comply (or be deemed compliant) with extensive reporting and withholding requirements under FATCA designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or each Fund) to U.S. withholding taxes on certain U.S. source income and gains. Pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Reportable Account information directly to the Irish government. Shareholders may be requested to provide additional information to the Company to enable the Company (or each Fund) to satisfy these obligations. Failure to provide requested information may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company (and each Fund). The administrative cost of compliance with FATCA may cause the operating expenses of the Company (and each Fund) to increase, thereby reducing returns to investors. FATCA may also require the Company (or each Fund) to provide to the U.S. Internal Revenue Service private and confidential information relating to certain investors. See section headed "**Foreign Account Tax Compliance Act**".

6. **Common Reporting Standards Risk**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, tax authorities in participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other CRS participating tax authorities in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Ireland has implemented the CRS. As a result, the Manager is required to comply with the CRS due diligence and reporting requirements on behalf of the Company, as adopted by Ireland. Investors may be required to provide additional information to the Manager to enable the Manager to satisfy its obligations of the Company under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.

7. **OECD BEPS Risk**

International fiscal and tax policy and practice is constantly evolving and the pace of evolution has quickened in recent years due to a number of developments, including in particular, the OECD's Base Erosion and Profit Shifting project ("**BEPS**"). The final BEPS reports, analyses and sets of recommendations published by the OECD for all of the fifteen actions it identified as part of its Action Plan (the "**Final Report**") were endorsed by G20 Leaders. More than 100 jurisdictions (including Ireland) concluded negotiations on a multilateral convention (the "**MLI**") that is intended to implement a number of BEPS related measures swiftly. The effect of the MLI is that countries (including Ireland) will transpose certain provisions relating to the BEPS project into their existing networks of bilateral tax treaties without the requirement to re-negotiate each treaty individually. The date from which provisions of the MLI have effect in relation to a treaty depends on several factors including the type of tax which the article relates to. The MLI is to be applied alongside existing tax treaties (rather than amending them directly),

modifying the application of those existing treaties in order to implement BEPS measures. Accordingly, at least some of the recommendations of the Final Reports may be applied to existing tax treaties in a relatively short time. However, the MLI generally allows participating countries to opt in or out of various measures which are not a BEPS “*minimum standard*”. At the end of January 2019 Ireland deposited its instrument ratifying the MLI with the OECD and it came into effect effective 1 May 2019. To date, the United States has not signed up to the MLI. The final actions to be implemented in the tax legislation of the countries in which the Company will have investments, in the countries where the Company is domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns from the Company. BEPS remains an ongoing project.

#### 8. **Cyber Crime and Security Breaches Risk**

Intentional cybersecurity breaches include: unauthorised access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws).

A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems (denial of services), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause a Fund, the Investment Manager or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund’s investments to lose value

In addition to risks to the Company and Funds, investors are advised to ensure communication methods with the Administrator and any financial advisers, including the Investment Manager and distribution agents are secure so as to prevent fraudulent change of details or fraudulent redemption requests from being submitted through, for example, their email accounts.

#### 9. **Change of Law Risk**

The Manager and the Company must comply with regulatory constraints, such as a change in the laws affecting the applicable investment restrictions, which might require a change in the investment policies and objectives followed by a Fund.

#### 10. **Debt Securities Risk**

Debt securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

The value of a debt security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a S&P’s credit rating of below BBB or equivalent.

#### 11. **Investment in Cash or Cash Equivalents Risk**

Each Fund seeks to remain fully invested in accordance with its investment objective. However, in an attempt to respond to adverse market, economic, political, or other conditions, a Fund may take a temporary defensive position by holding some or all of its assets in short-term investments. These investments include cash, commercial paper, Money Market Instruments, repurchase agreements, and U.S. government securities. A Fund also may hold these types of investments while looking for suitable investment opportunities or to maintain liquidity. Taking a temporary defensive position could prevent the Fund from achieving its investment objective.

#### 12. **Emerging Market Country Risk**

A Fund may invest in foreign securities including those securities of companies located or traded in emerging market countries, which are subject to the following risks in addition to the risks normally associated with domestic securities of the same type:

- Country risk refers to the potentially adverse political, economic, and other conditions of the country. These conditions include lack of publicly available information, less government oversight (including lack of accounting, auditing, and financial reporting standards), the possibility of government imposed restrictions, and even the nationalisation of assets. The liquidity of emerging market investment may be more limited than for most U.S. investments, which means that, at times, it may be difficult to sell foreign securities at desirable prices.
- Currency risk refers to the constantly changing exchange rate between a local currency and the U.S. Dollar. Whenever a Fund holds securities valued in a foreign currency or holds the currency, changes in the exchange rate add to or subtract from the value of the investment.
- Custody risk refers to the process of clearing and settling trades. It also covers holding securities with local agents and depositories. Low trading volumes and volatile prices in less developed markets make trades harder to complete and settle. Local agents are held only to the standard of care to the local market. Governments or trade groups may compel local agents to hold securities with local depositories that are not subject to independent evaluation. The less developed a country's securities market is, the greater the likelihood of problems occurring. Where Custody risk is anticipated in relation to a specific country, this will be set out in the relevant Supplement.
- The risks of investing in emerging or developing markets are more pronounced with respect to these securities due to the dramatic pace of change (economic, social and political) in these countries. Many of these markets are at an early stage of development and are significantly volatile. They can be marked by extreme inflation, devaluation of currencies, dependency on certain trade partners and hostile relations.

13. **United Kingdom's Withdrawal from the European Union**

Following withdrawal from the EU, the U.K. has entered a transition period, during which EU law will continue to apply in the U.K. New EU legislation that takes effect before the end of the transition period will also apply to the UK. As at today's date the transition period will last until 31 December, 2020 but may be extended. During and following the transition period there is likely to be considerable uncertainty as to the U.K.'s post-transition framework, and in particular as to the arrangements which will apply to its relationships with the EU and with other countries.

This process and/or the uncertainty associated with it may, at any stage, adversely affect the Company and its investments and/or the Manager. There may be detrimental implications for the value of the Fund's investments and/or their ability to implement their investment programmes. This may be due to, among other things:

- (i) increased uncertainty and volatility in U.K., EU and other financial markets;
- (ii) fluctuations in asset values;
- (iii) fluctuations in exchange rates;
- (iv) increased illiquidity of investments located, listed or traded within the U.K., the EU or elsewhere;
- (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- (vi) changes in legal and regulatory regimes to which the Company, the Manager or certain of the Fund's assets and/or service providers are or become subject.

The U.K.'s vote to leave the EU has created a degree of political uncertainty, as well as uncertainty in monetary and fiscal policy, which is expected to continue during the transition period. It may have a destabilising effect on some of the remaining members of the EU, the effects of which may be felt



particularly acutely by Member States within the Eurozone.

The withdrawal of the U.K. from the EU could have a material impact on the U.K.'s economy and its future growth, impacting adversely the Funds' investments in the U.K. It could also result in prolonged uncertainty regarding aspects of the U.K. economy and damage customers' and investors' confidence. Any of these events could have a material adverse effect on the Company.

14. **Umbrella Cash Account Risk**

Subscriptions monies received by a Fund in advance of the issue of Shares will be held in the Umbrella Cash Account in the name of the Company and will be treated as an asset of the relevant Fund. Investors will be unsecured creditors of the relevant Fund with respect to the amount subscribed and held by the relevant Fund until such Shares are issued, and will not benefit from any appreciation in the NAV of the relevant Fund or any other shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full.

Payment by the relevant Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the Fund, from the relevant redemption date. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Account in the name of the Company and/or the Manager. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the Fund, and will not benefit from any appreciation in the NAV of the relevant Fund or any other shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held by the relevant Fund. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another Fund of the Company, recovery of any amounts to which the relevant Fund is entitled, but which may have transferred to such Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to the relevant Fund.

15. **Convertible and Other Equity Related Securities Risk**

Convertible securities are subject to the risks affecting both equity and fixed income securities, including market, credit, liquidity, and interest rate risk. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality and less potential for gains or capital appreciation in a rising stock market than equity securities. They tend to be more volatile than other fixed income securities, and the markets for convertible securities may be less liquid markets for common stocks or bonds. Many convertible securities have below investment grade credit ratings and are subject to increased credit and liquidity risks. Synthetic convertible securities and convertible structured notes may present a greater degree of market risk, and may be more volatile, less liquid and more difficult to price accurately than less complex securities. These factors may cause a Fund to perform poorly compared to other funds, including funds that invest exclusively in fixed income securities.

16. **American and Global Depositary Receipts Risk**

American and global depositary receipts are a representation of a stock, rather than an actual holding in the company and are subject to particular risks such as currency risks, political risk and inflation risk. For example, if the value of the U.S. Dollar rises against the value of the company's home currency, a good deal of the company's intrinsic profit might be wiped out in the transaction. American and global depositary receipt status does not insulate a company's stock from the inherent risk of its home country's political stability. Revolution, nationalisation, currency collapse or other potential disasters may be greater risk factors in other parts of the world than in the U.S., and those risks will be clearly translated through any American and global depositary receipt that originates in an affected nation. Countries around the globe

may be more or less prone to inflation than the U.S. economy is at any given time.

17. **Taxation Risk**

Shareholders' attention is drawn to the taxation risk associated with investing in any Fund of the Company.

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by each Fund and affect each Fund's ability to achieve the investment objective to provide the investor returns. Shareholders should note that the statements on taxation which are set out herein are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus and each Supplement. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely. The attention of Shareholders is drawn to the tax risk associated with investing in the Company. See section headed "TAXATION".

18. **Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the relevant Fund, whereas a Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk.

In addition where Shares are denominated in a currency other than the Base Currency, the value of the Shares expressed in such Currency Class will be subject to exchange rate risk in relation to the Base Currency.

Hedging strategies employed by the Investment Manager (or any agent appointed by the Investment Manager) may not completely eliminate the exposure to currency movements between the Base Currency of a Fund and the currency in which a Hedged Share Class is denominated. There can be no guarantee that hedging strategies will be successful. Mismatches may result between a currency position held by the Fund and the currency of one or more of the Hedged Share Class issued for the Fund. The use of hedging strategies may substantially limit the extent to which Hedged Share Class Shareholders may benefit if the currency of the Hedged Share Class falls against a Fund's Base Currency and/or the currency of a Fund's investments. The Fund's exposure under currency forwards, non-deliverable forwards or spot currency transactions may, in the case of an extreme change in currency exchange rates, exceed the value of a Fund's Net Asset Value. Spot currency contracts are not traded on exchanges and are not standardised, each transaction is negotiated on an individual basis. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in these markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. It is possible that developments in the market, including potential government regulation, could adversely affect a Fund's ability to terminate existing agreements or to realise amounts to be received under such agreements.

19. **Market Risk**

Some of the recognised exchanges on which a Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which a Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that the securities of small capitalisation companies are less liquid and this may result in fluctuations in the price of the Shares of the relevant Fund.

20. **European Economic Risk**

Financial and economic uncertainty affecting certain countries in the European Monetary Union (the Eurozone) pose risks for the Funds and in particular for holders of Euro denominated Classes of Shares. One or more Eurozone countries may exit the Eurozone and reintroduce their own national currencies. Any such withdrawal could result in, among other things, currency devaluations, restrictions on international movements of capital, and disruption of international trade. One or more countries in the Eurozone could default on their debts or restructure their debts in a manner that disadvantages debt holders. Any such default or restructuring could severely impact holders of the defaulted or restructured debt, including many

European and non-European financial institutions, possibly affecting the solvency of these institutions. Any such events could have significant adverse effects on the European and global economies and financial markets that are difficult to predict and could prove difficult or impossible to contain, control or manage. It is even possible that the Euro could be abandoned as the European single currency. This could have severe and lasting negative consequences for the European and global economies, financial markets and political systems. Any such events could have a negative impact on the performance of the Funds.

21. **Valuation Risk**

A Fund may invest a limited proportion of its assets in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the valuation provisions set out in the “**Calculation of Net Asset Value/Valuation of Assets**” section below. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Each Fund may engage in financial derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the valuation provisions set out in the “**Calculation of Net Asset Value/Valuation of Assets**” section below reflects the exact amount at which the instrument may be “closed out”.

22. **Financial Derivative Instruments Risk**

Certain risks associated with the use of FDI are as follows:

20.1 Market Risk

This is a general risk that the value of a particular FDI may change in a way which may be detrimental to a Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to achieving a Fund's investment objective.

20.2 Control and Monitoring

FDI are highly specialised and require specific techniques and risk analysis. In particular, the use and complexity of FDI require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a FDI may add to a Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

20.3 Liquidity Risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If an FDI transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated FDI), it may not be possible to initiate a transaction to liquidate a position at an advantageous price, to assess or value a position or to assess the exposure to risk. An adverse price movement in a FDI position may also require a cash payment to counterparties that might in turn require, if there is insufficient cash available in a Fund, the sale of investments under disadvantageous conditions.

20.4 Counterparty and Settlement Risk

A Fund may enter into FDI transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. A Fund may be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the Fund seeks to enforce its rights, the inability to realise any gains during such period and fees and expenses incurred in enforcing its rights. The fact that the FDI may be entered into over-the-counter, rather than on a regulated market, may increase the potential for loss by a Fund.

20.5 Legal Risk

There is a possibility that the agreements governing the FDI techniques may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such agreements are not legally enforceable or if the derivative transactions are not documented correctly.

## 20.6 Conflicts of Interest Risk

Investors should be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreement counterparties and/or stocklending agents that are related parties to the Depositary or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Company. Please refer to section entitled “Portfolio Transactions and Conflicts of Interest” below for further details on the conditions applicable to any such related party transactions.

## 20.7 Other Risks

Other risks in using FDI include the risk of differing valuations of FDI arising out of different permitted valuation methods and the inability of FDI to correlate perfectly with underlying securities, rates and indices. Many FDI, in particular over-the-counter FDI, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in an increased cash payment to counterparties or a loss of value to a Fund. FDI do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track.

Additional risk factors (if any) in respect of each Fund are set out in the Supplement for the relevant Fund.

## 23. **Options Risk**

A Fund may purchase call or put options. In order for a call option to be profitable, the market price of the underlying security must rise sufficiently above the exercise price to cover the premium and transaction costs. These costs will reduce any profit that might have realised had it bought the underlying security at the time it purchased the call option. For a put option to be profitable, the market price of the underlying security must decline sufficiently below the exercise price to cover the premium and transaction costs. By using put options in this manner, a Fund will reduce any profit it might otherwise have realised from appreciation of the underlying security by the premium paid for the put option and by transaction costs. If a Fund sells a put option, there is a risk that a Fund may be required to buy the underlying asset at a disadvantageous price. If a Fund sells a call option, there is a risk that a Fund may be required to sell the underlying asset at a disadvantageous price. If a Fund sells a call option on an underlying asset that a Fund owns and the underlying asset has increased in value when the call option is exercised, a Fund will be required to sell the underlying asset at the call price and will not be able to realise any of the underlying asset's value above the call price.

## 24. **Participatory Notes Risk**

Participatory notes involve risks that are in addition to the risks normally associated with a direct investment in the underlying equity securities. The Fund is subject to the risk that the issuer of the participatory note (i.e., the issuing bank or broker-dealer), which is the only responsible party under the note, is unable or refuses to perform under the participatory note. While the holder of a participatory note is entitled to receive from the issuing bank or broker-dealer any dividends or other distributions paid on the underlying securities, the holder is not entitled to the same rights as an owner of the underlying securities, such as voting rights. Participatory notes are also not traded on exchanges, are privately issued, and may be illiquid. To the extent a participatory note is determined to be illiquid, it would be subject to the Fund's limitation on investments in illiquid securities. There can be no assurance that the trading price or value of participatory note will equal the value of the underlying value of the equity securities they seek to replicate.

## 25. **MiFID II Regulatory Risk**

The MiFID Regulations transpose into Irish law the MiFID II Directive along with its accompanying regulation, the Markets in Financial Instruments Regulation (“**MiFIR**”) (Regulation 600/2014/EU), (collectively, “**MiFID II**”). MiFID II is a wide ranging piece of legislation that will affect financial market structure, trading and clearing obligations, product governance and investor protection. While MiFIR and a majority of the so-called “Level 2” measures are directly applicable across the European Union (EU) as EU regulations, the MiFID II Directive must be “transposed” into national law by Member States. In the course of the transposition process, individual Member States and their national competent authorities may have introduced requirements over and above those in the European text and which may apply to MiFID II participants that would not otherwise be caught by MiFID II and its implementation may be unclear in scope

and subject to differences in regulatory interpretation. Market participants who are not directly subject to MiFID II may be indirectly impacted by its requirements and related regulatory interpretations. It is not possible to predict how these factors may impact on market participants including the Company and the Investment Manager, the operation of the Company and the ability of the Manager and the relevant Investment Manager to implement a Fund's investment objective.

## 26. **EU General Data Protection Regulation Risk**

The GDPR replaced previous EU data privacy laws. Although a number of basic existing principles remain the same, the GDPR introduced new obligations on data controllers and rights for data subjects, including, among others:

- accountability and transparency requirements, which requires data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing;
- enhanced data consent requirements, which includes "explicit" consent in relation to the processing of sensitive data;
- obligations to consider data privacy as any new products or services are developed and limit the amount of information collected, processed, stored and its accessibility;
- constraints on using data to profile data subjects;
- providing data subjects with personal data in a useable format on request and erasing personal data in certain circumstances; and
- reporting of breaches without undue delay (within seventy-two (72) hours where feasible).

A breach of the GDPR could expose the Manager and/or Company or relevant service provider to regulatory sanction including potentially significant fines. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement).

If there is a breach of the GDPR, the Company could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on its operations, financial condition and prospects.

## 27. **External Factors May Impact on Performance**

Each Fund's performance is influenced by a variety of external factors which are beyond the control of the Investment Manager, including: changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; political and economic events, policies and political unrest; changes in interest rates and rates of inflation; currency devaluations and re-evaluations; market sentiment; and force majeure events, including natural disasters (such as hurricanes, earthquakes or floods), pandemics or any other serious public health concern, war or terrorism or the threat of or perceived potential for these events, each of which or a combination of which may have a negative impact on the performance of each Fund. These events could adversely affect levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to people and physical facilities and operations around the world.

The outbreak of novel coronavirus, or COVID-19, in China and its subsequent spread worldwide has significantly increased risk within the global economy and investor uncertainty. In addition, significant declines in oil prices may have additional effects on the economy and certain sectors. As a result equity markets have experienced significant declines, market volatility has substantially increased and some markets have experienced disruptions in orderly function. In the short-term the Company may benefit from higher transaction volumes and increased volatility, although continuation of these trends is uncertain. Looking forward, lower asset prices would adversely affect invested assets with a consequent effect on recurring fee income, and lower interest rates will reduce net interest income. The outbreak of COVID-19 and the measures being taken globally to reduce the peak of the resulting pandemic will likely have a significant adverse effect on global economic activity, including in China, the United States and Europe. In addition, these factors are likely to have an adverse effect on the credit profile of some of the Investment Manager's clients and other market participants, which may result in an increase in expected credit loss expense and credit impairments.

28. **Active Management Risk**

A Fund that relies on the Investment Manager's ability to pursue the Fund's investment objective is subject to active management risk. The Investment Manager will apply investment techniques and risk analyses in making investment decisions for a Fund and there can be no guarantee that these will produce the desired results. A Fund generally does not attempt to time the market and instead generally stays fully invested in the relevant asset class, such as U.S. equities or non-U.S. equities.

Notwithstanding any benchmark against which it may be compared, a Fund may buy securities not included in its benchmark or hold securities in very different proportions from its benchmark. To the extent a Fund invests in those securities, its performance depends on the ability of the Investment Manager to choose securities that perform better than securities that are included in the benchmark.

29. **London Interbank Offered Rate ("LIBOR") Risk**

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments and borrowing arrangements. Various financial industry groups have begun planning for the transition from LIBOR, but there are obstacles to converting certain longer-term securities and transactions to a new benchmark. Transition planning is ongoing, and neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments. While some LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all may have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

30. **Initial Public Offerings ("IPOs") Risk**

Certain Funds may invest a portion of their assets in shares of IPOs. IPOs may have a magnified impact on the performance of a Fund with a small asset base. The impact of IPOs on a Fund's performance will likely decrease as the Fund's asset size increases, which could reduce the Fund's returns. IPOs may not be consistently available to a Fund for investing, particularly as the Fund's assets base grows. IPO shares are frequently volatile in price due to the absence of a prior public market, the small number of shares available for trading, and limited information about the issuer. Therefore, a Fund may hold IPO shares for a very short period of time. This may increase the turnover of a Fund and may lead to increased expenses for a Fund, such as commissions and transactions costs. In addition, IPO shares can experience an immediate drop in value if the demand for the securities does not continue to support the offering price.

31. **Large Company Risk**

Large-capitalisation stocks as a group could fall out of favour with the market, causing the Fund to underperform investments that focus on small- or medium-capitalisation stocks. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies. For purposes of a Fund's investment policies, the market capitalization of a company is based on its market capitalization at the time the Fund purchases the company's securities. Market capitalizations of companies change over time.

32. **Medium and Smaller Company Risk**

The prices of medium and smaller company stocks can change more frequently and dramatically than those of large company stocks. For purposes of the Fund's investment policies, the market capitalization of a company is based on its market capitalization at the time the fund purchases the company's securities. Market capitalizations of companies change over time in both absolute and relative terms.

33. **Merger and Restructuring Risk**

A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time a fund invests in risk arbitrage securities may not be completed on the terms contemplated, resulting in losses to the Fund.

34. **Rule 144A Securities and Regulation S Securities Risk**

Rule 144A Securities and Regulation S Securities may involve a high degree of business and financial risk and may result in substantial loss. These securities may be less liquid than publicly listed or traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised for these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded.

35. **Sector Risk**

When a Fund's investments are focused in one or more sectors of the economy, they are not as diversified as the investments of most Funds and are far less diversified than the broad securities markets. This means that focused funds tend to be more volatile than other Funds, and the values of their investments tend to go up and down more rapidly. In addition, a Fund which invests in particular sectors is particularly susceptible to the impact of market, economic, regulatory, and other factors affecting those sectors disproportionately.

36. **Share Currency Designation Risk**

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The investor bears the risk of any such depreciation. Where a Class of Shares is designated as being hedged, the Investment Manager shall try to mitigate such risks by using financial instruments such as those described under the heading **Use of FDI – Currency Class Hedging Strategy**.

Although hedging strategies may not necessarily be used in relation to each Class of Share within a Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Fund. Unless otherwise specified in the relevant Supplement, each Fund may (but is not obliged to) enter into such currency related transactions in order to hedge the currency exposure of the Classes denominated in a currency other than the Base Currency of the relevant Fund. Where the name of a Class denotes that it is specifically to be hedged, the currency exposure of that Class shall be hedged against the Base Currency of the relevant Fund (*i.e.* in such cases whether hedging is undertaken or not shall not be at the discretion of the Investment Manager). Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

37. **Suspension Risk**

Investors are reminded that, in certain exceptional circumstances, their right to purchase and sell Shares may be suspended (see the section headed **SHARE DEALINGS – Suspension of Calculation of Net Asset Value**).

38. **Value Stock Risk**

Value stocks involve the risk that the value of the security will not be recognised for an unexpectedly long period of time or that the security is not undervalued but is appropriately priced. A Fund's focus on value investing may cause a Fund to underperform when growth investing is in favour.

39. **Risk Factors Not Exhaustive**

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Company or any Fund may be exposed **to risks of an exceptional nature from time to time.**



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## MANAGEMENT OF THE COMPANY

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### **Directors of the Company**

The Directors of the Company are described below:-

#### **Paul McNaughton (Chairman and Irish Resident)**

Paul McNaughton has over 35 years' experience in the Banking/Finance, Fund Management & Securities Processing Industries. Mr. McNaughton spent 10 years with IDA (Ireland) both in Dublin and in the USA marketing Ireland as a location for multinational investment. He went on to establish Bank of Ireland's IFSC Fund's business before joining Deutsche Bank to establish their funds business in Ireland. He was overall Head of Deutsche Bank's Offshore Funds business, including their hedge fund administration businesses primarily based in Dublin and the Cayman Islands, before assuming the role of Global Head of Deutsche's Fund Servicing business worldwide. Mr. McNaughton left Deutsche Bank in August 2004 after leading the sale of Deutsche's Global Custody and Funds businesses to State Street Bank. Mr. McNaughton acts as an advisor and non-executive director for investment companies and other financial entities in Ireland including alternative/hedge fund entities. Mr. McNaughton holds an Honours Economics Degree from Trinity College Dublin. He was the founding Chairman of Irish Funds and a member of the Irish Government Task Force on Mutual Fund Administration. He was instrumental in the growth of the funds business in Ireland both for traditional and alternative asset classes.

#### **David M. Churchill (U.S. Resident)**

David M. Churchill, a Certified Public Accountant, is a Partner of the Investment Manager and manages its U.S. and international growth as a member of the firm's executive team. With a focus on building world-class teams and a strong organisational culture, Mr. Churchill's leadership extends into the community where he serves on several non-profit boards. Mr. Churchill earned a B.S. in Neuroscience (1987) and holds an M.B.A. in Finance (1990) from the University of Rochester.

#### **Tony Garry (Irish Resident)**

Tony Garry is a former Director and Chief Executive Officer of Davy, the wealth management, asset management, capital markets and financial advisory services group. Mr. Garry graduated from University College Dublin with a Bachelor of Commerce Degree in 1975 and an MBS in 1977. He began his career in Ireland's Department of Labour, later moving to the Central Bank of Ireland. In 1975, he left the public sector and moved to Allied Irish Investment Bank, becoming an Associate Director in 1976. He joined Davy in 1979 and was appointed Chief Executive Officer in 1994. He led the team which completed the management buyout from Bank of Ireland in October 2006. He retired as Chief Executive Officer in March 2015. Mr. Garry is also a Director of the Mater Misericordiae Hospital.

#### **Robert Alexander Hammond-Chambers (U.K. Resident)**

Robert Alexander Hammond-Chambers was Chairman of the investment management firm, Ivory and Sime, from 1985 to 1991 having joined the firm in 1964. During the 1970s he managed two investment trusts, ran the North American research and initiated the development of Ivory and Sime's ERISA business in the United States. From 1984 to 1987 he was also the first overseas Governor of the National Association of Securities Dealers. Since 1991 he has held and continues to hold a number of directorships specialising in investment funds.

#### **Brett D. Rogers (U.S. Resident)**

Brett D. Rogers serves as General Counsel and Chief Compliance Officer of the Investment Manager, where he is a partner and the member of Brown Advisory's executive team responsible for legal matters, regulatory compliance, internal audit and risk. Before joining the Investment Manager in September 2009, he was director and global head of risk management governance in Deutsche Bank's asset management division and chief compliance officer of the Germany Funds, a NYSE-listed group of closed-end funds. While at Deutsche he also served as deputy chief compliance officer of the DWS/Scudder group of mutual funds and chief compliance officer of Deutsche Asset Management (Japan) Limited. Mr. Rogers holds several directorships of non-profit organisations, including USA Climbing and the Baltimore Chesapeake Bay Outward Bound School. Mr. Rogers received a B.A. from Georgetown

University in 1998, an MBA from the University of Maryland R.H. Smith School of Business in 2002, and a J.D. from the University of Maryland Francis King Carey School of Law in 2002.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Company.

### **The Manager**

The Company has appointed the Manager to act as manager and distributor to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Manager. The Manager is a private company limited by shares and was incorporated in Ireland on 11 December 2018 under registration number 639612 and is wholly owned by Brown Advisory Incorporated, a holding company incorporated in Maryland, United States, which is in turn, wholly owned by Brown Advisory Group Holdings, LLC, a holding company formed in Delaware, United States.

The Manager has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes under number C187892.

The Manager is responsible for the general management and administration of the Company's affairs and for ensuring compliance with the Central Bank UCITS Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator. Pursuant to the Investment Management and Distribution Agreement and the Sub-Investment Management Agreements, the Manager has delegated certain investment management functions in respect of each Fund to the relevant Investment Manager. Pursuant to the Investment Management and Distribution Agreement, the Manager has delegated certain distribution functions in respect of the Company and the Funds to the Distributor.

#### *Management Agreement*

Pursuant to the Management Agreement, the Manager has agreed to act as the manager and distributor of the Company. Details of the fees payable to the Manager are set out in the **FEES AND EXPENSES** section of this Prospectus. The Management Agreement may be terminated by either party on not less than ninety (90) days' notice in writing. The Management Agreement may be forthwith terminated by written notice given by either party to the other in certain circumstances. The Manager is indemnified by the Company from and against any and all liabilities, losses, damages, penalties, actions, judgements, suits, costs, expenses, or disbursements of any kind or nature whatsoever (other than those resulting from wilful misfeasance, bad faith, or negligence on the part of the Manager or of any delegate, servant, or agent) which may be imposed on, incurred by or asserted against the Manager in performing its obligations under the Management Agreement.

#### *Directors of the Managers*

The directors of the Manager are:

##### *Paul McNaughton (Chairman, Irish Resident)*

Mr. McNaughton is also a director of the Company. See biography for Mr. McNaughton above.

##### *Mary Canning (Irish Resident)*

Mary Canning is a financial services lawyer and a Non-Executive Director of Irish authorised investment funds. She has a Bachelor of Civil Law (BCL 1984) and a Masters in Commercial Law (LLM 2005) from University College Dublin. She was admitted to practice as a solicitor in Ireland in 1989. From 1988 to 1990, she worked in the New York law firm of De Vos & Co., during which time she was admitted to practice as an attorney in the State of New York. Prior to joining Dillon Eustace in 1992, Ms. Canning worked as an associate in the law firm Cawley Sheerin Wynne. She became a partner in Dillon Eustace in 1992, and worked principally in the financial services department for 10 years. Since 2002, Ms. Canning has worked as a consultant, in Dillon Eustace and in other financial services firms, principally in areas of governance and compliance and in the provision of non-executive directorship services to Irish authorised investment funds.

##### *David M. Churchill (U.S. Resident)*

Mr. Churchill is also a director of the Company. See biography for Mr. Churchill above.

##### *Brett D. Rogers (U.S. Resident)*

Mr. Rogers is also a director of the Company. See biography for Mr. Rogers above.

### ***Remuneration Policy of the Manager***

The Manager is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”). The Remuneration Policy complies with the Central Bank UCITS Regulations regarding remuneration and is designed to ensure that the Manager’s remuneration practices, for those staff in scope of the applicable rules: (i) are consistent with and promote sound and effective risk management; (ii) do not encourage risk taking and are consistent with the risk profiles, Prospectus, and/or Constitution of the Company and its Funds; (iii) do not impair the Manager’s compliance with its duty to act in the best interests of those Funds; and (iv) include fixed components of remuneration. When applying the Remuneration Policy, the Manager will comply with the Regulations in a way, and to the extent, that is appropriate to the size, internal organisation and the nature, scope and complexity of the Manager’s activities.

Where the Manager delegates certain portfolio management and risk management functions in respect of a Fund, which it does to the relevant Investment Manager, it may in its discretion decide the extent to which it will delegate portfolio management and risk management and accordingly the individual delegates may be afforded differing levels of responsibilities and remuneration.

The details of the Remuneration Policy (including how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits) are available on [www.browoadvisory.com](http://www.browoadvisory.com) and a copy will be made available free of charge on request.

### **Investment Manager**

Brown Advisory LLC acts as promoter and investment manager of the Company and has been appointed by the Manager to provide certain investment related services to the Company. The Investment Manager was organised in Maryland in 1991. The Investment Manager is a wholly owned subsidiary of Brown Advisory Management LLC, a limited liability company incorporated under the laws of Maryland. The Investment Manager and its affiliates have provided investment advisory and management services to clients for over twenty years. The Investment Manager is authorised and regulated by the U.S. Securities and Exchange Commission. Neither the Investment Manager nor Brown Advisory Management LLC is an affiliate of the Depositary or the Administrator.

The Investment Management and Distribution Agreement provides that the appointment of the Investment Manager will continue until terminated by either party giving the other not less than 90 days’ written notice although in certain circumstances the appointment may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reason of the wilful misfeasance, bad faith or negligence of the Investment Manager in the performance of its obligations and duties.

The Manager may delegate certain distribution functions for certain jurisdictions to the Distributor. Brown Advisory, LLC has been appointed as a non-exclusive distributor of Shares in the Company with power to appoint sub-distributors pursuant to the Investment Management and Distribution Agreement.

### **Sub-Investment Managers**

The Investment Manager may delegate certain investment management or advisory functions to Sub-Investment Managers and/or advisers and details of such entities, where appointed, will be set out in the relevant Supplement for the relevant Fund and provided to Shareholders on request and will be published in the periodic reports.

References to the Investment Manager in this Prospectus shall be interpreted to mean the relevant Sub-Investment Manager(s), as appropriate.

As at the date of this Prospectus:

- Brown Advisory Limited has been appointed as Sub-Investment Manager to: (i) Brown Advisory Global Leaders Sustainable Fund; and (ii) Brown Advisory Global Leaders Fund.
- Beutel, Goodman & Company Ltd. has been appointed as Sub-Investment Manager to: BA Beutel Goodman US Value Fund.

### **Depositary**

Brown Brothers Harriman Trustee Services (Ireland) Limited has been appointed to act as depositary of all of the assets of the Company subject to the overall supervision of the Directors and subject to the terms and conditions of the Depositary Agreement.

The Depositary is a limited liability company incorporated in Ireland on 29th March 1995. The Depositary is a subsidiary of Brown Brothers Harriman & Co. and has shareholder equity in excess of US\$ 1,500,000.

The main activity of the Depositary is to act as depositary and trustee of the assets of collective investment schemes.

The Depositary will carry out the instructions of the Company unless they conflict with the Regulations or the Constitution. The Depositary also is obliged to enquire into the conduct of the Company in each financial year and report thereon to the Shareholders.

The Depositary is responsible for the safe-keeping of all the assets of the Company. The key duties of the Depositary are to perform on behalf of the Company the depositary duties referred to in Regulations and the Delegated Regulations essentially consisting of:

- a) monitoring and verifying the Company's cash flows;
- b) safekeeping of the assets of the Company, including inter alia verification of ownership;
- c) ensuring that the issue, redemption, cancellation and valuation of Shares are carried out in accordance with the Constitution and applicable law, rules and regulations;
- d) ensuring that in transactions involving assets of the Company any consideration is remitted to the Company within the usual time limits;
- e) ensuring that the Company's income is applied in accordance with the Constitution, applicable law, rules and regulations; and
- f) carrying out instructions from the Investment Manager unless they conflict with the Constitution or applicable law, rules and regulations.

The Depositary may, however appoint any person or persons to be the sub-custodian of the assets of the Company. The liability of the Depositary shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Central Bank considers that in order for the Depositary to discharge its responsibility, the Depositary must (1) exercise all skill, care and diligence in selecting and appointing a third party as a sub-custodian so as to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned; (2) exercise all skill, care and diligence in review and monitoring of and supervision over the sub-custodian; (3) make appropriate enquiries from time to time to confirm that the obligations of the sub-custodian continue to be competently discharged; and (4) provide, on request, details of the criteria used to select sub-custodians and steps taken to monitor their activities. The Depositary has delegated certain responsibilities to the sub-custodians set forth in the global custody network listing attached hereto as Appendix III.

The Depositary Agreement contains provisions governing the responsibilities of the Depositary and provides that, in the absence of its negligent or intentional failure to perform its obligations or its improper performance of them, the Depositary shall be indemnified out of the assets of the Company. The indemnity may be extended to third parties including sub-custodians.

The Depositary Agreement specifies the conditions to be followed with respect to the replacement of the Depositary with another depositary and contains provisions to ensure the protection of Shareholders in the event of any such replacement.

The Depositary Agreement provides that the appointment of the Depositary will continue until terminated by either party giving to the other not less than ninety (90) consecutive calendar days' written notice although in certain circumstances the appointment may be terminated forthwith by notice in writing by either party to the other. If no successor is appointed at the end of the notice period, the Company shall at the request of the Depositary serve notice on all Shareholders of its intention to redeem all Shares then issued on the date specified in such notice and shall procure that following the redemption of such Shares, the Company will be wound up provided that the

Depository Agreement will remain in effect until the appointment of a successor depository or the revocation of the Company's authorisation by the Central Bank and the Company has been wound up.

The information in this section will be kept up to date and is available to Shareholders upon request.

### **Administrator**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited has been appointed by the Manager as administrator of the Company and each Fund with responsibility for performing the day-to-day administration of the Company and each Fund and providing related fund accounting services (including the calculation of the Net Asset Value and the Net Asset Value per Share) pursuant to an administration agreement (summarised under "Material Contracts" below). The Administrator was incorporated as a limited liability company in Ireland on 29th March, 1995 and is a wholly-owned subsidiary of BBH & Co. The Administrator has an issued and fully paid up capital of US\$700,000.

The administration duties and functions of the Administrator will include, inter alia, the calculation and publication of the Net Asset Value, the provision of facilities for the confirmation and registration of Shares, the keeping of all relevant records and accounts of the Company and assisting with compliance by the Company with the reporting requirement of the Central Bank.

The Administrator will also act as registrar of the Company.

The Administration Agreement provides that the appointment of the Administrator will continue until terminated by a party giving the other not less than ninety (90) days' written notice although in certain circumstances the appointment may be terminated forthwith by notice in writing by a party to the others. The Administration Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of wilful malfeasance, bad faith or negligence of the Administrator in the performance of such obligations and duties.

### **Paying Agents**

The Directors or their duly appointed representative (including the Manager) may appoint a Paying Agent in respect of the Company or any Fund in accordance with the requirements of the Central Bank. Where an investor chooses or is obliged under local regulations to subscribe/redeem via an intermediary entity rather than directly to the Administrator, the investor bears a credit risk against the intermediary entity with respect to (i) subscription payments prior to the transmission of such payment to the Depository for the account of the Fund and (ii) redemption payments by such intermediary entity to the Shareholder. Local regulations in EEA countries or the United Kingdom may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. The fees of such paying agents and local representatives will be borne by the Company.

### **Portfolio Transactions and Conflicts of Interest**

Subject to the provisions of this section, the Company, the Manager, the Investment Manager, the Administrator, the Depository, Directors, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates as applicable (each a **Connected Person**) may contract or enter into any financial, banking or other transaction with one another or with the Company. This includes, without limitation, investment by the Company in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Fund or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else.

Any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2011, of Ireland with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and stocklending transactions) to or from the relevant Fund. There will be no obligation on the part of any Connected Person to account to the relevant Fund or to Shareholders of that Fund for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, are consistent with the best interests of the Shareholders of that Fund and:

- a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Directors) as independent and competent has been obtained; or
- such transaction has been executed on best terms reasonably available on an organised investment exchange under its rules; or
- where (a) and (b) are not reasonably practicable, such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length.

The Manager may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Manager will, however, have regard in such event to its obligations under the Management Agreement and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the Company, the relevant Funds and other clients. The Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Company and their other clients. In the event that a conflict of interest does arise the directors of the Manager will endeavour to ensure that such conflicts are resolved fairly.

As the fees of the Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of the Fund increases so to do the fees payable to the Manager and accordingly there is a conflict of interest for the Manager in cases where the Manager is responsible for determining the valuation price of a Fund's investments.

From time to time conflicts may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

### **Soft Commissions**

It is the Investment Manager's policy to seek to obtain best execution on all client transactions over which the Investment Manager exercises discretion. However, under certain circumstances, consistent with applicable law and regulation, the Investment Manager may select broker-dealers that furnish the Investment Manager with proprietary and third-party brokerage and research services in connection with commissions paid on transactions it places for client accounts (including for the Funds). The Investment Manager has entered into client commission arrangements with a number of broker-dealers that it selects to execute client transactions from time to time. These client commission arrangements provide for the broker-dealers to pay a portion of the commissions paid by eligible client accounts for securities transactions to providers of certain research services designated by the Investment Manager. Although the broker-dealers involved in these soft commission arrangements do not necessarily charge the lowest brokerage commissions, the Investment Manager will nonetheless enter into such arrangements where the broker-dealers have agreed to provide best execution and/or the value of the research and other services exceeds any incremental commission costs. Details of any such soft commission arrangements will be disclosed in the period reports of the relevant Fund.

The Investment Manager intends to enter into soft commission arrangements in accordance with all applicable law and industry standards when it is of the view that the arrangements enhance the quality of the provision of the investment services to the Company. While such arrangements are designed to be for the benefit of its clients, not all soft commission arrangements will benefit all clients at all times.

In selecting brokers or dealers to execute transactions and negotiating their commission rates, the Fund is expected to consider one or more of such factors as price, execution capabilities, reputation, reliability, financial resources, the quality of research products and services and the value and expected contribution of such services to the performance of the Fund. It is not possible to place a dollar value on information and services received from brokers and dealers, as they only supplement the research efforts of the Fund. If the Fund determines in good faith that the amount of the commissions charged by a broker or dealer is reasonable in relation to the value of the research products or services provided by such broker or dealer, the Fund may pay commissions to such broker or dealer in an amount greater than the amount another broker or dealer might charge.

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## SHARE CLASS INFORMATION

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In addition to any Share Classes set out in the relevant Supplement, the following Share Classes may be offered by the Company for subscription in each Fund.

### Class A Shares

Class A Shares are offered to all investors but primarily to retail investors.

### Class B Shares

Class B Shares are only offered to: (i) institutional investors investing on their own account (which includes, in respect of investors incorporated in the EEA or the United Kingdom, Eligible Counterparties and Professional Investors, pursuant to MiFID II); (ii) distribution agents providing independent advice (e.g. independent financial investment advisors) or portfolio management services (e.g. discretionary investment managers); and (iii) distribution agents purchasing Class B Shares on behalf of their clients where either an arrangement with their client or applicable law prohibits such distribution agents from receiving any payment from a third-party. Purchases of Class B Shares are not subject to an initial sales charge or any servicing charge. With respect to distribution within the EEA or the United Kingdom, no portion of the fees charged for Class B Shares is paid to dealers or distribution agents, except maintenance, intermediation and/or administration fees (where legally permissible).

### Class C Shares

Class C Shares are only available to early investors in a Fund. In order to incentivise early investment in the Fund, institutional investors providing initial investment will receive Class C shares with a discounted annual management fee as set out in the section **FEES AND EXPENSES**. In exceptional circumstances, the Directors in their sole discretion may determine to open Class C Shares to subscriptions from new investors generally or in a particular case, where considered in the best interests of the Fund.

