

**Brown Advisory US Mid-Cap Growth Fund**

**Supplement No. 9 dated 29 February 2024 to the Prospectus of the Company dated 29 February 2024 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 29 February 2024.**

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 8 Fund.

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

Dated: 29 February 2024

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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 Midcap® Growth Net Index; and
“ <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.

## 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, ADR and GDR, 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.

The Fund also promotes certain Sustainability Characteristics through its investment selection and ongoing monitoring processes, as described under **Promotion of Sustainability Characteristics**. The Fund focuses on the promotion of such characteristics at a portfolio level and does not commit to making Sustainable Investments.

## 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 Sustainability Characteristics be considered as part of the Fund’s investment due diligence process. The Fund invests primarily in equities as described above, so 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 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 analyses the fundamental and sustainability characteristics of its investments.

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 begins by identifying a universe of mid-cap growth companies within the Market Capitalisation Range. From these companies, the Investment Manager uses in-house research and other third-party 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.

## **Promotion of Sustainability Characteristics**

The Investment Manager's research process includes an assessment of Sustainability Characteristics and Sustainability Risks for every company in the Fund, with the aim of protecting the financial performance of the Fund by identifying companies that, overall, approach sustainability issues in a responsible manner while also avoiding those companies exposed to material Sustainability Risks.

This research is fully integrated into the Investment Manager's investment process and is provided through a combination of in-house expertise and/or third-party providers.

The research approach is based on a qualitative assessment of each security across a broad range of factors, but will contain certain quantitative elements. The purpose of this assessment is to ensure that the Fund is investing in companies which, overall, approach sustainability issues in a responsible manner. The Investment Manager will avoid those companies that it believes to either be failing to manage Sustainability Risks or to not have in place appropriate mitigants or plans to secure an improved position with respect to Sustainability Risks. The Fund may invest in a company that is exposed to legacy material Sustainability Risks or that is lagging in management of Sustainability Risks. However, the Investment Manager will seek to find evidence of a positive Sustainability Risk-management trajectory, which it will document before making an investment.

The Fund does not focus on any one particular sustainability issue, instead identifying companies which satisfy a more holistic assessment, using qualitative and/or quantitative analysis.

While the Investment Manager's holistic approach means that a wide variety of Sustainability Characteristics and Sustainability Risks are considered, the following Sustainability Characteristics are promoted by the Fund:

- **Environmental:** good management of greenhouse gas emissions and appropriate structures and expertise to mitigate material environmental risks;
- **Social:** good human capital management, with a focus on the promotion of diversity at the board level and a track record of mitigating human rights related risks at the company and in the supply chain. . These characteristics may be monitored through any one or more of: an assessment of supply chain policies and audit practices; board, management and employee diversity; and compliance with global standards (e.g., the UNGC Principles). This investment selection process may lead to the exclusion of companies with poor working conditions and/or high employee turnover relative to peers given the risks that the Investment Manager believes these characteristics may present to the investment thesis.

With regards to the governance of the Fund's investee companies, the Investment Manager will seek 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 and committee composition and structure in terms of expertise and diversity; shareholder rights provisions; business ethics 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 companies where the Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

The Investment Manager believes that a focus on these particular indicators will both limit investment risks associated with Sustainability Risks, while contributing to a more responsible business approach that may potentially benefit performance. The application of the Fund's Sustainability Characteristics and **Exclusion Policy** (see below) 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.

At the Investment Manager's discretion, the Fund is permitted to make an investment without a written assessment on file at the time of purchase, as long as the Investment Manager believes the relevant security meets the Fund's binding requirements relating to Sustainability Characteristics and the written assessment is finalised shortly thereafter.

If, through the research process, a company is flagged as having significant exposure to potentially material Sustainability Risks, the Investment Manager will conduct further due diligence, which may include engagement with the company, to ensure that it has an accurate understanding of the way the company manages such Sustainability Risks. In determining whether or not to invest based upon these principles, the Investment Manager may use third-party data to assess relevant exposures. The Investment Manager is permitted to invest in a security if it determines the security has an acceptable Sustainability Risk profile notwithstanding contrary third-party data or third-party recommendations.

#### *Exclusion Policy*

The Fund also takes a qualitative and quantitative approach to its exclusion policy.

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;
- defy the UNGC Principles; and/or
- derive more than 5% consolidated annual revenue from tobacco production.

As a result, the universe of investments available to the Fund will be more limited than that of funds that do not apply such exclusions.

The Investment Manager applies a qualitative approach to the remaining investment universe.