### Class J Shares

Class J Shares are only offered to distribution agents purchasing Class J Shares on behalf of their clients where either an arrangement with their client or applicable law prohibits such distribution agents in the markets where the Shares are offered from receiving any payment from a third-party. Purchases of Class J Shares are not subject to an initial sales charge or any servicing charge.

### Class M Shares

Class M Shares are primarily intended for institutional investors and are only available to certain investors that are able to meet the higher minimum investment and minimum shareholding requirements of Class M Shares.

### Class P Shares

Class P Shares are offered to all investors but primarily to retail investors.

### Class SI Shares

Class SI Shares are offered to all investors but primarily intended for institutional investors that are able to meet the higher minimum investment and minimum shareholding requirements of Class SI Shares.

Unless otherwise stated in the relevant Supplement, the applicable Minimum Shareholding, Minimum Initial Investment Amount and Minimum Additional Investment Amount for each Class is as set out below:

Class	Minimum Shareholding*	Minimum Initial Investment Amount*	Minimum Additional Investment Amount*
Sterling Class A Shares	£5,000	£5,000	£5,000

<b>Class</b>	<b>Minimum Shareholding*</b>	<b>Minimum Initial Investment Amount*</b>	<b>Minimum Additional Investment Amount*</b>
Euro Class A Shares	€5,000	€5,000	€5,000
Dollar Class A Shares	\$5,000	\$5,000	\$5,000
Swiss Franc Class A Shares	CHF50,000	CHF50,000	CHF5,000
Sterling Class B Shares	£5,000,000	£10,000,000	£2,500,000
Euro Class B Shares	€5,000,000	€10,000,000	€2,500,000
Dollar Class B Shares	\$5,000,000	\$10,000,000	\$2,500,000
Swiss Franc Class B Shares	CHF5,000,000	CHF10,000,000	CHF2,500,000
Sterling Class C Shares	£5,000,000	£40,000,000	£2,500,000
Dollar Class C Shares	\$5,000,000	\$40,000,000	\$2,500,000
Swedish Krona Class C Shares	kr5,000,000	kr40,000,000	kr2,500,000
Euro Class J Shares	€1,000,000	€1,000,000	€1,000,000
Dollar Class J Shares	\$1,000,000	\$1,000,000	\$1,000,000
Sterling Class M Shares	£20,000,000	£40,000,000	£2,500,000
Dollar Class M Shares	\$20,000,000	\$40,000,000	\$2,500,000
Euro Class P Shares	€1,000	€1,000	€1,000
Dollar Class P Shares	\$1,000	\$1,000	\$1,000
Sterling Class SI Shares	£100,000,000	£100,000,000	N/A
Euro Class SI Shares	€100,000,000	€100,000,000	N/A
Dollar Class SI Shares	\$100,000,000	\$100,000,000	N/A

\*(subject to the discretion of the Directors in each case to allow lesser amounts)

Unless otherwise stated in this Prospectus, the same terms and conditions apply to the different types of Shares i.e. accumulating (“**Acc**”), distributing (“**Dis**”), enhanced income (“**Enhanced Income**”), hedged (“**H**”) or unhedged. The difference in the various Share Classes relates to the hedging, the fee structure and/or the dividend policy applicable to each of them. Shares can be enhanced income or distributing or accumulating and hedged or unhedged.

#### *Accumulating Classes*

Accumulating Classes are Classes of Shares in which the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objective and policies of the relevant Fund for the benefit of Shareholders and which may be identified by “**Acc**” in their title. The price of accumulating Classes shall rise by the net income earned per accumulating Class.

#### *Distributing Classes*

Distributing Classes are Classes of Shares in which the Directors intend to declare a dividend in respect of the Shares and which may be identified by “**Dis**” in their title.

#### *Enhanced Income Classes*



Enhanced Income Classes are Classes of Shares in respect of which the Directors intend to declare a dividend and which may be identified by “**Enhanced Income**” in their title. Shareholders should note that dividends may be paid out of capital, therefore capital may be eroded; distribution is achieved by forgoing the potential for future capital growth and this cycle may continue until all capital is depleted.

Under the Constitution, dividends may be paid out of the profits, being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses; and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the Fund; or (iii) out of capital.

Dividends are paid out of capital to allow the provision of income to Shareholders of the Enhanced Income Share Classes, in the event of insufficient income being in the Fund for a particular period.

The Directors reserve the right to increase or decrease the frequency of dividend payments, if any, at their discretion for the Enhanced Income Share Classes. In the event of a change of policy, full details will be disclosed in an updated Supplement and Shareholders will be notified in advance.

#### *Hedged Share Classes*

A Hedged Share Class means a Class which is not denominated in the Base Currency of a Fund to which a currency hedging strategy is applied and which may be identified by “**H**” in their title.

#### *Reporting Fund Status*

Unless otherwise set out in the relevant Supplement, the Directors intend to operate a distribution policy to enable each relevant Class to qualify as a reporting fund for the purposes of U.K. taxation and any dividend declared or paid will be declared on or about 31 October and paid on or about 14 November in each year.

#### *Changes to Distribution Policy*

The relevant Fund may change its distribution policy for a Share Class from accumulating to distributing. In that case full details will be provided in an updated Supplement for the relevant Fund and Shareholders of the relevant Fund will be notified in advance.

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## SHARE DEALINGS

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### Subscription for Shares

#### Purchases of Shares

Under the Constitution, the Directors are given authority to effect the issue of Shares and to create new Classes of Shares (in accordance with the requirements of the Central Bank) and have absolute discretion to accept or reject in whole or in part any application for Shares.

Issuances of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the relevant Supplement. Applications for the issue of Shares should be submitted in writing or by facsimile to the Company care of the Administrator provided that an original Application Form (and supporting documentation in relation to anti-money laundering checks) shall be submitted in the case of an initial application for Shares.

Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Directors shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been received by the next Dealing Deadline. Applications will be irrevocable unless the Directors, or a delegate, otherwise agree. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depository, agree to designate additional and/or substitute Dealing Days (provided there is at least one per fortnight) and Valuation Points for the purchase of Shares relating to any Fund which will be open to all Shareholders and which will be notified in advance to all Shareholders.

Unless otherwise stated in the relevant Supplement, the Minimum Initial Investment Amount for Shares of each Class that may be subscribed for by each investor on initial application, the Minimum Shareholding and the Minimum Additional Investment Amount of Shares of each Class are set out above under the heading SHARE CLASS INFORMATION.

Fractions of Shares up to four (4) decimal places may be issued. Subscription monies representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Manager, the Company, the relevant Fund, the Administrator, the Depository and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Shares.

The Directors have the discretion to accept or reject applications. If an application is rejected, the Administrator at the risk of the applicant may return application monies or the balance thereof by electronic transfer to the account from which it was paid within two Business Days of the rejection, at the cost and risk of the applicant.

#### Issue Price

During the Initial Issue Period for each Fund, the Issue Price for Shares in the relevant Fund shall be the Initial Offer Price set out in the Supplement for the relevant Fund.

The Issue Price at which Shares of any Fund will be issued on a Dealing Day after the Initial Offer Period is calculated by ascertaining the Net Asset Value per Share of the relevant Class on the relevant Dealing Day.

A Preliminary Charge of up to 3% of the Issue Price may be charged by the Company for the payment to the Investment Manager on the issue of Shares, out of which the Investment Manager may, for example, pay commission to financial intermediaries. Further details of this Preliminary Charge will be set out in the relevant Supplement.

#### Payment for Shares

In accordance with the Constitution, the Company has established an Umbrella Cash Account in the name of the Company, through which subscription and redemption proceeds for the Funds will be channelled. The Company

will ensure that at all times the records of this account identify the cash as belonging to the individual Funds of the Company.

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by electronic transfer in cleared funds in the currency of denomination of the relevant Class. Shareholders should note that fees may be charged by clearing banks and these will be deducted from the subscription monies received and accordingly should ensure the full price of the Shares must be received. Shareholders should note that delays in clearing subscription monies will result in subscriptions being placed on the Dealing Day next following receipt of cleared funds (net of charges). The Administrator may, at its discretion, accept payment in other currencies, but such payments will be converted into the currency of denomination of the relevant Class at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription moneys. This may result in a delay in processing the application.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Directors may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of cleared funds. In such cases the Company may charge the applicant for any resulting bank charges or market losses incurred by the relevant Fund.

The Company reserves the right to reverse any allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies by the Settlement Date. In such circumstances, the Company shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the Company in the event that the redemption proceeds are less than the amount originally subscribed for. For the avoidance of doubt, the relevant Shareholder shall not be entitled to any profit arising from such a redemption of Shares in the event that the redemption proceeds are worth more than the amount originally subscribed for.

The Company has segregated liability between its Funds and accordingly in the event of the insolvency of a Fund, only Shareholders of that Fund will be affected.

### **In Specie Issues**

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholder and subject to the provisions of the Companies Act, allot Shares in any Fund against the vesting in the Depositary on behalf of the relevant Fund of investments, the nature of which would qualify as suitable investments of the relevant Fund in accordance with the investment objectives, policies and restrictions of the Fund. The number of Shares to be issued in this way shall be the number which would, on the day the investments are vested in the Depositary on behalf of the relevant Fund, have been issued for cash (together with the relevant Preliminary Charge) against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described below under the heading "Calculation of Net Asset Value/ Valuation of Assets." The Directors, in valuing any such investments, may provide that the whole of or any part of any duties and charges arising in connection with the vesting of the investments in the Depositary on behalf of the relevant Fund shall be paid out of the assets of the relevant Fund or by the investor to whom the Shares are to be issued or partly by the Fund and partly by such investor.

### **Anti-Money Laundering Procedures**

#### *Verification of Identity*

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Administrator. The Administrator, working in conjunction with the designated anti-money laundering reporting officer of the Company, will notify applicants if additional proof of identity is required. By way of example, an individual may be required to produce an original certified copy of a passport or identification card together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

Existing Shareholders may be required to provide additional or updated identification documents from time to time pursuant to the Company's ongoing client due diligence requirements relevant to anti-money laundering legislation.

Attention is also drawn to additional requirements relating to the verification of identity with respect to beneficial ownership disclosure obligations as set out under the heading GENERAL INFORMATION – Anti-Money Laundering

and Counter Terrorist Financing Measures.

#### *Right to Reject Applications for Anti-Money Laundering purposes*

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator on behalf of the Company and the Directors may each refuse to accept the application and subscription monies and return all subscription monies or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds may be delayed (no redemption proceeds will be paid if the Shareholder fails to produce such information). None of the Company, the Directors or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or payment of redemption proceeds is delayed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator will be obliged to refuse to pay or delay payment of redemption proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

#### *Termination of Relationship*

Where an investor/Shareholder does not provide completed AML documentation within a reasonable period of time after subscription, the Directors may terminate the relationship with such shareholder and redeem the Shareholder's Shares.

Where such failure to provide AML documentation is associated with a suspicion of money-laundering, the Directors will not be able to return said monies to the relevant former Shareholder until such time as the money laundering concerns are addressed.

#### **Data Protection Notice**

In the course of its business, the Company, the Manager, and/or any of their delegates) collects, records, stores, adapts, transfers and otherwise processes information by which prospective investors may be directly or indirectly identified ("Personal Data"). The Company, the Manager, and/or any of their delegates is a "data controller", within the meaning of Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

The Company, the Manager, and/or any of their delegates may process an investor's data for any one or more of the following purposes and legal bases:

- operating the Funds, including managing and administering an investor's holding in the relevant Fund and any related accounts on an on-going basis (i.e., for the performance of the Company's contract with the investor);
- to comply with any applicable legal, tax or regulatory obligations, including legal obligations under company law, anti-money laundering legislation and financial services regulations;
- for any other legitimate business interests of the Company or a third party to whom the data is disclosed, where such interests are not overridden by the interests of a data subject, including for statistical analysis and market research purposes; or
- for any other specific purposes where investors have given their specific consent. Where processing of Personal Data is based on consent, the investors will have the right to withdraw it at any time.

The Company, the Manager, and/or any of their delegates may disclose or transfer Personal Data, whether in Ireland or elsewhere (including companies situated in countries outside of the EEA), to third parties, including financial advisers, regulatory bodies, taxation authorities, auditors, technology providers or the Company's delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.

The Company will not keep Personal Data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company shall have regard to the Statute of Limitations Act 1957, as amended, and any statutory obligations to retain information, including anti-money laundering, revenue and tax legislation. The Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw it at any time. Investors have the right to request access to their Personal Data kept by the Company; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability.

The Company, the Manager, and/or any of their delegates will not transfer Personal Data to a country outside of the EEA or in the United Kingdom unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Andorra, Argentina, Canada (commercial organisations), Faroe Islands, Guernsey, Israel, Isle of Man, Japan, Jersey, New Zealand, Switzerland, and Uruguay. Further countries may be added to this list by the European Commission at any time. The U.S. is also deemed to provide an adequate level of protection where the U.S. recipient of the data is Privacy Shield-certified. If a third country does not provide an adequate level of data protection, then the Company, the Manager, and/or any of their delegates will rely on the "Model Clauses" (which are standardised contractual clauses, approved by the European Commission) or Binding Corporate Rules or one of the other alternative measures provided for in Data Protection Legislation.

Where processing is carried out on behalf of the Company, the Company shall engage a "data processor", within the meaning of Data Protection Legislation, who provides sufficient guarantees to implement appropriate technical and organisational security measures in such a manner that processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to only process Personal Data on documented instructions from the Company.

As part of the Company's business and ongoing monitoring, the Company may from time to time carry out automated decision-making in relation to investors, including profiling of investors, and this may result in an investor being identified to the Irish Revenue Commissioners and law enforcement authorities, and the Company terminating its relationship with the investor.

Investors are required to provide their Personal Data for statutory and contractual purposes. Failure to provide the required data will result in the Company being unable to permit the investor's investment in the Funds and this may result in the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the Data Protection Commission if they are unhappy with how the Company is handling their data.

### **Limitations on Purchases**

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "**Suspension of Calculation of Net Asset Value**" below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for U.S. Persons (unless permitted under certain exceptions under the laws of the United States).

### **Point of Sale Disclosure**

MiFID II requires certain distribution agents appointed by the Distributor to disclose to Shareholders and potential Shareholders on an ex-ante and ex-post basis a reasonable estimation of all costs and charges related to an investment in a Class of Shares of a Fund (e.g., management fees, custodian fees, exit and entry charges, research charges, etc.). The Distributor intends to provide such distribution agents with the requisite information for such agents to comply with their point of sale obligations under MiFID II.

## **Repurchase of Shares**

### **Repurchases of Shares**

Requests for the repurchase of Shares should be made to the Company, care of the Administrator, in writing, or by facsimile and must quote the relevant account number, the relevant Fund(s) and Class of Shares and any other information which the Administrator reasonably requires, and be signed by or on behalf of the Shareholder before payment of repurchase proceeds can be made. Repurchase requests will be irrevocable.

Repurchase requests received by fax will only be processed provided that the Shareholder name and account number, and the address and/or fax number to which the contract note is to be sent corresponds to that listed as the Shareholder of record registered with the Administrator. Should the Shareholder designate that the contract note be sent to the name and/or address which differs from that registered with the Administrator, written confirmation of this change must be submitted by the Shareholder and received by the Administrator before the order will be processed.

Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall, unless the Directors shall otherwise agree and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

In no event shall repurchase proceeds be paid until the original Application Form and repurchase request have been received from the investor and all of the necessary anti-money laundering checks including the required tax declarations have been completed.

A repurchase request will not be capable of withdrawal. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary, agree to designate additional and/or substitute Dealing Days and Valuation Points for the repurchase of Shares relating to any Fund which will be open to all Shareholders and which will be notified in advance to all Shareholders.

The Directors may decline to effect a repurchase request which would have the effect of reducing the value of any holding of Shares relating to any Fund below the Minimum Shareholding for that Class of Shares of that Fund. Any repurchase request having such an effect may be treated by the Company as a request to repurchase the Shareholder's entire holding of that Class of Shares. The foregoing shall not prevent a repurchase of the whole of a holding of Shares of any Class less than the Minimum Shareholding.

The Administrator will not accept repurchase requests until all the necessary information is obtained.

### **Repurchase Price**

The price at which Shares will be repurchased on a Dealing Day is calculated by ascertaining the Net Asset Value per Share of the relevant Class on the relevant Dealing Day.

A Repurchase Charge of up to 2% of the repurchase price may be charged by the Company on the repurchase of Shares. Further details of this Repurchase Charge will be set out in the relevant Supplement.

When a repurchase request has been submitted by an investor who is or is deemed to be an Irish Taxable Person or is acting on behalf of an Irish Taxable Person, the Company shall deduct from the repurchase proceeds an amount which is equal to the tax payable by the Company to the Irish Revenue Commissioners in respect of the relevant transaction.

### **Payment of Repurchase Proceeds**

The amount due on repurchase of Shares will be paid by electronic transfer to an account nominated by the Shareholder in the currency of denomination of the relevant Class of Shares of the relevant Fund (or in such other currency as the Directors shall determine) by the relevant Settlement Date. Any currency conversion, where necessary, will take place at prevailing exchange rates. Payment of repurchase proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate. The proceeds of the repurchase of the Shares will only be paid on receipt by the Administrator of an original repurchase request together with such other documentation that the Administrator may reasonably require.

In circumstances where there is outstanding documentation on behalf of a Shareholder, the Administrator will

process any redemption request received. However, as an investor is no longer the holder of the Shares in the Fund upon redemption, the proceeds of that redemption shall remain as assets of the relevant Fund and the investor will rank as a general creditor of the Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which redemption proceeds will be released. To avoid delays in the payment of redemption proceeds, issues in relation to outstanding documentation should be addressed promptly by investors.

### **Limitations on Repurchases**

The Company may not repurchase Shares of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for repurchases of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The Directors are entitled to limit the number of Shares in a Fund repurchased on any Dealing Day to Shares representing 10% of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of that Fund repurchased on that Dealing Day realise the same proportion of such Shares. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with on a *pro rata* basis with repurchase requests received subsequently. If requests for repurchase are so carried forward, the Administrator will inform the Shareholders affected.

The Constitution contains special provisions where a repurchase request received from a Shareholder would result in Shares representing more than 5% of the Net Asset Value of any Fund being repurchased by the Company on any Dealing Day. In such a case, the Company may satisfy the repurchase request by a distribution of investments of the relevant Fund in specie having consulted with the Depositary, and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. Where the Shareholder requesting such repurchase receives notice of the Company's intention to elect to satisfy the repurchase request by such a distribution of assets that Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale.

The Constitution provides that the Company cannot effect a repurchase of Shares, if after payment of any amount in connection with such repurchase, the Net Asset Value of the issued share capital of the Company would be equal to or less than Euro 300,000 or its foreign currency equivalent. This will not apply to a repurchase request accepted by the Directors in contemplation of the dissolution of the Company.

### **Mandatory Repurchases**

The Company may compulsorily repurchase all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size (if any) specified herein.

The relevant Fund reserves the right to repurchase any Shares which are or become owned, directly or indirectly, by a U.S. Person or a U.S. Reportable Account (unless pursuant to an exemption under U.S. securities laws), by any individual under the age of eighteen (18) (or such other age as the Directors think fit) or if the holding of the Shares by any person is in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages which the relevant Fund might not otherwise have incurred, suffered or breached.

Where Irish Taxable Persons acquire and hold Shares, the Company shall, where necessary for the collection of Irish tax, repurchase and cancel a sufficient portion of Shares held by a person who is or is deemed to be an Irish Taxable Person or is acting on behalf of an Irish Taxable Person on the occurrence of a chargeable event for taxation purposes and pay the proceeds thereof to the Irish Revenue Commissioners.

Where an investor makes a repurchase request which brings his holding below the relevant Minimum Shareholding, the Directors are entitled to compulsorily repurchase all of the Shares held by that investor.

### **Anti-Dilution Levy**

In calculating the issue or repurchase price, the Directors may on any Dealing Day where there are net subscriptions and/or redemptions, adjust the issue or redemption price by adding or deducting an anti-dilution levy to cover

dealing costs and to preserve the value of the underlying assets of the Fund. Further details of the anti-dilution levy are set out in the relevant Supplement.

### **Exchange of Shares**

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class in any Fund (the “**Original Class**”) for Shares of another Class which are being offered at that time (the “**New Class**”) (such being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares in the New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Administrator may however at its discretion agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to the issue and repurchase of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Original Class.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

where:

- S** = the number of Shares of the New Class to be issued;
- R** = the number of Shares of the Original Class to be exchanged ;
- RP** = the repurchase price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER** = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors at the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- SP** = the subscription price per Share of the New Class as at the Valuation Point for the relevant Dealing Day; and
- F** = the Exchange Charge (if any) payable on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

### **Limitations on Exchange**

Shares may not be exchanged for Shares of a different class during any period when the calculation of the Net Asset Value of the relevant Fund or Funds is suspended in the manner described under “Suspension of Calculation of Net Asset Value” below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

### **Form of Shares, Share Certificates and Transfer of Shares**

Shares will be in non-certificated form. Contract notes providing details of the trade will normally be issued within four (4) Business Days of the relevant Dealing Day. Confirmation of ownership evidencing entry in the register will normally be issued within four (4) Business Days of the relevant Dealing Day upon receipt of all original documentation required by the Administrator. Share certificates will not be issued.

Shares in each Fund will be transferable by instrument in writing in common form or in any other form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. Transferees will be required to complete an Application Form and provide any other documentation



reasonably required by the Administrator. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to (i) a United States Person (except pursuant to an exemption available under U.S. securities laws); or (ii) any person who does not clear such money laundering checks as the Directors may determine or who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares; or (iii) any person which in the opinion of the Directors might result in the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the relevant Fund might not otherwise have incurred, suffered or breached; or (iv) or by a minor or person of unsound mind; or (v) any person unless the transferee of such Shares would, following such transfer, be the holder of Shares equal to or greater than the Minimum Initial Investment Amount; or (vi) any person in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or (vii) any person where in respect of such transfer any payment of taxation remains outstanding; or (viii) in any circumstances in the opinion of the Directors might result in the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the relevant Fund might not otherwise have incurred, suffered or breached. Registration of any transfer may be refused by the Directors if, following the transfer, either transferor or transferee would hold Shares having a value less than the Minimum Shareholding for that Class of Shares as specified above under the heading **SHARE CLASS INFORMATION** or in the Supplement for the relevant Fund, as applicable.

If the transferor is, or is deemed to be, or is acting on behalf of an Irish Taxable Person, the Company is entitled to repurchase and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Irish Revenue Commissioners.

#### **Notification of Prices**

The issue and repurchase price of each Class of Shares in each Fund will be available from the Administrator and will be published on each Business Day on the Investment Manager's website <[www.brownadvisory.com](http://www.brownadvisory.com)>. Such prices will be the prices applicable to the previous Dealing Day's trades and are therefore only indicative.

#### **Calculation of Net Asset Value/Valuation of Assets**

The Net Asset Value of each Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund. Where there is more than one Class of Shares in a Fund, the Net Asset Value per Share of any Class is calculated by the Administrator by ascertaining the Net Asset Value of the relevant Fund as at the Valuation Point for that Fund for the relevant Dealing Day and determining the amount of the Net Asset Value which is attributable to the relevant Class of Shares. The Net Asset Value per Share of the relevant Class is calculated by determining that proportion of the Net Asset Value of the Fund which is attributable to the relevant Class at the Valuation Point and dividing by the number of Shares of the relevant Class in issue as at the relevant Valuation Point. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund. The Net Asset Value per Share is the resulting sum rounded to the nearest two decimal places.

The Constitution provides for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund.

In general, the Constitution provides that the value of any investments quoted, listed or dealt in on a Market the value thereof shall be the last traded price as at the relevant Valuation Point provided that if the last traded price is not available such investments will be valued at mid-market price. Where such investment is quoted, listed or traded on or under the rules of more than one Market, the Directors shall, in their absolute discretion, select the Market, which in their opinion, constitutes the main Market for such investment for the foregoing purposes. The value of any investment which is not quoted listed or traded, on a Market or in respect of which no price is currently available or the current price of which does not in the opinion of the Directors, represent fair market value, the value thereof shall be the probable realisation value estimated with care and in good faith by the Directors or by a competent person, in each case approved, for such purpose, by the Depositary. In determining the probable realisation value of any such investment, the Directors may accept a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment Manager (notwithstanding that a conflict of interests arises because the Investment Manager has an interest in the valuation), who in each case shall have been approved by the Depositary to value the relevant securities.

The Constitution further provides that cash and other liquid assets will be valued at their face value with interest accrued, where applicable unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof as at the relevant Valuation Point. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued at each Valuation Point at the last traded price on the Market on which these assets are traded or admitted for trading (being the Market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. The value of any over the counter derivatives contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary. Forward foreign exchange contracts which are dealt in on a Market shall be valued in accordance with the valuation provisions for over the counter derivatives or by reference to freely available market quotations.

Notwithstanding the foregoing valuation rules, if on any Dealing Day the aggregate transactions in Shares of a Fund result in a net increase or decrease in that Fund's net assets which exceeds a certain percentage of that Fund's total net assets, as established by the Directors, the Directors may adjust the Net Asset Value per Share of the relevant Fund to reflect the estimated dealing costs that may be incurred by that Fund and the estimated bid/offer spread of the assets in which that Fund invests in order to preserve the value of the Shares of continuing Shareholders. The adjustment will be an addition when the net movement results in a net increase in total net assets of the relevant Fund and a deduction when it results in a net decrease. The adjustment factor for each Fund is established based on the historical liquidity and costs of trading assets of the type held by the relevant Fund and may be different between Funds.

If in any case a particular value is not ascertainable as provided above or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors in their absolute discretion shall determine, such method of valuation to be approved by a competent person approved for such purpose by the Depositary.

Notwithstanding the generality of the foregoing, the Directors may with the approval of a competent person approved for the purpose by the Depositary adjust the value of any such security if having regard to currency, applicable rate of interest, anticipated rate of dividend, maturity, marketability, liquidity and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof as at the relevant Valuation Point.

Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which a competent person that has been approved for the purpose by the Depositary shall determine to be appropriate in the circumstances.

### **Suspension of Calculation of Net Asset Value**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, repurchase and exchange of Shares and the payment of repurchase proceeds during:

- (i) any period when any of the Markets on which a substantial portion of the investments of the relevant Fund, from time to time, are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly calculated; or
- (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Fund, or when, for any other reason the current prices on any Market of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
- (iv) any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or

- (v) any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Fund; or
- (vi) any period when the Directors consider it to be in the best interest of the relevant Fund; or
- (vii) following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the Company or terminate the relevant Fund is to be considered.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or repurchases of Shares of any Class or exchanges of Shares of one Class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and will be communicated without delay to the competent authorities in the Member States in which it markets its Shares. Details of any such suspension will also be notified to all Shareholders and will be published in a newspaper circulating in the European Union, or such other publications as the Directors may determine if, in the opinion of the Directors, it is likely to exceed fourteen (14) days.

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## FEES AND EXPENSES

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### Service Provider Fees and Expenses

The Company, or the Manager on behalf of the Company, may pay out of the assets of each Fund the fees and expenses payable to the Manager, the Investment Manager, the Depositary and the Administrator, the fees and expenses of sub-custodians (which will be at normal commercial rates), the fees and expenses of the Directors (if any, as referred to below), any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, the fees and expenses of any paying agent or representative appointed in compliance with the requirements of another jurisdiction (including any facilities agent(s)) which will be at normal commercial rates, any amount payable under indemnity provisions contained in the Constitution or any agreement with any appointee of the Company, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers and fees connected with registering the Company for sale in other jurisdictions. The costs of printing and distributing this Prospectus (and any Supplements thereto), reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus (and any Supplements thereto), or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Company. Such fee arrangements, where not set out in this Prospectus, shall be disclosed in the Supplement for the relevant Fund.

Such fees, duties and charges will be charged to the relevant Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will be allocated by the Directors with the approval of the Depositary, in such manner and on such basis as the Directors in their discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

Fees charged by the Manager, the Administrator, and the Depositary are charged to each Fund in accordance with the fees set out in this Prospectus. To ensure that the Total Expense Ratio ("**TER**") for each Fund is maintained at a competitive level, the investment management fees and other fees are capped for each Class of a Fund. To the extent that the Investment Manager, Administrator, Depositary and other fees and expenses exceed the capped TER percentage per annum of the NAV the excess is borne directly by the Investment Manager. For details of the capped TER percentage please refer to the table below under the heading *Investment Management Fee and Expense Limitation*.

### *Manager's Fees and Expenses*

The Manager shall be paid a fee out of the assets of each Fund, calculated and accrued on each Dealing Day and payable monthly in arrears, of an amount up to 0.02% of the Net Asset Value of the Fund, subject to a minimum annual fee €500,000 per annum payable on a pro rata basis monthly in arrears. The Manager is also entitled to receive out of the assets of each Fund reasonable and properly vouched expenses.

### *Investment Management Fee and Expense Limitation*

Unless otherwise specified in the relevant Supplement, the Investment Manager is entitled to receive from the Company out of the assets of each Fund an annual fee not exceeding the amounts set out below (plus VAT if any) per Share Class of the Net Asset Value of the Fund:

Class A Shares	Up to 1.5%
Class B Shares	Up to 0.75%
Class C Shares	Up to 0.50%
Class J Shares	Up to 1.00%

Class M Shares	Up to 0.50%
Class P Shares	Up to 2.25%
Class SI Shares	Up to 0.65%

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 relevant Fund for its properly vouched out-of-pocket costs and expenses in the performance of its duties. The Investment Manager has committed to reimburse each Fund's operating expenses, in order to keep each Fund's total operating expenses (excluding the fees of the Manager) from exceeding an annual rate of 0.25% of the daily Net Asset Value of the Fund or such greater amount as may be set out in a relevant Supplement (the "**Expense Limitation**"). The Expense Limitation does not include the cost of buying and selling investments, applicable ongoing charges associated with investments in underlying collective investment schemes (including exchange-traded funds), withholding tax, stamp duty or other taxes on investments, commissions and brokerage fees incurred with respect to investments, and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company as may be determined by the Directors in their discretion. The Investment Manager may renew or discontinue the Expense Limitation at any time upon prior notification to Shareholders.

To the extent that the Investment Manager waives its fee or reimburses a Fund's operating expenses under the Expense Limitation, such Fund's overall expense ratio will be lower than it would have been without the Expense Limitation. This reduction in operating expenses may increase a Fund's investment return and such returns may not be achieved without the benefit of the Expense Limitation.

#### *Distribution Fees*

The Investment Manager will pay to the Distributor and any Distribution Agents, out of the Investment Management Fee, such proportion of the Investment Management Fee as the Investment Manager may direct, where appropriate and unless otherwise disclosed. In addition, the Distributor shall be entitled to be reimbursed its reasonable vouched out-of-pocket expenses. Each Fund shall bear pro rata its share of such out-of-pocket expenses.

#### *Depositary and Administration Fees*

The Depositary is entitled to an annual minimum fee from each Fund of the Company as set out in the Supplement for the relevant Fund. The Administrator is entitled to an annual minimum fee from each Fund of the Company as set out in the Supplement for the relevant Fund and will also receive registration fees and transaction charges as agreed at normal commercial rates. Further details of the specific fees payable to the Depositary and Administrator for each Fund are set out in the relevant Supplement.

#### *Directors' Fees*

The Directors will be entitled to remuneration for their services as directors provided however that the aggregate annual emoluments of the Directors shall not exceed \$200,000 or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. Directors who are employees of the Investment Manager are not entitled to a fee. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Fund for their reasonable out of pocket expenses incurred in discharging their duties as directors.

#### *Establishment Costs*

The cost of establishing the Company, obtaining authorisation from any authority, the preparation and printing of this Prospectus, marketing costs and the fees of all related professionals was borne by the Company and amortised over the first five years of the Company's operation and charged to the first Funds (including at the discretion of the Directors subsequent Funds established by the Company within such period) on such terms and in such manner as the Directors may at their discretion determine. The cost of establishing subsequent funds will be charged to the relevant Fund.

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## TAXATION

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### General

The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Document and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

**THIS SUMMARY IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING UNITED STATES FEDERAL TAX PENALTIES. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND ANY TAXPAYER TO WHOM THE TRANSACTIONS OR MATTERS ARE BEING PROMOTED, MARKETED OR RECOMMENDED SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

### Ireland

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes, the taxation position of the Company and the Shareholders is as set out below. Please refer the Irish Tax Definitions outlined at the end of this Section

#### **The Company**

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes. The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B TCA. Under current Irish law and practice, the Company is not chargeable to Irish tax on its relevant income and relevant gains.

However, a charge to tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any payments to Shareholders or any distribution, encashment, redemption, cancellation, transfer and also includes a Deemed Disposal (as defined below) of Shares. A chargeable event does not include:

- (a) an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- (b) any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System (as defined below) as designated by order of the Irish Revenue Commissioners;
- (c) a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses or civil partners and former spouses or former civil partners, subject to certain conditions;
- (d) an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H TCA) of the Company with another investment undertaking; or

- (e) an exchange of Shares arising on a scheme of amalgamation (within the meaning of Section 739D(8C) TCA), subject to certain conditions.

If the Company becomes liable to account for tax on the happening of a chargeable event, the Company shall be entitled to deduct from the payment arising on such chargeable event an amount equal to the tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Where the chargeable event is a Deemed Disposal and the percentage value of Shares held by Irish Residents is less than 10% of the total value of the Shares in the Company, and the Company has made an election to report annually to the Irish Revenue Commissioners certain details for each Irish Resident Shareholder, the Company will not be obliged to deduct tax. The Shareholder must instead pay tax on the Deemed Disposal on a self-assessment basis. Irish Resident Shareholders should contact the Company to ascertain whether the Company has made such an election in order to establish their responsibilities to account for Irish tax. Credit is available against tax relating to a chargeable event for tax paid by the Company or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of their Shares, a refund of any unutilised credit will be payable. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent redemption, cancellation or transfer of the relevant Shares. In the case of Shares held in a Recognised Clearing System, the Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.

No chargeable event will arise in relation to a Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Shareholder which is an Exempt Irish Shareholder provided in each case that a Relevant Declaration (as defined below) has been provided to the Company by the Shareholder.

## **Taxation of Shareholders**

### *Non-Irish Residents*

Non-Irish Resident Shareholders will not generally be chargeable to Irish tax in respect of their Shares. No tax will be deducted by the Company provided that either:

- (a) the Company is in possession of a signed and completed Relevant Declaration from such Shareholder to the effect that the Shareholder is not an Irish Resident; or
- (b) the Company is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn (the "Equivalent Measures Regime").

If the Company is not in possession of a Relevant Declaration or under the Equivalent Measures Regime, or the Company is in possession of information which would reasonably suggest that the information contained in the Relevant Declaration or Equivalent Measures Regime is not or is no longer materially correct, the Company must deduct tax on the happening of a chargeable event in relation to such Shareholders. The tax deducted will generally not be refunded.

In the absence of such a Relevant Declaration or Equivalent Measures Regime, the Company must presume that the Shareholder is Irish Resident and the Company will deduct tax (at the rates set out below) on the happening of a chargeable event in relation to such Shareholder. It is the obligation of a non-Irish Resident Shareholder to notify the Company if it ceases to be non-Irish Resident.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption (as above) on behalf of the Shareholders for whom they are acting provided that the Company is not in possession of any information which would reasonably suggest that the information provided by an Intermediary is incorrect. The Intermediary must state in the Relevant Declaration that to the best of its knowledge the Shareholders on whose behalf it acts are not Irish Resident.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable to Irish corporation tax on income from the Shares or gains made

on the disposal of the Shares.

### *Exempt Irish Shareholders*

Tax will not be deducted on the happening of a chargeable event in respect of Shares held by Exempt Irish Shareholders where the Company is in possession of a Relevant Declaration in relation to such Shares. It is the Exempt Irish Shareholder's obligation to account for any tax to the Irish Revenue Commissioners and return such details as are required to the Irish Revenue Commissioners. It is also the Exempt Irish Shareholder's obligation to notify the Company if it ceases to be an Exempt Irish Shareholder.

Irish Resident Exempt Irish Shareholders in respect of whom the Company is not in possession of a Relevant Declaration will be treated by the Company in all respects as if they are not Exempt Irish Shareholders (see below).

Exempt Irish Shareholders may be liable, under the self-assessment system, to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares.

Refunds of tax where a Relevant Declaration could have been made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

### *Taxable Irish Residents*

An Irish Resident Shareholder who is not an Exempt Irish Shareholder will have tax deducted at the rate of 41% in respect of any distributions made by the Company and on any gain arising on a sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), redemption, repurchase or cancellation of Shares. Any gain will be computed on the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules. The Company will be entitled to deduct such tax from payments or redeem and cancel such number of Shares as are required to meet the tax in respect of the relevant Shareholder and will pay the tax to the Irish Revenue Commissioners.

Where the Shareholder is an Irish Resident company, and the Company is in possession of a declaration from the Shareholder confirming that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on a redemption, repurchase, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

An Irish Resident Shareholder who is not a company and who is not an Exempt Irish Shareholder (and has therefore had tax deducted), will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, redemption, repurchase, cancellation of Shares or the making of any other payment in respect of their Shares.

Where an Irish Resident Shareholder is not a company and tax has not been deducted, the payment shall be treated as if it were a payment from an offshore fund and the Shareholder will be liable to account for income tax at the rate of 41% on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A TCA. No further Irish tax will be payable by the Shareholder in respect of that payment or gain.

Where an Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder (and has therefore had tax deducted), and the payment is not taxable as trading income under Schedule D Case I, the Shareholder will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no declaration has been made) has been deducted. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available:

- (a) where an Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder (and has therefore had tax deducted), and the payment is taxable as trading income under Schedule D Case I, therefore the amount received by the Shareholder is increased by any amount of tax deducted and will be treated as income of the Shareholder for the chargeable period in which the payment is made;



- (b) where the payment is made on the sale, transfer, Deemed Disposal, redemption, repurchase or cancellation of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (c) the amount of tax deducted will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

Where an Irish Resident Shareholder is a company and tax has not been deducted, the amount of the payment will be treated as income arising which is chargeable to Irish tax. Where the payment is in respect of the sale, transfer, cancellation, redemption, repurchase or transfer of Shares, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholder on the acquisition of the Shares. Where the payment is not taxable as trading income for the company, it will be chargeable to tax under Schedule D Case IV. Where the payment is taxable as trading income for the company, it will be chargeable to tax at the standard rate of 12.5% under Schedule D Case I.

Should an excess payment of tax arise on the redemption of Shares as a result of tax paid on an earlier Deemed Disposal in respect of the Shareholder, the Company, on election in writing to the Revenue Commissioners and notification in writing to the Shareholder, is not obliged to process the refund arising on behalf of the Shareholder provided the value of the Shares held by the Shareholder does not exceed 15% of the total value of the Shares in the Company. Instead the Shareholder should seek such a repayment directly from the Irish Revenue Commissioners. Irish legislation also provides in the case of a Deemed Disposal for the making of an irrevocable election by the Company to value the Shares at the later of 30 June or 31 December immediately prior to the date of the Deemed Disposal, rather than on the date of the Deemed Disposal.

Other than in the instances described above the Company will have no liability to Irish taxation on income or chargeable gains.

### *Reporting*

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Shares held by, a Shareholder. In addition, the tax reference number of the Shareholder must be provided (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided.

However, no details are required to be reported to the Irish Revenue Commissioners in respect of Shareholders who are:

- (a) Exempt Irish Shareholders;
- (b) Shareholders who are non-Irish Resident (provided a Relevant Declaration has been made); or
- (c) Shareholders in respect of whom their Shares are held in a Recognised Clearing System.

### **Other Taxes**

#### *Foreign Taxes*

Dividends and interest which the Company may receive with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding or capital gains taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries. In the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

#### *Personal Portfolio Investment Undertaking*

An investment undertaking such as the Company will be considered to be a personal portfolio investment

undertaking (“PPIU”) in relation to a specific non-corporate Irish Resident Shareholder where that Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those individuals who can influence the selection. The tax deducted on the happening of a chargeable event in relation to a PPIU will be at the rate of 60% (or 80% where details of the payment / disposal are not correctly included in the individual’s tax returns). An investment undertaking is not a PPIU if the property which may or has been selected was acquired on arm’s length terms as part of a general offering to the public.

### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares denominated in a currency other than Euro, such Shareholder may be liable to capital gains tax, currently at the rate of 33%, in respect of such gain in the year of assessment in which the Shares are disposed of.

### *Stamp Duty*

Generally no Irish stamp, documentary, transfer or registration tax is payable in Ireland on the issue, sale, transfer, redemption, repurchase, cancellation of or subscription for Shares on the basis that the Company qualifies as an ‘investment undertaking’ within the meaning of Section 739B TCA. If any redemption is satisfied by the transfer *in specie* to any Shareholder of any Irish situate assets, a charge to Irish stamp duty may arise.

### *Capital Acquisitions Tax*

Provided the Company continues to qualify as an investment undertaking as defined by Section 739B TCA, any Shares which are comprised in a gift or an inheritance will be exempt from capital acquisitions tax (“CAT”), currently at the rate of 33%, and will not be taken into account in computing CAT on any gift or inheritance taken by the donee or successor if:

- (a) the Shares are comprised in the gift or inheritance at the date of the gift or at the date of the inheritance, and at the relevant Valuation Day;
- (b) at the date of the disposition, the Shareholder making the disposition is neither domiciled nor ordinarily resident in Ireland; and
- (c) at the date of the gift, or at the date of the inheritance, the donee or successor is not domiciled or ordinarily resident in Ireland.

### **OECD Common Reporting Standard**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information (the “**Standard**”) which therein contains the Common Reporting Standard. This has been applied in Ireland by means of the relevant international legal framework and Irish tax legislation. Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“**DAC2**”) which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

The main objective of the Common Reporting Standard and DAC2 (collectively referred to herein as “**CRS**”) is to provide for the annual automatic exchange of certain financial account information reported to them by local Financial Institutions (“**FIs**”) relating to account holders between relevant tax authorities of participating jurisdictions or EU Member States.

Ireland is a signatory to the Multilateral Competent Authority on Automatic Exchange of Financial Account Information which adopts and implements CRS. Enabling legislation providing the legal basis for the operation of the CRS is effective and involves the collection and reporting of financial account information by Irish FIs. Ireland has elected to adopt the “wider approach” to the Standard. This means that Irish FIs will collect and report information to the Irish Revenue Commissioners on all account holders rather than just account holders who are resident in a jurisdiction that has adopted the Standard. The Irish Revenue Commissioners will then disseminate this information to the jurisdictions with whom they need to exchange information.

The Company is classified as an Irish FI and will be obliged to report to the Irish Revenue Commissioners in respect

of CRS. The relevant information must be reported to the Irish Revenue Commissioners by 30 June in each year with respect to the previous calendar year.

Shareholders should note that the Company is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Shareholder's investment (including but not limited to the value of and any payments in respect of the Shares) to the Irish Revenue Commissioners who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the Company may require additional information and documentation from Shareholders.

Each Shareholder and prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements.

#### *CRS Data Protection Information Notice*

The Company hereby confirms that it intends to take such steps as may be required to satisfy any obligations imposed by: (i) the Standard and, specifically, the Common Reporting Standard therein, as applied in Ireland by means of the relevant international legal framework and Irish tax legislation; and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with CRS from 1 January 2016.

In this regard, the Company is obliged under Section 891F and Section 891G of the TCA and regulations made pursuant to those sections to collect certain information about each Shareholder's tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Shareholders).

In certain circumstances, the Company may be legally obliged to share this information and other financial information with respect to a Shareholder's interests in the Company with the Irish Revenue Commissioners (and, in particular situations, also share information in relation to relevant Controlling Persons of specific Shareholders). In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, information that may be reported in respect of a Shareholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end (or, if the account was closed during such year, the balance or value at the date of closure of the account), any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

Shareholders (and relevant Controlling Persons) can obtain more information on the Company's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only:

<http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

#### **DAC6 – Disclosure requirements for reportable cross-border tax arrangements**

Council Directive (EU) 2018/822 Council Directive (EU) 2018/822 (amending Directive 2011/16/EU), commonly referred to as "**DAC6**", became effective on 25 June 2018. Relevant Irish tax legislation has since been introduced to implement this Directive in Ireland.

DAC6 creates an obligation for persons referred to as "*intermediaries*" to make a return to the relevant tax authorities of information regarding certain cross-border arrangements with particular characteristics, referred to as "*hallmarks*" (most of which focus on aggressive tax planning arrangements). In certain circumstances, instead of an intermediary, the obligation to report may pass to the relevant taxpayer of a reportable cross-border arrangement.

The transactions contemplated under the Prospectus may fall within the scope of DAC6 and thus may qualify as

reportable cross-border arrangements. If that were the case Dechert, the Manager or any other person that falls within the definition of an “*intermediary*” or, in certain circumstances, the relevant taxpayer of a reportable cross-border arrangement (this could include Shareholder(s)) may have to report information in respect of the transactions to the relevant tax authorities. Please note that this may result in the reporting of certain Shareholder information to the relevant tax authorities.

Shareholders and prospective investors should consult their own tax advisor regarding the requirements of DAC6 with respect to their own situation.

## **FATCA**

The governments of Ireland and the United States have signed an intergovernmental agreement (the “**IGA**”) that significantly increases the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish FIs by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company is classified as an Irish FI and will be subject to these rules.

The IGA provides that Irish FIs will report to the Irish Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The Company (and/or the Administrator and/or the Investment Manager) shall be entitled to require investors to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Company may have as a result of the IGA or the Irish implementing legislation promulgated in connection with the agreement and investors will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the Company or any other person to the relevant tax authorities.

There can be no assurance that payments to the Company in respect of its assets, including on an investment will not be subject to withholding under FATCA. Accordingly Shareholders and prospective investors should consult its own tax advisors as to the potential implication of the U.S. withholding taxes on the Shares before investing.

### **Irish Tax Definitions:**

“**Deemed Disposal**” means the deemed chargeable event that will occur at the expiration of the eighth anniversary of an Irish Resident Shareholder acquiring their shareholding and on every subsequent eighth anniversary therefrom;

“**Exempt Irish Shareholder**” means a Shareholder who comes within any of the categories listed below and has provided a Relevant Declaration to this effect to the Company in a form acceptable to the Company:

- (a) a qualifying management company within the meaning of Section 739B(1) TCA;
- (b) a specified company within the meaning of Section 734(1) TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) TCA;
- (d) an investment limited partnership within the meaning of Section 739J TCA;
- (e) a pension scheme which is an exempt approved scheme within the meaning of Section 774 TCA, or a retirement annuity contract or a trust scheme to which Section 784 or 785 TCA applies;
- (f) a company carrying on life business within the meaning of Section 706 TCA;
- (g) a special investment scheme within the meaning of Section 737 TCA;
- (h) a unit trust to which Section 731(5)(a) TCA applies;
- (i) a charity being a person referred to in Section 739D(6)(f)(i) TCA;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (k) a qualifying fund manager within the meaning of Section 784A TCA or a qualifying savings manager within the meaning of Section 848B TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C TCA;

- (l) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in Section 787A TCA;
- (m) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of Section 37 of the National Treasury Management Agency (Amendment) Act 2014);
- (n) the National Asset Management Agency;
- (o) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018);
- (p) the Courts Service;
- (q) a credit union within the meaning of Section 2 of the Credit Union Act 1997;
- (r) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the Fund is a money market fund;
- (s) a company which is within the charge to corporation tax in accordance with Section 110(2) TCA in respect of payments made to it by the Company; and
- (t) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA.

**“Irish Resident”** means any person Resident in Ireland or Ordinarily Resident in Ireland other than an Exempt Irish Shareholder;

Resident in Ireland means in the case of a:

#### *Company*

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on the location of its place of central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in Ireland will be regarded as resident for tax purposes in Ireland, unless that company is regarded as resident in a treaty partner jurisdiction by virtue of the terms of a double taxation treaty between Ireland and that treaty partner jurisdiction. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in Ireland set out in the revised Section 23A TCA 1997.

The incorporation rule for determining the tax residence of a company incorporated in Ireland applies to all companies incorporated on or after 1 January 2015. For companies incorporated in Ireland before this date, a transition period will apply until 31 December 2020. It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions that are contained in Section 23A TCA.

#### *Individual*

An individual will be regarded as being resident in Ireland for a tax year if that individual:

- (a) Spends 183 or more days in Ireland in that tax year; or
- (b) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding year.

Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual if the individual is present in Ireland at any time during that day. If an individual is not resident in Ireland in a particular year, the individual may, in certain circumstances, elect to be treated as resident in Ireland for tax purposes;

#### *Trust*

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

**“Intermediary”** means a person who:

- (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or
- (b) holds units in an investment undertaking on behalf of other persons;

**“Ordinarily Resident”** the term “ordinary residence” as distinct from “residence” denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive year in which that individual is not resident in Ireland. Thus an individual who is resident and ordinarily resident in Ireland in 2020 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the year in 2023.

**“Recognised Clearing System”** means BNY Mellon Central Securities Depository SA/NV (BNY Mellon CSD), Central Moneymarkets Office, Clearstream Banking SA, Clearstream Banking AG, CREST, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Euroclear, Hong Kong Securities Clearing Company Limited, Japan Securities Depository Center (JASDEC), Monte Titoli SPA, Netherlands Centraal Instituut voor Giraal Effectenverkeer BV, National Securities Clearing System, Sicovam SA, SIS Sega Intersecttle AG, The Canadian Depository for Securities Ltd, VPC AB (Sweden) or any other system for clearing shares which is designated for the purposes of Section 739B TCA, by the Irish Revenue Commissioners as a recognised clearing system;

**“Relevant Declaration”** means the declaration relevant to the Shareholder as set out in Schedule 2B of TCA.

## **United Kingdom**

### **The Company**

As the Company is a UCITS, it will not be treated as resident in the U.K. for U.K. taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the U.K. through a permanent establishment situated therein for U.K. corporation taxation purposes or through a branch or agency situated in the U.K. within the charges to income tax, the Company will not be subject to U.K. corporation tax on income and capital gains arising to it. The Directors intend that the affairs of the Company are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Interest and other income received by the Company which has a U.K. source may be subject to withholding taxes in the U.K.

Income and gains received by the Company may be subject to withholding or similar taxes imposed by the country in which such returns arise.

### **Shareholders**

Distributions paid to individuals resident in the U.K. by any offshore fund are deemed for U.K. income tax purposes to be dividends paid, except where, broadly speaking, over 60% of the offshore fund’s investments are invested at any time in an accounting period in interest-paying and economically-similar investments. In this case the distribution will be deemed for U.K. income tax purposes to be interest when received by U.K. individual taxpayers.

Shareholders who are resident in the U.K. for taxation purposes should be aware that, under current rules, their Shares in each Class of Shares in the Company constitute interest in an offshore fund for the purposes of Part 8 of the Taxation (International and Other Provisions) Act 2010. For U.K. taxpayers to benefit from capital gains tax treatment on the disposal of their holdings of Shares, that Class of Shares must be certified as a “reporting fund”. Very broadly, a Class must report all its income to investors each year in order to continue to be certified as a “reporting fund”.

Each Class is an “offshore fund” for the purposes of the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) (the “**Offshore Fund Regulations**”). Under these regulations, the basic position is that any gain arising on the sale, redemption or other disposal of shares in an offshore fund held by persons who are resident in the U.K. for tax purposes will be taxed at the time of that sale, disposal or redemption as income and not as a capital gain. This income tax treatment does not apply, however, where a Class is certified by HM Revenue & Customs as a “reporting

fund” (and, where relevant, a “distributing fund” (the predecessor to the reporting fund regime)) throughout the period during which the investor holds the shares.

It is intended that the Directors will conduct the affairs of certain Classes so as to enable them to be certified as reporting funds throughout their existence. All Classes (other than P Classes, regarding which U.K. holders are advised to seek their own professional advice) have been certified as distributing funds by HM Revenue & Customs for the period up to 31 October 2010 and as reporting funds after 31 October 2010. Potential United Kingdom investors are advised to check with HM Revenue & Customs (<<http://www.hmrc.gov.uk/collective/rep-funds.xls>>) whether the Class in which they are proposing to invest has “reporting fund” status.

Provided the relevant Class of Shares are certified as reporting funds (and, where relevant, were certified as “distributing funds”) each year, holders of Shares of a relevant Class who are resident in the U.K. for tax purposes (other than persons who are dealing in the relevant Shares and who are subject to different rules) will, subject to their personal circumstances, be liable to capital gains tax (or corporation tax on capital gains, subject to the rules on debt funds discussed below) in respect of any gain realised on repurchase of the relevant shares or on any switch from one Fund containing the relevant Class to another Fund or any other disposal of the relevant shares (other than a switch between Classes within a Fund). Any chargeable gain may however be reduced by any general or specific United Kingdom capital gains tax exemption or allowance available to a relevant Shareholder. The Directors may apply for Classes of Shares launched after the date of this document to be certified as reporting funds depending on the profile of their investors.

Chapter 6 of Part 3 of the Offshore Fund Regulations provides that specified transactions carried out by a regulated fund, such as the Company, will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. In this regard, the Directors confirm that all Classes are primarily intended for and marketed to the categories of retail and institutional investors. For the purposes of the Offshore Fund Regulations, the Directors undertake that interests in the Company will be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

To the extent actual dividends are not declared in relation to all income of shares in a Class with reporting fund status for a period, further reportable income under the reporting fund rules will be attributed only to those Shareholders who remain as Shareholders at the end of the relevant accounting period. The Offshore Fund Regulations enable (but do not oblige) a reporting fund to elect to operate income equalisation or to make income adjustments, which should minimise this effect. The Directors reserve the right to make such an election in respect of any Fund or Class with reporting fund status.

Due to the intended distribution of income policy and each relevant Classes’ proposed “reporting fund” status, it is not anticipated that individuals resident in the U.K. will be affected by the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 which might otherwise render such persons liable to taxation in respect of undistributed income and profits of the Company. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of the undistributed income (if any) of the Company on an annual basis.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 (“**CTA 2009**”) provides that, if at any time in an accounting period a corporate investor within the charge to United Kingdom corporation tax holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) and there is a time in that period when that fund fails to satisfy the “qualifying investment test”, the interest held by such corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in CTA 2009 (the “**Corporate Debt Regime**”). The Shares will (as explained above) constitute interests in an offshore fund. In circumstances where the test is not so satisfied in relation to a Fund (for example where a Fund invests in debt instruments and the market value of such investments exceeds 60% of the market value of all its investments), the Shares will be treated for corporation tax purposes as within the Corporate Debt Regime. The Directors do not anticipate that any of the Funds’ investments in such assets will exceed 60% at any time with the consequence that dividends paid by the Funds to U.K. corporation tax paying investors should not be treated as payments of interest in the hands of such investors. As it is not anticipated that the Shares will fall within the Corporate Debt Regime and that all relevant Classes of Shares will have “reporting fund” status, U.K. corporation tax paying investors should realise chargeable gains on the disposal of their holdings.

Part 9A of the Taxation (International and Other Provisions) Act 2010 subjects U.K. resident companies to tax on the profits of companies not so resident (such as the Company) in which they have an interest. The provisions, broadly, affect U.K. resident companies which hold, alone or together with certain other associated persons, shares which confer a right to at least 25 per cent of the profits of a non-resident company (a “**25% Interest**”) (or, in the case of an umbrella fund, a sub-fund thereof) where that non-resident company (or sub-fund) is controlled by

persons who are resident in the U.K. and is subject to a lower level of taxation in its territory of residence. The legislation is not directed towards the taxation of capital gains. In addition, these provisions will not apply if the shareholder reasonably believes that it does not hold a 25% interest in the Fund (or sub-fund) throughout the relevant accounting period.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of section 3 of the Taxation of Chargeable Gains Act 1992 (Section 3). Section 3 applies to a “participator” for U.K. taxation purposes (which term includes a Shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the U.K. for taxation purposes, be a “close” company for those purposes. The provisions of Section 3 could, if applied, result in any such person who is a “participator” in the Company being treated for the purposes of U.K. taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company as a “participator”. No liability under Section 3 could be incurred by such a person however, where the interest of that person and of persons connected with him does not exceed one-quarter of the gain.

### **Certain U.S. Federal Income Tax Consequences**

#### **Foreign Account Tax Compliance Act**

FATCA was enacted in the United States in 2010. It introduces a number of new customer identification, reporting and tax withholding requirements applicable to foreign (*i.e.*, non-U.S.) financial institutions (“**FFIs**”) that are aimed at preventing citizens and residents of the United States from evading U.S. taxes by holding their assets in financial accounts outside of the United States with such FFIs. The term “FFI” is defined very broadly and therefore the Company (or, alternatively, the Funds) and certain financial intermediaries that contract with the Company (or the Funds) are considered FFIs.

***The following is a general discussion of the application of FATCA to the Company, as well as existing and prospective investors or Shareholders. It is included for general informational purposes only, should not be relied upon as tax advice and may not be applicable depending upon a Shareholder’s particular situation. Investors should consult their independent tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of the Shares, including the tax consequences under United States federal laws (and any proposed changes in applicable law).***

#### *FFI Agreements and FATCA Withholding*

FATCA generally requires FFIs to enter into agreements (“**FFI Agreements**”) with the U.S. Internal Revenue Service (the “**IRS**”), under which they agree to identify and report information to the IRS on any U.S. Reportable Accounts held by them. The IRS assigns a global intermediary identification number (“**GIIN**”) to each FFI that has entered into an FFI Agreement, which confirms the FFI’s status as a Participating FFI. If an FFI fails to enter into an FFI Agreement and is not otherwise exempt, it will be treated as a nonparticipating FFI and may become subject to a 30% withholding tax on “withholdable payments” or “passthru payments” (as defined in FATCA) it receives (collectively “**FATCA Withholding**”), unless the FFI complies with FATCA under other permissive alternatives, such as the alternative applicable to the Company (or the Funds) described below. Withholdable payments include generally any U.S. source fixed or determinable annual or periodic income (“U.S. source FDAP income”) and certain “passthru payments” effective no earlier than two years following the publication of final regulations defining such term.

#### *Application of FATCA to the Company*

The governments of the United States and the Republic of Ireland have entered into an Intergovernmental Agreement (the “**Irish IGA**”) that establishes a framework for cooperation and information sharing between the two countries and provides an alternative way for FFIs in Ireland, including the Company, to comply with FATCA without having to enter into an FFI Agreement with the IRS. Pursuant to the Irish IGA, the Company must register with the IRS as a Reporting Model 1 FFI (as defined in FATCA) and is assigned a GIIN. Under the terms of the Irish IGA, the Company will identify any U.S. Reportable Accounts held by it and report certain information on such U.S. Reportable Accounts to Ireland’s Office of Revenue Commissions (the “**Revenue Commissioners**”), which, in turn, will report such information to the IRS.

#### *Application of FATCA to Investors*

Each existing and prospective investor in the Funds is expected to be required to provide the Administrator with such information as the Administrator may deem necessary to determine whether such Shareholder is a U.S.



Reportable Account or otherwise qualifies for an exemption under FATCA. If Shares are held in a nominee account by a non-FFI nominee for the benefit of their underlying beneficial owner, the underlying beneficial owner is an accountholder under FATCA, and the information provided must pertain to the beneficial owner.

Please note that the term "U.S. Reportable Account" under FATCA applies to a wider range of investors than the term "U.S. Person" under Regulation S of the 1933 Act. Please refer to the DEFINITIONS section and Appendix II of the Prospectus for definitions of both of these terms. Investors should consult their legal counsel or independent tax advisors regarding whether they fall under either of these definitions.

### *Consequences of Investment*

As with any investment, the tax consequences of an investment in Shares may be material to an analysis of an investment in a Fund. U.S. Taxpayers investing in a Fund should be aware of the tax consequences of such an investment before purchasing Shares. This Prospectus discusses certain U.S. federal income tax consequences only generally and does not purport to deal with all of the U.S. federal income tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. This discussion assumes that no U.S. Taxpayer owns or will own directly or indirectly, or will be considered as owning by reason of certain tax law rules of constructive ownership, 10% or more of the total combined voting power or value of all Shares of the Company or any Fund. The Company does not, however, guarantee that this will always be the case. Furthermore, the discussion assumes that the Company will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the Code. Each prospective investor is urged to consult his or her tax advisor regarding the specific consequences of an investment in a Fund under applicable U.S. federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate and inheritance tax issues.

The following discussion assumes that the Company, including each Fund thereof, will be treated as a single entity for U.S. federal income tax purposes. The law in this area is uncertain. Thus, it is possible that the Company may adopt an alternative approach, treating each Fund of the Company as a separate entity for U.S. federal income tax purposes. There can be no assurance that the U.S. Internal Revenue Service will agree with the position taken by the Company.

### *Taxation of the Company*

The Company generally intends to conduct its affairs so that it will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a U.S. trade or business carried on by the Company. If none of the Company's income is effectively connected with a U.S. trade or business carried on by the Company, certain categories of income (including dividends (and certain substitute dividends and other dividend equivalent payments) and certain types of interest income) derived by the Company from U.S. sources will be subject to a U.S. tax of 30%, which tax is generally withheld from such income. Certain other categories of income, generally including capital gains (including those derived from options transactions) and interest on certain portfolio debt obligations (which may include United States Government securities), original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit, will not be subject to this 30% tax. If, on the other hand, the Company derives income which is effectively connected with a U.S. trade or business carried on by the Company, such income will be subject to U.S. federal income tax at the rate applicable to U.S. domestic corporations, and the Company may also be subject to a branch profits tax. Thus, the Company would be taxable on capital gains, as well as other income, which is treated as effectively connected with its U.S. trade or business, and would be required to file U.S. tax returns.

Pursuant to FATCA, the Company (or each Fund) will be subject to U.S. federal withholding taxes (at a 30% rate) on payments of certain amounts made to such entity ("**withholdable payments**"), unless it complies with extensive reporting and withholding requirements. Withholdable payments generally include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources. Income which is effectively connected with the conduct of a U.S. trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant, the Company (or each Fund) will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each U.S. Taxpayer (or foreign entity with substantial U.S. ownership) which invests in such entity, and to withhold tax (at a 30% rate) on withholdable payments and related payments made to any investor which fails to furnish information requested by such entity to satisfy its obligations under the agreement. Pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. investor information directly to the Irish Revenue Commissioners. Certain categories of U.S. investors, generally including, but not limited to, tax-exempt investors, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, and state and federal governmental entities, are exempt from such reporting. Detailed guidance as to the mechanics and scope of this

reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future Company operations.

Shareholders will be required to provide certifications as to their U.S. or non-U.S. tax status, together with such additional tax information as the Company or its agents may from time to time request. Failure to furnish requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting withholding taxes, U.S. tax information reporting and mandatory redemption of such shareholder's Shares.

### *Taxation of Shareholders Generally*

The U.S. tax consequences to Shareholders of distributions from the Company and of dispositions of Shares generally depends on the Shareholder's particular circumstances, including whether the Shareholder conducts a trade or business within the U.S. or is otherwise taxable as a U.S. Taxpayer.

Shareholders may be required to provide additional tax certifications to the Company to establish their tax status for certain U.S. tax reporting and withholding purposes.

### *Taxation of U.S. Taxpayer Shareholders*

#### *Dividend Distributions*

Distributions made by the Company to its U.S. Taxpayer Shareholders with respect to the Shares will be taxable to those Shareholders as ordinary income for U.S. federal income tax purposes to the extent of the Company's current and accumulated earnings and profits, subject to the "passive foreign investment company" ("**PFIC**") rules discussed below. Dividends received by U.S. corporate Shareholders will not be eligible for the dividends-received deduction.

#### *Sale of Shares*

Upon the sale or other disposition of Shares, and subject to the PFIC rules discussed below, a U.S. Taxpayer that holds the Shares as a capital asset generally will realize a capital gain or loss which generally will be long-term or short-term, depending upon the Shareholder's holding period for the Shares.

#### *Medicare Tax Legislation*

An additional 3.8% Medicare tax is imposed on certain net investment income (including interest, dividends, annuities, royalties, rents and net capital gains) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount.

#### *Passive Foreign Investment Company Rules - In General*

The Company is a PFIC within the meaning of Section 1297(a) of the Code. In addition, the Company may invest in other entities that are classified as PFICs. Thus, Shareholders may be treated as indirect shareholders of PFICs in which the Company invests. U.S. Taxpayers are urged to consult their own tax advisors with respect to the application of the PFIC rules and the making of a "qualified electing fund ("**QEF**") election" or "mark-to-market election" summarised below.

#### *PFIC Consequences - No QEF or Mark-to-Market Election*

A U.S. Taxpayer Shareholder who holds Shares generally will be subject to special rules with respect to any "excess distribution" by the Company to that Shareholder or any gain from the disposition of the Shares. For this purpose, an "excess distribution" generally refers to the excess of the amount of any distributions received by the Shareholder during any taxable year in respect of the Shares of the Company over 125% of the average amount received by the Shareholder in respect of those Shares during the three preceding taxable years (or shorter period that the Shareholder held the Shares). The tax payable by a U.S. Taxpayer with respect to an excess distribution or disposition of Shares will be determined by allocating the excess distribution or gain from the disposition ratably to each day in the Shareholder's holding period for the Shares. The distribution or gain so allocated to any taxable year of the Shareholder, other than the taxable year of the excess distribution or disposition, will be taxed to the Shareholder at the highest ordinary income rate in effect for that year, and the tax will be further increased by an interest charge to reflect the value of the tax deferral deemed to have resulted from the ownership of the Shares. Any amount of distribution or gain allocated to the taxable year of the distribution or disposition will be included as ordinary income.

#### *PFIC Consequences - QEF Election*

A U.S. Taxpayer in certain circumstances may be able to make an election (a “qualified electing fund” or “QEF” election), in lieu of being taxable in the manner described above, to include annually in gross income that Shareholder’s pro rata share of (a) the ordinary earnings (that is, the earnings and profits (computed using U.S. federal income tax principles), reduced by any net capital gain (defined below)) and (b) net capital gain (that is, the excess of net long-term capital gain over net short-term capital loss) of the Company, regardless of whether the Shareholder actually received any distributions from the Company. The ordinary earnings would be included in the Shareholder’s income as ordinary income, and the net capital gain would be included as long-term capital gain. Net losses would not flow through to an electing Shareholder. For the QEF election to be effective, however, the Company would need to provide the electing Shareholder with certain financial information based on U.S. tax accounting principles. The Company currently does not intend to provide its U.S. Taxpayer Shareholders with information in the form required to make an effective QEF election. There can be no assurance that a QEF election will be available with respect to any PFIC shares held by a Shareholder indirectly through the Company.

#### *PFIC Consequences - Mark to Market Election*

There can be no assurance that a mark-to-market election will be available for Shareholders in the Company, nor is one likely to be available with respect to any other PFIC Shares held indirectly through the Company. Were such an election to become available, in lieu of being taxable in the manner described above, an electing Shareholder would include in income at the end of each taxable year the excess, if any, of the fair market value of its Shares over its adjusted basis for the Shares. The Shareholder also would be permitted to deduct the excess, if any, of its adjusted basis for the Shares over their fair market value, but only to the extent of any net mark-to-market gain included in income in prior years. Any mark-to-market gain and any gain from an actual disposition of Shares would be included as ordinary income. Ordinary loss treatment would apply to any deductible mark-to-market loss, as well as any loss from an actual disposition to the extent of previously included net mark-to-market gains. An electing Shareholder’s adjusted basis in its Shares would be adjusted to reflect any mark-to-market inclusions or deductions.

#### *PFIC Consequences - Tax-Exempt Organisations - Unrelated Business Taxable Income*

Certain entities (including qualified pension and profit sharing plans, individual retirement accounts, 401(k) plans and Keogh plans (“**Tax-Exempt Entities**”)) generally are exempt from U.S. federal income taxation except to the extent that they have unrelated business taxable income (“**UBTI**”). UBTI is income from a trade or business regularly carried on by a Tax-Exempt Entity which is unrelated to that entity’s exempt activities. Various types of income, including dividends, interest and gains from the sale of property other than inventory and property held primarily for sale to customers, are excluded from UBTI, so long as the income is not derived from debt-financed property.

Under current law, the PFIC rules apply to a Tax-Exempt Entity that holds Shares only if a dividend from the Company would be subject to U.S. federal income taxation in the hands of the Shareholder (as would be the case, for example, if the Shares were debt-financed property in the hands of the Tax-Exempt Entity). It should be noted, however, that temporary and proposed regulations appear to treat certain tax- exempt trusts (but not qualified plans) differently than other Tax-Exempt Entities by treating the beneficiaries of such accounts as PFIC Shareholders and thereby subjecting such persons to the PFIC rules.

#### *Other Tax Considerations*

The foregoing discussion assumes, as stated above, that no U.S. Taxpayer owns or will own directly or indirectly, or be considered as owning by application of certain tax law rules of constructive ownership, 10% or more of the total combined voting power or value of all Shares of the Company or any Fund. In the event that the ownership of Shares were so concentrated, other U.S. tax law rules which are designed to prevent deferral of U.S. income taxation (or conversion of ordinary income into capital gain) through investment in non-U.S. corporations could apply to an investment in the Company. For example, the Company could, in such a circumstance, be considered a “controlled foreign corporation”, in which case a U.S. Taxpayer might, in certain circumstances, be required to include in income that amount of the Company’s “subpart F income” and “global intangible low-taxed income” to which the Shareholder would have been entitled had the Company currently distributed all of its earnings. (Under current law, such income inclusions generally would not be expected to be treated as UBTI, so long as not deemed to be attributable to insurance income earned by the Company.) Also, upon the sale or exchange of Shares, all or part of any resulting gain could be treated as a dividend. Alternatively, if each Fund were treated as a separate entity for U.S. federal income tax purposes, the 10% ownership determinations would be made on an individual Fund basis. Similar rules could apply with respect to shares of any non-U.S. corporations that are held by a Shareholder indirectly through the Company.

#### *Reporting Requirements*

U.S. Taxpayers may be subject to additional U.S. tax reporting requirements by reason of their ownership of Shares. For example, special reporting requirements may apply with respect to certain interests in, transfers to, and

changes in ownership interest in, the Company and certain foreign entities in which the Company may invest. A U.S. Taxpayer also would be subject to additional reporting requirements in the event that it is deemed to own 10% or more of the voting stock of a controlled foreign corporation by reason of its investment in the Company. Alternatively, the determination of “controlled foreign corporation” and whether a U.S. Taxpayer owns a 10% voting interest would be made on an individual Fund basis, if each Fund were to be treated as a separate entity for U.S. federal income tax purposes. Each U.S. Taxpayer which is deemed to be a direct or indirect PFIC Shareholder will also be required to report annually such information as the U.S. Department of the Treasury shall require, regardless of whether such person has received any PFIC income or distributions in a given taxable year. Individuals holding foreign financial assets (including Company Shares) having an aggregate value of more than \$50,000 generally will be required to disclose such holdings with such individual’s U.S. tax returns. Significant penalties apply to failures to disclose and to certain underpayments of tax attributable to undisclosed foreign financial assets. U.S. Taxpayers should consult their own U.S. tax advisors regarding any reporting responsibilities resulting from any investment in the Company, including any obligation to file FinCEN Form 114.

### *Tax Shelter Reporting*

Persons who participate in or act as material advisors with respect to certain “reportable transactions” must disclose required information concerning the transaction to the IRS. In addition, material advisors must maintain lists that identify such reportable transactions and their participants. Significant penalties apply to taxpayers who fail to disclose a reportable transaction. Although the Company is not intended to be a vehicle to shelter U.S. federal income tax, and the regulations promulgated under the Code as well as other related administrative pronouncements governing such matters provide a number of relevant exceptions, there can be no assurance that the Company and certain of its Shareholders and material advisors will not, under any circumstance, be subject to these disclosure and list maintenance requirements.

### **German Investment Tax Act (GITA)**

The below is an overview of the taxation of German taxation of the Funds. No warranty is given as to the accuracy of this information and it is not intended under any circumstances to be a replacement for detailed professional financial and/or tax advice which a Shareholder may seek. The information is based on an interpretation and the opinion of the German fiscal authorities at the date of publication of the Prospectus. Since it cannot be excluded that between this date and the date of an investor’s ultimate investment decision the legal situation or the view of the German fiscal authorities may have been changed, it is for the Shareholder to consider the financial and tax consequences of making an investment and to seek professional advice, if necessary.

Unless otherwise noted in the relevant Fund Supplement, each Fund will qualify as an “equity fund” for the purpose of the German Investment Tax Act (the “GITA”) where more than 50% of the Fund’s gross assets is at all times invested in equity securities (Kapitalbeteiligungen) which are listed on a stock exchange or traded on an organised market. For the avoidance of doubt, the term “equity securities” (Kapitalbeteiligungen) in this particular context does not include units or shares of investment funds or REITs (Real Estate Investment Trusts).

As of 1 January 2018, the new GITA is in effect. The tax regime applicable to “investment funds” distinguishes between “investment funds” (Investmentfonds) as defined in section 1 paragraph 2 of the GITA and “special investment funds” (Spezial-Investmentfonds) as defined in section 26 of the GITA. All Funds of the Company should be treated as “investment funds” (Investmentfonds) pursuant to the GITA as they qualify as UCITS. This Prospectus does not provide any further information on the German taxation of the Shareholders in the Company. It should be noted that distributions of the Company, undistributed income of the Company which is attributable to Shareholders for tax purposes and any lump-sum amount (Vorabpauschale) as well as capital gains from the sale, disposal and redemption of Shares, the assignment of claims from the Shares and equivalent cases are taxable in the Federal Republic of Germany to the extent prescribed by law and may also be subject to a withholding tax of 25.0% in Germany (Kapitalertragsteuer) (plus 5.5% solidarity surcharge (Solidaritätszuschlag) and, if applicable, 8% or 9% church tax (Kirchensteuer) thereon). Investors should also take into account that the Company may be subject to (withholding) tax on its sources of income which may or may not be refundable to the Company or may or may not entitle to a tax credit at level of German tax resident Shareholders.

### **Other Jurisdictions**

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in a Fund and any investment returns from those Shares. It is the Directors’ intention to manage the affairs of the Company and each Fund so that it does not

become resident outside of Ireland for tax purposes.

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## GENERAL INFORMATION

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### **Typical Investor Profile**

The Company has been established for the purpose of investing in transferable securities in accordance with the Regulations. The investment objectives and policies for each Fund will be set out in the relevant Supplement. Unless otherwise disclosed in the relevant Supplement, investors are expected to be retail and institutional investors. Further details regarding the profile of a typical investor for each Fund are set out in the relevant Supplement.

### **Reports and Accounts**

The Company's year-end is 31 October in each year. The annual report and audited accounts, in English, of the Company will be made available to Shareholders within four Months after the conclusion of each Accounting Period and at least twenty-one (21) days before the general meeting of the Company at which they are to be submitted for approval. The Company will also prepare unaudited semi-annual reports which will be made available to Shareholders within two (2) months after 30 April in each year.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

### **Directors' Confirmation – Commencement of Business**

The Directors confirm that the Company was incorporated on 11 October 2005. The Company does not have any subsidiaries at the date hereof.

### **Incorporation and Share Capital**

The Company was incorporated and registered in Ireland under the Companies Act as an open-ended umbrella investment company with variable capital and segregated liability between sub-funds on 11 October 2005 with registered number 409218.

The authorised share capital of the Company is 1,000,000,000,000 unclassified participating shares of no par value. The minimum issued share capital of the Company is 2 shares of no par value. The maximum issued share capital of the Company is 1,000,000,000,000 unclassified shares of no par value.

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the Shares in the Company.

### **Constitution**

Clause 2 of the Constitution provides that the sole object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Constitution contains provisions to the following effect:

1. **Directors' Authority to Allot Shares**. The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company;

**Variation of Rights**. The rights attached to any Class may be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the Class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question

and the quorum at an adjourned meeting shall be one person holding Shares of the Class in question or his proxy;

**Voting Rights.** Subject to any rights or restrictions for the time being attached to any Class or Classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share;

**Alteration of Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe;

The Company may also by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into Shares of larger amount;
- (ii) subdivide its Shares, or any of them, into Shares of smaller amount or value;
- (iii) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
- (iv) redenominate the currency of any Class of Shares.

**Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or of any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

**Borrowing Powers.** The Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage, or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof and to issue securities, whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits and conditions laid down by the Central Bank;

**Delegation to Committee.** The Directors may delegate any of their powers to any committee consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Constitution regulating the proceedings of Directors so far as they are capable of applying;

**Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a

certain age;

**Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who is appointed as an executive director (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fees, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any Class of Shares of the Company or otherwise in connection with the discharge of their duties;

**Transfer of Shares.** Subject to the restrictions set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form, which the Directors may approve.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to a U.S. Person or a U.S. Reportable Account (other than pursuant to an exemption available under the laws of the United States), any person who, by holding Shares, would appear to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the Company incurring any liability to taxation or suffering pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached, any transfer to an individual under the age of 18, any transfer to or by a minor or a person of unsound mind, any transfer unless the transferee of such Shares would following such transfer be the holder of Shares with a value at the then current subscription price equal to or greater than the Minimum Initial Investment Amount, any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding and any transfer in regard to which any payment of taxation remains outstanding.

The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued), is in respect of one Class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint. The Directors may decline to register any transfer of Shares unless the transferor and the transferee have provided the Administrator with such evidence of their identities as the Administrator may reasonably require.

**Right of Repurchase.** Shareholders have the right to request the Company to repurchase their Shares in accordance with the provisions of the Constitution;

**Dividends.** The Constitution permits the Directors to declare such dividends on any Class of Shares as appear to the Directors to be justified by the profits of the relevant Fund. The Directors may satisfy any dividend due to holders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund and, in particular, any investments to which the relevant Fund is entitled. A holder may require the Directors instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund;

**Funds.** The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:-

- (i) for each Fund the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each Class in the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Constitution;
- (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;



- (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deems fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;
- (iv) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund; and
- (v) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of Section 1406 and Section 1407 of the Companies Act shall apply.

**Fund Exchanges.** Subject to the provisions of the Constitution, a Shareholder holding Shares in any Class in a Fund on any Dealing Day shall have the right from time to time to exchange all or any of such Shares for Shares of another Class (such Class being either an existing Class or a Class agreed by the Directors to be brought into existence with effect from that Dealing Day);

**Winding up.** The Constitution contains provisions to the following effect:

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (ii) the assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Share shall be distributed to the holders of Shares in the relevant Class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the Company not attributable to any Class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to other Classes of Shares; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of Shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to holders pro-rata to the number of Shares in that Class of Shares held by them;
- (iii) a Fund may be wound up pursuant to Section 1406 and Section 1407 of the Companies Act and in such event the provisions reflected in this paragraph 15 shall apply mutatis mutandis in respect of that Fund;
- (iv) if the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the Companies Act, divide among the holders of Shares of any Class or Classes in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more Class or Classes of property, and may determine how such division shall be carried out as between all the holders of Shares or different Classes of Shares. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A holder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same;
- (v) a Fund may be wound up pursuant to Section 1406 and Section 1407 of the Companies Act and in such event the provisions reflected in this paragraph 15 shall apply mutatis mutandis in respect of that Fund.

**Share Qualification.** The Constitution does not contain a share qualification for Directors.

## **Litigation and Arbitration**

Since incorporation the Company has not been involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

## **Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion, and/or marketing of the Company and the Funds are set out below.

1. The Directors or companies of which they are officers or employees, including the Manager, may subscribe for Shares in a Fund of the Company. Their applications for Shares will rank *pari passu* with all other applications.
2. At the date of this Prospectus, no Director has any interest, direct or indirect, in the promotion of or in any assets, or any options in respect of such assets, which have been or are proposed to be acquired or disposed of by, or issued or lease to a Fund, and no Director has a material interest in any contract or arrangement entered into by a Fund which is unusual in nature or conditions or significant in relation to the business of such Fund, nor has any current Director had such an interest since the Company was incorporated other than:
  - (i) David M. Churchill is the Chief Financial Officer and Chief Operating Officer of the Investment Manager, and a member of a company or companies within the Brown Advisory group. Mr. Churchill is also a non-executive director of the Manager, and also holds an indirect ownership interest in the Manager;
  - (ii) Paul McNaughton is a non-executive director and chairman of the Manager. Mr. McNaughton is also a director of and holds an ownership in Bridge Consulting Limited, a company which provides services to the Manager; and
  - (iii) Brett D. Rogers is the General Counsel and Chief Compliance Officer of the Investment Manager, and a member of a company or companies within the Brown Advisory Group. Mr. Rogers is also a non-executive director of the Manager, and also holds an indirect ownership interest in the Manager.

## **Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material:

1. The Management Agreement dated 10 January 2020 between the Manager and the Company, the material terms of which are set out in the Manager section above;
2. The Investment Management and Distribution Agreement dated 10 January 2020 among the Manager, the Company, and the Investment Manager, the material terms of which are set out in the Investment Manager and Distributor section above;
3. The Amended and Restated Depositary Agreement dated 10 January 2020 (as originally entered into by way of a custodian agreement dated 11 November 2005 as superseded and replaced on 19 July 2016) between the Company and the Depositary, the material terms of which are set out in the Depositary section above; and
4. The Amended and Restated Administration Agreement dated 10 January 2020 among the Manager, the Company, and the Administrator, the material terms of which are set out in the Administrator section above.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Fund, such as a Sub-Investment Management Agreement, where applicable.

## **Anti-Money Laundering and Counter Terrorist Financing Measures**

In order to comply with the anti-money laundering and counter-terrorism financing regulations, the Administrator, on the Company's behalf, will require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time. The Company and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner pursuant to the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019 (S.I. No. 110 of 2019) or as otherwise required.

Any natural person who ultimately owns or controls 25% plus one share or an ownership interest in the entity shall inform the Manager and the Company thereof. The percentage of 25% plus one share or an ownership interest of more than 25% are considered as an indication of direct or indirect ownership or control, which means that a natural person may also be considered as a beneficial owner of a corporate entity even if the 25% threshold of ownership or control in that corporate entity is not met.

In addition, any individual, who directly or indirectly, through any contract, arrangement, agreement, relationship or otherwise, owns 20% or more in the equity interests of the Company shall inform the Manager and the Company thereof.

### **Miscellaneous**

Save as disclosed under the “**Incorporation and Share Capital**” section above, no share or loan capital of the Company has been issued or agreed to be issued, is under option or otherwise. As of the date of this Prospectus, the Company does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities which are material in nature.

Save as disclosed under the “**Portfolio Transactions and Conflicts of Interest**” section above, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

### **Documents for Inspection**

Copies of the following documents may be obtained from the Company and inspected at the registered office of the Company during usual business hours during a Business Day at the address shown in the **DIRECTORY** section above:

1. the Constitution of the Company;
2. the Prospectus (as amended and supplemented) and the Supplements;
3. the annual and semi-annual reports relating to the Company most recently prepared by the Administrator;
4. details of notices sent to Shareholders;
5. the material contracts referred to above;
6. the Regulations;
7. the UCITS Rules; and
8. a list of any directorships or partnerships, past or present, held by the Directors in the last five years.

Copies of the Constitution of the Company (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.

The Company may provide certain additional reports (including in relation to certain performance measures, risk measures or general portfolio information) and/or accounting materials to any current or prospective Shareholders upon request, and, if deemed necessary by the Company, upon the execution of a confidentiality agreement and/or non-use agreement.

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## APPENDIX I

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### REGULATED MARKETS

The following is a list of regulated stock exchanges and markets in which the assets of each Fund may be invested from time to time and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities and open-ended collective investment schemes investment by each Fund is restricted to these stock exchanges and markets. The Central Bank does not issue a list of approved stock exchanges or markets.