In addition to the Fund's **Investment Policies and Investment Restrictions** described above, the Investment Manager may adopt certain additional internal investment criteria which may further restrict the Fund's 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.

#### *Impact of Sustainability Risks and PAIs*

Together, the results of the Investment Manager's assessment on the Sustainability Characteristics of the companies in which the Fund invests; the implementation of the binding and exclusionary criteria (outlined above) as part of the Investment Manager's investment process; and the Fund's participation in engagement with investee companies, 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 PAIs of its investment decisions on Sustainability Characteristics across all of the holdings in the Fund where such data is available and reliable. Further information is available in the "*Statement on the Due Diligence Policies of the Manager on the Principal Adverse Impacts of Investment Decisions*", available at: <https://www.browoadvisory.com/intl/ucits-legal-document-library>. In addition, information on PAIs on sustainability factors will be available in the annual report and audited financial statements of the Manager.

#### *Taxonomy Regulation Disclosures*

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 Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Fund 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 certain environmental characteristics, the Fund does not commit to making Sustainable Investments or to pursuing the environmental objectives contained in the Taxonomy Regulation. Accordingly, the Manager (in conjunction with the Investment Manager) has determined

that 0% of the investments underlying the Fund will be in Taxonomy-Aligned Investments.

### **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 **Promotion of Sustainability Characteristics** above 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 [here](#).

### **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 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 should be read in conjunction with the sections of the Prospectus entitled **FUNDS – Use of FDI** and **RISK FACTORS – Currency Risk**.

### **Investment Restrictions**

In addition to the investment restriction set out below, the general investment restrictions set out in the Prospectus under **FUNDS – Investment Restrictions** 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 **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 Prospectus under **FUNDS – Use of FDI – *Risk Management***.

### **Risk Factors**

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

#### *Dividend Policy*

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

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

*Initial Offer Period / Initial Issue Price*

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under **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) 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 **Initial Issue Price**.

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









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

\* \* \*









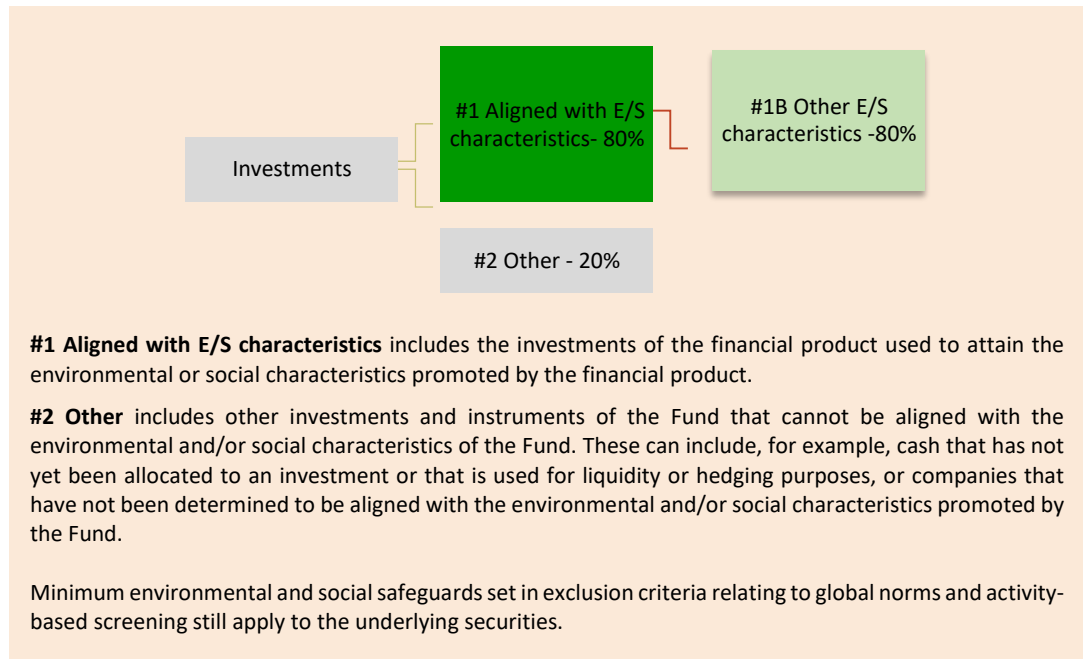




### What is the asset allocation planned for this financial product?

At least 80% of the investments of the Fund, will be 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?

Not applicable, the Fund does not commit to making Sustainable Investments.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

- Yes:
- In fossil gas    In nuclear energy
- No

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 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:

<https://www.brownadvisory.com/intl/ucits-legal-document-library>