- (a) without restriction in any stock exchange which is without restriction in any stock exchange which is located in a EU Member State, Australia, Canada, the Channel Islands, Hong Kong, the Isle of Man, Japan, New Zealand, Switzerland, the United Kingdom, or the United States of America;
- (b) without restriction in any of the following:-

Argentina	Mercado Abierto Electronico S.A.
Bahrain	Bahrain Bourse
Bangladesh	Dhaka Stock Exchange
Bangladesh	Chittagong Stock Exchange Ltd.
Botswana	Botswana Stock Exchange
Brazil	Rio de Janeiro Stock Exchange
Brazil	BM&F BOVESPA S.A.
Chile	Bolsa de Comercio de Santiago
Chile	Bolsa Electronica de Chile
China, Peoples' Republic of	Shanghai Stock Exchange
China, Peoples' Republic of	Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia
Egypt	Egyptian Exchange
Ghana	Ghana Stock Exchange
India	Bombay Stock Exchange
India	National Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel-Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan (Rep. Of)	Kazakhstan Stock Exchange
Kenya	Nairobi Securities Exchange
Korea	Korea Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia Securities Berhad
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores
Morocco	Bourse de Casablanca
Namibia	Namibian Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Muscat Securities Market
Pakistan	Islamabad Stock Exchange
Pakistan	Karachi Stock Exchange
Pakistan	Lahore Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Qatar	Qatar Exchange
Russian Federation	Open Joint Stock Company Moscow Exchange MICEX-RTS
Saudi Arabia	Tadawul Stock Exchange
Saudi Arabia	Saudi Arabian Monetary Agency

Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
Singapore	CATALIST
South Africa	JSE Limited
South Africa	South African Futures Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan (Republic of China)	Taiwan Stock Exchange
Taiwan (Republic of China)	Gre Tai Securities Market
Taiwan (Republic of China)	Taiwan Futures Exchange
Thailand	Stock Exchange of Thailand
Thailand	Market for Alternative Investments
Thailand	Bond Electronic Exchange
Thailand	Thailand Futures Exchange
Tunisia	Bourse des Valeurs Mobilières de Tunis
Turkey	Istanbul Stock Exchange
Turkey	Turkish Derivatives Exchange
Ukraine	Persha Fondova Torgoveln Systema
Ukraine	Ukrainian Interbank Currency Exchange
United Arab Emirates	Abu Dhabi Securities Exchange
United Arab Emirates	Abu Dhabi Securities Market
United Arab Emirates	Dubai International Financial Exchange
United Arab Emirates	Dubai Financial Market
Uruguay	Bolsa de Valores de Montevideo
Uruguay	Bolsa Electrónica de Valores del Uruguay SA
Venezuela	Caracas Stock Exchange
Vietnam	Ho Chi Minh City Stock Exchange
Vietnam	Hanoi Stock Exchange
Vietnam	Unlisted Public Companies Market (UPCOM)
Zambia	Lusaka Securities Exchange plc

(c) for the purposes of investment in Russia and the States of the Russian Federation a Fund may invest in the Moscow Exchange (the former MICEX-RTS Exchange);

(d) without restriction in any of the following:

- the market organised by the International Capital Market Association;
- the market conducted by the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in GBP, Non-U.S. Exchange and Bullion” dated April, 1988 (as amended from time to time);
- AIM - the Alternative Investment Market in the United Kingdom, regulated and operated by the London Stock Exchange;
- the French Markets for Titres de Créances Négociables (the Over-the-Counter markets *in negotiable debt* instruments);
- the Over-the-Counter market in the United States of America regulated by the Financial Industry Regulatory Authority;
- NASDAQ in the United States of America;
- the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan;
- the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York; and
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

(e) In addition to those markets listed above on which financial derivative instruments are traded, the following regulated derivatives markets:

All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a EU Member State;
- in a EEA Member State (the EU, Norway, Iceland and Liechtenstein);
- in the United Kingdom;

in Asia, on the

- Bursa Malaysia Derivatives Berhad
- Hong Kong Exchanges & Clearing;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Korea Stock Exchange;
- Kuala Lumpur Options and Financial Futures Exchange;
- National Stock Exchange of India;
- Osaka Mercantile Exchange;
- Osaka Securities Exchange;
- Shanghai Futures Exchange (SHFE);
- Singapore Commodity Exchange;
- Singapore Exchange;
- Stock Exchange of Thailand;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in Australia, on the

- Australian Stock Exchange;
- Sydney Futures Exchange;

in Brazil on the .Bolsa de Mercadorias & Futuros (BM&F);;

in Israel on the Tel-Aviv Stock Exchange;

in Mexico on the Mexican Derivatives Exchange (MEXDER);

in South Africa on the South African Futures Exchange (Safex);

in Switzerland on Eurex (Zurich);

in Turkey on Turkish Derivatives Exchange;

in the United States of America, on the

- American Stock Exchange;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- International Securities Exchange;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- Pacific Stock Exchange;
- Philadelphia Stock Exchange;

in Canada on the

- Bourse de Montreal;
- Winnipeg Commodity Exchange (WCE).

(f) for the purposes only of determining the value of the assets of a Fund, the term "Recognised Exchange" shall be deemed to include, in relation to any futures or options contract, any organised exchange or market on which such futures or options contract is regularly traded.

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## APPENDIX II

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### Definition of U.S. Person and U.S Reportable Person

#### U.S. PERSON

A "U.S. Person" for the purpose of this Prospectus is a "U.S. Person" as defined by Rule 902 of *Regulation S promulgated under the 1933 Act*, and does not include any "Non-United States person" as used in Rule 4.7 under the U.S. Commodity Exchange Act, as amended;

Regulation S currently provides that:

1. "U.S. Person" means:
  - a. any natural person resident in the U.S.;
  - b. any partnership or corporation organised or incorporated under the laws of the U.S.;
  - c. any estate of which any executor or administrator is a U.S. Person;
  - d. any trust of which any trustee is a U.S. Person;
  - e. any agency or branch of a non-U.S. entity located in the U.S.;
  - f. any non-discretionary or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
  - g. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the U.S.; and
  - h. any partnership or corporation if
    - (i) organised or incorporated under the laws of any non-U.S. jurisdiction and
    - (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined under Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.
2. "U.S. Person" does not include:
  - a. any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or, if an individual, resident in the U.S.;
  - b. any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-U.S. law;
  - c. any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
  - d. an employee benefit plan established and administered in accordance with the law of a country other than the U.S. and customary practices and documentation of such country;



- e. any agency or branch of a U.S. Person located outside the U.S. if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- f. the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans and any other similar international organisations, their agencies, affiliates and pension plans; and
- g. any entity excluded or exempted from the definition of “U.S. Person” in reliance on or with reference to interpretations or positions of the SEC or its staff.

### **Definition of the Term “Resident” For Purposes of Regulation S**

For purposes of the definition of “U.S. Person” in (1) above with respect to natural persons, a natural person shall be resident in the U.S. if such person (i) holds an Alien Registration Card (a “green card”) issued by the U.S. Immigration and Naturalization Service or (ii) meets a “substantial presence test.” The “substantial presence” test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current year, one third of the number of such days during the first preceding year, and one sixth of the number of such days during the second preceding year, equals or exceeds 180 days.

### **Persons Excluded From the Definition of U.S. Person**

Rule 4.7 of the U.S. Commodity Exchange Act regulations currently provides in relevant part that the following persons are considered “Non-United States persons”: (a) a natural person who is not a resident of the U.S.; (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction; (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source; (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as non-U.S. Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as non-U.S. Persons in a pool with respect to which the operator is exempt from certain requirements of the U.S. Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. Persons; and (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside of the U.S.

### **U.S. REPORTABLE PERSON**

1. “U.S. Reportable Person” means (i) a U.S. Taxpayer that is not an Excluded U.S. Taxpayer or (ii) a Passive U.S. Controlled Foreign Entity.
2. “U.S. Taxpayer” means:
  - (a) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes);
  - (b) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia);
  - (c) any other partnership that is treated as a U.S. Person under U.S. Treasury Department regulations;
  - (d) any estate, the income of which is subject to U.S. income taxation regardless of source; and
  - (e) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the U.S. may nonetheless, in some circumstances, be treated as U.S. Taxpayers.

An investor may be a U.S. Taxpayer for Federal income tax purposes but not a “U.S. Person” for purposes of investor qualification for a Fund. For example, an individual who is a U.S. citizen residing outside of the U.S. is not a “U.S. Person” but is a U.S. Taxpayer for Federal income tax purposes.

3. “Excluded U.S. Taxpayer” means a U.S. Taxpayer that is: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in Section 1471(e)(2) of the Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any state of the United States, any U.S. territory, any *political subdivision of* any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organisation exempt from taxation under Section 501(a) or an individual retirement plan as defined in Section 7701(a)(37) of the Code; (vi) any bank as defined in Section 581 of the Code; (vii) any real estate investment trust as defined in Section 856 of the Code; (viii) any regulated investment company as defined in Section 851 of the Code or any entity registered with the Securities Exchange Commission under the 1940 Act; (ix) any common trust fund as defined in Section 584(a) of the Code; (x) any trust that is exempt from tax under Section 664(c) of the Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state thereof; or (xii) a broker as defined in Section 6045(c) of the Code.
4. “Passive U.S. Controlled Foreign Entity” means any entity that is not a U.S. Taxpayer or Financial Institution and that has one or more “Controlling U.S. Persons” as owners of equity in such entity. For this purpose, a Controlling U.S. Person means an individual who is a U.S. Taxpayer and exercises control over an entity. In the case of a trust, such term means the settler, the trustees, the protector (if any), the beneficiaries or Class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.

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## APPENDIX III

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### BROWN BROTHERS HARRIMAN

#### GLOBAL CUSTODY NETWORK LISTING

Brown Brothers Harriman Trustee Services (Ireland) Limited has delegated safekeeping duties to BBH&Co with its principal place of business at 140 Broadway, New York, NY 10005, whom it has appointed as its global subcustodian. BBH&Co. has further appointed the entities listed below as its local subcustodians in the specified markets.

The below list includes multiple subcustodians/correspondents in certain markets. Confirmation of which subcustodian/correspondent is holding assets in each of those markets with respect to a client is available upon request. The list does not include prime brokers, third party collateral agents or other third parties who may be appointed from time to time as a delegate pursuant to the request of one or more clients (subject to BBH's approval). Confirmations of such appointments are also available upon request.

<u>COUNTRY</u>	<u>SUBCUSTODIAN</u>
ARGENTINA	CITIBANK, N.A. BUENOS AIRES BRANCH
AUSTRALIA	HSBC BANK AUSTRALIA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
AUSTRALIA	NATIONAL AUSTRALIA BANK
AUSTRIA	DEUTSCHE BANK AG
AUSTRIA	UNICREDIT BANK AUSTRIA AG
BAHRAIN*	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BANGLADESH*	STANDARD CHARTERED BANK, BANGLADESH BRANCH
BELGIUM	BNP PARIBAS SECURITIES SERVICES
BELGIUM	DEUTSCHE BANK AG, AMSTERDAM BRANCH
BERMUDA*	HSBC BANK BERMUDA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BOSNIA*	UNICREDIT BANK D.D. FOR UNICREDIT BANK AUSTRIA AG
BOTSWANA*	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
BRAZIL*	CITIBANK, N.A. SÃO PAULO
BRAZIL*	ITAÚ UNIBANCO S.A.
BULGARIA*	CITIBANK EUROPE PLC, BULGARIA BRANCH FOR CITIBANK N.A.

<u>COUNTRY</u>	<u>SUBCUSTODIAN</u>
CANADA	CIBC MELLON TRUST COMPANY FOR CIBC MELLON TRUST COMPANY, CANADIAN IMPERIAL BANK OF COMMERCE AND BANK OF NEW YORK MELLON
CANADA	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA (RBC)
CHILE*	BANCO DE CHILE FOR CITIBANK, N.A.
CHINA*	CHINA CONSTRUCTION BANK CORPORATION
CHINA*	CITIBANK (CHINA) CO., LTD. FOR CITIBANK N.A.
CHINA*	DEUTSCHE BANK (CHINA) CO., LTD., SHANGHAI BRANCH <b>** Use of this subcustodian is restricted. **</b>
CHINA*	HSBC BANK (CHINA) COMPANY LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
CHINA*	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CHINA*	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
COLOMBIA*	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK, N.A.
CROATIA*	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
CYPRUS	BNP PARIBAS SECURITIES SERVICES
CZECH REPUBLIC	CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOZKA FOR CITIBANK, N.A.
DENMARK	NORDEA DANMARK, FILIAL AF NORDEA BANK ABP, FINLAND
DENMARK	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), DANMARK BRANCH
EGYPT*	CITIBANK, N.A. - CAIRO BRANCH
EGYPT*	HSBC BANK EGYPT S.A.E. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ESTONIA	SWEDBANK AS FOR NORDEA BANK ABP
FINLAND	NORDEA BANK ABP
FINLAND	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), HELSINKI BRANCH
FRANCE	BNP PARIBAS SECURITIES SERVICES

<b><u>COUNTRY</u></b>	<b><u>SUBCUSTODIAN</u></b>
FRANCE	CACEIS BANK
FRANCE	DEUTSCHE BANK AG, AMSTERDAM BRANCH
GERMANY	BNP PARIBAS SECURITIES SERVICES - FRANKFURT BRANCH
GERMANY	DEUTSCHE BANK AG
GHANA*	STANDARD CHARTERED BANK GHANA LIMITED FOR STANDARD CHARTERED BANK
GREECE	HSBC FRANCE ATHENS BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG	STANDARD CHARTERED BANK (HONGKONG) LIMITED FOR STANDARD CHARTERED BANK
HONG KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG – BOND CONNECT	STANDARD CHARTERED BANK (HONGKONG) LIMITED FOR STANDARD CHARTERED BANK
HONG KONG – BOND CONNECT	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG – STOCK CONNECT	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HUNGARY	CITIBANK EUROPE PLC, HUNGARIAN BRANCH OFFICE FOR CITIBANK, N.A.
HUNGARY	UNICREDIT BANK HUNGARY ZRT FOR UNICREDIT BANK HUNGARY ZRT AND UNICREDIT S.P.A.
ICELAND*	LANDSBANKINN HF.
INDIA*	CITIBANK, N.A. - MUMBAI BRANCH
INDIA*	DEUTSCHE BANK AG - MUMBAI BRANCH
INDIA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - INDIA BRANCH
INDONESIA	CITIBANK, N.A. - JAKARTA BRANCH
INDONESIA	STANDARD CHARTERED BANK, INDONESIA BRANCH
IRELAND	CITIBANK, N.A. - LONDON BRANCH
ISRAEL	BANK HAPOALIM BM
ISRAEL	CITIBANK, N.A., ISRAEL BRANCH
ITALY	BNP PARIBAS SECURITIES SERVICES - MILAN BRANCH

<u>COUNTRY</u>	<u>SUBCUSTODIAN</u>
ITALY	SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES S.P.A. (SGSS S.P.A.)
IVORY COAST*	STANDARD CHARTERED BANK COTE D'IVOIRE FOR STANDARD CHARTERED BANK
JAPAN	MIZUHO BANK LTD
JAPAN	MUFG BANK, LTD.
JAPAN	SUMITOMO MITSUI BANKING CORPORATION
JAPAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - JAPAN BRANCH
JORDAN*	STANDARD CHARTERED BANK, JORDAN BRANCH
KAZAKHSTAN*	JSC CITIBANK KAZAKHSTAN FOR CITIBANK, N.A.
KENYA*	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
KUWAIT*	HSBC BANK MIDDLE EAST LIMITED - KUWAIT BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
LATVIA	"SWEDBANK" AS FOR NORDEA BANK ABP
LITHUANIA	"SWEDBANK" AB FOR NORDEA BANK ABP
LUXEMBOURG	BNP PARIBAS SECURITIES SERVICES, LUXEMBOURG BRANCH *** <i>Utilised for mutual funds holdings only.</i> ***
LUXEMBOURG	KBL EUROPEAN PRIVATE BANKERS S.A.
MALAYSIA*	HSBC BANK MALAYSIA BERHAD (HBMB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
MALAYSIA*	STANDARD CHARTERED BANK MALAYSIA BERHAD FOR STANDARD CHARTERED BANK
MAURITIUS*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - MAURITIUS BRANCH
MEXICO	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
MEXICO	BANCO S3 MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE FOR
MEXICO	BANCO SANTANDER, S.A. AND BANCO (S3 MEXICO) S.A. INSTITUCION DE BANCA MULTIPLE
MOROCCO	CITIBANK S.A. MAGHREB FOR CITIBANK, N.A.

<b><u>COUNTRY</u></b>	<b><u>SUBCUSTODIAN</u></b>
NAMIBIA*	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NETHERLANDS	BNP PARIBAS SECURITIES SERVICES
NETHERLANDS	DEUTSCHE BANK AG, AMSTERDAM BRANCH
NEW ZEALAND	THE HONGKONG AND SHANGHAI BANKING CORPORATON LIMITED (HSBC) - NEW ZEALAND BRANCH
NIGERIA*	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NORWAY	NORDEA BANK ABP, FILIAL I NORGE
NORWAY	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), OSLO
OMAN*	HSBC BANK OMAN SAOG FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
PAKISTAN*	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
PERU*	CITIBANK DEL PERÚ S.A. FOR CITIBANK, N.A.
PHILIPPINES*	STANDARD CHARTERED BANK - PHILIPPINES BRANCH
PHILIPPINES*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - PHILIPPINE BRANCH
POLAND	BANK HANDLOWY W WARSZAWIE SA (BHW) FOR CITIBANK NA
POLAND	BANK POLSKA KASA OPIEKI SA
POLAND	ING BANK SLASKI S.A. FOR ING BANK N.V.
PORTUGAL	BNP PARIBAS SECURITIES SERVICES
QATAR*	HSBC BANK MIDDLE EAST LTD - QATAR BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ROMANIA	CITIBANK EUROPE PLC, DUBLIN - SUCURSALA ROMANIA FOR CITIBANK, N.A.
RUSSIA*	AO CITIBANK FOR CITIBANK, N.A.
SAUDI ARABIA*	HSBC SAUDI ARABIA AND THE SAUDI BRITISH BANK (SABB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
SERBIA*	UNICREDIT BANK SERBIA JSC FOR UNICREDIT BANK AUSTRIA AG

<u>COUNTRY</u>	<u>SUBCUSTODIAN</u>
SINGAPORE	DBS BANK LTD (DBS)
SINGAPORE	STANDARD CHARTERED BANK - SINGAPORE BRANCH
SINGAPORE	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SINGAPORE BRANCH
SLOVAKIA	CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ BANKY FOR CITIBANK, N.A.
SLOVENIA	UNICREDIT BANKA SLOVENIJA DD FOR UNICREDIT BANKA SLOVENIJA DD AND UNICREDIT S.P.A.
SOUTH AFRICA	SOCIÉTÉ GÉNÉRALE JOHANNESBURG BRANCH
SOUTH AFRICA	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
SOUTH KOREA*	CITIBANK KOREA INC. FOR CITIBANK, N.A.
SOUTH KOREA*	KEB HANA BANK
SOUTH KOREA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED - KOREA BRANC
SPAIN	BANCO BILBAO VIZCAYA ARGENTARIA SA
SPAIN	BNP PARIBAS SECURITIES SERVICES, SUCURSAL EN ESPAÑA
SPAIN	SOCIÉTÉ GÉNÉRALE SUCURSAL EN ESPAÑA
SRI LANKA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SRI LANKA BRANCH
SWAZILAND*	STANDARD BANK SWAZILAND LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
SWEDEN	NORDEA BANK ABP, FILIAL I SVERIGE
SWEDEN	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
SWITZERLAND	CREDIT SUISSE (SWITZERLAND) LTD.
SWITZERLAND	UBS SWITZERLAND AG
TAIWAN*	BANK OF TAIWAN
TAIWAN*	HSBC BANK (TAIWAN) LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
TAIWAN*	JP MORGAN CHASE BANK, N.A., TAIPEI BRANCH <b>** Use of this subcustodian is restricted. **</b>



<b><u>COUNTRY</u></b>	<b><u>SUBCUSTODIAN</u></b>
TAIWAN*	STANDARD CHARTERED BANK (TAIWAN) LTD FOR STANDARD CHARTERED BANK
TANZANIA*	STANDARD CHARTERED BANK TANZANIA LIMITED AND STANDARD CHARTERED BANK (MAURITIUS) LIMITED FOR STANDARD CHARTERED BANK
THAILAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - THAILAND BRANCH
THAILAND*	STANDARD CHARTERED BANK (THAI) PUBLIC COMPANY LIMITED FOR STANDARD CHARTERED BANK
TUNISIA*	TRANSNATIONAL BROWN BROTHERS HARRIMAN & CO. (BBH&CO.) (CLEARSTREAM) TRANSNATIONAL (EUROCLEAR)  BROWN BROTHERS HARRIMAN & CO. (BBH&CO.) UNION INTERNATIONALE DE BANQUES (UIB)
TURKEY	CITIBANK ANONIM SIRKETI FOR CITIBANK, N.A.
TURKEY	DEUTSCHE BANK A.S. FOR DEUTSCHE BANK A.S. AND DEUTSCHE BANK AG
UGANDA*	STANDARD CHARTERED BANK UGANDA LIMITED FOR STANDARD CHARTERED BANK
UKRAINE*	JOINT STOCK COMPANY "CITIBANK" (JSC "CITIBANK") FOR CITIBANK, N.A.
UNITED ARAB EMIRATES*	HSBC BANK MIDDLE EAST LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
UNITED KINGDOM	CITIBANK, N.A., LONDON BRANCH UNITED KINGDOM HSBC BANK PLC
UNITED STATES	BBH&CO.
URUGUAY	BANCO ITAÚ URUGUAY S.A. FOR BANCO ITAÚ URUGUAY S.A. AND ITAÚ UNIBANCO S.A.
VIETNAM*	HSBC BANK (VIETNAM) LTD. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ZAMBIA*	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK
ZIMBABWE*	STANDARD CHARTERED BANK ZIMBABWE LIMITED FOR STANDARD CHARTERED BANK

\* In these markets, cash held by clients is a deposit obligation of the subcustodian. For all other markets, cash held by clients is a deposit obligation of BBH & Co. or one of its affiliates.



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If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The Directors of the Company, whose names appear under the heading “Management of the Company – Directors of the Company” in the Prospectus are the persons responsible for the information contained in this Supplement and accept responsibility accordingly. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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### APPROVED FUNDS SUPPLEMENT

*(Brown Advisory Funds plc (the “Company”), an umbrella type open-ended investment company with variable capital and segregated liability between its Funds established under the laws of Ireland and regulated by the Central Bank of Ireland)*

Dated: 12 May 2023

This Supplement contains the names of each Fund of the Company approved by the Central Bank and certain other information for investors. **This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 22 December 2020.**

## APPROVED FUNDS OF THE COMPANY

This Supplement should be read in conjunction with the Prospectus. Terms used but not defined in this Supplement shall have the same meaning as set out in the Prospectus.

	<b>Brown Advisory Funds plc</b>
<b>The Funds</b>	<p>As of the date of this Supplement, the Company has obtained the approval of the Central Bank for the establishment of fourteen (14) Funds, ten (10) of which are approved for the offer to non-qualified investors in Switzerland, namely the:</p> <ul style="list-style-type: none"> <li>• Brown Advisory US Equity Growth Fund (Supplement No.1);</li> <li>• Brown Advisory US Smaller Companies Fund (Supplement No. 2);</li> <li>• Brown Advisory Global Leaders Sustainable Fund (Supplement No. 4);</li> <li>• Brown Advisory US Small Cap Blend Fund (Supplement No. 5);</li> <li>• Brown Advisory US Flexible Equity Fund (Supplement No. 6);</li> <li>• Brown Advisory Global Leaders Fund (Supplement No. 7);</li> <li>• Brown Advisory US Sustainable Growth Fund (Supplement No. 8);</li> <li>• Brown Advisory US Mid-Cap Growth Fund (Supplement No. 9);</li> <li>• Brown Advisory US All Cap SRI Fund (Supplement No.11); and</li> <li>• BA Beutel Goodman US Value Fund (Supplement No. 13).</li> </ul> <p>The Directors may establish further Funds with the prior approval of the Central Bank. Any such additional Funds will be listed in an updated version of this Supplement.</p> <p>Each Fund will bear its own liabilities as may be determined at the discretion of the Directors. The Company is not liable as a whole to third parties, provided, however, that if the Directors are of the opinion that a particular liability of the Company does not relate to any particular Fund, that liability may be allocated between the relevant Funds or otherwise on such basis as the Directors deem fair and equitable.</p> <p>The assets of a Fund will belong exclusively to that Fund and will be segregated from any other Funds and will, other than as set out above, not be used to discharge directly or indirectly the liabilities of or claims against any other Funds.</p>

## **Brown Advisory US Equity Growth Fund**

### **Supplement No. 1 dated 12 January 2023 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to Brown Advisory US Equity Growth 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 22 December 2020.**

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 a Light Green Fund.

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

Dated: 12 January 2023

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## Definitions

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

<b>“Comparator Benchmark”</b>	for the purposes of this Supplement, the Russell 1000® Growth Net Index;
<b>“Environmentally Sustainable Investment”</b>	an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy;
<b>“ESG”</b>	environmental, social and governance;
<b>“Light Green Fund”</b>	a Fund determined by the Investment Manager to be a financial product which complies with Article 8 of the SFDR;
<b>“Russell 1000® Growth Net Index”</b>	measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000® companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years). The Russell 1000® Growth Net Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires;
<b>“Socially Sustainable Investment”</b>	an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;
<b>“Sustainable Investment”</b>	an Environmentally Sustainable Investment and/or Socially Sustainable Investment, as the context requires; provided that such investments

do not significantly harm any economic or social objectives and that the investee entities follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

**“Sustainability Risk”**

an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

**“Taxonomy Regulation”**

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

**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 in medium- and large-sized companies that have high, durable earnings prospects along with attractive valuations and 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 U.S. Rule 144A Securities, American and Global Depositary Receipts, U.S. treasury bills, fixed and/or floating rate U.S. government securities and ancillary liquid assets subject to the limits set out in the Prospectus.

The Fund promotes certain environmental and social characteristics, as described under **ESG Promotion and Integration of Sustainability Risks** below by investing directly or through the use of FDIs, in a variety of equity securities in order to achieve the Fund’s investment objective.

The Fund invests primarily in U.S. based companies that have exhibited an above-average rate of earnings growth over the past few years and that have prospects for above-average, sustainable growth in the future. The Fund may also invest in companies that do not exhibit particularly strong earnings histories but have other attributes that may contribute to accelerated growth in the foreseeable future. Other important attributes are a strong competitive position, a history of innovation, excellent management and the financial resources to support long-term growth.

The Fund will invest primarily in medium- and large-market capitalisation companies characterised by market capitalisation of \$2 billion and greater at the time of purchase.

The Fund seeks to purchase securities at what the Investment Manager considers attractive valuations in the context of the strong fundamental position of each underlying company.

*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 ESG factors be considered as part of the Fund's investment due diligence process. The Fund invests primarily in equities as described above, and so investors should consider 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 or 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).

(a) *Investment Manager's Investment Process*

(b) The Investment Manager's bottom-up research process is comprised of integrated fundamental and ESG research, as further detailed under **ESG Promotion and Integration of Sustainability Risks** below.

(c) The Fund seeks to leverage ESG research in the investment process in an effort to help to identify Sustainability Risks associated with particular companies that may impact the company's financial performance.

(d) 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 starts by using in-house research and other third-party data sources to identify a universe of superior companies across a range of industries. Superior companies are businesses that the Investment Manager believes have:

- significant market opportunities (both in terms of magnitude and duration), with respect to which the companies are leaders or potential leaders in their respective markets;
- proprietary products and services, new product development and product cycle leadership that sustains a strong brand franchise; and
- a strong management team that is proactive, consistently executes effectively, and anticipates and adapts to change.

The Investment Manager will then focus on those companies that have the ability to grow earnings at above-average rates over several years (*i.e.*, at an annualised rate of 14% or more over a full market cycle), given the Investment Manager's belief that superior investment returns are achieved by buying and holding the securities of companies that are able to grow at above-average sustainable rates over long periods of time. Factors which will be considered include:

- durability of fundamental growth drivers;
- cash flow and financial resources to fund growth;
- catalysts for growth such as changes in regulation, management, business cycle, business mix and industry consolidation; and
- material ESG risks that may jeopardise underlying company fundamentals

The Investment Manager will then use a variety of valuation techniques to identify those companies whose securities are attractively valued relative to upside/downside price targets (*i.e.*, opinions of analysts and managers (including the Investment Manager) which may give people who use them an indication of the price at which an investment could/should be sold or bought), their peer groups and

their own price history. Valuation techniques also permit the 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.

### 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 subsequently fails to meet the Investment Manager's initial investment criteria;
- a superior business model is found or if funds are needed for other purposes; and/or
- the security becomes overvalued relative to the long-term expectation for the security price.

### **ESG Promotion and Integration of Sustainability Risks**

#### *An Overview of the Investment Manager's ESG Integration Approach*

The Investment Manager integrates in-house or third-party ESG research as part of its investment process. The Investment Manager's Light Green Funds, including the Fund, integrate ESG research in a manner it believes is appropriate to achieving each stated investment objective.

ESG research is provided through in-house ESG research or from third-party ESG research providers. In-house ESG research is produced by ESG research analysts who work alongside fundamental analysts across asset classes and industry sectors. The portfolio manager of the Fund oversees the research process that seeks to examine individual securities to drive performance, and includes an assessment of Sustainability Risks. In-house or third-party ESG analysis is provided for every company in the fund. At the Investment Manager's discretion, the Fund is permitted to make an investment without a written ESG assessment on file at the time of purchase, as long as the Investment Manager believes the relevant security meets the Fund's sustainability criteria.

In-house and third-party ESG research assessments seek to show if a company is exposed to material ESG risks that would materially detract from financial performance, and how a company is managing and mitigating its exposure to ESG risks. The ESG research approach is largely qualitative, but will contain certain quantitative elements (e.g., carbon emissions, certain controversial business exposure, board diversity). These ESG research assessments will be delivered in the form of an ESG Assessment (such term as defined and as further detailed under *ESG Research Integration* below) created by the ESG research analysts and/or a third-party ESG research report. The in-house ESG research assessment seeks to produce a proprietary view on a broad set of potentially material ESG risks facing an investment, such as certain ESG controversies the Investment Manager may deem material. Analysis focuses on the material ESG risks that may be present, taking into consideration the Investment Manager's view of the company's ability to manage those risks. The Investment Manager takes ESG analysis into account to evaluate the overall ESG profile of the company.

The ESG risks that could be included as part of the ESG Assessment may include any one or a combination of, but are not limited to, the following:

- **Environmental Risks:** climate change vulnerability, emissions, energy, waste, water, and biodiversity;
- **Social Risks:** human capital management, human rights, diversity and inclusion, product quality and safety, and data privacy and security; and
- **Governance Risks:** board and committee composition, limits to shareholder rights, business ethics, and management incentives.

Controversial business involvements such as fossil fuels, non-medical animal testing, tobacco, alcohol,

and conventional and/or controversial weapons, among others, will be considered in the ESG Assessment.

Examples of material ESG risks include companies with weak management of natural resource usage resulting in supply chain instability, such as significantly increased costs or reduced supply of key natural resources in the future. In these cases, the Manager will seek to avoid an initial investment in such a company or will seek to reduce its exposure to such companies over time.

Fundamental and ESG research are considered when making portfolio decisions for the Fund. Integrating ESG research into the investment due diligence process in a systematic manner is integral to the Investment Manager's philosophy for Light Green Funds, including the Fund. The Fund may invest in a company that is exposed to legacy material ESG risks or that is lagging in ESG risk management, however it will seek to find evidence of a positive ESG risk-management trajectory before making an investment.

### *ESG Research Integration*

The Investment Manager considers certain material ESG factors as part of its fundamental company research. ESG factors are assessed as part of the investment process for every security in the Fund. The assessment of ESG factors is guided by ESG data provided through the research process.

The Fund seeks to promote ESG characteristics through its investment selection. ESG and fundamental analyses are considered holistically when making investment decisions. The ESG analysis focuses on the material ESG risks of a company. Characteristics that are considered in the promotion of ESG characteristics include:

- **Environmental:** The Fund seeks to exclude companies that are responsible for significant carbon emissions (e.g., extractive energy companies), without meaningful plans for strategic decarbonisation. Additionally, it seeks to uncover data that connects cost improvements to emission, revenue growth to products and services that support the climate transition, and environmental leadership in the form of expertise and/or culture that drives enhanced franchise value. This investment selection process may lead to the exclusion of investee companies which generate excessive carbon pollution.
- **Social:** The Fund prefers companies showcasing leadership in human capital management, and/or have strategic oversight of supply chains and the labour force as to limit controversies and potentially benefit fundamental performance. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: an assessment of supply chain policies and audit practices; board, management and employee diversity; and compliance with global standards (e.g., UN Global Compact). This investment selection process may lead to the exclusion of investee companies with poor working conditions and/or high employee turnover.
- **Governance:** The Fund prefers 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 composition and structure in terms of expertise and diversity; shareholder rights provisions; 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 investee companies where the Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

(the foregoing, the “**ESG Assessment**”).

The Fund may also pursue strategic, active 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 engagement may be to enhance due diligence, monitor ESG risks that may materially impact investment performance, and encourage companies to improve

their ESG practices (“**ESG Engagement**”). The outcomes of the ESG Engagement effort, if any, may include establishment of policies, adoption of key performance indicators, implementation of initiatives, and increased disclosures. The Fund does not seek to engage with companies with the intent to change a core business model. Among other reasons, should the Fund uncover a material risk that significantly jeopardises the investment thesis, the position will be reduced or exited.

The Fund also seeks to limit exposure to companies that the Investment Manager deems to be laggards on certain environmental and social characteristics and do not have a positive ESG trajectory. Should a company have significant exposure to any of these businesses or practices, the Investment Manager will seek to 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 within the investment horizon, the position will be exited in a manner that the Investment Manager believes to be in the best interests of the Fund. In determining whether or not to invest based upon these principles, the Investment Manager may use third-party ESG data to assess relevant exposures. The Investment Manager is permitted to invest in a security if it determines the security has an acceptable ESG risk profile notwithstanding contrary third-party data or third-party recommendations.

In addition, although the Fund does not have a specific sustainable investment objective, 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;
- are identified as failing to comply with the United Nations Global Compact;
- derive more than 10% consolidated revenue from tobacco;
- derive more than 10% consolidated revenue from civilian firearms; and
- derive more than 10% consolidated revenue from adult entertainment.

The Fund will seek to exclude holdings the Investment Manager deems inconsistent with applicable ESG characteristics described above. As a result, the universe of investments available to the Fund will be more limited than other funds that do not apply such characteristics. However, the Fund may have exposures to certain companies which some investors consider contrary to ESG principles, such as defence and conventional weapons. The application of the ESG characteristics 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. The Fund’s ESG characteristics may effectively accommodate the requirements of certain Fund investors but not others, and may be more or less restrictive than a particular fund an investor might otherwise prefer.

In addition to the Fund’s *Investment Policies* and **Investment Restrictions**, the Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund 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 (including “*sanctions*” lists, such as those maintained by the United States Office of Foreign Assets Control (OFAC) and the European Union (the foregoing, the “**ESG Investment Limitations**”).

#### *Integration of Sustainability Risks*

All investments are vetted for Sustainability Risk. Research seeks to identify material Sustainability Risks and the portfolio manager of the Fund takes these Sustainability Risks into consideration when making an investment decision.

Accordingly, consideration of Sustainability Risks is systematically integrated in the Investment Manager’s investment process and investment decisions for all investments for the Fund.

The Investment Manager's ESG research approach seeks, first and foremost, to contribute positively to the performance of the Fund. The Investment Manager's ESG research efforts aim to uncover Sustainability Risks that may materially impact the return from an investment.

Accordingly, the results of ESG Assessment on investments and the implementation of ESG Investment Limitations as part of the Investment Manager's investment process for security due diligence and selection, together with the participation in ESG Engagement, 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 principal adverse impacts of its investment decisions on sustainability factors across all of the holdings in the Fund. Further information is available in the Statement on the Due Diligence Policies of the Manager on the Principal Adverse Impacts of Investment Decision, available at: <https://www.brownadvisory.com/intl/ucits-legal-document-library>. In addition, information on principal adverse impacts on sustainability factors will be available in the annual report and audited financial statements of the Manager.

#### *Transparency of Environmentally Sustainable Investments*

##### *Environmentally Sustainable Economic Activities and Do No Significant Harm*

The Investment Manager has determined that the Fund is a Light Green Fund, as the Fund promotes environmental and social characteristics by integrating ESG research into the overall research process.

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 financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product 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 environmental characteristics, the Fund does not promote the environmental objectives contained in the Taxonomy Regulation. Accordingly, as a percentage of the Fund's portfolio, the Manager (in conjunction with the Investment Manager) has determined that 0% of the investments underlying the Fund will be in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation (“**Taxonomy-Aligned Investments**”), and does not commit that the Fund will make any Sustainable Investments.

##### *Technical Screening Criteria*

The Manager (in conjunction with the Investment Manager) anticipates that the percentage of investments in the Fund that are in Taxonomy-Aligned Investments and may be eligible to be assessed against the technical screening criteria (TSC) issued pursuant to the Taxonomy Regulation will be 0%.

#### **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 **ESG Promotion and Integration of Sustainability Risks** 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 at:

- <https://research.ftserussell.com/Analytics/Factsheets/Home/DownloadSingleIssue?issueName=US1001USD&IsManual=true>.

### **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 forward foreign exchange (“FX”) contracts to hedge currency FX risks arising for Hedged Share Classes of the Fund. 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 section is to be read in conjunction with the section **FUNDS - Use of FDI** in the Prospectus.

### **Investment Restrictions**

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

Investments made by the Fund in shares or units of 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 the heading **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 sub-section entitled Risk Management of the section entitled **Funds – Use of FDI** in the Prospectus.

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus and the further risk factors set out below. 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.

#### *Environmental, Social and Governance Policy Risk*

Because the Fund’s ESG criteria exclude securities of certain issuers for non-financial reasons, the Fund may forgo some market opportunities available to funds that do not use these criteria. In addition, the Fund may otherwise reduce its exposure to certain securities when it might be advantageous to maintain its position. The Fund’s integration of ESG criteria, as well as any guideline restrictions referenced in this Supplement or the Prospectus may adversely impact the performance of the Fund.

In assessing ESG factors of a security or issuer, the Investment Manager may use information and data from third-party ESG research providers, which may be incomplete, inaccurate or unavailable. It may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may

incorrectly assess a security, issuer or index. There is also a risk that the Investment Manager, or third-party ESG research providers the Investment Manager may use, may not interpret or apply the relevant ESG factors correctly. Neither the Fund nor the Investment Manager or any of their affiliates make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG Assessment.

#### *ESG Risks*

If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

#### *Dividend Policy*

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

### **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 the heading Subscription Open are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading 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 in the **SHARE CLASS INFORMATION** section 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 the heading **SHARE CLASS INFORMATION**.

#### *Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading 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) 3.00 p.m. (Irish Time) on 13 July 2023; or (iii) 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 the heading Initial Issue Price.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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.

#### fClass A Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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	✓	✓	CHF10.00
Swiss Franc Class A Dis Shares	✓	✓	CHF10.00
Swiss Franc Class A Dis H Shares	✓	✓	CHF10.00

#### Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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	✓	✓	£10.00
Sterling Class B Dis H Shares	✓	X	NAV
Euro Class B Acc Shares	✓	X	NAV



<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Euro Class B Acc H Shares	✓	X	NAV
Euro Class B Dis Shares	✓	✓	€10.00
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 J Shares

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

#### Class P Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class P Acc Shares	✓	X	NAV
Euro Class P Acc H Shares	✓	X	NAV

#### Class SI Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class SI Acc Shares	✓	X	NAV
Dollar Class SI Dis Shares	✓	X	NAV
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	✓	X	NAV
Euro Class SI Acc Shares	✓	X	NAV
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*

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.

**No Preliminary Charge is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator.**

There is no Preliminary Charge payable for other Share Classes.

#### *Repurchase Charge*

1%.

#### *Anti-Dilution Charge*

Cost of dealing.

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.

### **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 in the **FEES AND EXPENSES** section (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.<sup>1</sup>

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 in the **FEES AND EXPENSES** section.

#### *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 entitled **FEES AND EXPENSES** in the Prospectus.

\* \* \*

**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 lay down 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 Equity Growth Fund (the "Fund")

**Legal entity identifier:** 635400HPBCZBFVELE530

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

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

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



**Words and expressions defined in the Prospectus of 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 seeks to promote ESG characteristics through its investment selection. ESG and fundamental analyses are considered holistically when making investment decisions. The ESG analysis focuses on the material ESG risks of a company. Characteristics that are considered in the promotion of ESG characteristics include:

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

- **Environmental:** The Fund seeks to exclude companies that are responsible for significant carbon emissions (e.g., extractive energy companies), without meaningful plans for strategic decarbonisation. Additionally, it seeks to uncover data that connects cost improvements to emission, revenue growth to products and services that support the climate transition, and environmental leadership in the form of expertise and/or culture that drives enhanced franchise value. This investment selection process may lead to the exclusion of investee companies which generate excessive carbon pollution.
- **Social:** The Fund prefers companies showcasing leadership in human capital management, and/or have strategic oversight of supply chains and the labour force as to limit controversies and potentially benefit fundamental performance. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: an assessment of supply chain policies and audit practices; board, management and employee diversity; and compliance with global standards (e.g., UN Global Compact). This investment selection process may lead to the exclusion of investee companies with poor working conditions and/or high employee turnover.

● ***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:

- **Environmental Risks:** climate change vulnerability, emissions, energy, waste, water, and biodiversity; and
- **Social Risks:** human capital management, human rights, diversity and inclusion, product quality and safety, and data privacy and security.

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



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

Yes, a company's performance on the adverse impact indicators in Table 1 of the Annex I are reviewed where data is available and reliable. 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



**What investment strategy does this financial product follow?**

The Fund seeks to generate returns in excess of the comparator benchmark, the Russell 1000 Growth Net Index, with an acceptable level of risk. The Investment Manager aims to achieve this goal by building a portfolio of our best ideas, underpinned by extensive fundamental and ESG research. In addition to having high business model barriers, a business model must be capable of an absolute Earnings Per Share ("EPS") growth rate of at least 14% over a full market cycle to be included in the Fund. The Fund's ESG analysis focuses on identifying and managing the material ESG risks a company may be exposed to. The Investment Manager believes that a concentrated portfolio of best-in-breed businesses should generate returns that exceed the return of the strategy's benchmark, over a full market cycle (typically 3-5 years) on a risk-adjusted basis.

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

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

In addition, the Investment Manager has processes in place designed to avoid investing in companies that derive significant direct revenue (generally, greater than 10% of consolidated direct revenue) from tobacco, adult entertainment or civilian firearms. In addition, the Investment Manager will also seek to avoid companies that produce certain whole controversial weapons systems, and those companies the Investment Manager is aware have been expelled by the United Nations from participation in the UN Global Compact framework. Should a company have significant exposure to any of these businesses or practices, the Investment Manager will seek to 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 within the investment horizon, the position will be exited in a manner that the Investment Manager believes to be in the best interests of the Fund.

- ***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?***

**Governance:** The Fund prefers 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 composition and structure in terms of expertise and diversity; shareholder rights provisions; 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 will lead to the exclusion of investee companies where the Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

The Fund assesses the following governance risks:

- board and committee composition;
- limits to shareholder rights;
- business ethics ; and
- and management incentives.

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 ESG analysis.

Applicable governance factors may include, though are not necessarily limited to:

- Ownership and Control
- Board and management composition and structure
- Employee relations
- Tax Transparency
- Remuneration practices
- Shareholder Rights
- Accounting Practices
- Transparency and Disclosure
- Business Ethics

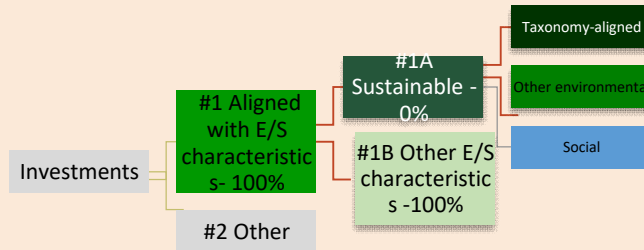
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

All investments of the Fund, excluding cash, are 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.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

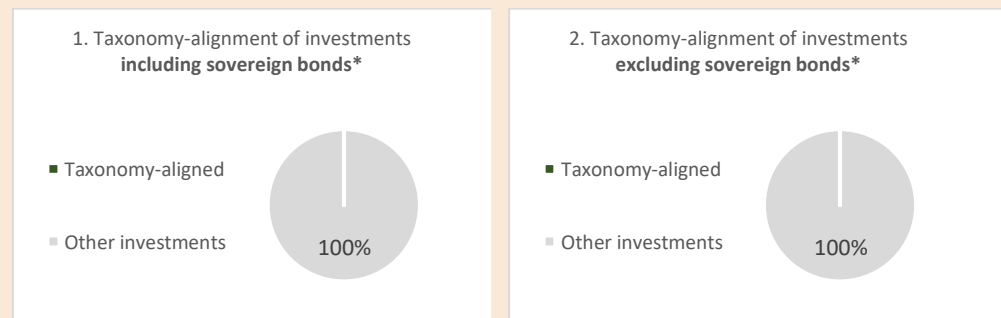
Not applicable.



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

The Investment Manager has not collected and evaluated data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the Product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). The Product has zero exposure to Taxonomy Aligned Investments.

*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

**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.

- **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?**

Any cash that the Fund may not yet have allocated to an investment or 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 financial product is aligned with the environmental and/or social characteristics it promotes.

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

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

N/A

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

N/A

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

N/A

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

N/A

**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>





## **Brown Advisory US Smaller Companies Fund**

### **Supplement No. 2 dated 1 December 2022 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to Brown Advisory US Smaller Companies 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 22 December 2020.**

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 6 financial product pursuant to the SFDR.

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

Dated: 1 December 2022

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## Definitions

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

<b>“Russell 2000® Growth Net Index”</b>	the Russell 2000® Growth Net Index provided by FTSE Russell which measures the performance of small-capitalisation growth sectors of the U.S. equity market;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires; and
<b>“Taxonomy Regulation”</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

## 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 invests at least 80% of its net assets in equity securities of small U.S. companies. The Fund seeks to invest primarily in small companies with above average growth prospects and which are listed or traded on the U.S. markets and exchanges listed in Appendix I of the Prospectus. Small companies are companies whose market capitalisations are equal to or less than \$6 billion at the time the Fund purchases the issuer's securities (“**Market Capitalisation Range**”). The Fund may also invest in U.S. Rule 144A Securities, American and Global Depositary Receipts, U.S. treasury bills, fixed and/or floating rate U.S. government securities and ancillary liquid assets subject to the limits set out in the Prospectus.

### *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). As the Fund invests primarily in equities, 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 or 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*

##### Purchasing Portfolio Securities

The Investment Manager begins by identifying a universe of small cap growth companies within the Market Capitalisation Range. From these companies, the Investment Manager uses research and other sources of information to select those companies it believes have the potential to grow earnings at an above average rate annually. The Investment Manager then performs an in-depth analysis of the companies' fundamentals to identify those that have:

- substantial business opportunities relative to their operating history and size. These opportunities may arise from addressing large and fragmented markets or markets that are growing at rapid rates. In addition, the company's ability to innovate may help create new markets for its products or services;
- proprietary products, services or distribution systems that provide the company with a competitive edge;
- management that demonstrates a "growth mentality" and a plan that the Investment Manager can clearly understand, monitor and evaluate; and
- attractively priced securities compared to their growth potential.

##### Selling Portfolio Securities

The Investment Manager monitors 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 if it believes:

- the security subsequently fails to meet the Investment Manager's initial investment criteria or investment thesis;
- a more attractively priced security is found or if funds are needed for other purposes; and/or
- the security becomes overvalued relative to the long-term expectation for the security price.

#### **ESG and Sustainable Investments Integration**

The Investment Manager may also evaluate environmental, social and governance ("ESG") factors and may incorporate these considerations into its decision-making process for certain securities when it deems the analysis to be material to long-term performance. ESG reporting is part of the Investment Manager's periodic review process of certain ESG characteristics of its portfolio.

The Investment Manager defines sustainability as an issuer's ability to incorporate various ESG factors in an effort to generate opportunities and/or mitigate risks that can impact long-term performance. The Investment Manager believes that consideration of these factors on a case-by-case basis may provide an important input into its investment process. In such cases, the Investment Manager may take into account both qualitative and quantitative material ESG risks and opportunities as a part of its research process.

Unlike investment vehicles which promote ESG characteristics or with a specific sustainability or impact objective that may have a constrained investment universe, the Fund is primarily aimed at maximising financial performance, whereby ESG aspects may be input factors within the investment process as the Investment Manager considers appropriate to pursue the Fund's investment objective. The investments underlying this Fund do not take into account the criteria for environmentally sustainable economic activities contained in the Taxonomy Regulation.

The Manager (in conjunction with the Investment Manager) does not consider the adverse impacts of its investment decisions on sustainability factors in respect of the holdings in the Fund, as it has been determined that this is neither practicable or proportionate to do so based on the *Investment Objective* and *Investment Policies* of the Fund. Should this position change, this Supplement will be updated.

### **Benchmark Index**

The Fund uses the Russell 2000® Growth Net Index as a Comparator Benchmark to compare performance. The Fund is actively managed and is not constrained by any benchmark.

### **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 forward foreign exchange contracts to hedge currency foreign exchange risks arising for Hedged Share Classes of the Fund. 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 section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

### **Investment Restrictions**

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

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

### **Borrowings**

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

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus. 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.

### *ESG Risks*

A “**Sustainability Risk**” means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

### **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 the heading Subscription **Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 in the **SHARE CLASS INFORMATION** section should contact the Manager. Upon receipt of sufficient interest in an unlaunched 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 the heading **SHARE CLASS INFORMATION**.

*Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 1 June 2023; or (iii) 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 the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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	✓	✓	CHF10.00
Swiss Franc Class A Dis Shares	✓	✓	CHF10.00
Swiss Franc Class A Dis H Shares	✓	✓	CHF10.00

Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class B Acc Shares	✓	X	NAV
Dollar Class B Dis Shares	✓	✓	\$10.00
Sterling Class B Acc Shares	✓	✓	£10.00
Sterling Class B Acc H Shares	✓	X	NAV
Sterling Class B Dis Shares	✓	X	NAV
Sterling Class B Dis H Shares	✓	✓	£10.00
Euro Class B Acc Shares	✓	✓	€10.00
Euro Class B Acc H Shares	✓	X	NAV
Euro Class B Dis Shares	✓	✓	€10.00
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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class C Acc Shares	✓	X	NAV
Dollar Class C Dis Shares	✓	✓	\$10.00
Sterling Class C Dis Shares	✓	✓	£10.00
Sterling Class C Dis H Shares	✓	✓	£10.00

Class J Shares

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

Class P Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Euro Class P Acc H Shares	✓	✓	€10.00

Class SI Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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*

None.

*Repurchase Charge*

1%

*Anti-Dilution Charge*

Cost of dealing.

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.



## 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 in the **FEES AND EXPENSES** section (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 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 reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (excluding the fees of the Manager) from exceeding an annual rate of 0.25% of the daily Net Asset Value of 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 in the **FEES AND EXPENSES** section.

### *Administration Fee*

The Administrator shall be entitled to receive out of the net assets 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 assets 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 entitled **FEES AND EXPENSES** in the Prospectus.

**Brown Advisory Global Leaders Sustainable Fund****Supplement No. 4 dated 1 December 2022 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to Brown Advisory Global Leaders Sustainable 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 22 December 2020.**

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.

Shareholders in the Enhanced Income Share Classes (“**Enhanced Income Shareholders**”) should note that some or all of the dividends attributable to the Class may be paid out of the capital of the Fund. The policy of paying dividends from capital will have the following effects: (i) capital will be eroded; (ii) distribution is achieved by forgoing the potential for future capital growth; and (iii) this cycle may continue until all capital is depleted. Enhanced Income Shareholders should also note that the payment of dividends out of capital may have different tax implications to distributions out of income and therefore tax advice should be sought in this regard. The value of future returns may also be diminished. In this regard, distributions out of capital should be understood as a type of capital reimbursement.

The Sub-Investment Manager has determined that the Fund is a Light Green Fund.

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

Dated: 1 December 2022

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## Definitions

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

<b>“Comparator Benchmark”</b>	for the purposes of this Supplement, the MSCI ACWI Net Total Return USD Index;
<b>“Environmentally Sustainable Investment”</b>	an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy
<b>“ESG”</b>	environmental, social and governance;
<b>“Light Green Fund”</b>	a Fund determined by the Sub-Investment Manager to be a financial product which complies with Article 8 of the SFDR;
<b>“MSCI ACWI Net Total Return USD Index”</b>	MSCI’s flagship global equity index, designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets. As of June 2021, it covers more than 2,900 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market. The index is built using MSCI’s Global Investable Market Index (GIMI) methodology, which is designed to take into account variations reflecting conditions across regions, market-cap sizes, sectors, style segments and combinations;
<b>“Norges Bank Exclusion List”</b>	the list of companies excluded from the investment universe maintained by the Executive Board of Norges Bank based on recommendations from the Council on Ethics appointed by the Norwegian Ministry of Finance;
<b>“Portfolio-Hedged Share Class”</b>	a Class which is hedged against the currency denomination(s) of the underlying portfolio assets of the Fund (which may not be in the Base Currency), attributable to that Share Class;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as

	the context requires;
<b>“Socially Sustainable Investment”</b>	an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;
<b>“Sustainable Investment”</b>	an Environmentally Sustainable Investment and/or Socially Sustainable Investment, as the context requires; provided that such investments do not significantly harm any economic or social objectives and that the investee entities follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;
<b>“Sustainability Risk”</b>	an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
<b>“Sub-Investment Manager”</b>	Brown Advisory Limited; and
<b>“Taxonomy Regulation”</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

## Investment Objective and Policies

### *Investment Objective*

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

### *Investment Policies*

Under normal circumstances, the Fund aims to achieve its investment objective by investing at least 80% of its net assets in global equity securities. The Fund also will, under normal market conditions: (1) invest at least 40% of its net assets outside the United States (including Emerging Market Countries) which may be reduced to 30% if market conditions are not favourable; and (2) hold securities of issuers located in at least three countries. The Fund determines whether a company is considered to be located outside the United States by considering whether: (i) it is organised under the laws of, or maintains its principal office in, a country located outside the United States; (ii) its securities are principally traded on trading markets in countries located outside the United States; (iii) it derives at least 50% of its total revenue or profits from either goods produced or services performed or sales made in countries located outside the United States; or (iv) it has at least 50% of its assets in countries located outside the United States. The Fund integrates socially responsible investment screens and risk-based analysis into the

portfolio construction process. The equity securities in which the Fund may invest include common stock, preferred stock, American Depositary Receipts (“**ADRs**”) and Global Depositary Receipts (“**GDRs**”) and the Fund may also invest in CIS (including, exchange traded funds (“**ETFs**”)) subject to the limits set out in the Prospectus. The equity securities in which the Fund may invest will be issued by mid- and large-capitalisation companies generally with market capitalizations above \$2 billion at the time of purchase that the Fund’s Sub-Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes.

In addition, the equity securities in which the Fund may invest will include the equity securities of companies that the Sub-Investment Manager believes are leaders within their industry or country as demonstrated by an ability to deliver high relative return on invested capital over time. This typically can be attributable to, among other things, a strong competitive position and a defensible barrier to entry (such as high start-up costs or other obstacles that prevent competitors from easily entering an industry).

The Fund may invest in participatory notes (“**P-Notes**”) in order to gain exposure to securities and markets in India which may not be efficiently accessed through direct investment. The Fund may also use forward foreign exchange contracts to hedge currency foreign exchange risks arising from Hedged Share Classes. In addition, the Fund may also invest in U.S. treasury bills, fixed and/or floating rate U.S. government securities, subject to the limits set out in the Prospectus.

The Fund’s exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

All securities invested in will be listed or traded on the markets and exchanges listed in Appendix 1 of the Prospectus.

#### *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 ESG factors be considered as part of the Fund’s investment due diligence process. The Fund invests primarily in equities as described above, and so investors should consider 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 or 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).

#### *Sub-Investment Manager’s Investment Process*

The Sub-Investment Manager’s bottom-up research process is comprised of integrated fundamental and ESG research, as further detailed under **ESG Promotion and Integration of Sustainability Risks** below.

The Fund seeks to leverage ESG research in the investment process in an effort to help to identify Sustainability Risks associated with particular companies that may impact the company’s financial

performance.

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

#### Purchasing Portfolio Securities

The Sub-Investment Manager will use in-house research and other external research sources to identify a universe of companies across a broad range of industries and countries whose underlying fundamentals are considered by the Sub-Investment Manager to be attractive. The Sub-Investment Manager systematically integrates ESG research into its fundamental company research, as further described under **ESG Promotion and Integration of Sustainability Risks** below. The Sub-Investment Manager will focus on companies that it believes exhibit the following desirable characteristics:

2.     •     high quality companies that are leaders in their industry or country supported by enduring competitive advantages that can deliver high relative return over time;
  3.     •     capable and trustworthy management who manage for the long term;
  4.     •     sustainable, predictable, premium growth in cash flow over time;
  5.     •     positive industry dynamics;
  6.     •     sensible capital allocation; and
  - have a reasonable price – the Sub-Investment Manager expects growth to compound the excess economic return over time.
7.     Sustainable investing is an integral part of the research process as the Sub-Investment Manager believes it can help find companies with these characteristics.

The Sub-Investment Manager believes that investing in the best companies globally in any sector or country can deliver superior long-term investment returns. The Sub-Investment Manager seeks to identify high-quality companies underpinned by structural long-term growth and strong management teams, and to purchase those companies at reasonable prices. Using comprehensive socially responsible investment screens, such high-quality companies that do not meet the socially responsible investment guidelines of the Fund are excluded.

The securities in which the Fund may invest will include the equity securities of companies that the Sub-Investment Manager believes are leaders within their industry or country as demonstrated by an ability to deliver high relative return on invested capital over time. The Sub-Investment Manager seeks to invest in companies whose business models enjoy a dominant market position, provide consistent returns, demonstrate low volatility, have pricing power, and experience growth that is not dependent on the market cycle. Management teams also must be high quality, manage for the long term and have a demonstrated record of acting in the best interest of shareholders. The Sub-Investment Manager will meet with management teams and engage in a rigorous bottom-up investment selection process. The Sub-Investment Manager emphasizes individual security selection based on identifying long-term attractive businesses *i.e.*, those with significant desirable characteristics (such as a viable, long-term franchise, sustainable business model, generate excess economic return, high return on invested capital and stable profitability) and few or no undesirable characteristics (such as excessive financial or operational leverage, risk of business or product obsolescence, excessive compensation, misaligned incentives or management hubris), when they are available at reasonable prices.

#### Selling Portfolio Securities

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

8.
  - the security's market price exceeds the Sub-Investment Manager's estimate of intrinsic value;
9.
  - the ratio of risk and reward of continuing to own the company's equity is no longer attractive;
10.
  - the Sub-Investment Manager needs to raise cash to purchase a more attractive investment opportunity, satisfy net redemptions, or other purposes; and/or
  - the Fund's socially responsible investment criteria (as detailed under **Socially Responsible Investment Guidelines** below) have been violated.

## ESG Promotion and Integration of Sustainability Risks

### *An Overview of the Sub-Investment Manager's ESG Integration Approach*

The Sub-Investment Manager systematically integrates ESG research into its fundamental company research. Environmental and social characteristics are promoted by the Fund's emphasis on what it believes are leading companies with strong ESG practices. When assessing the sustainability profile of a company, the Sub-Investment Manager seeks companies with sustainable opportunities, defined as companies that use sustainability to improve their financial position. One way that companies may improve their financial position is through what the Sub-Investment Manager deems to be internal sustainability strategies that lead to one or more Sustainable Business Advantages or SBAs.

Environmental areas of focus may include one or any combination of the following: climate change, natural resources stewardship, pollution and waste management. Social considerations may include one or any combination of the following: human capital management and labour practices, customer well-being, supply chain management and community relations. From a governance perspective, the focus is on board and committee composition and structure, shareholder rights, management incentives, and business ethics.

The Sub-Investment Manager also promotes environmental and social characteristics by seeking to avoid companies that it believes do not adhere to certain global norms and conventions, and companies that derive a significant portion of their revenues from activities that the Sub-Investment Manager deems to be in conflict with sustainable investment principles, including, but not limited to revenues knowingly drawn from controversial weapons or related business activities, and certain fossil fuel enterprises. Companies that are subject to sanctions are also excluded. In determining whether or not to invest based upon these principles, the Sub-Investment Manager may consider screening tools from vendors that it deems to be reliable. These third-party ESG data are utilised to complement the Sub-Investment Manager's internal ESG assessments and ratings as an additional reference measure for the Fund's sustainability profile.

The Fund will seek to exclude holdings deemed inconsistent with applicable ESG factors. As a result, the universe of investments available to the Fund will be more limited than other Funds that do not apply such factors. In applying the ESG factors, the Fund may be precluded from purchasing, or required to sell, certain investments that otherwise meet its objective and strategy and that might otherwise be advantageous to hold. The application of the ESG factors 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. The Fund's ESG factors may effectively accommodate the requirements of certain Fund investors but not others and may be more or less restrictive than a particular Fund investor might otherwise prefer.

In addition to the Fund's investment policies and restrictions, the Sub-Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund investments, such as internal Sub-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 (including "sanctions" lists).



In line with the Sub-Investment Manager's ESG integration policies as set out above, the Sub-Investment Manager seeks to invest in companies that use sustainability in a positive way to compound a competitive advantage, including by investing in companies that it believes have robust sustainability profiles, and/or those that are actively building or evolving their business toward sustainable products and practices.

### *ESG Research Integration*

There are three ways companies can use SBAs to improve their financial position:

1. Revenue Growth: attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve for challenging sustainability issues
2. Cost Improvements: improving margins from efficient operations, risk mitigation or other measures that increase productivity while using less resources
3. Enhanced Franchise Value: improving customer loyalty, attracting and retaining top talent, growing faster or taking market share through sustainable commitments and/or positive societal impact

Companies with Sustainable Business Advantages, by their nature, promote environmental or social factors through all or a subset of their sustainable products, services or operations. Identified SBAs may be aligned with one or more of, though not limited to, the promotion of the following environmental or social characteristics:

- sustainable technology innovation
- efficient production & conservation
- diversity, equity and inclusion
- economic mobility & community development; and/or
- health and wellness.

The Sub-Investment Manager also seeks companies with low exposure to ESG risks, or that have strong ESG risk management practices in place where ESG risks may be present.

While not every company in the Fund will possess a sustainable opportunity, every company will at minimum promote environmental and social characteristics through possessing an acceptable ESG risk profile.

An assessment of a company's alignment with the OECD Guidelines and UN Guiding Principles on Business and Human rights is included in the Fund's ESG Assessment. The Fund considers a company to be aligned with these Guidelines and Principles when it has not been involved in significant human rights controversies that are systemic, detractive from the Fund's investment, and where the harm resulting from the controversy is unlikely to be mitigated within the Fund's investment horizon.

The Sub-Investment Manager always leverages proprietary ESG research that seeks to understand sustainable opportunities and ESG risks for every security added to the portfolio. The Sub-Investment Manager requires that all companies added to the portfolio have an acceptable ESG risk profile.

The ESG research that is integrated into the investment process includes the evaluation of multiple environmental or social characteristics in order to assess performance.

Environmental characteristics are measured, for example, by indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities

While not every company in the Fund will possess a sustainable opportunity, every company will at minimum promote environmental and social characteristics through possessing an acceptable ESG risk profile.

ESG Assessments are conducted for every holding in the Fund, however at the Sub-Investment Manager's discretion, the Fund is permitted to make an investment without a written ESG assessment on file at the time of purchase, as long as the Adviser believes the security meets the Fund's sustainability criteria.

Further information in relation to the Sub-Investment Manager's sustainable investing philosophy is available at [www.brownadvisory.com/us/sustainable-investing](http://www.brownadvisory.com/us/sustainable-investing).

### *Integration of Sustainability Risks*

All investments are vetted for Sustainability Risk. Research seeks to identify material Sustainability Risks and the portfolio manager of the Fund takes these Sustainability Risks into consideration when making an investment decision.

Accordingly, consideration of Sustainability Risks is systematically integrated in the Sub-Investment Manager's investment process and investment decisions for all investments for the Fund.

The Sub-Investment Manager's ESG research approach seeks, first and foremost, to contribute positively to the performance of the Fund. The Sub-Investment Manager's ESG research efforts aim to uncover Sustainability Risks that may materially impact the return from an investment.

The Manager (in conjunction with the Sub-Investment Manager) conducts an assessment of the principal adverse impacts of its investment decisions on sustainability factors across all of the holdings in the Fund. Further information is available in the Statement on the Due Diligence Policies of the Manager on the Principal Adverse Impacts of Investment Decision, available at: <https://www.brownadvisory.com/intl/ucits-legal-document-library>. In addition, information on principal adverse impacts on sustainability factors will be available in the annual report and audited financial statements of the Manager.

### *Transparency of Environmentally Sustainable Investments*

#### *Environmentally Sustainable Economic Activities and Do No Significant Harm*

The Sub-Investment Manager has determined that the Fund is a Light Green Fund, as the Fund promotes environmental and social characteristics by integrating ESG research into the overall research process.

The Fund seeks to avoid investments that severely negatively impact society or the environment, especially where there is no evidence of efforts to reduce the harm they contribute to. In assessing harm, the Sub-Investment Manager may consider available 'Principal Adverse Indicators' ('PAI') (as defined in Annex 1 of SFDR), controversial business exposure, ESG controversies, and ESG risk exposure and management practices.

Where an investee company is deemed to be doing significant harm to the environment or society, and due diligence (including engagement) with the company indicates that the harm is systemic, detractive from our investment, and the harm is unlikely to be mitigated within the Sub-Investment Manager's investment horizon, the Sub-Investment Manager will exit the position.

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 the investments underlying the Fund.

Although the Fund promotes environmental characteristics, the Fund does not promote the environmental objectives contained in the Taxonomy Regulation. Accordingly, as a percentage of the Fund's portfolio, the Manager (in conjunction with the Sub-Investment Manager) has determined that the Fund will have 0% exposure to investments in economic activities that qualify as environmentally sustainable economic activities under the Taxonomy Regulation (“**Taxonomy-Aligned Investments**”). However, the investments underlying the Fund may be in Sustainable Investments.

#### Technical Screening Criteria

The Manager (in conjunction with the Sub-Investment Manager) anticipates that the percentage of investments in the Fund that are in Taxonomy-Aligned Investments and may be eligible to be assessed against the technical screening criteria (TSC) issued pursuant to the Taxonomy Regulation will be 0%.

Is keeping this situation under active review and where sufficient reliable, timely, and verifiable data on the Fund's investments become available, the Manager will provide the descriptions referred to above, in which case this Supplement will be updated.

#### **Socially Responsible Investment Guidelines**

In addition to the Sub-Investment Manager's proprietary and qualitative ESG analysis, the Sub-Investment Manager relies on a third-party provider to apply a rules-based screening process which seeks to identify companies that may have controversial business involvement, as determined by the Sub-Investment Manager. Socially Responsible Investment (“**SRI**”) is broadly defined as an investment approach that aims to integrate social, environmental and ethical considerations into investment selection. Therefore, the equity securities in which the Fund invests are screened based on certain SRI criteria in accordance with various principles set out in declarations and conventions signed by the international community.

Specifically, the Fund seeks to exclude knowingly owning equity securities of companies:

- that defy the ten United Nations Global Compact Principles (UNGC); and/or
- that defy the Norges Bank Exclusion List. Exclusions are the decision of Norges Bank's Executive Board and based on recommendations from the Council on Ethics appointed by the Ministry of Finance; and/or
- that directly manufacture of controversial weapons (defined as cluster munitions, land mines, and/or depleted uranium); and/or
- that conduct animal testing for non-medical purposes and do not exhibit strong ethical policies and practices; and/or
- whose primary business activities are directly tied to conventional exploration, extraction, production, manufacturing or refining coal, oil or gas; and/or
- whose primary business activities are directly tied to producing electricity derived from fossil fuels; and/or
- with significant assets directly invested in conventional fossil fuel reserves.

The Fund seeks to apply the following investment guidelines in respect of underlying issuers to ensure that a company will not be included if it knowingly has more than:

- 5% of its revenue derived directly from the manufacture of conventional weapons; and/or
- 5% of its revenue derived directly from alcohol products; and/or
- 5% of its revenue derived directly from tobacco products; and/or
- 5% of its revenue derived directly from adult entertainment; and/or
- 5% of its revenue derived directly from gambling.

Investors are informed that criteria applied in developing “socially responsible” screens may be additional to the criteria disclosed above.

#### *SRI Research*

The Sub-Investment Manager will exclude companies based on information from credible and independent research on issuers represented in the Fund. The Sub-Investment Manager will monitor the Fund’s compliance with the SRI criteria. A number of sources are used in this research and may comprise information obtained from official sources, organisations or from the companies themselves.

The Sub-Investment Manager may use specific SRI research from independent research providers in respect of the Fund.

#### **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 **ESG Promotion and Integration of Sustainability Risks 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 at:

- <https://www.msci.com/our-solutions/indexes/acwi#:~:text=The%20MSCI%20ACWI%20Index%2C%20MSCI's,developed%20and%2024%20emerging%20markets.>

#### **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 may use forward foreign exchange contracts to hedge currency foreign exchange risks arising from Hedged Share Classes of the Fund. In addition, P-Notes (in India) 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.

#### *Portfolio-Hedged Share Class Strategy*

In order to mitigate the risk of currency-related depreciation in the value of a Portfolio-Hedged Share Class and to provide a return hedged against currency valuation fluctuations, the Fund intends to employ a “portfolio look-through” currency hedging strategy for such Share Classes, by utilising foreign exchange (“FX”) spot contracts and FDIs such as FX forward contracts, to hedge Portfolio-Hedged Share Classes against the currency denominations of the underlying portfolio assets of the Fund.

For example, although the Base Currency of the Fund is USD, a Portfolio-Hedged Share Class may be denominated in GBP, and certain underlying portfolio assets of the Fund may be denominated in USD or EUR. In such circumstances, the Fund may enter into GBP/USD and/or GBP/EUR FX contracts in order to hedge the currency risk attributable to the GBP-denominated Class against the USD- and/or

EUR-denominated underlying portfolio assets, such that a gain or loss in the value of the underlying portfolio assets of the Fund should lead to a proportionate gain or loss in the value of the Portfolio-Hedge Share Class. This “portfolio look-through” currency hedging strategy will seek to limit a Shareholder’s risk of loss arising from an appreciation in the value of the currency of the Portfolio-Hedged Share Class relative to the value of the currency denomination of the underlying portfolio assets of the Fund.

While not the intention, over-hedged and under-hedged positions may arise due to factors outside the control of the Manager, the Investment Manager, the Sub-Investment Manager, and/or the Fund. Over-hedged positions are not permitted to exceed 105% of the Net Asset Value of the relevant Portfolio-Hedged Share Class. Under-hedged positions must not fall short of 95% of the proportion of Net Asset Value of the relevant Portfolio-Hedged Share Class which is to be hedged. Hedged positions are kept under review to ensure that over-hedged and under-hedged positions do not exceed the permitted level. This review also incorporates a procedure to ensure that positions materially in excess of 100% will not be carried forward month to month.

To the extent that hedging is successful, the performance of a Portfolio-Hedged Share Class is likely to move in line with the performance of the underlying portfolio assets of the Fund and investors in a Portfolio-Hedged Share Class will not benefit if the value of the relevant Portfolio-Hedged Share Class falls against the Base Currency.

Where a Class is a Portfolio-Hedged Share Class, it shall not engage in Currency Class Hedging (*i.e.*, a FX hedge of the denomination of the Portfolio-Hedged Share Class against the Base Currency).

This section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

### **Investment Restrictions**

In addition to the investment restrictions set out below, the general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus 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.

Investments made by the Fund in Emerging Market Countries may not exceed, in aggregate, 20% of the Net Asset Value of the Fund.

### **Borrowings**

In accordance with the general provisions set out in the Prospectus under the heading **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.

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus and the further risk factors set out below. 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.

#### *Environmental, Social and Governance Policy Risk*

Because the Fund’s ESG criteria exclude securities of certain issuers for non-financial reasons, the Fund may forgo some market opportunities available to funds that do not use these criteria. In addition, the Fund may otherwise reduce its exposure to certain securities when it might be advantageous to

maintain its position. The Fund's integration of ESG criteria, as well as any guideline restrictions referenced in this Supplement or the Prospectus may adversely impact the performance of the Fund.

In assessing ESG factors of a security or issuer, the Sub-Investment Manager may use information and data from third-party ESG research providers, which may be incomplete, inaccurate or unavailable. It may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Sub-Investment Manager may incorrectly assess a security, issuer or index. There is also a risk that the Sub-Investment Manager, or third-party ESG research providers the Sub-Investment Manager may use, may not interpret or apply the relevant ESG factors correctly. Neither the Fund nor the Sub-Investment Manager or any of their affiliates make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG Assessment.

#### *ESG Risks*

If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

#### **Sub-Investment Manager**

The Investment Manager has delegated the day to day portfolio management of the Fund to Sub-Investment Manager, Brown Advisory Limited, a UK limited company. The Sub-Investment Manager is authorised and regulated by the U.K. Financial Conduct Authority (the "FCA").

The Sub-Investment Manager has its registered office at 6 - 10 Bruton Street, London W1J 6PX, United Kingdom.

The Sub-Investment Manager is an investment manager and adviser, and is permitted to provide discretionary investment management services to Irish authorised collective investment schemes.

An agreement is in place between the Investment Manager and the Sub-Investment Manager in respect of the management of the fund, pursuant to a Sub-Investment Management Agreement.

#### **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 the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the **SHARE CLASS INFORMATION** section should contact the Investment Manager and/or the Sub-Investment Manager. Upon receipt of sufficient interest in any such Class, such a Class may be launched.

*Portfolio-Hedged Share Classes*

Portfolio-Hedged Share Classes will be identified by “PH” in their title. The Sub-Investment Manager expects that Portfolio-Hedged Share Classes will be 50% to 100% hedged against the denominated currency of the underlying assets at any one time, depending on the currency of such underlying assets, relative to the currency of the relevant Portfolio-Hedged Share Classes.

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

However, notwithstanding the foregoing, the applicable Minimum Shareholding, Minimum Initial Investment Amount and Minimum Additional Investment Amount for the Class SI PH Shares are set out below:

<b>Class</b>	<b>Minimum Shareholding*</b>	<b>Minimum Initial Investment Amount*</b>	<b>Minimum Additional Investment Amount*</b>
Dollar Class SI PH Shares	\$100,000,000	\$100,000,000	N/A
Sterling Class SI PH Shares	£100,000,000	£100,000,000	N/A
Euro Class SI PH Shares	€100,000,000	€100,000,000	N/A
Swiss Franc Class SI PH Shares	CHF100,000,000	CHF100,000,000	N/A

*\* (subject to the discretion of the Directors in each case to allow lesser amounts)*

*Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 1 June 2023; or (iii) 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 the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class A Acc Shares	✓	✓	\$10.00
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	✓	✓	€10.00
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	✓	✓	CHF10.00
Swiss Franc Class A Dis Shares	✓	✓	CHF10.00
Swiss Franc Class A Dis H Shares	✓	✓	CHF10.00

#### Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class B Acc Shares	✓	✓	\$10.00
Dollar Class B Dis Shares	✓	✓	\$10.00
Sterling Class B Acc Shares	✓	X	NAV
Sterling Class B Acc H Shares	✓	✓	£10.00
Sterling Class B Dis Shares	✓	✓	£10.00
Sterling Class B Dis H Shares	✓	✓	£10.00
Euro Class B Acc Shares	✓	✓	€10.00
Euro Class B Acc H Shares	✓	✓	€10.00
Euro Class B Dis Shares	✓	✓	€10.00
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



<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class C Acc Shares	✓	X	NAV
Dollar Class C Dis Shares	✓	✓	\$10.00
Sterling Class C Acc Shares	✓	✓	£10.00
Sterling Class C Acc H Shares	✓	✓	£10.00
Sterling Class C Dis Shares	✓	✓	£10.00
Sterling Class C Dis H Shares	✓	✓	£10.00
Sterling Class C Enhanced Income H Shares	✓	X	NAV
Swedish Krona Class C Acc Shares	✓	X	NAV

Class J Shares

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

Class M Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Sterling Class M Acc Shares	✓	✓	£10.00

Class P Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class P Acc Shares	✓	✓	\$10.00

Class SI Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class SI Acc Shares	✓	✓	\$10.00
Dollar Class SI PH 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 PH Acc 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 PH Acc Shares	✓	✓	€10.00
Euro Class SI Dis Shares	✓	✓	€10.00
Euro Class SI Dis H Shares	✓	✓	€10.00
Swiss Franc Class SI PH Acc Shares	✓	✓	CHF10.00

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*

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.

**No Preliminary Charge is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator.**

There is no Preliminary Charge payable for other Share Classes.

#### *Repurchase Charge*

1%

#### *Anti-Dilution Charge*

Cost of dealing.

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.

### **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 in the **FEES AND EXPENSES** section (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 (including the Sub-Investment Manager) 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 reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (excluding the fees of the Manager) from exceeding an annual rate of 0.25% of the daily Net Asset Value of 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 in the **FEES AND EXPENSES** section.

*Sub-Investment Management Fee*

The fees and expenses of the Sub-Investment Manager are paid out of those fees paid to the Investment Manager which are set out herein and should be read in conjunction with the section in the Prospectus entitled **FEES AND EXPENSES**.

*Administration Fee*

The Administrator shall be entitled to receive out of the net assets 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 assets 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 entitled **FEES AND EXPENSES** in the Prospectus.

*Establishment Costs*

The costs of establishing the Fund, not to exceed €50,000, will be borne by the Fund and amortised over the first five years of the Fund (or such other period as may be determined by the Directors in their discretion).

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 lay down 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 Global Leaders Sustainable Fund (the “Fund”)

**Legal entity identifier:** 635400P3DLZQRU6FSW86

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

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 **80%** of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



Words and expressions defined in the Prospectus of 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?** *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

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

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Brown Advisory Limited (the “Sub-Investment Manager”) systematically integrates ESG research into its fundamental company research. Environmental and social characteristics are promoted by the Fund’s emphasis on what it believes are leading companies with strong ESG practices. When assessing the sustainability profile of a company, the Sub-Investment Manager seeks companies with sustainable opportunities, defined as companies that use sustainability to improve their financial position. One way that companies may improve their financial position is through what the Sub-Investment Manager deems to be internal sustainability strategies that lead to one or more Sustainable Business Advantages or SBAs.

There are three ways companies can use SBAs to improve their financial position:

4. Revenue Growth: attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve for challenging sustainability issues
5. Cost Improvements: improving margins from efficient operations, risk mitigation or other measures that increase productivity while using less resources
6. Enhanced Franchise Value: improving customer loyalty, attracting and retaining top talent, growing faster or taking market share through sustainable commitments and/or positive societal impact

Companies with Sustainable Business Advantages, by their nature, promote environmental or social factors through all or a subset of their sustainable products, services or operations. Identified SBAs may be aligned with one or more of, though not limited to, the promotion of the following environmental or social characteristics:

- sustainable technology innovation
- efficient production & conservation,
- diversity, equity and inclusion,
- economic mobility & community development; and/or
- health and wellness

The Sub-Investment Manager also seeks companies with low exposure to ESG risks, or that have strong ESG risk management practices in place where ESG risks may be present.

While not every company in the Fund will possess a sustainable opportunity, every company will at minimum promote environmental and social characteristics through possessing an acceptable ESG risk profile.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

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

Environmental characteristics are measured, for example, by indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to tackling inequality or that fosters social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities.

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

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- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*** *[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]*

The sustainable investments that this fund makes are those that demonstrate at least one of the following:

1. a primary product/service or range of products/services that solve for environmental or social challenges, and/or
2. operations, capital discipline, policies or programs that drive improved efficiency and/or conserve resources resulting in positive environmental or social outcomes, and/or
3. a franchise whose value is clearly enhanced by its positive environmental or social characteristics

The companies assessed to possess at least one of 1-3 above, will have a positive impact on at least one of a variety of positive environmental or social characteristics being promoted.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*** *[include a description for the financial product that partially intends to make sustainable investments]*

The Fund seeks to avoid investments that severely negatively impact society or the environment, especially where there is no evidence of efforts to reduce the harm they contribute to. In assessing harm, the Sub-Investment Manager may consider available 'Principal Adverse Indicators' ("PAI") (as defined in Annex 1 of SFDR ("Annex 1")), controversial business exposure, ESG controversies, and ESG risk exposure and management practices.

As an additional means of avoiding certain harmful business activities, the Fund also seeks to abide by certain exclusions.

Specifically, the Fund seeks to exclude knowingly owning equity securities of companies:

- that defy the ten United Nations Global Compact Principles (UNGC); and/or
- that defy the Norges Bank Exclusion List. Exclusions are the decision of Norges Bank's Executive Board and based on recommendations from the Council on Ethics appointed by the Ministry of Finance; and/or
- that directly manufacture of controversial weapons (defined as cluster munitions, land mines, and/or depleted uranium); and/or
- that conduct animal testing for non-medical purposes and do not exhibit strong ethical policies and practices; and/or
- whose primary business activities are directly tied to conventional exploration, extraction, production, manufacturing or refining coal, oil or gas; and/or
- whose primary business activities are directly tied to producing electricity derived from fossil fuels; and/or
- with significant assets directly invested in conventional fossil fuel reserves.

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**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.

The Fund seeks to apply the following investment guidelines in respect of underlying issuers to ensure that a company will not be included if it knowingly has more than:

- 5% of its revenue derived directly from the manufacture of conventional weapons; and/or
- 5% of its revenue derived directly from alcohol products; and/or
- 5% of its revenue derived directly from tobacco products; and/or
- 5% of its revenue derived directly from adult entertainment; and/or
- 5% of its revenue derived directly from gambling.

Investors are informed that criteria applied in developing “socially responsible” screens may be additional to the criteria disclosed above

Where an investee company is deemed to be doing significant harm to the environment or society, and due diligence (including engagement) with the company indicates that the harm is systemic, detractive from our investment, and the harm is unlikely to be mitigated within our investment horizon, the Sub-Investment Manager will exit the position.

*How have the indicators for adverse impacts on sustainability factors been taken into account? [include an explanation of how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account]*

A company’s performance on the adverse impact indicators in Table 1 of Annex I are reviewed where data is available and reliable. Except for where PAI indicators align with the exclusions applied by the Fund, no specific thresholds are set for how a company or the overall fund must perform on a specific indicator.

The Sub-Investment Manager has engaged a third-party data provider to help collate adverse impact indicators at both the company and fund level.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*

An assessment of a company’s alignment with the OECD Guidelines and UN Guiding Principles on Business and Human rights is included in the Fund’s ESG Assessment. The Fund considers a company to be aligned with these Guidelines and Principles when it has not been involved in significant human rights controversies that are systemic, detractive from the Fund’s investment, and where the harm resulting from the controversy is unlikely to be mitigated within the Fund’s investment horizon.

*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

- Yes, a company's performance on the adverse impact indicators in Table 1 of the Annex I are reviewed to the extent data is determined to be available and reliable. Except for where these indicators align with the Fund's SRI Guidelines, no specific thresholds are set for how a company or the overall fund must perform on a specific indicator.

\_\_\_\_\_ *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

No



## What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The Fund seeks to own a concentrated portfolio of 30-40 leading global companies, in any sector or country, that the Sub-Investment Manager believes deliver superior customer outcomes and are capable of compounding excess returns over time. The Sub-Investment Manager seeks to identify high-quality companies, underpinned by high profitability, growth opportunities and highly capable management teams. The Sub-Investment Manager integrates proprietary ESG research into the investment approach using an approach that seeks to identify ESG risks and Sustainable Business Advantage drivers. The goal of integrating ESG research into the investment decision making process is to uncover information that the Sub-Investment Manager believes can help improve an investment's compounding ability over the long-term.

- ***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 Sub-Investment Manager always leverages proprietary ESG research that seeks to understand sustainable opportunities and ESG risks for every security added to the portfolio. The Sub-Investment Manager requires that all companies added to the portfolio have an acceptable ESG risk profile.

The ESG research that is integrated into the investment process includes the evaluation of multiple environmental or social characteristics in order to assess performance:

Environmental characteristics are measured, for example, by indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities.

The above named characteristics are not exhaustive and are analyzed to the extent disclosure and data are available.

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

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



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- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?** *[include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]*

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?** *[include a short description of 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 ESG analysis. Applicable governance factors may include, though are not necessarily limited to:

- Ownership and Control
- Board and management composition and structure
- Employee relations
- Tax Transparency
- Remuneration practices
- Shareholder Rights
- Accounting Practices
- Transparency and Disclosure
- Business Ethics



#### Asset allocation

describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?** *[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]*

All investments of the Fund, excluding cash, are assessed and determined to promote environmental and social characteristics. A minimum of 80% of the Fund's investments will be in companies that have been determined to be sustainable investments. The remaining 20% may also include sustainable investments, but is also permitted to include other investments that promote environmental or social characteristics. All non-cash investments will be assessed to abide by the good governance principles and not cause significant harm to environmental or social outcomes.

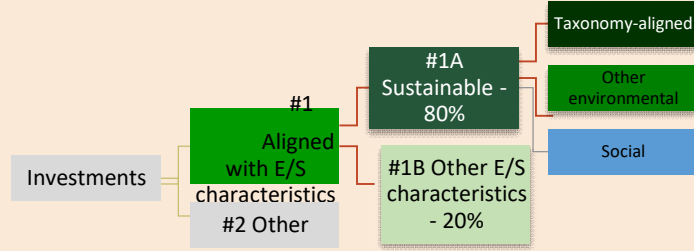
*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852*

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.

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*[Include only relevant boxes, remove irrelevant ones for the financial product]*



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

*[include the note below where the financial product commits to making sustainable investments]*

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### How does the use of derivatives attain the environmental or social characteristics

**promoted by the financial product?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*

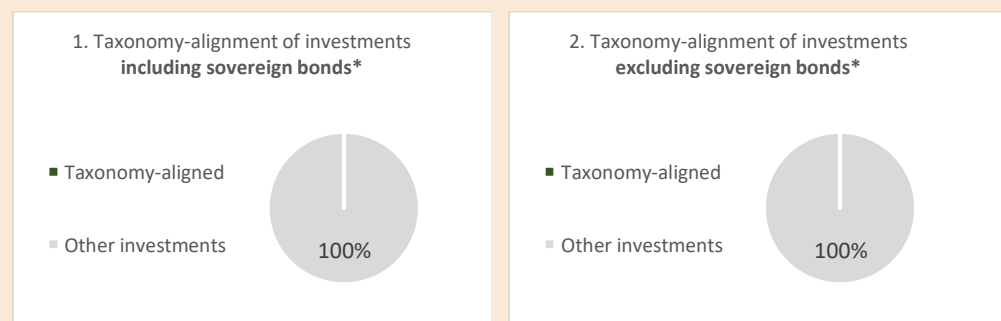
Not applicable.

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

*[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(3) of this Regulation]*

The Sub-Investment Manager has not collected and evaluated data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the Product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). The Product has zero exposure to Taxonomy Aligned Investments.

*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

*[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852*

**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.

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*[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- **What is the minimum share of investments in transitional and enabling activities?** *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

Not applicable



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

0%. The sustainable investments in the Fund may have an environmental, social or both an environmental and social objective. The Fund does not set threshold requirements for these.

The Sub-Investment Manager does not have access to sufficient data to assess taxonomy alignment.



- **What is the minimum share of socially sustainable investments?** *[include section only where the financial product includes sustainable investments with a social objective]*

0%. The sustainable investments in the Fund may have an environmental, social or both an environmental and social objective. The Fund does not set threshold requirements for these.



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

The investments included under “#2 Other” are primarily used for liquidity and 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?** *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]*

No, the Fund does not use a reference benchmark to determine whether the financial product 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?**

N/A

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

N/A

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

N/A

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

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

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

N/A

**Where can I find more product specific information online?**



**More product-specific information can be found on the website:** *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

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

## **Brown Advisory US Small Cap Blend Fund**

### **Supplement No. 5 dated 1 December 2022 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to Brown Advisory US Small Cap Blend 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 22 December 2020.**

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 6 financial product pursuant to the SFDR.

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

Dated: 1 December 2022

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## Definitions

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

<b>“Russell 2000® Net Index”</b>	the Russell 2000® Net Index provided by FTSE Russell which measures the performance of the small-capitalization sector of the U.S. equity markets;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires; and
<b>“Taxonomy Regulation”</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

## 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 invests at least 80% of its net assets in equity securities of small U.S. companies. The Fund seeks to invest primarily in small companies which are listed or traded on the U.S. markets and exchanges listed in Appendix I of the Prospectus. Small companies are companies whose market capitalisations are equal to or less than \$6 billion at the time the Fund purchases the issuer’s securities (“**Market Capitalisation Range**”). The Fund may invest in U.S. Rule 144A Securities, American and Global Depository Receipts, U.S. treasury bills, fixed and/or floating rate U.S. government securities and ancillary liquid assets subject to the limits set out in the Prospectus.

### *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). As the Fund invests primarily in equities, 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 or 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 Fund invests in companies which have above average growth prospects ("**Growth Companies**"); and/or which are undervalued, broadly defined as trading at a discount to the estimated economic value of their underlying business ("**Value Companies**"). The Investment Manager's investment process is different for Growth Companies and Value Companies.

#### *Growth Companies - Purchasing Portfolio Securities*

The Investment Manager begins by identifying a universe of small cap growth companies within the Market Capitalisation Range. From these companies, the Investment Manager uses research and other sources of information to select those companies it believes have the potential to grow earnings at an above average rate annually. The Investment Manager then performs an in-depth analysis of the companies' fundamentals to identify those that have:

- substantial business opportunities relative to their operating history and size. These opportunities may arise from addressing large and fragmented markets or markets that are growing at rapid rates. In addition, the company's ability to innovate may help create new markets for its products or services;
- proprietary products, services or distribution systems that provide the company with a competitive edge; and
- management that demonstrates a "growth mentality" and a plan that the Investment Manager can clearly understand, monitor and evaluate;
- attractively priced securities compared to their growth potential.

#### *Growth Companies - Selling Portfolio Securities*

The Investment Manager monitors 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 if it believes:

- the security subsequently fails to meet the Investment Manager's initial investment criteria or investment thesis;
- a more attractively priced security is found or if funds are needed for other purposes; and/or
- the security becomes overvalued relative to the long-term expectation for the security price.

#### *Value Companies - Purchasing Portfolio Securities*

The Investment Manager begins by identifying a universe of small cap companies within the Market Capitalisation Range. From these companies, the Investment Manager uses research and other sources of information to select those companies it believes are undervalued. In particular, the Investment Manager will select companies which may be out-of-favour with, or under-followed by, the market and cash generating with sustainable business models, strong finances, competent management and a demonstrable record of profitability and self-funded growth. The Investment Manager may also select cyclical companies or companies that have experienced a temporary setback if the valuation of the company is at an appropriate discount to the long-term earnings potential of the company.

#### *Value Companies - Selling Portfolio Securities*

The Investment Manager monitors 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 if it believes:



- it has reached its target price (*i.e.* the security's fair value in the opinion of the Investment Manager);
- its present reward to risk ratio is unattractive;
- it is overvalued; and/or
- the company's fundamentals have deteriorated in a material, long-term manner.

### ESG and Sustainable Investments Integration

The Investment Manager may also evaluate environmental, social and governance (“**ESG**”) factors and may incorporate these considerations into its decision-making process for certain securities when it deems the analysis to be material to long-term performance. ESG reporting is part of the Investment Manager's periodic review process of certain ESG characteristics of its portfolio.

The Investment Manager defines sustainability as an issuer's ability to incorporate various ESG factors in an effort to generate opportunities and/or mitigate risks that can impact long-term performance. The Investment Manager believes that consideration of these factors on a case-by-case basis may provide an important input into its investment process. In such cases, the Investment Manager may take into account both qualitative and quantitative material ESG risks and opportunities as a part of its research process.

Unlike investment vehicles which promote ESG characteristics or with a specific sustainability or impact objective that may have a constrained investment universe, the Fund is primarily aimed at maximising financial performance, whereby ESG aspects may be input factors within the investment process as the Investment Manager considers appropriate to pursue the Fund's investment objective. The investments underlying this Fund do not take into account the criteria for environmentally sustainable economic activities contained in the Taxonomy Regulation.

The Manager (in conjunction with the Investment Manager) does not consider the adverse impacts of its investment decisions on sustainability factors in respect of the holdings in the Fund, as it has been determined that this is neither practicable or proportionate to do so based on the *Investment Objective* and *Investment Policies* of the Fund. Should this position change, this Supplement will be updated.

### Benchmark Index

The Fund uses the Russell 2000® Net Index as a Comparator Benchmark to compare performance. The Fund is actively managed and is not constrained by any benchmark.

### 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 forward foreign exchange contracts to hedge currency foreign exchange risks arising for Hedged Share Classes of the Fund. 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 section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

### Investment Restrictions

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

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

## Borrowings

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

## Risk Factors

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus. 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.

### *ESG Risks*

A “**Sustainability Risk**” means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

## 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 the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 in the **SHARE CLASS INFORMATION** section should contact the Manager. Upon receipt of sufficient interest in an unlaunched 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 the heading **SHARE CLASS**

## INFORMATION.

*Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 1 June 2023; or (iii) 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 the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class A Acc Shares	✓	X	NAV
Sterling Class A Acc H Shares	✓	✓	£10.00
Euro Class A Acc Shares	✓	✓	€10.00

Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class B Acc Shares	✓	X	NAV
Sterling Class B Acc Shares	✓	X	NAV
Sterling Class B Acc H Shares	✓	✓	£10.00
Sterling Class B Dis Shares	✓	X	NAV
Euro Class B Acc Shares	✓	✓	€10.00

Class C Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class C Acc Shares	✓	X	NAV
Dollar Class C Dis Shares	✓	✓	\$10.00
Sterling Class C Dis Shares	✓	✓	£10.00
Sterling Class C Dis H Shares	✓	✓	£10.00

Class P Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Euro Class P Acc 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*

None.

*Repurchase Charge*

1%

*Anti-Dilution Charge*

Cost of dealing.

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.

**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 in the **FEES AND EXPENSES** section (plus VAT, if any) per Share Class of the Net Asset Value of the Fund.

Notwithstanding the foregoing and anything to the contrary in the Prospectus, the Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee of up to 1.75% (plus VAT, if any) per Class A Shares and an annual fee of up to 1.00% (plus VAT, if any) per Class B Shares of the Net Asset Value of the Fund, which shall be accrued and calculated in accordance with the procedures set out in the Prospectus in the **FEES AND EXPENSES** section.

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 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 reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (excluding the fees of the Manager) from exceeding an annual rate of 0.25% of the daily Net Asset Value of 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 in the **FEES AND EXPENSES** section.

*Administration Fee*

The Administrator shall be entitled to receive out of the net assets 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 assets 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, namely the Dollar Class A Shares and Dollar Class B Shares) 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 entitled **FEES AND EXPENSES** in the Prospectus.

## **Brown Advisory US Flexible Equity Fund**

### **Supplement No. 6 dated 12 January 2023 to the Prospectus of the Company dated 22 December 2020 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 22 December 2020.**

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 a Light Green Fund.

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

Dated: 12 January 2023

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## Definitions

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

<b>“Comparator Benchmark”</b>	for the purposes of this Supplement, the S&P 500® Net Index;
<b>“Environmentally Sustainable Investment”</b>	an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy;
<b>“ESG”</b>	environmental, social, and governance;
<b>“Light Green Fund”</b>	a Fund determined by the Investment Manager to be a financial product which complies with Article 8 of the SFDR;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires;
<b>“Socially Sustainable Investment”</b>	an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;
<b>“Sustainable Investment”</b>	an Environmentally Sustainable Investment and/or Socially Sustainable Investment, as the context requires; provided that such investments do not significantly harm any economic or social objectives and that the investee entities follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;
<b>“Sustainability Risk”</b>	an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
<b>“S&amp;P 500® Net Index”</b>	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; and

### “Taxonomy Regulation”

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

## 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 generally with market capitalisations above \$2 billion at the time of purchase that the Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes, and which are listed or traded on the U.S. markets and exchanges listed in Appendix I of the Prospectus.

The Fund promotes certain environmental and social characteristics, as described under **ESG Promotion and Integration of Sustainability Risks** below by investing directly or through the use of FDIs, in a variety of equity securities in order to achieve the Fund’s investment objective.

The Fund may also invest in non-U.S. securities, convertible bonds including U.S. Rule 144A Securities, American and Global Depositary Receipts, 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.

### *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 ESG factors be considered as part of the Fund’s investment due diligence process. The Fund invests primarily in equities as described above, and so investors should consider 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 or 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 is comprised of integrated fundamental and ESG research, as further detailed under **ESG Promotion and Integration of Sustainability Risks** below.

The Fund seeks to leverage ESG research consistently in the investment process in an effort to help to identify Sustainability Risks associated with particular companies that may impact the company's financial performance.

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.

## **ESG Promotion and Integration of Sustainability Risks**

### *An Overview of the Investment Manager's ESG Integration Approach*

The Investment Manager integrates in-house and/or third-party ESG research as part of its investment

process. The Investment Manager's Light Green Funds, including the Fund, integrate ESG research in a manner it believes is appropriate to achieving each stated investment objective.

ESG research is provided through in-house ESG research or from third-party ESG research providers. In-house ESG research is produced by ESG research analysts who work alongside fundamental analysts across asset classes and industry sectors. The portfolio manager of the Fund oversees the research process that seeks to examine individual securities to drive performance, and includes an assessment of Sustainability Risks. In-house or third-party ESG analysis is provided for every company in the fund. At the Investment Manager's discretion, the Fund is permitted to make an investment without a written ESG assessment on file at the time of purchase, as long as the Investment Manager believes the relevant security meets the Fund's sustainability criteria.

In-house and third-party ESG research assessments seek to show if a company is exposed to material ESG risks that would materially detract from financial performance, and how a company is managing and mitigating its exposure to ESG risks. The ESG research approach is largely qualitative, but will contain certain quantitative elements (e.g., carbon emissions, certain controversial business exposure, board diversity). These ESG research assessments will be delivered in the form of an ESG Assessment (such term as defined and as further detailed under *ESG Research Integration* below) created by the ESG research analysts and/or a third-party ESG research report. The in-house ESG research assessment seeks to produce a proprietary view on a broad set of potentially material ESG risks facing an investment, such as certain ESG controversies the Investment Manager may deem material. Analysis focuses on the material ESG risks that may be present, taking into consideration the Investment Manager's view of the company's ability to manage those risks. The Investment Manager takes ESG analysis into account to evaluate the overall ESG profile of the company.

The ESG risks that could be included as part of the ESG Assessment may include any one or a combination of, but are not limited to, the following:

- **Environmental Risks:** carbon emissions, energy, waste, water, and biodiversity;
- **Social Risks:** human capital management, human rights, diversity and inclusion, product quality and safety, and data privacy and security; and
- **Governance Risks:** board and committee composition, limits to shareholder rights, business ethics, and management incentives.

Controversial business involvements such as fossil fuel expansion without decarbonization considerations, non-medical animal testing, tobacco, alcohol, and conventional and/or controversial weapons, among others, will be considered in the ESG Assessment.

Examples of material ESG risks include companies with weak management of natural resource usage resulting in supply chain instability, such as significantly increased costs or reduced supply of key natural resources in the future. In these cases, the Manager will seek to avoid an initial investment in such a company or will seek to reduce its exposure to such companies over time.

Fundamental and ESG research are considered when making portfolio decisions for the Fund. Integrating ESG research into the investment due diligence process in a systematic manner is integral to the Investment Manager's philosophy for Light Green Funds, including the Fund. The Fund may invest in a company that is exposed to legacy material ESG risks or that is lagging in ESG risk management, however it will seek to find evidence of a positive ESG risk-management trajectory which the portfolio manager will document before making an investment.

#### *ESG Research Integration*

The Investment Manager considers certain material ESG factors as part of its fundamental company

research. ESG factors are assessed as part of the investment process for every security in the Fund. The assessment of ESG factors is guided by ESG data provided through the research process. The Fund seeks to promote ESG characteristics through its investment selection. ESG and fundamental analyses are considered holistically when making investment decisions. The ESG analysis focuses on the material ESG risks of a company. Characteristics that are considered in the promotion of ESG characteristics include:

- **Environmental:** The Fund seeks to avoid companies with poor management of natural resources and insufficient governance structures/expertise that would otherwise mitigate environmental risks.
- **Social:** The Fund prefers companies showcasing leadership in human capital management, and/or have strategic oversight of supply chains and the labour force as to limit controversies and potentially benefit fundamental performance. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: an assessment of supply chain policies and audit practices; board, management and employee diversity; and compliance with global standards (e.g., UN Global Compact). This investment selection process may lead to the exclusion of investee companies with poor working conditions and/or high employee turnover relative to peers.
- **Governance:** The Fund prefers 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 composition and structure in terms of expertise and diversity; shareholder rights provisions; 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 investee companies where the Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

(the foregoing, the “**ESG Assessment**”).

The Fund also seeks to limit exposure to companies that the Investment Manager deems to be laggards on certain environmental and social characteristics and do not have a positive ESG trajectory. Should a company have significant exposure to any of these businesses or practices, the Investment Manager will seek to 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 within the investment horizon, the position will be exited in a manner that the Investment Manager believes to be in the best interests of the Fund. In determining whether or not to invest based upon these principles, the Investment Manager may use third-party ESG data to assess relevant exposures. The Investment Manager is permitted to invest in a security if it determines the security has an acceptable ESG risk profile notwithstanding contrary third-party data or third-party recommendations. In addition, although the Fund does not have a specific sustainable investment objective, 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;
- are identified as failing to comply with the United Nations Global Compact;
- derive more than 10% consolidated revenue from tobacco;
- derive more than 10% consolidated revenue from civilian firearms; and
- derive more than 10% consolidated revenue from adult entertainment.

The Fund will seek to exclude holdings the Investment Manager deems inconsistent with applicable ESG characteristics described above. As a result, the universe of investments available to the Fund will be more limited than other funds that do not apply such characteristics. However, the Fund may have exposures to certain companies which some investors consider contrary to ESG principles, such as energy, defence and conventional weapons. The application of the ESG characteristics 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. The Fund's ESG characteristics may effectively accommodate the requirements of certain Fund investors but not others, and may be more or less restrictive than a particular fund an investor might otherwise prefer.

In addition to the Fund's *Investment Policies* and **Investment Restrictions**, the Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund 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 (including "sanctions" lists, such as those maintained by the United States Office of Foreign Assets Control (OFAC) and the European Union (the foregoing, the "**ESG Investment Limitations**").

#### *Integration of Sustainability Risks*

All investments are vetted for Sustainability Risk. Research seeks to identify material Sustainability Risks and the portfolio manager of the Fund takes these Sustainability Risks into consideration when making an investment decision.

Accordingly, consideration of Sustainability Risks is systematically integrated in the Investment Manager's investment process and investment decisions for all investments for the Fund.

The Investment Manager's ESG research approach seeks, first and foremost, to contribute positively to the performance of the Fund. The Investment Manager's ESG research efforts aim to uncover Sustainability Risks that may materially impact the return from an investment.

Accordingly, the results of ESG Assessment on investments and the implementation of ESG Investment Limitations as part of the Investment Manager's investment process for security due diligence and selection, together with the participation in ESG Engagement, 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 principal adverse impacts of its investment decisions on sustainability factors across all of the holdings in the Fund. Further information is available in the Statement on the Due Diligence Policies of the Manager on the Principal Adverse Impacts of Investment Decision, available at: <https://www.brownadvisory.com/intl/ucits-legal-document-library>. In addition, information on principal adverse impacts on sustainability factors will be available in the annual report and audited financial statements of the Manager.

#### *Transparency of Environmentally Sustainable Investments*

##### *Environmentally Sustainable Economic Activities and Do No Significant Harm*

The Investment Manager has determined that the Fund is a Light Green Fund, as the Fund promotes environmental and social characteristics by integrating ESG research into the overall research process.

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 financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product 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 environmental characteristics, the Fund does not promote the environmental objectives contained in the Taxonomy Regulation. Accordingly, as a percentage of the Fund’s portfolio, the Manager (in conjunction with the Investment Manager) has determined that 0% of the investments underlying the Fund will be in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation (“**Taxonomy-Aligned Investments**”), and does not commit that the Fund will make any Sustainable Investments.

#### Technical Screening Criteria

The Manager (in conjunction with the Investment Manager) anticipates that the percentage of investments in the Fund that are in Taxonomy-Aligned Investments and may be eligible to be assessed against the technical screening criteria (TSC) issued pursuant to the Taxonomy Regulation will be 0%.

#### **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 **ESG Promotion and Integration of Sustainability Risks** 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 at:

- <https://www.spglobal.com/spdji/en/indices/equity/sp-500/#overview>.

#### **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 forward foreign exchange (“**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 section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

#### **Investment Restrictions**

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

Investments made by the Fund in shares or units of 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 the heading **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 sub-section entitled Risk Management of the section entitled **Funds – Use of FDI** in the Prospectus.

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus and the further risk factors set out below. 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.

#### *Environmental, Social and Governance Policy Risk*

Because the Fund's ESG criteria exclude securities of certain issuers for non-financial reasons, the Fund may forgo some market opportunities available to funds that do not use these criteria. In addition, the Fund may otherwise reduce its exposure to certain securities when it might be advantageous to maintain its position. The Fund's integration of ESG criteria, as well as any guideline restrictions referenced in this Supplement or the Prospectus may adversely impact the performance of the Fund.

In assessing ESG factors of a security or issuer, the Investment Manager may use information and data from third-party ESG research providers, which may be incomplete, inaccurate or unavailable. It may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security, issuer or index. There is also a risk that the Investment Manager, or third-party ESG research providers the Investment Manager may use, may not interpret or apply the relevant ESG factors correctly. Neither the Fund nor the Investment Manager or any of their affiliates make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG Assessment.

#### *ESG Risks*

If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

#### *Dividend Policy*

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

### **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 the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 in the **SHARE CLASS INFORMATION** section 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 the heading **SHARE CLASS INFORMATION**.

*Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 13 July 2023; or (iii) 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 the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class A Acc Shares	✓	X	NAV



<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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

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

#### Class M Shares

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

#### Class P Shares

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

#### Class SI Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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*

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.

**No Preliminary Charge is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator.**

There is no Preliminary Charge 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 in the **FEES AND EXPENSES** section (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 in the **FEES AND EXPENSES** section.

#### *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 entitled **FEES AND EXPENSES** in the Prospectus.

\* \* \*

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

**Product name:** Brown Advisory US Flexible Equity Fund (the "Fund")

**Legal entity identifier:** 25490014LIG26I039303

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_%



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



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

**Words and expressions defined in the Prospectus of 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 seeks to promote ESG characteristics through its investment selection. ESG and fundamental analyses are considered holistically when making investment decisions. The ESG analysis focuses on the material ESG risks of a company. Characteristics that are considered in the promotion of ESG characteristics include:



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

- **Environmental:** The Fund seeks to avoid companies with poor management of natural resources and insufficient governance structures/expertise that would otherwise mitigate environmental risks.
- **Social:** The Fund prefers companies showcasing leadership in human capital management, and/or have strategic oversight of supply chains and the labour force as to limit controversies and potentially benefit fundamental performance. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: an assessment of supply chain policies and audit practices; board, management and employee diversity; and compliance with global standards (e.g., UN Global Compact). This investment selection process may lead to the exclusion of investee companies with poor working conditions and/or high employee turnover relative to peers.

● **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:

- **Environmental Risks:** carbon emissions, energy, waste, water, and biodiversity; and
- **Social Risks:** human capital management, human rights, diversity and inclusion, product quality and safety, and data privacy and security.

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



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

- Yes, a company's performance on the adverse impact indicators in Table 1 of the Annex I are reviewed where data is available and reliable. 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



**What investment strategy does this financial product follow?**

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

The Fund seeks to follow an investment strategy referred to as "flexible equity". This flexible equity strategy enables the Investment Manager to evaluate many types of opportunities by expanding the bargain hunting concepts of value investing to a broad range of investments. The Investment Manager aims to achieve this by emphasising the individual security selection which is based on identifying long-term attractive businesses. These may include those with significant desirable characteristics and few or no undesirable characteristics (such as misaligned incentives or management hubris, when they are at bargain prices. These desirable characteristics include favorable business economics supported by enduring competitive advantages, capable and trustworthy management, positive industry dynamics, and sensible capital allocation. 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 has strong or improving long term business characteristics and where the share prices do not reflect these favourable fundamental attributes.

The Investment Manager oversees a research process that seeks to examine individual securities to drive performance, and includes an assessment of Sustainability Risks. In-house and third-party ESG research assessments seek to show if a company is exposed to material ESG risks that would materially detract from financial performance, and how a company is managing and mitigating its exposure to ESG risks. Fundamental and ESG research are considered when making portfolio decisions for the Fund. The Fund may also pursue strategic, active engagement with certain companies and other stakeholders either through direct engagement or through collaborative initiatives being undertaken by the Investment Manager broadly. The Fund also seeks to limit exposure to companies that the Investment Manager deems to be laggards on certain environmental and social characteristics and do not have a positive ESG trajectory.

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

In addition, the Investment Manager has processes in place designed to avoid investing in companies that derive significant direct revenue (generally, greater than 10% of consolidated direct revenue) from tobacco, adult entertainment or civilian firearms. In addition, the Investment Manager will also seek to avoid companies that produce certain whole controversial weapons systems, and those companies the Investment Manager is aware have been expelled by the United Nations from participation in the UN Global Compact framework. Should a company have significant exposure to any of these businesses or practices, the Investment Manager will seek to 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 within the investment horizon, the position will be exited in a manner that the Investment Manager believes to be in the best interests of the Fund.

- ***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?***

**Governance:** The Fund prefers 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 composition and structure in terms of expertise and diversity; shareholder rights provisions; 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 will lead to the exclusion of investee companies where the Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

The Fund assesses the following governance risks:

- board and committee composition;
- limits to shareholder rights;
- business ethics; and
- and management incentives.

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 ESG analysis. Applicable governance factors may include, though are not necessarily limited to:

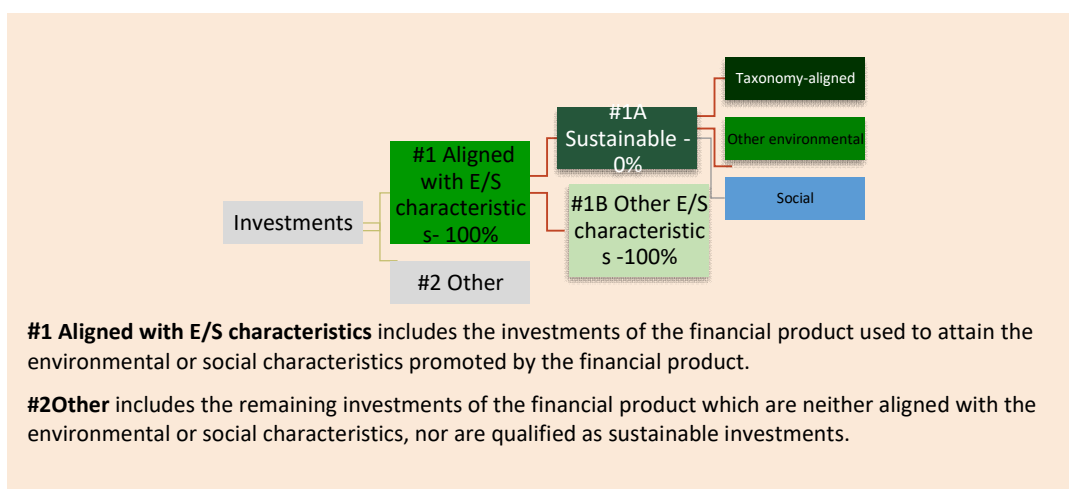
- Ownership and Control
- Board and management composition and structure
- Employee relations
- Tax Transparency
- Remuneration practices
- Shareholder Rights
- Accounting Practices
- Transparency and Disclosure
- Business Ethics



### What is the asset allocation planned for this financial product?

All investments of the Fund, excluding cash, are 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.



### 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?

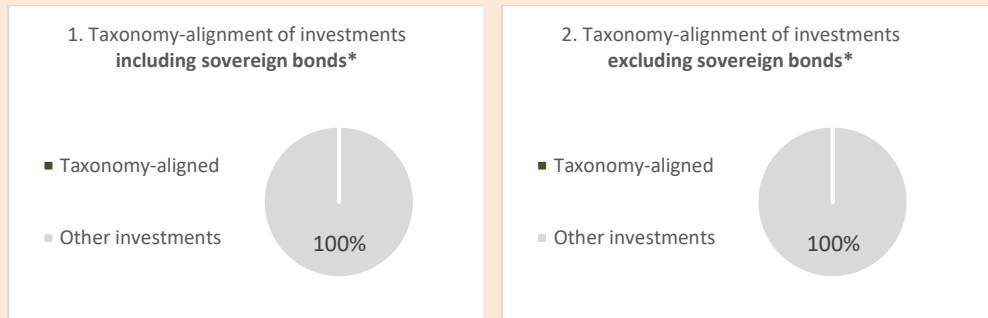
The Investment Manager has not collected and evaluated data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the Product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation (“Taxonomy Aligned Investments”). The Product has zero exposure to Taxonomy Aligned Investments.



**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.

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?**

Any cash that the Fund may not yet have allocated to an investment or 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 financial product 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?**

N/A

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

N/A

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

N/A

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

N/A



**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>

## **Brown Advisory Global Leaders Fund**

### **Supplement No. 7 dated 1 December 2022 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to Brown Advisory Global Leaders 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 22 December 2020.**

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.

Shareholders in the Enhanced Income Share Classes (“**Enhanced Income Shareholders**”) should note that some or all of the dividends attributable to the Class may be paid out of the capital of the Fund. The policy of paying dividends from capital will have the following effects: (i) capital will be eroded; (ii) distribution is achieved by forgoing the potential for future capital growth; and (iii) this cycle may continue until all capital is depleted. Enhanced Income Shareholders should also note that the payment of dividends out of capital may have different tax implications to distributions out of income and therefore tax advice should be sought in this regard. The value of future returns may also be diminished. In this regard, distributions out of capital should be understood as a type of capital reimbursement.

The Sub-Investment Manager has determined that the Fund is a Light Green Fund.

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

**Investors should read the section entitled “Risk Factors” before investment in the Fund. An investment in the Fund should not constitute substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Dated: 1 December 2022

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## Definitions

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

<b>“AUD” or “A\$”</b>	Australian dollars, the lawful currency of Australia;
<b>“Comparator Benchmark”</b>	for the purposes of this Supplement, the MSCI ACWI Net Total Return USD Index;
<b>“Environmentally Sustainable Investment”</b>	an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy
<b>“ESG”</b>	environmental, social and governance;
<b>“Light Green Fund”</b>	a Fund determined by the Sub-Investment Manager to be a financial product which complies with Article 8 of the SFDR;
<b>“MSCI ACWI Net Total Return USD Index”</b>	MSCI’s flagship global equity index, designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets. As of June 2021, it covers more than 2,900 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market. The index is built using MSCI’s Global Investable Market Index (GIMI) methodology, which is designed to take into account variations reflecting conditions across regions, market-cap sizes, sectors, style segments and combinations;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires;
<b>“Socially Sustainable Investment”</b>	an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;

**“Sustainable Investment”**

an Environmentally Sustainable Investment and/or Socially Sustainable Investment, as the context requires; provided that such investments do not significantly harm any economic or social objectives and that the investee entities follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

**“Sustainability Risk”**

an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

**“Sub-Investment Manager”**

Brown Advisory Limited; and

**“Taxonomy Regulation”**

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

**Investment Objective and Policies**

*Investment Objective*

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

*Investment Policies*

Under normal circumstances, the Fund aims to achieve its investment objective by investing at least 80% of its net assets in global equity securities. The Fund also will, under normal market conditions: (1) invest at least 40% of its net assets outside the United States (including Emerging Market Countries) which may be reduced to 30% if market conditions are not favourable; and (2) hold securities of issuers located in at least three countries. The Fund determines whether a company is considered to be located outside the United States by considering whether: (i) it is organised under the laws of, or maintains its principal office in, a country located outside the United States; (ii) its securities are principally traded on trading markets in countries located outside the United States; (iii) it derives at least 50% of its total revenue or profits from either goods produced or services performed or sales made in countries located outside the United States; or (iv) it has at least 50% of its assets in countries located outside the United States. The equity securities in which the Fund may invest include common stock, preferred stock, American Depositary Receipts (“**ADRs**”) and Global Depositary Receipts (“**GDRs**”) and the Fund may also invest in CIS (including, exchange traded funds (“**ETFs**”)) subject to the limits set out in the Prospectus. The equity securities in which the Fund may invest will be issued by mid- and large-capitalisation companies generally with market capitalizations above \$2 billion at the time of purchase that the Fund’s Sub-Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes.

In addition, the equity securities in which the Fund may invest will include the equity securities of companies that the Sub-Investment Manager believes are leaders within their industry or country as demonstrated by an ability to deliver high relative return on invested capital over time. This typically can be attributable to, among other things, a strong competitive position and a defensible barrier to entry.

The Fund may invest in participatory notes (“**P-Notes**”) in order to gain exposure to securities and markets which may not be efficiently accessed through direct investment. The Fund may use put options on equity indices in order to seek to enhance returns, to attempt to hedge some of its investment risk, to manage portfolio duration or as a substitute position for holding the underlying asset on which the put option is based. The Fund may also use forward foreign exchange contracts to hedge currency foreign exchange risks arising from Hedged Share Classes.

In addition, the Fund may also invest in U.S. treasury bills, fixed and/or floating rate U.S. government securities and unlisted securities, subject to the limits set out in the Prospectus.

The Fund’s exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

All securities invested in will be listed or traded on the markets and exchanges listed in Appendix 1 of the Prospectus.

#### *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 ESG factors be considered as part of the Fund’s investment due diligence process. The Fund invests primarily in equities as described above, and so investors should consider 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 or 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).

#### *Sub-Investment Manager’s Investment Process*

The Sub-Investment Manager’s bottom-up research process is comprised of integrated fundamental and ESG research, as further detailed under **ESG Promotion and Integration of Sustainability Risks** below.

The Fund seeks to leverage ESG research in the investment process in an effort to help to identify Sustainability Risks associated with particular companies that may impact the company’s financial performance.

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

#### *Purchasing Portfolio Securities*

The Sub-Investment Manager will use in-house research and other external research sources to identify a universe of companies across a broad range of industries and countries whose underlying fundamentals are considered by the Sub-Investment Manager to be attractive. The Sub-Investment Manager systematically integrates ESG research into its fundamental company research, as further described under **ESG Promotion and Integration of Sustainability Risks** below. The Sub-Investment

Manager will focus on companies that it believes exhibit the following desirable characteristics:

- high quality companies that are leaders in their industry or country supported by enduring competitive advantages that can deliver high relative return over time;
- capable and trustworthy management who manage for the long term;
- sustainable, predictable, premium growth in cash flow over time;
- positive industry dynamics;
- sensible capital allocation; and
- have a reasonable price – the Sub-Investment Manager expects growth to compound the excess economic return over time.

11. Sustainable investing is an integral part of the research process as the Sub-Investment Manager believes it can help find companies with these characteristics.

The Sub-Investment Manager believes that investing in the best companies globally in any sector or country can deliver superior long-term investment returns. The Sub-Investment Manager seeks to identify high-quality companies underpinned by structural long-term growth and strong management teams, and to purchase those companies at reasonable prices.

The securities in which the Fund may invest will include the equity securities of companies that the Sub-Investment Manager believes are leaders within their industry or country as demonstrated by an ability to deliver high relative return on invested capital over time. The Sub-Investment Manager seeks to invest in companies whose business models enjoy a dominant market position, provide consistent returns, demonstrate low volatility, have pricing power, and experience growth that is not dependent on the market cycle. Management teams also must be high quality, manage for the long term and have a demonstrated record of acting in the best interest of shareholders. The Sub-Investment Manager will meet with management teams and engage in a rigorous bottom-up investment selection process. The Sub-Investment Manager emphasizes individual security selection based on identifying long-term attractive businesses *i.e.*, those with significant desirable characteristics (such as a viable, long-term franchise, sustainable business model, generate excess economic return, high return on invested capital and stable profitability) and few or no undesirable characteristics (such as excessive financial or operational leverage, risk of business or product obsolescence, excessive compensation, misaligned incentives or management hubris), when they are available at reasonable prices.

#### *Selling Portfolio Securities*

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

- the security's market price exceeds the Sub-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 Sub-Investment Manager needs to raise cash to purchase a more attractive investment opportunity, satisfy net redemptions, or other purposes.

#### **ESG Promotion and Integration of Sustainability Risks**

##### *An Overview of the Sub-Investment Manager's ESG Integration Approach*

The Sub-Investment Manager systematically integrates ESG research into its fundamental company research. Environmental and social characteristics are promoted by the Fund's emphasis on what it believes are leading companies with strong ESG practices. When assessing the sustainability profile of a company, the Sub-Investment Manager seeks companies with sustainable opportunities, defined as

companies that use sustainability to improve their financial position. One way that companies may improve their financial position is through what the Sub-Investment Manager deems to be internal sustainability strategies that lead to one or more Sustainable Business Advantages or SBAs.

Environmental areas of focus may include one or any combination of the following: climate change, natural resources stewardship, pollution and waste management. Social considerations may include one or any combination of the following: human capital management and labour practices, customer well-being, supply chain management and community relations. From a governance perspective, the focus is on board and committee composition and structure, shareholder rights, management incentives, and business ethics.

The Sub-Investment Manager also promotes environmental and social characteristics by seeking to avoid companies that it believes do not adhere to certain global norms and conventions, and companies that derive a significant portion of their revenues from activities that the Sub-Investment Manager deems to be in conflict with sustainable investment principles, including, but not limited to revenues knowingly drawn from controversial weapons or related business activities, and certain fossil fuel enterprises. Companies that are subject to sanctions are also excluded. In determining whether or not to invest based upon these principles, the Sub-Investment Manager may consider screening tools from vendors that it deems to be reliable. These third-party ESG data are utilised to complement the Sub-Investment Manager's internal ESG assessments and ratings as an additional reference measure for the Fund's sustainability profile.

The Fund will seek to exclude holdings deemed inconsistent with applicable ESG factors. As a result, the universe of investments available to the Fund will be more limited than other Funds that do not apply such factors. In applying the ESG factors, the Fund may be precluded from purchasing, or required to sell, certain investments that otherwise meet its objective and strategy and that might otherwise be advantageous to hold. The application of the ESG factors 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. The Fund's ESG factors may effectively accommodate the requirements of certain Fund investors but not others and may be more or less restrictive than a particular Fund investor might otherwise prefer.

In addition to the Fund's investment policies and restrictions, the Sub-Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund investments, such as internal Sub-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 (including "sanctions" lists).

In line with the Sub-Investment Manager's ESG integration policies as set out above, the Sub-Investment Manager seeks to invest in companies that use sustainability in a positive way to compound a competitive advantage, including by investing in companies that it believes have robust sustainability profiles, and/or those that are actively building or evolving their business toward sustainable products and practices.

#### *ESG Research Integration*

There are three ways companies can use SBAs to improve their financial position:

7. Revenue Growth: attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve for challenging sustainability issues
8. Cost Improvements: improving margins from efficient operations, risk mitigation or other measures that increase productivity while using less resources



9. Enhanced Franchise Value: improving customer loyalty, attracting and retaining top talent, growing faster or taking market share through sustainable commitments and/or positive societal impact

Companies with Sustainable Business Advantages, by their nature, promote environmental or social factors through all or a subset of their sustainable products, services or operations. Identified SBAs may be aligned with one or more of, though not limited to, the promotion of the following environmental or social characteristics:

- sustainable technology innovation
- efficient production & conservation
- diversity, equity and inclusion
- economic mobility & community development; and/or
- health and wellness.

The Sub-Investment Manager also seeks companies with low exposure to ESG risks, or that have strong ESG risk management practices in place where ESG risks may be present.

While not every company in the Fund will possess a sustainable opportunity, every company will at minimum promote environmental and social characteristics through possessing an acceptable ESG risk profile.

An assessment of a company's alignment with the OECD Guidelines and UN Guiding Principles on Business and Human rights is included in the Fund's ESG Assessment. The Fund considers a company to be aligned with these Guidelines and Principles when it has not been involved in significant human rights controversies that are systemic, detractive from the Fund's investment, and where the harm resulting from the controversy is unlikely to be mitigated within the Fund's investment horizon.

The Sub-Investment Manager always leverages proprietary ESG research that seeks to understand sustainable opportunities and ESG risks for every security added to the portfolio. The Sub-Investment Manager requires that all companies added to the portfolio have an acceptable ESG risk profile.

The ESG research that is integrated into the investment process includes the evaluation of multiple environmental or social characteristics in order to assess performance.

Environmental characteristics are measured, for example, by indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities

While not every company in the Fund will possess a sustainable opportunity, every company will at minimum promote environmental and social characteristics through possessing an acceptable ESG risk profile.

ESG Assessments are conducted for every holding in the Fund, however at the Sub-Investment Manager's discretion, the Fund is permitted to make an investment without a written ESG assessment on file at the time of purchase, as long as the Adviser believes the security meets the Fund's sustainability criteria.

Further information in relation to the Sub-Investment Manager's sustainable investing philosophy is available at [www.browoadvisory.com/us/sustainable-investing](http://www.browoadvisory.com/us/sustainable-investing).

### *Integration of Sustainability Risks*

All investments are vetted for Sustainability Risk. Research seeks to identify material Sustainability Risks and the portfolio manager of the Fund takes these Sustainability Risks into consideration when making an investment decision.

Accordingly, consideration of Sustainability Risks is systematically integrated in the Sub-Investment Manager's investment process and investment decisions for all investments for the Fund.

The Sub-Investment Manager's ESG research approach seeks, first and foremost, to contribute positively to the performance of the Fund. The Sub-Investment Manager's ESG research efforts aim to uncover Sustainability Risks that may materially impact the return from an investment.

The Manager (in conjunction with the Sub-Investment Manager) conducts an assessment of the principal adverse impacts of its investment decisions on sustainability factors across all of the holdings in the Fund. Further information is available in the Statement on the Due Diligence Policies of the Manager on the Principal Adverse Impacts of Investment Decision, available at: <https://www.browoadvisory.com/intl/ucits-legal-document-library>. In addition, information on principal adverse impacts on sustainability factors will be available in the annual report and audited financial statements of the Manager.

### *Transparency of Environmentally Sustainable Investments*

#### *Environmentally Sustainable Economic Activities and Do No Significant Harm*

The Sub-Investment Manager has determined that the Fund is a Light Green Fund, as the Fund promotes environmental and social characteristics by integrating ESG research into the overall research process.

The Fund seeks to avoid investments that severely negatively impact society or the environment, especially where there is no evidence of efforts to reduce the harm they contribute to. In assessing harm, the Sub-Investment Manager may consider available 'Principal Adverse Indicators' ('PAI') (as defined in Annex 1 of SFDR), controversial business exposure, ESG controversies, and ESG risk exposure and management practices.

Where an investee company is deemed to be doing significant harm to the environment or society, and due diligence (including engagement) with the company indicates that the harm is systemic, detractive from our investment, and the harm is unlikely to be mitigated within the Sub-Investment Manager's investment horizon, the Sub-Investment Manager will exit the position.

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 the investments underlying the Fund.

Although the Fund promotes environmental characteristics, the Fund does not promote the environmental objectives contained in the Taxonomy Regulation. Accordingly, as a percentage of the Fund's portfolio, the Manager (in conjunction with the Sub-Investment Manager) has determined that the Fund will have 0% exposure to investments in economic activities that qualify as environmentally sustainable economic activities under the Taxonomy Regulation ("**Taxonomy-Aligned Investments**"). However, the investments underlying the Fund may be in Sustainable Investments.

### *Technical Screening Criteria*

The Manager (in conjunction with the Sub-Investment Manager) anticipates that the percentage of investments in the Fund that are in Taxonomy-Aligned Investments and may be eligible to be assessed against the technical screening criteria (TSC) issued pursuant to the Taxonomy Regulation will be 0%.

Is keeping this situation under active review and where sufficient reliable, timely, and verifiable data on the Fund's investments become available, the Manager will provide the descriptions referred to above, in which case this Supplement will be updated.

### **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 **ESG Promotion and Integration of Sustainability Risks** 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 at:

- <https://www.msci.com/our-solutions/indexes/acwi#:~:text=The%20MSCI%20ACWI%20Index%2C%20MSCI's,developed%20and%2024%20emerging%20markets.>

### **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 may use forward foreign exchange contracts to hedge currency foreign exchange risks arising from Hedged Share Classes of the Fund and put options on equity indices to hedge against downside risk and for direct investment purposes. Where the Fund invests in put options that are based on equity financial indices, these indices will be consistent with the investment policies of the Fund and generally will not be rebalanced more frequently than monthly. It is not anticipated that such rebalancing will increase Fund costs or impact the Fund's ability to comply with its investment restrictions. In addition, P-Notes 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 section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

### **Investment Restrictions**

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

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus and the further risk factors set out below. 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.

#### *Environmental, Social and Governance Policy Risk*

Because the Fund's ESG criteria exclude securities of certain issuers for non-financial reasons, the Fund may forgo some market opportunities available to funds that do not use these criteria. In addition, the Fund may otherwise reduce its exposure to certain securities when it might be advantageous to maintain its position. The Fund's integration of ESG criteria, as well as any guideline restrictions referenced in this Supplement or the Prospectus may adversely impact the performance of the Fund.

In assessing ESG factors of a security or issuer, the Sub-Investment Manager may use information and data from third-party ESG research providers, which may be incomplete, inaccurate or unavailable. It may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Sub-Investment Manager may incorrectly assess a security, issuer or index. There is also a risk that the Sub-Investment Manager, or third-party ESG research providers the Sub-Investment Manager may use, may not interpret or apply the relevant ESG factors correctly. Neither the Fund nor the Sub-Investment Manager or any of their affiliates make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG Assessment.

#### *ESG Risks*

If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

#### **Sub-Investment Manager**

The Investment Manager has delegated the day to day portfolio management of the Fund to Sub-Investment Manager, Brown Advisory Limited, a UK limited company. The Sub-Investment Manager is authorised and regulated by the U.K. Financial Conduct Authority (the "**FCA**").

The Sub-Investment Manager has its registered office at 6 - 10 Bruton Street, London W1J 6PX, United Kingdom.

The Sub-Investment Manager is an investment manager and adviser, and is permitted to provide discretionary investment management services to Irish authorised collective investment schemes.

An agreement is in place between the Investment Manager and the Sub-Investment Manager in respect of the management of the fund, pursuant to a Sub-Investment Management Agreement.

#### **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 the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 in the **SHARE CLASS INFORMATION** section should contact the Investment Manager or the Sub-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 the heading **SHARE CLASS INFORMATION**.

However, notwithstanding the foregoing, the applicable Minimum Shareholding, Minimum Initial Investment Amount and Minimum Additional Investment Amount for the Australian Dollar Class A, Class B, and Class SI Shares are set out below:

<b>Class</b>	<b>Minimum Shareholding*</b>	<b>Minimum Initial Investment Amount*</b>	<b>Minimum Additional Investment Amount*</b>
Australian Dollar Class A Shares	A\$10,000	A\$10,000	N/A
Australian Dollar Class B Shares	A\$10,000,000	A\$10,000,000	N/A
Australian Dollar Class SI Shares	A\$150,000,000	A\$150,000,000	N/A

*\* (subject to the discretion of the Directors in each case to allow lesser amounts)*

*Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 1 June 2023; or (iii) 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 the

heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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	✓	✓	€10.00
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	✓	✓	CHF10.00
Swiss Franc Class A Dis Shares	✓	✓	CHF10.00
Swiss Franc Class A Dis H Shares	✓	✓	CHF10.00
Australian Dollar Class A Acc Shares	✓	✓	A\$10.00
Australian Dollar Class A Acc H Shares	✓	✓	A\$10.00
Australian Dollar Class A Dis Shares	✓	✓	A\$10.00
Australian Dollar Class A Dis H Shares	✓	✓	A\$10.00

#### Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class B Acc Shares	✓	X	NAV
Dollar Class B Dis Shares	✓	✓	\$10.00
Sterling Class B Acc Shares	✓	X	NAV
Sterling Class B Acc H Shares	✓	X	NAV
Sterling Class B Dis Shares	✓	X	NAV
Sterling Class B Dis H Shares	✓	✓	£10.00
Euro Class B Acc Shares	✓	✓	€10.00
Euro Class B Acc H Shares	✓	✓	€10.00
Euro Class B Dis Shares	✓	✓	€10.00
Euro Class B Dis H Shares	✓	✓	€10.00

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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
Australian Dollar Class B Acc Shares	✓	✓	A\$10.00
Australian Dollar Class B Acc H Shares	✓	✓	A\$10.00
Australian Dollar Class B Dis Shares	✓	✓	A\$10.00
Australian Dollar Class B Dis H Shares	✓	✓	A\$10.00

#### Class C Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class C Acc Shares	X	X	NAV
Sterling Class C Acc Shares	X	X	NAV
Sterling Class C Acc H Shares	X	X	NAV

#### Class J Shares

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

#### Class M Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class M Acc Shares	✓	✓	\$10.00
Dollar Class M Dis Shares	✓	X	NAV
Dollar Class M Enhanced Income Shares	✓	X	NAV
Sterling Class M Acc Shares	✓	X	NAV
Sterling Class M Acc H Shares	✓	✓	£10.00
Sterling Class M Dis Shares	✓	X	NAV
Sterling Class M Dis H Shares	✓	X	NAV
Sterling Class M Enhanced Income H Shares	✓	✓	£10.00

#### Class P Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class P Acc Shares	✓	✓	\$10.00
Euro Class P Acc H Shares	✓	X	NAV

## Class SI Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class SI Acc Shares	✓	X	NAV
Dollar Class SI Dis Shares	✓	X	NAV
Sterling Class SI Acc Shares	✓	X	NAV
Sterling Class SI Acc H Shares	✓	✓	£10.00
Sterling Class SI Dis Shares	✓	X	NAV
Sterling Class SI Dis H Shares	✓	X	NAV
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
Australian Dollar Class SI Acc Shares	✓	✓	A\$10.00
Australian Dollar Class SI Acc H Shares	✓	✓	A\$10.00
Australian Dollar Class SI Dis Shares	✓	✓	A\$10.00
Australian Dollar Class SI Dis H Shares	✓	✓	A\$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*

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.

**No Preliminary Charge is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator.**

There is no Preliminary Charge payable for other Share Classes.

### *Repurchase Charge*

1%

### *Anti-Dilution Charge*

Cost of dealing.

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.

## **Fees and Expenses**

### *Investment Management Fee and Expense Limitation*

With respect to the AUD Share Classes, the Investment Manager is entitled to receive out of the assets of the Fund an annual fee not exceeding the amounts set out below (plus VAT, if any) per Share Class of the Net Asset Value of the Fund:

Class A Shares	Up to 1.50%
Class B Shares	Up to 0.75%
Class SI Shares	Up to 0.60%

For all other Share Classes, the below shall apply.

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 in the **FEES AND EXPENSES** section (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 (including the Sub-Investment Manager) 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 in the **FEES AND EXPENSES** section.

### *Sub-Investment Management Fee*

The fees and expenses of the Sub-Investment Manager are paid out of those fees paid to the Investment Manager which are set out herein and should be read in conjunction with the section in the Prospectus entitled **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 entitled **FEES AND EXPENSES** in the Prospectus.

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

Product name: Brown Advisory Global Leaders Fund (the "Fund")

Legal entity identifier: 213800UFTK1LT81BTI07

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

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 80% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

Words and expressions defined in the Prospectus of 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?** *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

Brown Advisory Limited (the "Sub-Investment Manager") systematically integrates ESG research into its fundamental company research. Environmental and social characteristics are promoted by the Fund's emphasis on what it believes are leading companies with strong ESG practices. When assessing the sustainability profile of a company, the Sub-Investment Manager seeks companies with sustainable opportunities, defined as companies that use sustainability to improve their financial position. One way that companies may improve their financial position is through what the Sub-Investment Manager deems to be internal sustainability strategies that lead to one or

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

more Sustainable Business Advantages or SBAs.

There are three ways companies can use SBAs to improve their financial position:

10. Revenue Growth: attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve for challenging sustainability issues
11. Cost Improvements: improving margins from efficient operations, risk mitigation or other measures that increase productivity while using less resources
12. Enhanced Franchise Value: improving customer loyalty, attracting and retaining top talent, growing faster or taking market share through sustainable commitments and/or positive societal impact

Companies with Sustainable Business Advantages, by their nature, promote environmental or social factors through all or a subset of their sustainable products, services or operations. Identified SBAs may be aligned with one or more of, though not limited to, the promotion of the following environmental or social characteristics:

- sustainable technology innovation
- efficient production & conservation
- diversity, equity and inclusion
- economic mobility & community development; and/or
- health and wellness.

The Sub-Investment Manager also seeks companies with low exposure to ESG risks, or that have strong ESG risk management practices in place where ESG risks may be present.

While not every company in the fund will possess a sustainable opportunity, every company will at minimum promote environmental and social characteristics through possessing an acceptable ESG risk profile.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

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

Environmental characteristics are measured, for example, by indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to tackling inequality or that fosters social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities.

The above-named indicators are not exhaustive and are analyzed to the extent disclosure and data are available.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives? [include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]***

The sustainable investments that this Fund makes are those that demonstrate at least one of the following:

4. a primary product/service or range of products/services that solve for environmental or social challenges, and/or
5. operations, capital discipline, policies or programs that drive improved efficiency and/or conserve resources resulting in positive environmental or social outcomes, and/or
6. a franchise whose value is clearly enhanced by its positive environmental or social characteristics

The companies assessed to possess at least one of 1-3 above, will have a positive impact on at least one of a variety of positive environmental or social characteristics being promoted.

**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.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective? [include a description for the financial product that partially intends to make sustainable investments]***

The Fund seeks to avoid investments that severely negatively impact society or the environment, especially where there is no evidence of efforts to reduce the harm they contribute to. In assessing harm, the Sub-Investment Manager may consider available 'Principal Adverse Indicators' ('PAI') (as defined in Annex 1 of SFDR), controversial business exposure, ESG controversies, and ESG risk exposure and management practices.

Where an investee company is deemed to be doing significant harm to the environment or society, and due diligence (including engagement) with the company indicates that the harm is systemic, detractive from our investment, and the harm is unlikely to be mitigated within the Sub-Investment Manager's investment horizon, the Sub-Investment Manager will exit the position.

***How have the indicators for adverse impacts on sustainability factors been taken into account? [include an explanation of how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account]***

A company's performance on the adverse impact indicators in Table 1 of Annex I are reviewed where data is available and reliable. No specific thresholds are set for how a company or the overall fund must perform on a specific indicator.

The Sub-Investment Manager has engaged a third-party data provider to help collate adverse impact indicators at both the company and fund level.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]***

An assessment of a company's alignment with the OECD Guidelines and UN Guiding Principles on Business and Human rights is included in the Fund's ESG Assessment. The Fund considers a company to be aligned with these Guidelines and Principles when it has not been involved in significant human rights controversies that are systemic, detractive from the Fund's investment, and where the harm resulting from the controversy is unlikely to be mitigated within the Fund's investment horizon.

*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

- Yes, a company’s performance on the adverse impact indicators in Table 1 of Annex I are reviewed to the extent data is determined to be available and reliable. No specific thresholds are set for how a company or the overall fund must perform on a specific indicator.

*\_\_\_\_\_ [if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

- No



### What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The Fund seeks to own a concentrated portfolio of 30-40 leading global companies, in any sector or country, that the Sub-Investment Manager believes deliver superior customer outcomes and are capable of compounding excess returns over time. The Sub-Investment Manager seeks to identify high-quality companies, underpinned by high profitability, growth opportunities and highly capable management teams. The Sub-Investment Manager integrates proprietary ESG research into the investment approach using an approach that seeks to identify ESG risks and Sustainable Business Advantage drivers. The goal of integrating ESG research into the investment decision making process is to uncover information that the Sub-Investment Manager believes can help improve an investment’s compounding ability over the long-term.

- ***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 Sub-Investment Manager always leverages proprietary ESG research that seeks to understand sustainable opportunities and ESG risks for every security added to the portfolio. The Sub-Investment Manager requires that all companies added to the portfolio have an acceptable ESG risk profile.

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

The ESG research that is integrated into the investment process includes the evaluation of multiple environmental or social characteristics in order to assess performance.

Environmental characteristics are measured, for example, by indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities.

The above-named characteristics are not exhaustive and are analyzed to the extent disclosure and data are available.

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

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?** *[include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]*

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?** *[include a short description of 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 ESG analysis. Applicable governance factors may include, though are not necessarily limited to:

- Ownership and Control
- Board and management composition and structure
- Employee relations
- Tax Transparency
- Remuneration practices
- Shareholder Rights
- Accounting Practices
- Transparency and Disclosure
- Business Ethics



**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?** *[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]*

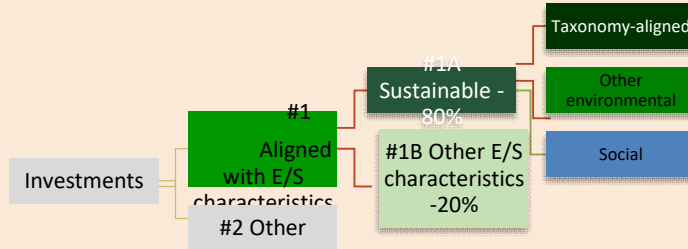
*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852*

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.

All investments of the Fund, excluding cash, are assessed and determined to promote environmental and social characteristics. A minimum of 80% of the Fund’s investments will be in companies that have been determined to be sustainable investments. The remaining 20% may also include sustainable investments but is also permitted to include other investments that promote environmental or social characteristics. All non-cash investments will be assessed to abide by the good governance principles and not cause significant harm to environmental or social outcomes.

*[Include only relevant boxes, remove irrelevant ones for the financial product]*



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

*[include the note below where the financial product commits to making sustainable investments]*

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*

Not applicable.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(3) of this Regulation]*

*[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852*

*[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852*


**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.

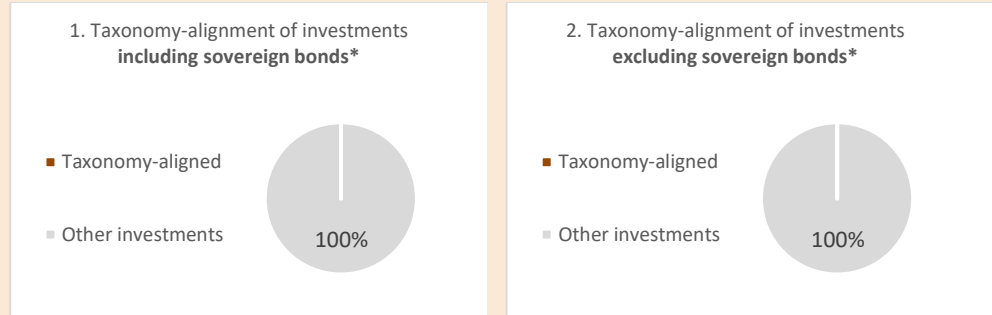
The Sub-Investment Manager has not collected and evaluated data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the Fund are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation (“Taxonomy Aligned Investments”). The Fund has zero exposure to Taxonomy Aligned Investments.



*[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**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?** *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

0%. The sustainable investments in the fund may have an environmental, social or both an environmental and social objective. The fund does not set threshold requirements for these.

The Sub-Investment Manager does not have access to sufficient data to assess taxonomy alignment.



**What is the minimum share of socially sustainable investments?** *[include section only where the financial product includes sustainable investments with a social objective]*

0%. The sustainable investments in the fund may have an environmental, social or both an environmental and social objective. The fund does not set threshold requirements for these.



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

The investments included under “#2 Other” are primarily used for liquidity and 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?** *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]*

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

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

No, the Fund does not use a reference benchmark to determine whether the Fund is 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?**

N/A

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

N/A

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

N/A

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

N/A



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

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

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## **Brown Advisory US Sustainable Growth Fund**

### **Supplement No. 8 dated 1 December 2022 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to Brown Advisory US Sustainable Growth 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 22 December 2020.**

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 has determined that the Fund is a Light Green Fund.

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

Dated: 1 December 2022

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## Definitions

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

<b>“Environmentally Sustainable Investment”</b>	an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy
<b>“ESG”</b>	environmental, social and governance;
<b>“Light Green Fund”</b>	a Fund determined by the Sub-Investment Manager to be a financial product which complies with Article 8 of the SFDR;
<b>“Russell 1000® Growth Net Index”</b>	the Russell 1000® Growth Net Index provided by FTSE Russell which measures the performance of large and mid-capitalisation growth sectors of the U.S. equity market;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards thereto, as the context requires; and
<b>“Socially Sustainable Investment”</b>	an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;
<b>“Sustainable Investment”</b>	an Environmentally Sustainable Investment and/or Socially Sustainable Investment, as the context requires; provided that such investments do not significantly harm any economic or social objectives and that the investee entities follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;
<b>“Sustainability Risk”</b>	an ESG event or condition that, if it occurs, could cause an actual or a potential material negative

impact on the value of the investment;

### **“Taxonomy Regulation”**

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

## **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 promotes environmental and social characteristics, as described under *ESG and Sustainable Investments Promotion* below. The Fund aims to achieve its investment objective by investing at least 80% of its net assets in equity securities of U.S. companies that the Investment Manager considers have sound fundamentals and business models which are sustainable over the long-term. The Fund invests primarily in the securities of medium and large capitalisation companies that the Investment Manager considers: (1) have prospects for above average earnings growth in the future; and (2) effectively implement sustainable business strategies that drive earnings growth. The equity securities in which the Fund principally invests are common stocks. The Fund may also invest in non-US securities, American and Global Depositary Receipts, corporate debt securities, U.S. treasury bills, fixed and/or floating rate U.S. government securities, real estate investment trusts and unlisted securities in a manner that is consistent with and complements the investment policies and the Investment Manager's investment process, subject to the limits set out in the Prospectus. With the exception of permitted investment in unlisted securities, investment by the Fund is restricted to the markets and exchanges listed in Appendix I of the Prospectus.

Medium and large capitalisation companies are, according to the Investment Manager, those companies with market capitalisations generally greater than \$2 billion at the time of purchase. The Fund may also invest a portion of the portfolio in equity securities of small market capitalisation companies.

The Fund's exposure to non-US 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.

### *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). As the Fund invests primarily in equities, 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 or component of a portfolio of investments by investing in a diversified portfolio consisting primarily of equity securities. Investors should desire that ESG factors be considered as part of the Fund's due diligence process. 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 is comprised of integrated fundamental and ESG research, as further detailed under **ESG Promotion and Integration of Sustainability Risks** below.

The Fund seeks to leverage ESG research in the investment process in an effort to help to identify Sustainability Risks associated with particular companies that may impact the company's financial performance.

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's portfolio managers and research team engage in a significant amount of up front due diligence prior to investing, which leads them to have very high conviction in the companies whose securities are ultimately selected for the Fund. The goal is to find outstanding companies that can be owned for a long period of time. The Sub-Investment Manager systematically integrates ESG research into its fundamental company research, as further described under **ESG Promotion and Integration of Sustainability Risks** below. The qualities of a company with sound fundamentals include: high barriers to entry, high revenue visibility (companies whose future revenues are relatively easy to forecast), compelling value proposition to the customer, relatively benign or indirect competition, good track record of execution and good capital allocation decisions made over time. The research process may 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 Investment Manager will focus on companies with sound fundamentals and with following sustainability drivers that directly benefit a company's long-term prospects for growth:

- internal sustainability strategies are driving tangible business benefits, such as revenue growth, cost improvements, enhanced franchise value, or risk mitigation;
- products have a competitive advantage as a result of sustainability drivers such as resource-efficient design or manufacturing; or
- products or services offer solutions to long-term sustainability challenges.

(a) Sustainable investing is an integral part of the research process as the Sub-Investment Manager believes it can help find companies with these characteristics.

#### Selling Portfolio Securities

The Investment Manager may sell a security or reduce its position for a number of reasons, including:

- the fundamental investment criteria are violated;
- the sustainability driver criteria are violated;
- a more attractively priced security is found;

- the security becomes overvalued relative to the Investment Manager’s long-term expectations; and/or
- the Fund’s socially responsible investment criteria (as detailed under **Socially Responsible Investment Guidelines** below) have been violated.

## **ESG Promotion and Integration of Sustainability Risks**

### *An Overview of the Sub-Investment Manager’s ESG Integration Approach*

The Sub-Investment Manager systematically integrates ESG research into its fundamental company research. Environmental and social characteristics are promoted by the Fund’s emphasis on what it believes are leading companies with strong ESG practices identified by the Investment Manager and reflected in its ESG ratings over time. When assessing the sustainability profile of a company, the Sub-Investment Manager seeks companies with sustainable opportunities, defined as companies that use sustainability to improve their financial position. One way that companies may improve their financial position is through what the Sub-Investment Manager deems to be internal sustainability strategies that lead to one or more Sustainable Business Advantages or SBAs.

### *ESG Research Integration*

The Sub-Investment Manager systematically integrates ESG research into its fundamental company research. Environmental and social characteristics are promoted by the Fund’s emphasis on leading companies with strong environmental, social and governance (“**ESG**”) practices and reflected in its ESG ratings over time. In line with the Investment Manager’s Socially Responsible Investment Guidelines as set out below, the Investment Manager seeks to select underlying companies that are likely to outperform the broad market over the long term and to find fundamentally strong companies that use sustainability drivers to add value for shareholders. The Investment Manager categorises these specific sustainability drivers as “**Sustainable Business Advantages**” or “**SBA**”. There are three distinct ways underlying companies can use SBA to improve their financial position:

1. **Revenue Growth:** e.g., attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve for challenging sustainability issues
2. **Cost Improvements:** e.g., improving margins from efficient operations, risk mitigation or other measures that increase productivity while using less resources
3. **Enhanced Franchise Value:** e.g., improving customer loyalty, attracting and retaining top talent, growing faster or taking market share through sustainable commitments and/or positive societal impact

Every company held in the Fund possesses at least one Sustainable Business Advantage (as described above) and has adequate ESG risk management in place. Both of these are determined through the Investment Manager’s proprietary ESG assessments which comprise an ESG risk assessment and sustainable opportunity assessment.

Companies with Sustainable Business Advantages, by their nature, promote environmental or social factors through all or a subset of their sustainable products, services or operations. Identified SBAs may be aligned with one or more of, though not limited to, the promotion of the following environmental or social characteristics:

- sustainable technology innovation
- efficient production & conservation



- diversity, equity and inclusion
- economic mobility & community development; and/or
- health and wellness.

An assessment of a company's alignment with the OECD Guidelines and UN Guiding Principles on Business and Human rights is included in the Fund's ESG Assessment. The Fund considers a company to be aligned with these Guidelines and Principles when it has not been involved in significant human rights controversies that are systemic, detractive from the Fund's investment, and where the harm resulting from the controversy is unlikely to be mitigated within the Fund's investment horizon,

Environmental characteristics are measured, for example, by indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities

While not every company in the Fund will possess a sustainable opportunity, every company will at minimum promote environmental and social characteristics through possessing an acceptable ESG risk profile.

ESG Assessments are conducted for every holding in the Fund, however at the Investment Manager's discretion, the Fund is permitted to make an investment without a written ESG assessment on file at the time of purchase, as long as the Adviser believes the security meets the Fund's sustainability criteria.

Further information in relation to the Sub-Investment Manager's sustainable investing philosophy is available at [www.browoadvisory.com/us/sustainable-investing](http://www.browoadvisory.com/us/sustainable-investing)

#### *Transparency of Environmentally Sustainable Investments*

- *Environmentally Sustainable Economic Activities and Do No Significant Harm*

The Investment Manager has determined that the Fund is a Light Green Fund, as the Fund promotes environmental and social characteristics by integrating ESG research into the overall research process.

The Fund seeks to avoid investments that severely negatively impact society or the environment, especially where there is no evidence of efforts to reduce the harm they contribute to. In assessing harm, the Sub-Investment Manager may consider available 'Principal Adverse Indicators' ('PAI') (as defined in Annex 1 of SFDR), controversial business exposure, ESG controversies, and ESG risk exposure and management practices.

Where an investee company is deemed to be doing significant harm to the environment or society, and due diligence (including engagement) with the company indicates that the harm is systemic, detractive from our investment, and the harm is unlikely to be mitigated within the Sub-Investment Manager's investment horizon, the Sub-Investment Manager will exit the position.

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 the investments underlying the Fund.

Although the Fund promotes environmental characteristics, the Fund does not promote the environmental objectives contained in the Taxonomy Regulation. Accordingly, as a percentage of the

Fund's portfolio, the Manager (in conjunction with the Sub-Investment Manager) has determined that the Fund will have 0% exposure to investments in economic activities that qualify as environmentally sustainable economic activities under the Taxonomy Regulation ("**Taxonomy-Aligned Investments**"). However, the investments underlying the Fund may be in Sustainable Investments.

- *Technical Screening Criteria*

The Manager (in conjunction with the Investment Manager) anticipates that the percentage of investments in the Fund that are in Taxonomy-Aligned Investments and may be eligible to be assessed against the technical screening criteria (TSC) issued pursuant to the Taxonomy Regulation will be 0%.

Is keeping this situation under active review and where sufficient reliable, timely, and verifiable data on the Fund's investments become available, the Manager will provide the descriptions referred to above, in which case this Supplement will be updated.

### **Socially Responsible Investment Guidelines**

Socially Responsible Investment ("**SRI**") is broadly defined as an investment approach that aims to integrate social, environmental and ethical considerations into investment selection. Therefore, the equity securities in which the Fund invests are screened based on certain SRI criteria in accordance with various principles set out in declarations and conventions signed by the international community.

Accordingly, in addition to seeking to gain exposure to issuers that have a Sustainable Business Advantage, the Fund seeks to limit its exposure to particular companies and industries. In addition to the Investment Manager's proprietary and qualitative ESG analysis, the Investment Manager relies on a third-party provider to apply a rules-based screening process which seeks to identify companies that may have controversial business involvement, as determined by the Investment Manager.

Specifically, the Fund seeks to exclude knowingly owning equity securities of companies:

- that defy the ten United Nations Global Compact Principles (UNGC); and/or
- that directly manufacture of controversial weapons (defined as cluster munitions, land mines, and/or depleted uranium); and/or
- that conduct animal testing for non-medical purposes and do not exhibit strong ethical policies and practices; and/or
- whose primary business activities are directly tied to conventional exploration, extraction, production, manufacturing or refining coal, oil or gas; and/or
- whose primary business activities are directly tied to producing electricity derived from fossil fuels; and/or
- with significant assets directly invested in conventional fossil fuel reserves.

The Fund seeks to apply the following investment guidelines in respect of underlying issuers to ensure that a company will not be included if it knowingly has more than:

- 5% of its revenue derived directly from the manufacture of conventional weapons; and/or
- 5% of its revenue derived directly from alcohol products; and/or
- 5% of its revenue derived directly from tobacco products; and/or
- 5% of its revenue derived directly from adult entertainment; and/or
- 5% of its revenue derived directly from gambling.

Investors are informed that criteria applied in developing "socially responsible" screens may be additional to the criteria disclosed above.

### *SRI Research*

The Investment Manager will exclude companies based on information from credible and independent

research on issuers represented in the Fund. The Investment Manager will monitor the Fund's compliance with the SRI criteria. A number of sources are used in this research and may comprise information obtained from official sources, organisations or from the companies themselves.

The Investment Manager may use specific SRI research from independent research providers in respect of the Fund.

### **Benchmark Index**

The Fund uses the Russell 1000® Growth Net Index as a Comparator Benchmark to compare performance. The Fund is actively managed and is not constrained by any benchmark. The Comparator Benchmark is not used by the Fund as a reference benchmark to assist in the promotion of environmental or social characteristics and is solely used to compare performance of the Fund.

### **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 forward foreign exchange contracts to hedge currency foreign exchange risks arising for Hedged Share Classes of the Fund. 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 section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

### **Investment Restrictions**

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

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

### **Borrowings**

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

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus. 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.

### *ESG Risks*

A “**Sustainability Risk**” means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

### **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, provided there are at least two (2) Dealing Days per calendar month carried out at regular intervals.

### *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 the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 in the **SHARE CLASS INFORMATION** section should contact the Manager. Upon receipt of sufficient interest in an unlaunched 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 the heading **SHARE CLASS INFORMATION**.

### *Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 1 June 2023; or (iii) 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 the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class A Acc Shares	✓	X	NAV
Dollar Class A Dis Shares	✓	X	NAV
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	✓	X	NAV
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	✓	✓	CHF10.00
Swiss Franc Class A Dis Shares	✓	✓	CHF10.00
Swiss Franc Class A Dis H Shares	✓	✓	CHF10.00

### Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class B Acc Shares	✓	X	NAV
Dollar Class B Dis Shares	✓	X	NAV
Sterling Class B Acc Shares	✓	X	NAV
Sterling Class B Acc H Shares	✓	X	NAV
Sterling Class B Dis Shares	✓	X	NAV
Sterling Class B Dis H Shares	✓	✓	£10.00
Euro Class B Acc Shares	✓	X	NAV
Euro Class B Acc H Shares	✓	X	NAV
Euro Class B Dis Shares	✓	✓	€10.00
Euro Class B Dis H Shares	✓	X	NAV
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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class C Acc Shares	✓	X	NAV
Dollar Class C Dis Shares	✓	X	NAV
Sterling Class C Acc Shares	✓	✓	£10.00
Sterling Class C Acc H Shares	✓	X	NAV

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Sterling Class C Dis Shares	✓	X	NAV
Sterling Class C Dis H Shares	✓	✓	£10.00

#### Class J Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class J Acc Shares	✓	X	NAV
Euro Class J Acc Shares	✓	X	NAV

#### Class P Shares

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

#### Class SI Shares

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

#### *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*

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.

**No Preliminary Charge is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator.**

There is no Preliminary Charge payable for other Share Classes.

#### *Repurchase Charge*

1%

#### *Anti-Dilution Charge*

Cost of dealing.

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.

### **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 in the **FEES AND EXPENSES** section (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 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 reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (excluding the fees of the Manager) from exceeding an annual rate of 0.25% of the daily Net Asset Value of 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 in the **FEES AND EXPENSES** section.

#### *Administration Fee*

The Administrator shall be entitled to receive out of the net assets 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 assets 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 entitled **FEES AND EXPENSES** in the Prospectus.

#### *Establishment Costs*

The costs of establishing the Fund did not exceed €20,000 and are being amortised over the first five years of the Fund's operation or such shorter period as may be determined by the Directors at their discretion and notified to Shareholders.



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 lay down 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 Sustainable Growth Fund (the “Fund”)

**Legal entity identifier:** 635400YQDOEVKMPDS494

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_%



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 80% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



Words and expressions defined in the Prospectus of 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?** *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

Environmental and social characteristics are promoted by investing in fundamentally strong companies that the Brown Advisory LLC (the “Investment Manager”) assesses to have adequate

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

ESG risk management practices and strong sustainable opportunities. Specifically, the Investment Manager seeks to identify companies with sustainable drivers that add value for shareholders. The Investment Manager categorises these specific sustainability drivers as “Sustainable Business Advantages” or SBAs. There are three ways companies can use SBAs to improve their financial position:

13. Revenue Growth: attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve for challenging sustainability issues
14. Cost Improvements: improving margins from efficient operations, risk mitigation or other measures that increase productivity while using less resources
15. Enhanced Franchise Value: improving customer loyalty, attracting and retaining top talent, growing faster or taking market share through sustainable commitments and/or positive societal impact

Companies with Sustainable Business Advantages, by their nature, promote environmental or social factors through all or a subset of their sustainable products, services or operations. Identified SBAs may be aligned with one or more of, though not limited to, the promotion of the following environmental or social characteristics:

- sustainable technology innovation
- efficient production & conservation,
- diversity, equity and inclusion,
- economic mobility & community development; and/or
- health and wellness.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

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

Environmental characteristics are measured, for example, by indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to tackling inequality or that fosters social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities.

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

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*** *[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]*

The sustainable investments that the Fund makes are those that demonstrate at least one of the following:

7. a primary product/service or range of products/services that solve for environmental or social challenges, and/or

8. operations, capital discipline, policies or programs that drive improved efficiency and/or conserve resources resulting in positive environmental or social outcomes, and/or
9. a franchise whose value is clearly enhanced by its positive environmental or social characteristics

The companies assessed to possess at least one of 1-3 above, will have a positive impact on at least one of the environmental or social characteristics being promoted.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*** *[include a description for the financial product that partially intends to make sustainable investments]*

The Fund seeks to avoid investments that severely negatively impact society or the environment, especially where there is no evidence of efforts to reduce the harm they contribute to. In assessing harm, the Investment Manager may consider available Principal Adverse Impacts ('PAI') (as defined in Annex 1 of SFDR ("Annex 1")), controversial business exposures, ESG controversies, and ESG risk exposure and management practices.

As an additional means of avoiding certain harmful business activities, the Fund also seeks to abide by certain exclusions.

Specifically, the Fund seeks to exclude knowingly owning equity securities of companies:

- that defy the ten United Nations Global Compact Principles (UNGC); and/or
- that directly manufacture of controversial weapons (defined as cluster munitions, land mines, and/or depleted uranium); and/or
- that conduct animal testing for non-medical purposes and do not exhibit strong ethical policies and practices; and/or
- whose primary business activities are directly tied to conventional exploration, extraction, production, manufacturing or refining coal, oil or gas; and/or
- whose primary business activities are directly tied to producing electricity derived from fossil fuels; and/or
- with significant assets directly invested in conventional fossil fuel reserves.

The Fund also seeks to apply the following investment guidelines in respect of underlying companies to ensure that a company will not be included if it knowingly has more than:

- 5% of its revenue derived directly from the manufacture of conventional weapons; and/or
- 5% of its revenue derived directly from alcohol products; and/or
- 5% of its revenue derived directly from tobacco products; and/or
- 5% of its revenue derived directly from adult entertainment; and/or
- 5% of its revenue derived directly from gambling.

Where an investee company is deemed to be doing significant harm to the environment or society, and due diligence (including engagement) with the company indicates that the harm is systemic, detractive from our investment, and the harm is unlikely to be mitigated within the Investment Manager's investment horizon, the Investment Manager will exit the position.

***How have the indicators for adverse impacts on sustainability factors been taken into account?*** *[include an explanation of how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account]*

**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.

A company's performance on the adverse impact indicators in Table 1 of Annex I are reviewed where data is available and reliable. Except for where PAI indicators align with the exclusions applied by the Fund, no specific thresholds are set for how a company or the overall fund must perform on a specific indicator.

The Investment Manager has engaged a third-party data provider to help collate adverse impact indicators at both the company and fund level.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*

An assessment of a company's alignment with the OECD Guidelines and UN Guiding Principles on Business and Human rights is included in the Fund's ESG Assessment. The Fund considers a company to be aligned with these Guidelines and Principles when it has not been involved in significant human rights controversies that are systemic, detractive from the Fund's investment, and where the harm resulting from the controversy is unlikely to be mitigated within the Fund's investment horizon.

*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

Yes, a company's performance on the adverse impact indicators in Table 1 of the Annex I are reviewed to the extent data is determined to be available and reliable. 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.

*[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

No



## What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

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

The Fund's investment strategy is an actively managed, ESG-integrated, long-only equity strategy that seeks to achieve capital growth and competitive, risk-adjusted returns through a concentrated portfolio of companies that the Investment Manager believes offer durable fundamental strengths, sustainable competitive advantages, and compelling valuations. The strategy incorporates proprietary ESG research as an integral part of the fundamental research process. The Fund seeks companies that have a discernable competitive advantage tied to specific sustainable drivers that we refer to as Sustainable Business Advantages (SBAs). A company is considered to have SBA if it has the potential to create tangible enterprise value through sustainable drivers that can lead to revenue growth, cost improvement, or enhanced franchise value. Every company the Fund owns in must have identifiable SBA.

### ● **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 conduct ESG analysis for every company in the Fund, including an assessment of sustainable opportunities, ESG risks and good governance.

All companies must possess at least one SBA as described above. The determination of whether a company has demonstrable SBA is made by the Investment Manager based on a variety of quantitative and qualitative information.

Environmental characteristics are measured, for example, by indicators on the: use of energy, renewable energy, materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy.

Social characteristics are measured, for example, by identifying investment that contributes to: tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities.

The above-named characteristics are not exhaustive and are analyzed to the extent disclosure and data are available.

### ● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy? *[include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]***

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? *[include a short description of 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 ESG analysis. Applicable governance factors may include, though are not necessarily limited to:

- Ownership and Control
- Board and management composition and structure
- Employee relations
- Tax Transparency
- Remuneration practices
- Shareholder Rights
- Accounting Practices
- Transparency and Disclosure

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

- Business Ethics



**What is the asset allocation planned for this financial product?** *[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]*

All investments of the Fund, excluding cash, are assessed and determined to promote environmental and social characteristics. A minimum of 80% of the Fund's investments will be in companies that have been determined to be sustainable investments. The remaining 20% may also include sustainable investments, but is also permitted to include other investments that promote environmental or social characteristics. All non-cash investments will be assessed to abide by the good governance principles and not cause significant harm to environmental or social outcomes.

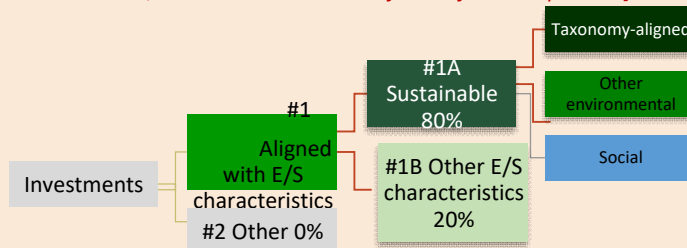
*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852]*

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?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*  
Not applicable.

*[Include only relevant boxes, remove irrelevant ones for the financial product]*



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

*[include the note below where the financial product commits to making sustainable investments]*

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(3) of this Regulation]*

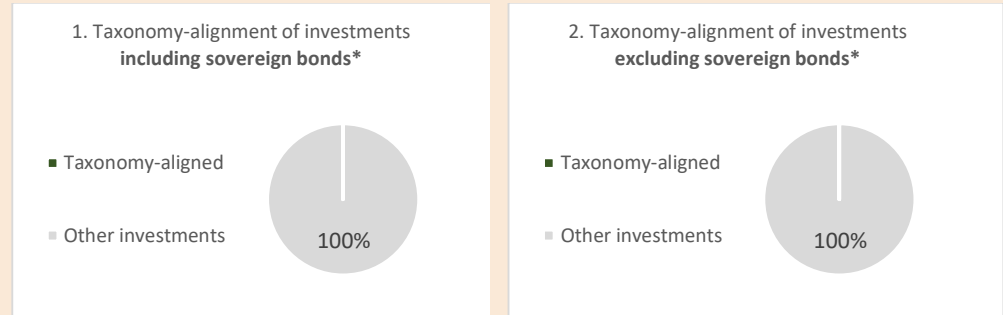
*[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852*

**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.

The Investment Manager has not collected and evaluated data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the Fund are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation (“Taxonomy Aligned Investments”). The Fund has zero exposure to Taxonomy Aligned.

*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?** *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

0%. The sustainable investments in the Fund may have an environmental, social or both an environmental and social objective. The Fund does not set threshold requirements for these.



**What is the minimum share of socially sustainable investments?** *[include section only where the financial product includes sustainable investments with a social objective]*

0%. The sustainable investments in the Fund may have an environmental, social or both an environmental and social objective. The Fund does not set threshold requirements for these.



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

Any cash that the Fund may not yet have allocated to an investment or for liquidity or hedging purposes.

*[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**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 financial product 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?**

N/A

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

N/A

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

N/A

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

N/A

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*  
**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

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



## **Brown Advisory US Mid-Cap Growth Fund**

### **Supplement No. 9 dated 1 December 2022 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to Brown Advisory US Mid-Cap Growth 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 22 December 2020.**

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 6 financial product pursuant to the SFDR.

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

Dated: 1 December 2022

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## Definitions

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

<b>“Russell Midcap® Growth Net Index”</b>	the Russell Midcap® Growth Net Index provided by FTSE Russell which measures the performance of mid-capitalisation growth sectors of the U.S. equity market;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires; and
<b>“Taxonomy Regulation”</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 , along with any regulatory technical standards (RTS) thereto, as the context requires.

## 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 invests at least 80% of its net assets in equity securities of mid-cap U.S. companies. The Fund seeks to invest primarily in mid-size companies with above average growth prospects and which are listed or traded on the U.S. markets and exchanges listed in Appendix I of the Prospectus. Mid-cap companies are companies whose market capitalisations are equal to or more than \$1.5 billion at the time the Fund purchases the issuer’s securities (“**Market Capitalisation Range**”). The Fund may invest in US Rule 144A Securities, American and Global Depository Receipts, U.S. treasury bills, fixed and/or floating rate U.S. government securities and ancillary liquid assets subject to the limits set out in the Prospectus. With the exception of permitted investment in unlisted securities, investment by the Fund is restricted to the markets and exchanges listed in Appendix I of the Prospectus.

### *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 gains over the long term (*i.e.*, greater than five (5) years). As the Fund invests primarily in equities, 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 or 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*

##### Purchasing Portfolio Securities

The Investment Manager begins by identifying a universe of mid-cap growth companies within the Market Capitalisation Range. From these companies, the Investment Manager uses research and other sources of information to select those companies it believes have the potential to grow earnings at an above average rate annually. The Investment Manager then performs an in-depth analysis of the companies' fundamentals to identify those that have:

- substantial business opportunities relative to their operating history and size. These opportunities may arise from addressing large and fragmented markets or markets that are growing at rapid rates. In addition, the company's ability to innovate may help create new markets for its products or services;
- proprietary products, services or distribution systems that provide the company with a competitive edge;
- management that demonstrates a "growth mentality" and a plan that the Investment Manager can clearly understand, monitor and evaluate; and
- attractively priced securities compared to their growth potential.

##### Selling Portfolio Securities

The Investment Manager monitors 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 if it believes:

- the security subsequently fails to meet the Investment Manager's criteria for purchasing portfolio securities or investment thesis;
- a more attractively priced security is found or if funds are needed for other purposes such as to meet redemption requests; and/or
- the security becomes overvalued relative to the long-term expectation for the security price.

#### **ESG and Sustainable Investments Integration**

The Investment Manager may also evaluate environmental, social and governance ("**ESG**") factors and may incorporate these considerations into its decision-making process for certain securities when it deems the analysis to be material to long-term performance. ESG reporting is part of the Investment Manager's periodic review process of certain ESG characteristics of its portfolio.

The Investment Manager defines sustainability as an issuer's ability to incorporate various ESG factors in an effort to generate opportunities and/or mitigate risks that can impact long-term performance. The Investment Manager believes that consideration of these factors on a case-by-case basis may provide an important input into its investment process. In such cases, the Investment Manager may take into account both qualitative and quantitative material ESG risks and opportunities as a part of its research process.

Unlike investment vehicles which promote ESG characteristics or with a specific sustainability or impact objective that may have a constrained investment universe, the Fund is primarily aimed at maximising financial performance, whereby ESG aspects may be input factors within the investment process as the Investment Manager considers appropriate to pursue the Fund's investment objective. The investments underlying this Fund do not take into account the criteria for environmentally sustainable economic

activities contained in the Taxonomy Regulation.

The Manager (in conjunction with the Investment Manager) does not consider the adverse impacts of its investment decisions on sustainability factors in respect of the holdings in the Fund, as it has been determined that this is neither practicable or proportionate to do so based on the *Investment Objective* and *Investment Policies* of the Fund. Should this position change, this Supplement will be updated.

### **Benchmark Index**

The Fund uses the Russell Midcap® Growth Net Index as a Comparator Benchmark to compare performance. The Fund is actively managed and is not constrained by any benchmark.

### **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 forward foreign exchange contracts to hedge currency foreign exchange risks arising for Hedged Share Classes of the Fund. 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 section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

### **Investment Restrictions**

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

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

### **Borrowings**

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

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus. 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.

### *ESG Risks*

A "**Sustainability Risk**" means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

### **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, provided there are at least two (2) Dealing Days per calendar month carried out at regular intervals.

### *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 the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 in the **SHARE CLASS INFORMATION** section should contact the Manager. Upon receipt of sufficient interest in an unlaunched 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 the heading **SHARE CLASS INFORMATION**.

### *Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 1 June 2023; or (iii) 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 the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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

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

#### Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class B Acc Shares	✓	X	NAV
Dollar Class B Dis Shares	✓	✓	\$10.00
Sterling Class B Acc Shares	✓	X	NAV
Sterling Class B Acc H Shares	✓	X	NAV
Sterling Class B Dis Shares	✓	✓	£10.00
Sterling Class B Dis H Shares	✓	✓	£10.00
Euro Class B Acc Shares	✓	X	NAV
Euro Class B Acc H Shares	✓	✓	€10.00
Euro Class B Dis Shares	✓	✓	€10.00
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

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

### Class J Shares

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

### Class P Shares

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

### Class SI Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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*

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.

**No Preliminary Charge is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator.**

There is no Preliminary Charge payable for other Share Classes.



### *Repurchase Charge*

1%

### *Anti-Dilution Charge*

Cost of dealing.

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.

## **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 in the **FEES AND EXPENSES** section (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 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 reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (excluding the fees of the Manager) from exceeding an annual rate of 0.25% of the daily Net Asset Value of 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 in the **FEES AND EXPENSES** section.

Such fees 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.

### *Administration Fee*

The Administrator shall be entitled to receive out of the net assets 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 assets 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 entitled **FEES AND EXPENSES** in the Prospectus.

### *Establishment Costs*

The costs of establishing the Fund did not exceed €20,000 and are being amortised over the first five years of the Fund's operation or such shorter period as may be determined by the Directors at their discretion and notified to Shareholders.

## **Brown Advisory US All Cap SRI Fund**

### **Supplement No. 11 dated 1 December 2022 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to Brown Advisory US All Cap SRI 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 22 December 2020.**

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 6 financial product pursuant to the SFDR.

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

Dated: 1 December 2022

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## Definitions

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

<b>“Russell 3000® Net Index”</b>	the Russell 3000® Net Index provided by FTSE Russell which measures the performance of the broad U.S. equity market and which is used as a target for the performance of the Fund but which is not used to constrain portfolio composition;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires; and
<b>“Taxonomy Regulation”</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

## 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 U.S. companies that the Investment Manager considers have sound fundamentals and business models. The Fund invests primarily in the securities of small, medium and large capitalisation companies, integrating socially responsible investment screens and risk-based analysis into the portfolio construction process. The equity securities in which the Fund principally invests are common stocks. The Fund may also invest in non-U.S. equity securities, American and Global Depositary Receipts, corporate debt securities (such as investment grade and high yield bonds and asset backed and mortgage backed securities), U.S. treasury bills, fixed and/or floating rate U.S. government securities (such as municipal bonds and collateralised mortgage obligations), real estate investment trusts and unlisted equity securities in a manner that is consistent with and complements the investment policies and the Investment Manager’s investment process, subject to the limits set out in the Prospectus. With the exception of permitted investment in unlisted equity securities, investment by the Fund is restricted to the markets and exchanges listed in Appendix I of the Prospectus.

Small, medium and large capitalisation companies are, according to the Investment Manager, those companies with market capitalisations generally greater than \$500 million at the time of initial purchase.

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.

### *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). As the Fund invests primarily in equities, 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 or 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 portfolio managers and research team engage in a significant amount of up front due diligence prior to investing, which leads them to have very high conviction in the companies whose securities are ultimately selected for the Fund. The goal is to find outstanding companies that can be owned for a long period of time. The qualities of a company with sound fundamentals and business models include: established businesses, high barriers to entry, high revenue visibility (companies whose future revenues are relatively easy to forecast), proven product lines, relatively low levels of debt, compelling value proposition to the customer, relatively benign or indirect competition, good track record of execution and good capital allocation decisions made over time. The research process may 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.

Applying its investment process, the Investment Manager generates a defined universe of U.S. equities that meet its investment criteria. Using comprehensive socially responsible investment screens, the universe is then reduced to exclude companies that do not meet the socially responsible investment guidelines of the Fund. The Investment Manager then determines the composition of the portfolio, primarily targeting a risk profile that closely resembles the risk profile of the Target Benchmark. The Investment Manager employs risk based analysis in order to mitigate the impact of macroeconomic influences with the aim of ensuring that stock-picking is the primary driver of risk adjusted return in the portfolio.

The Investment Manager may sell a security or reduce its position for a number of reasons, including if:

- the fundamental investment criteria are violated;
- a more attractive security is found;
  
- the security's risk profile no longer meets the Investment Manager's long-term expectations; and/or
  
- the Fund's socially responsible investment criteria have been violated.

### **ESG and Sustainable Investments Integration**

The Investment Manager may also evaluate environmental, social and governance ("**ESG**") factors and may incorporate these considerations into its decision-making process for certain securities when it

deems the analysis to be material to long-term performance. ESG reporting is part of the Investment Manager's periodic review process of certain ESG characteristics of its portfolio.

The Investment Manager defines sustainability as an issuer's ability to incorporate various ESG factors in an effort to generate opportunities and/or mitigate risks that can impact long-term performance. The Investment Manager believes that consideration of these factors on a case-by-case basis may provide an important input into its investment process. In such cases, the Investment Manager may take into account both qualitative and quantitative material ESG risks and opportunities as a part of its research process.

Unlike investment vehicles which promote ESG characteristics or with a specific sustainability or impact objective that may have a constrained investment universe, the Fund is primarily aimed at maximising financial performance, whereby ESG aspects may be input factors within the investment process as the Investment Manager considers appropriate to pursue the Fund's investment objective. The investments underlying this Fund do not take into account the criteria for environmentally sustainable economic activities contained in the Taxonomy Regulation.

The Manager (in conjunction with the Investment Manager) does not consider the adverse impacts of its investment decisions on sustainability factors in respect of the holdings in the Fund, as it has been determined that this is neither practicable or proportionate to do so based on the *Investment Objective* and *Investment Policies* of the Fund. Should this position change, this Supplement will be updated.

### **Socially Responsible Investment Guidelines**

Socially responsible investment ("**SRI**") is broadly defined as an investment approach that aims to integrate environmental, social, governance and ethical considerations into investment selection. Therefore, the equity securities in which the Fund invests are screened based on generally accepted SRI criteria which exclude investment in companies which violate such criteria, including, but not limited to abortion-related business, foetal and embryonic stem cell research, contraceptives, conventional and controversial weapons (such as military weapons, cluster munitions, landmines, biological, chemical and nuclear weapons), nuclear power, genetic engineering, civilian firearms, non-medical animal testing, fossil fuels, companies involved with egregious cases of racial & ethnic discrimination, violations of human & civil rights, child labour, gambling, alcohol, tobacco or adult entertainment.

Equity securities issued by companies violating such SRI criteria and not addressing such violations adequately will not be included in the Fund's portfolio.

Further, other SRI criteria may, as necessary, also apply in developing SRI screens and investors should note that the criteria applied in developing such screens may be additional to the criteria disclosed in this section. In the event that additional SRI criteria are identified, this section will be updated, at the next opportunity, to reflect any such additional SRI criteria.

#### *SRI Research*

The Investment Manager will exclude companies based on information from credible and independent research on issuers represented in the Fund. The Investment Manager will monitor the Fund's compliance with the SRI guidelines. A number of sources are used in this research and may comprise information obtained from official sources, organisations or from the companies themselves.

The Investment Manager may use specific SRI research from independent research providers in respect of the Fund.

### **Benchmark Index**

The Fund uses the Russell **3000® Net Index** Net Index as a Target Benchmark to compare

performance. The Fund is actively managed and is not constrained by any benchmark.

### **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 forward foreign exchange contracts to hedge currency foreign exchange risks arising for Hedged Share Classes of the Fund. 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 section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

### **Investment Restrictions**

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

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

### **Borrowings**

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

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus. 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.

#### *ESG Risks*

A “**Sustainability Risk**” means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

### **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, provided there are at least two (2) Dealing Days per calendar month carried out at



regular intervals.

*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 the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 in the **SHARE CLASS INFORMATION** section should contact the Manager. Upon receipt of sufficient interest in an unlaunched 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 the heading **SHARE CLASS INFORMATION**.

*Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 1 June 2023; or (iii) 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 the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class A Acc Shares	✓	✓	\$10.00
Dollar Class A Dis Shares	✓	✓	\$10.00
Euro Class A Acc Shares	✓	✓	€10.00

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Euro Class A Dis Shares	✓	✓	€10.00

#### Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class B Acc Shares	✓	✓	\$10.00
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	✓	✓	\$10.00
Sterling Class B Dis H Shares	✓	✓	\$10.00
Euro Class B Acc Shares	✓	✓	€10.00
Euro Class B Acc H Shares	✓	✓	€10.00
Euro Class B Dis Shares	✓	✓	€10.00
Euro Class B Dis H Shares	✓	✓	€10.00

#### Class C Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class C Acc Shares	✓	✓	\$10.00
Dollar Class C Dis 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*

None.

#### *Repurchase Charge*

1%

#### *Anti-Dilution Charge*

Cost of dealing.

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.

#### **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 in the **FEES AND EXPENSES** section (plus VAT, if any) per Share Class of the Net Asset Value of the Fund.

Notwithstanding the foregoing and anything to the contrary in the Prospectus, the Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee of up to 0.8% (plus VAT, if any) per Class A Shares and an annual fee of up to 0.4% (plus VAT, if any) per Class B Shares of the Net Asset Value of the Fund, which shall be accrued and calculated in accordance with the procedures set out in the Prospectus in the **FEES AND EXPENSES** section.

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 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 reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (excluding the fees of the Manager) from exceeding an annual rate of 0.25% of the daily Net Asset Value of the Fund.

### *Management Fee*

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

### *Administration Fee*

The Administrator shall be entitled to receive out of the net assets 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 assets 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 entitled **FEES AND EXPENSES** in the Prospectus.

### *Establishment Costs*

The costs of establishing the Fund did not exceed €20,000 and are being amortised over the first five

years of the Fund's operation or such shorter period as may be determined by the Directors at their discretion and notified to Shareholders.

## **BA Beutel Goodman US Value Fund**

### **Supplement No. 13 dated 1 December 2022 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc**

This Supplement contains specific information in relation to BA Beutel Goodman US Value 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 22 December 2020.**

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 Sub-Investment Manager has determined that the Fund is a Light Green Fund.

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

Dated: 1 December 2022

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## Definitions

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

<b>“Comparator Benchmark”</b>	for the purposes of this Supplement, the Russell 1000® Value Net Index;
<b>“Environmentally Sustainable Investment”</b>	an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy;
<b>“ESG”</b>	environmental, social and governance;
<b>“Light Green Fund”</b>	a Fund determined by the Sub-Investment Manager to be a financial product which complies with Article 8 of the SFDR;
<b>“Russell 1000® Value Net Index”</b>	measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. The Russell 1000® Value Net Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics;
<b>“SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires;
<b>“Socially Sustainable Investment”</b>	an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;
<b>“Sub-Investment Management Agreement”</b>	the agreement dated 27 November 2020 among the Manager, the Investment Manager, and the Sub-Investment Manager as may be amended from time to time;

“Sub-Investment Manager”	Beutel, Goodman & Company Ltd. or such other persons as may be appointed in accordance with the requirements of the Central Bank to provide sub-investment management services to the Company in respect of the Fund; and
“Sustainable Investment”	an Environmentally Sustainable Investment and/or Socially Sustainable Investment, as the context requires; provided that such investments do not significantly harm any economic or social objectives and that the investee entities follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;
“Sustainability Risk”	an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
“Taxonomy Regulation”	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

## 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 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. All securities invested in will be listed or traded on the Regulated Markets listed in **Appendix I** of the Prospectus.

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

Equity securities in which the Fund may invest include common and preferred stock, American Depositary Receipts (“**ADRs**”) and real estate investment trusts (REITs). The Fund may invest in CIS (including exchange traded funds (“**ETFs**”) but excluding U.S. ETFs) that have an investment objective similar to the Fund’s or that otherwise are permitted investments with the Fund’s investment policies described herein. ADRs are equity securities traded on U.S. securities exchanges, which are generally issued by banks or trust companies to evidence ownership of foreign equity securities. The Fund may invest up to 20% of its net assets in non-U.S. securities.

The Fund may also invest in Money Market Instruments, government debt securities (such as bonds, debentures and promissory notes), deposits, cash and regulated CIS, in accordance with the limits set out under the heading **FUNDS - Investment Restrictions** in the Prospectus. The Fund may invest up to 10% of its net assets in new issues but is unlikely to invest in new issues to any significant extent.

The Fund promotes certain environmental and social characteristics, as described under **ESG Promotion and**



**Integration of Sustainability Risks** below by investing directly or through the use of FDIs, in a variety of equity securities in order to achieve the Fund's investment objective.

#### *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 ESG factors be considered as part of the Fund's investment due diligence process. The Fund invests primarily in equities, as described above, and so investors should consider 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 or 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).

#### *Sub-Investment Manager's Investment Process*

12. The Sub-Investment Manager's bottom-up research process is comprised of integrated fundamental and ESG research, as further detailed under **ESG Promotion and Integration of Sustainability Risks** below.

13. The Fund seeks to incorporate ESG research consistently throughout the investment process in an effort to help to identify Sustainability Risks and sustainable opportunities associated with particular companies.

14. The Sub-Investment Manager believes that this investment approach can achieve the Investment Objective of the Fund.

#### 15. Purchasing Portfolio Securities

In pursuing the investment objective and policies, the Sub-Investment Manager will seek to identify and invest in companies at discounts to their intrinsic values, which it 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.

#### Selling Portfolio Securities

The Fund may sell a security or reduce its position if it believes:

- the security subsequently fails to meet initial investment criteria;

- a more attractively priced security is found; or
- the security becomes overvalued relative to the long-term expectation.

## ESG Promotion and Integration of Sustainability Risks

### *An Overview of the Sub-Investment Manager's ESG Integration Approach*

The Sub-Investment Manager integrates sustainable investing principles as part of its investment process, and the ESG research analysis of the Sub-Investment Manager is integrated into the overall fundamental research effort that supports the strategy of the Fund. The Sub-Investment Manager's Light Green Funds, including the Fund, integrate sustainable investing principles in a manner it believes is appropriate to achieving each stated investment objective.

ESG research analysis is undertaken by the Portfolio 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 ESG analysis 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 ESG factors. Each analyst builds a financial model comprising forecast financial statements, a strengths, weaknesses, opportunities, threats (SWOT) analysis, and identification of material financial risks, including ESG risks. This information is then used to determine several valuation metrics to substantiate an intrinsic value for the company. A focus on integrating ESG research into the investment due diligence process in a systematic manner is important to the Sub-Investment Manager's philosophy for Light Green Funds, including the Fund. The Fund may invest in a company that is exposed to legacy material ESG risks or that is lagging in ESG 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.

### *ESG Research Integration*

The Sub-Investment Manager considers material ESG factors as part of its fundamental company research. ESG factors are assessed as part of the investment process for every security in the Fund. The assessment of ESG factors is guided by an ESG framework, and uses third-party ESG data and ratings, among others, as a resource.

- **Environmental** areas of focus may include one or any combination of the following: climate change, natural resources stewardship, pollution and waste management. For example, where an investee company is carbon neutral and therefore promotes the fight against climate change, this may be considered a positive factor.
- **Social** considerations may include one or any combination of the following: human capital management and labour practices, customer well-being, supply chain management and community relations. For example, where an investee company is committed to providing better working conditions in order to reduce employee turnover, this may be considered a positive factor.
- **Governance** areas of focus include board and committee composition and structure, shareholder rights, management incentives, and business ethics. For example, where an investee company has sound executive compensation practices evidencing strong alignment with long-term shareholders, or is disciplined with regards to capital allocation, this may be considered a positive factor.

The Fund seeks to promote ESG characteristics through its investment selection, seeking companies with sound governance and striving to avoid businesses with material environmental and social controversies, including without limitation:

- **Environmental:** The Fund seeks to exclude companies that are responsible for significant carbon

emissions (e.g., extractive energy companies), and without meaningful plans for strategic decarbonisation. This investment selection process may lead to the exclusion of investee companies which generate excessive carbon pollution.

- **Social:** The Fund prefers companies showcasing leadership in human capital management, and/or that have strategic oversight of supply chains and the labour force as to limit controversies. This investment selection process may lead to the exclusion of investee companies with poor working conditions and/or high employee turnover.
- **Governance:** The Fund prefers quality and established management teams that have formalised governance structures. The Fund will engage, through proxy voting and other mechanisms, to vocalise the importance of appropriate incentives (e.g., compensation) to support long-term performance. This investment selection process may lead to the exclusion of investee companies where the Sub-Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

(the foregoing, the “**ESG Assessment**”).

The Fund may also pursue strategic, active engagement with certain companies and other stakeholders to enhance due diligence, monitor ESG risks that may materially impact investment performance, and encourage companies to improve their ESG practices (“**ESG Engagement**”). The Fund believes ESG Engagement, together with proxy voting and collaborative initiatives, are effective mechanisms to seek to mitigate risk, increase returns and advance shareholder value, as well as to address long term and systemic risks to portfolio value. Engagement informs the investment thesis and may enhance understanding of existing disclosures. Engagement may also seek to modify or guide company behaviour in a way the Sub-Investment Manager believes will bolster long-term performance and ESG management, whether led by the Fund or in collaboration with other stakeholders. 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.

The Fund will not make any investments where ESG or other risk factors make it difficult, if not impossible, to accurately assess the value of a specific business. The Fund may consider investment into a business with poor performance on one or more environmental or social criteria 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 Fund will seek to exclude holdings the Sub-Investment Manager deems inconsistent with applicable ESG characteristics described above. For example, the Sub-Investment Manager seeks to avoid investing 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 tobacco, adult entertainment or civilian firearms, companies that produce certain controversial weapons, and those companies the Sub-Investment Manager is aware have been expelled by the United Nations from participation in the UN Global Compact framework. In determining whether or not to invest, the Sub-Investment Manager may use screening tools from vendors that it believes to be reliable. These third-party ESG data providers may be utilised to complement the Sub-Investment Manager’s internal ESG assessments as an additional reference measure for the Fund’s sustainability profile.

As a result, the universe of investments available to the Fund will be more limited than other funds that do not apply such characteristics. However, the Fund may have exposures to certain companies which some investors consider contrary to ESG principles, such as defence and conventional weapons. The application of the ESG characteristics 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. The Fund’s ESG characteristics may effectively accommodate the requirements of certain Fund investors but not others, and may be more or less restrictive than a particular fund an investor might otherwise prefer.

In addition to the Fund's *Investment Policies* and **Investment Restrictions**, the Sub-Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund investments, such as evolving internal Sub-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 (including "sanctions" lists, such as those maintained by the United States Office of Foreign Assets Control (OFAC) and the European Union) (the foregoing, the "**ESG Investment Limitations**").

Further information in relation to the Sub-Investment Manager's responsible investing philosophy is available at [www.beutelgoodman.com/about-us/responsible-investing/](http://www.beutelgoodman.com/about-us/responsible-investing/).

#### *Integration of Sustainability Risks*

All investments are vetted for Sustainability Risk. Research seeks to identify material Sustainability Risks and the portfolio manager of the Fund takes these Sustainability Risks into consideration when making an investment decision.

Accordingly, consideration of Sustainability Risks is systematically integrated in the Sub-Investment Manager's investment process and investment decisions for all investments for the Fund.

The Sub-Investment Manager's ESG research approach seeks, first and foremost, to contribute positively to the performance of the Fund. The Sub-Investment Manager's ESG research efforts aim to uncover Sustainability Risks that may materially impact the return from an investment.

Accordingly, the results of ESG Assessment on investments and the implementation of ESG Investment Limitations as part of the Sub-Investment Manager's investment process, together with the participation in ESG Engagement, including proxy voting, seek to diminish the impact of Sustainability Risks on the Fund's returns, and improve the overall risk profile of the Fund.

The Manager (in conjunction with the Sub-Investment Manager) considers the principal adverse impacts of its investment decisions on sustainability factors.

#### *Transparency of Environmentally Sustainable Investments*

##### *Environmentally Sustainable Economic Activities and Do No Significant Harm*

The Sub-Investment Manager has determined that the Fund is a Light Green Fund, as the Fund promotes environmental and social characteristics by integrating ESG research into the overall research process.

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 financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product 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.

Accordingly, as a percentage of the Fund's portfolio, the Manager (in conjunction with the Sub-Investment Manager) has determined that 0% of the investments underlying the Fund will be in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation ("**Taxonomy-Aligned Investments**"), and does not anticipate nor commit that the Fund will make any Sustainable Investments.

#### *Technical Screening Criteria*

Although the Fund promotes environmental characteristics, the Fund does not promote the environmental

objectives contained in the Taxonomy Regulation. The Manager (in conjunction with the Sub-Investment Manager) anticipates that the percentage of investments in the Fund that are in Taxonomy-Aligned Investments and may be eligible to be assessed against the technical screening criteria (TSC) issued pursuant to the Taxonomy Regulation will be 0%.

### **Sub-Investment Manager**

Pursuant to the Sub-Investment Management Agreement, the Investment Manager has delegated the day-to-day portfolio management of the Fund to Sub-Investment Manager.

The Sub-Investment Manager is authorised and primarily regulated by the Ontario Securities Commission having its registered office at 20 Eglinton Avenue West, Suite 2000, P.O. Box 2005, Toronto, Ontario M4R 1K8, Canada. The Sub-Investment Manager is an investment fund manager, portfolio manager, and adviser, and is permitted to provide discretionary investment management services to Irish authorised collective investment schemes.

### **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 **ESG Promotion and Integration of Sustainability Risks** 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 at:

- <https://research.ftserussell.com/products/downloads/Russell-US-indexes.pdf>.

### **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 use forward foreign exchange ("**FX**") contracts to hedge currency FX risks arising from Hedged Share Classes of the Fund. 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 section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

### **Investment Restrictions**

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

Investments made by the Fund in shares or units of 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 the heading **FUNDS – Borrowing and Lending Powers**, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis. The Fund will not 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 sub-section entitled Risk Management of the section entitled **Funds – Use of FDI** in the Prospectus.

### **Risk Factors**

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus and the further risk factors set out below. 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.

#### *Environmental, Social and Governance Policy Risk*

Because the Fund's ESG criteria exclude securities of certain issuers for non-financial reasons, the Fund may forgo some market opportunities available to funds that do not use these criteria. In addition, the Fund may otherwise reduce its exposure to certain securities when it might be advantageous to maintain its position. The Fund's integration of ESG criteria, as well as any guideline restrictions referenced in this Supplement or the Prospectus may adversely impact the performance of the Fund.

In assessing ESG factors of a security or issuer, the Sub-Investment Manager may use information and data from third-party ESG research providers, which may be incomplete, inaccurate or unavailable. It may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Sub-Investment Manager may incorrectly assess a security, issuer or index. There is also a risk that the Sub-Investment Manager, or third-party ESG research providers the Sub-Investment Manager may use, may not interpret or apply the relevant ESG factors correctly. Neither the Fund nor the Sub-Investment Manager or any of their affiliates make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG Assessment.

#### *ESG Risks*

If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

#### *Dividend Policy*

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

### **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 the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **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 in the **SHARE CLASS INFORMATION** section should contact the Investment Manager. Upon receipt of sufficient interest in any such Class, such a Class may be launched.

Class D Shares are offered to all investors but primarily intended for institutional investors that are able to meet the higher minimum investment and minimum shareholding requirements of Class D Shares.

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

However, notwithstanding the foregoing, the applicable Minimum Shareholding, Minimum Initial Investment Amount and Minimum Additional Investment Amount for the Class D Shares and Class SI Shares are set out below:

<b>Class</b>	<b>Minimum Shareholding*</b>	<b>Minimum Initial Investment Amount*</b>	<b>Minimum Additional Investment Amount*</b>
Dollar Class D Shares	\$20,000,000	\$20,000,000	N/A
Dollar Class SI Shares	\$20,000,000	\$20,000,000	N/A
Sterling Class SI Shares	£20,000,000	£20,000,000	N/A
Euro Class SI Shares	€20,000,000	€20,000,000	N/A

*\* (subject to the discretion of the Directors in each case to allow lesser amounts)*

*Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **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) 3.00 p.m. (Irish Time) on 1 June 2023; or (iii) 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 the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **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 the heading **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.

<sup>2</sup>Class A Shares

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<sup>2</sup> [Dechert comment: launched and unlaunched Share Classes to be confirmed in due course.]

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class A Acc Shares	✓	✓	\$10.00
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	✓	✓	€10.00
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	✓	✓	CHF10.00
Swiss Franc Class A Dis Shares	✓	✓	CHF10.00
Swiss Franc Class A Dis H Shares	✓	✓	CHF10.00

#### Class B Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class B Acc Shares	✓	✓	\$10.00
Dollar Class B Dis Shares	✓	✓	\$10.00
Sterling Class B Acc Shares	✓	✓	£10.00
Sterling Class B Acc H Shares	✓	✓	£10.00
Sterling Class B Dis Shares	✓	✓	£10.00
Sterling Class B Dis H Shares	✓	✓	£10.00
Euro Class B Acc Shares	✓	✓	€10.00
Euro Class B Acc H Shares	✓	✓	€10.00
Euro Class B Dis Shares	✓	✓	€10.00
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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class C Acc Shares	✓	✓	NAV
Dollar Class C Dis Shares	✓	✓	NAV
Sterling Class C Acc Shares	✓	✓	£10.00
Sterling Class C Acc H Shares	✓	✓	£10.00
Sterling Class C Dis Shares	✓	✓	£10.00
Sterling Class C Dis H Shares	✓	✓	£10.00
Euro Class C Acc Shares	✓	✓	€10.00
Euro Class C Acc H Shares	✓	✓	€10.00
Euro Class C Dis Shares	✓	✓	NAV



<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Euro Class C Dis H Shares	✓	✓	€10.00

#### Class D Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class D Acc Shares	✓	✓	\$10.00

#### Class J Shares

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

#### Class M Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class M Acc Shares	✓	✓	\$10.00
Dollar Class M Dis Shares	✓	X	NAV
Sterling Class M Acc Shares	✓	✓	£10.00
Sterling Class M Acc H Shares	✓	✓	£10.00
Sterling Class M Dis Shares	✓	X	NAV
Sterling Class M Dis H Shares	✓	X	NAV

#### Class SI Shares

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
Dollar Class SI Acc Shares	✓	✓	NAV
Dollar Class SI Dis Shares	✓	✓	NAV
Sterling Class SI Acc Shares	✓	✓	NAV
Sterling Class SI Acc H Shares	✓	✓	£10.00
Sterling Class SI Dis Shares	✓	✓	NAV
Sterling Class SI Dis H Shares	✓	✓	£10.00
Euro Class SI Acc Shares	✓	✓	NAV
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*

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.

**No Preliminary Charge is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator.**

There is no Preliminary Charge payable for other Share Classes.

#### *Repurchase Charge*

1%.

#### *Anti-Dilution Charge*

Cost of dealing.

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.

### **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 in the **FEES AND EXPENSES** section (plus VAT, if any) per Share Class of the Net Asset Value of the Fund.

Notwithstanding the foregoing and anything to the contrary in the Prospectus, 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 below (plus VAT, if any) per Share Class of the Net Asset Value of the Fund, which shall be accrued and calculated in accordance with the procedures set out in the Prospectus in the **FEES AND EXPENSES** section.

Class C Shares	Up to 0.40%
Class D Shares	Up to 0.60%
Class M Shares	Up to 0.225%
Class SI Shares	Up to 0.60%

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 (including the Sub-Investment Manager) 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 in the

**FEES AND EXPENSES** section.

*Sub-Investment Management Fee*

The fees and expenses of the Sub-Investment Manager are paid out of those fees paid to the Investment Manager which are set out herein and should be read in conjunction with the section in the Prospectus entitled **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, namely Dollar Class M Dis Shares and Sterling Class M Dis Shares.) 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 entitled **FEES AND EXPENSES** in the Prospectus.

*Establishment Costs*

The costs of establishing the Fund did not exceed €40,000 and are being borne by the Fund and amortised over the first five years of the Fund (or such other period as may be determined by the Directors in their discretion).

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

Product name: BA Beutel Goodman U.S. Value Fund (the "Fund")

Legal entity identifier: 6354002F2ICLDM3QCY81

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

**Yes**    **No**

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%</p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**Words and expressions defined in the Prospectus of 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?** *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

The Fund will promote the following environmental or social characteristics by:

- taking sustainability risks into account
- taking principal adverse impacts on sustainability factors into account

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

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

- excluding investments in companies in industries or activities that have potentially negative environmental or social characteristics
- excluding investment assets that are exposed to unknowable or unmanageable material sustainability risks
- excluding investment assets that are exposed to unknowable or unmanageable material principal adverse impacts
- positively considering investment assets with high potential to improve their ESG performance
- supporting investment assets in improving sustainability factors material to their ESG performance through:
  - regular engagement with the management, boards and senior executives of investments;
  - openness to collaboration with other investors to identify and implement targeted initiatives; and
  - exercising its voting rights.

The Fund will not refer to a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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

The Fund uses the following sustainability indicators:

- principal adverse impact indicators
- ESG/sustainability risk evaluation (internal qualitative and / or quantitative assessment)
- ESG performance evaluation (internal qualitative and / or quantitative assessment)
- specific environmental sustainability indicators (e.g. carbon footprint)
- specific social sustainability indicators (e.g. diversity metrics)

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives? [include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]**

Making sustainable investments is not an objective of the Fund and the Fund is not committed to making sustainable investments.

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective? [include a description for the financial product that partially intends to make sustainable investments]**

Making sustainable investments is not an objective of the Fund and the Fund is not committed to making sustainable investments.

**How have the indicators for adverse impacts on sustainability factors been taken into account? [include an explanation of how the indicators for adverse impacts in Table 1 of Annex 1 and any relevant indicators in Tables 2 and 3 of Annex 1, are taken into account]**

In relation to the Fund, Beutel Goodman & Company Ltd. (the “Investment Manager”) considers the principal adverse impacts of its investment advice on sustainability factors. The Investment Manager will investigate using a sustainability

**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.

information platform from an external provider, or other reputable product or suite of services as engaged from time-to-time, to monitor the principal adverse impacts of the Fund's investments.

The Investment Manager considers the principal adverse impacts that current and prospective portfolio companies have on sustainability factors. Most material factors to an investment are identified through a mixture of internal research, data from third-party ESG data providers, and meetings with company management. Using a bottom-up, disciplined, value-investing approach, each research report or update the Investment Manager prepares incorporates ESG considerations.

The Investment Manager seeks companies with sound governance structures. A company's principal adverse impacts on sustainability factors, and its success in managing those impacts over time, may reflect the objectives and philosophies of that company's management team. The Investment Manager avoids companies with material environmental and social controversies, in part because these controversies are sometimes reflective of weaknesses in the management team and its outlook.

The principal adverse impacts identified in the valuation assessments also form a basis for identifying potentially productive avenues for engaging in active ownership with the assets. The Investment Manager believes that specific interventions, whether achieved through direct engagement with the management team, proxy voting or collaborating with other investors, are most effective when they are targeted at the negative impacts most material to an asset's activities.

More information on these principal adverse impacts, the Investment Manager's policies to identify and prioritise them, and engagement policies to address them, can be found in the Principal Adverse Impact Statement and the Investment Manager's Responsible Investment Policy located in the "Sustainability-related disclosures" section of the Investment Manager's website.

— — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*

The Fund does not have making sustainable investments as its objective and it is not committed to making sustainable investments.

*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

- X Yes, the Investment Manager considers principal adverse impacts of investment decisions on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (“Sustainability Factors”).

The Investment Manager has adopted a Principal Adverse Sustainability Impacts Statement. The Principal Adverse Sustainability Impacts Statement and other information related to the firm’s responsibilities under the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “Regulation”), and the firm’s approach to ESG (Environmental, Social, and Governance factors) and responsible investment in general, can be found on the firm’s website.

The Fund will apply the draft regulatory technical standards (the “RTS”) developed with respect to climate and other environment-related adverse impacts, and with respect to social and employee matters, respect for human rights, anti-corruption and anti-bribery matters and will apply any changes in the RTS upon adoption by the European Commission.

The Investment Manager will monitor and report on required principal adverse impact indicators at the time and to the extent that financial advisers are required to do so by the relevant regulation.

Due to the geographical focus of the Fund and the minority positions that the Fund will take in target assets, the Fund may have difficulty in collecting complete sets of quantitative information directly from the assets, or relevant financial market participants. Specifically in regard to the geographical focus, assets located in the United States may not be subject to the non-financial reporting initiatives of the European Union, and may not collect or report the information in the specificity, format, or reporting period required under the Regulation. Specifically in regard to the minority positions in investment assets, the Fund’s ability to directly collect information is subject to investment assets’ compliance with requests for information and data-collection procedures.

Where direct information is not available, the Fund will utilize a combination of qualitative descriptions, internally or externally produced estimates, partial information, and a description of the efforts it took to gather the data to produce its reporting, as permitted under the Regulation

*[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

No



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

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

**What investment strategy does this financial product follow?** *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The Fund seeks to invest in companies at discounts to their business value, which the Investment Manager considers to be the present value of sustainable free cash flow. To identify these investment opportunities, the Investment Manager employs a disciplined, bottom-up investment process highlighted by rigorous, internally generated fundamental research. The Investment Manager's strategy investment team believes that stocks purchased at a significant discount to business value have an inherent margin of safety. This approach combined with a focus on quality, growing companies with strong balance sheets, helps avoid the possibility of capital loss.

- **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 uses the following elements to select investments to attain the social and/or environmental characteristics promoted by the Fund:

- investment exclusions
- Sustainability Risk Policy
- Principal Adverse Impact Policy
- ESG due diligence assessing selected sustainability indicators (including an assessment of good governance practices)

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?** *[include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]*

Not applicable.

- **What is the policy to assess good governance practices of the investee companies?** *[include a short description of the policy to assess good governance practices of the investee companies]*

The assessment of good governance practices is inherent in the fundamental, value-driven research that the Investment Manager performs at every stage in the investment lifecycle. The Investment Manager uses regular channels, including shareholder reports, industry reviews, and broker reports, together with data provided by specialized ESG data providers, to collect information about governance factors relevant to a company.

The specific governance factors material to a company are dependent on the circumstances of that company, but the Investment Manager considers corporate strategy, executive



compensation, board efficacy and diversity, and succession planning to be factors significant to the governance assessments of many companies. A company's policies for handling of governance issues, including its policies regarding disclosure, transparency, accountability, and oversight, are often relevant to the assessment.



**Asset allocation** describes the share of investments in specific assets.

*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852*

Taxonomy-aligned activities are expressed as a share of:

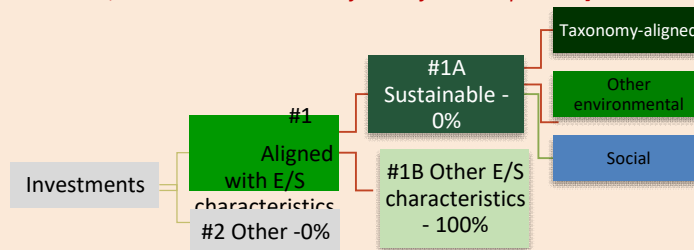
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

**What is the asset allocation planned for this financial product?** *[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]*

The Fund will seek to be fully invested at all time and to allocate 100% of its 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 investments.

*[Include only relevant boxes, remove irrelevant ones for the financial product]*



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

*[include the note below where the financial product commits to making sustainable investments]*

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*

The Fund does not have a sustainable investment objective, and the Fund will not use derivatives to attain a sustainable investment objective.

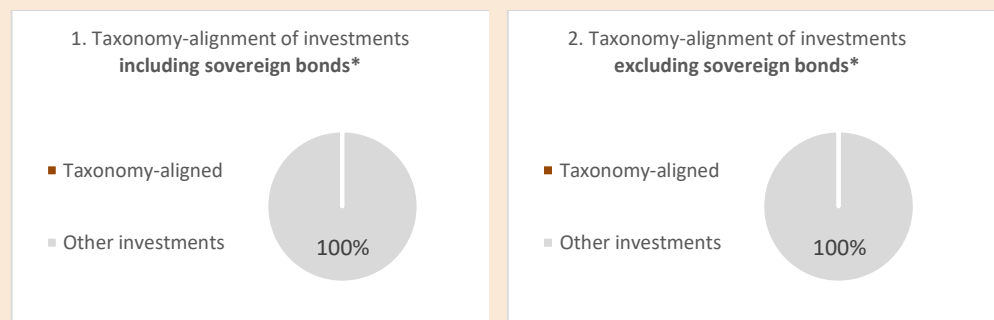


**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the*

*information referred to in Article 15(3) of this Regulation]*

The Fund may make investments that qualify as “sustainable investments” that may or may not be aligned with the EU Taxonomy, but the Fund is not committed to making sustainable investments, with or without any minimum EU Taxonomy alignment.

**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?** *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

The Fund will not allocate any fixed minimum proportion of its assets to EU Taxonomy transitional or enabling economic activities.

- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

The Fund will not allocate any fixed minimum proportion of its assets to sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

- **What is the minimum share of socially sustainable investments?** *[include section only where the financial product includes sustainable investments with a social objective]*

The Fund will not allocate any fixed minimum proportion of its assets to socially sustainable investments.

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

There are no assets in the “#2 Other” category.

- **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?** *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where*

*[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

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

*the methodology used for the calculation of the designated index can be found]*

The Fund has not designated an index as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***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:** *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

<https://www.beutelgoodman.com/about-us/responsible-investing/>

## **Additional Information for Investors in Switzerland**

Information contained herein is selective, containing specific information in relation to Brown Advisory Funds plc (the “**Company**”). This document (the “**Swiss Country Supplement**”) forms part of and should be read in conjunction with the Prospectus for the Company dated 22 December 2020. This document is for distribution in Switzerland only.

### **1. Representative and Paying Agent in Switzerland:**

RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zürich.

### **2. Place where the relevant documents may be obtained**

Copies of the Articles, the Prospectus, the Key Information Documents, and the annual and semi-annual reports of the Company may be obtained free of charge from the Representative in Switzerland.

### **3. Publications**

The Net Asset Value of the Shares of each Fund, together with an indication “commissions excluded” will be published daily on [www.fundinfo.com](http://www.fundinfo.com).

Publications in Switzerland relating to the Company or the Funds, in particular the publication of amendments to the Articles and the Prospectus, shall be made on [www.fundinfo.com](http://www.fundinfo.com).

### **4. Payment of retrocessions and rebates**

#### **4.1 Retrocessions**

The Investment Manager and/or Distributor and its/their agents may pay retrocessions as remuneration for distribution activity in respect of Shares in Switzerland. This remuneration may be deemed payment for the following services in particular:

- Setting up processes for subscribing, holding and safe custody of the Shares;
- Keeping a supply of marketing and legal documents, and issuing the said;
- Forwarding or providing access to legally required publications and other publications;
- Performing due diligence delegated by the Company/Investment Manager in areas such as ascertaining client needs and distribution restrictions;
- Operating and maintaining an electronic distribution and/or information platform;
- Clarifying and answering specific questions from investors pertaining to the Funds or the Company/Investment Manager;
- Drawing up fund research material;
- Central relationship management;
- Subscribing Shares as a "nominee" for several clients;
- Training client advisors in collective investment schemes; and
- Mandating and monitoring additional distributors.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Investors.

Disclosure of the receipt of retrocessions is based on the applicable provisions of Federal Act on Financial Services.

#### **4.2 Rebates**

In the case of distribution activity in Switzerland, the Investment Manager and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the Investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Investment Manager and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;

- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Investment Manager are as follows:

- the volume subscribed by the investor or the total volume the investor holds in the collective investment scheme or, where applicable, in the product range of the Company;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Investment Manager must disclose the amounts of such rebates free of charge.

#### **5. Place of performance and Place of jurisdiction**

In respect of the Shares offered in Switzerland, the place of performance is at the registered office of the Representative in Switzerland. The place of jurisdiction is at the registered office of the Representative in Switzerland or at the registered office or place of residence of the investor.

**Dated:** 01 June 2023