

**Brown Advisory US Sustainable Growth Fund**

**Supplement No. 8 dated 22 September 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 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 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: 22 September 2023

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## Definitions

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

<b>“Article 8 Fund”</b>	a Fund determined by the Sub-Investment Manager to be a financial product which complies with Article 8 of the SFDR;
<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>“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;
<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; 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.

## 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.

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 ("**SBA**s").

### *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 SBAs. 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 SBA (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 SBAs, 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 Investment Manager 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 an Article 8 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' ("**PAIs**") (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 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 an SBA, 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. 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. 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 as set 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 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

*\*(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 21 March 2024; 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

<b>Class</b>	<b>Subscription Open</b>	<b>Initial Offer Period Open</b>	<b>Initial Issue Price</b>
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
Sterling Class C Dis Shares	✓	X	NAV
Sterling 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	✓	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.

Notwithstanding the foregoing and anything to the contrary in the Prospectus, 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, which shall be accrued and calculated in accordance with the procedures set out in the Prospectus in the **FEES AND EXPENSES** section:

Class D Shares	Up to 0.60%
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### *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**

**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?

**Yes**

**No**

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b></p>	<p><input checked="" 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 80% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <p><input 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?

Environmental and social characteristics are promoted by investing in fundamentally strong companies that the Investment Manager assesses to have adequate 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 SBAs. 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

**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 include 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.



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 SBAs, 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?***

The sustainable investments that the 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 the 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?***

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 PAIs, 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 UNGCs; 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?***

A company's performance on PAIs are reviewed where data is available and reliable. Except for where PAIs 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 PAIs 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:***

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 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 PAIs 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.
- No



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

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 the Investment Manager refers to as 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 the investment's impact on biodiversity and the circular economy.

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

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?**

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?**

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:

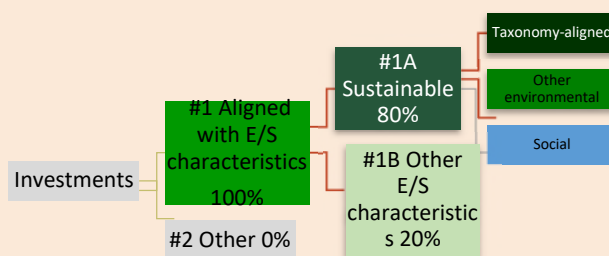
- Ownership and Control
- Board and management composition and structure
- Employee relations
- Tax Transparency
- Remuneration practices
- Shareholder Rights
- Accounting Practices
- Transparency and Disclosure
- Business Ethics.



**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. 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.

**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.

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.

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?**

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 Fund are in economic activities that qualify as Taxonomy Aligned Investments. The Fund has zero exposure to taxonomy aligned assets.

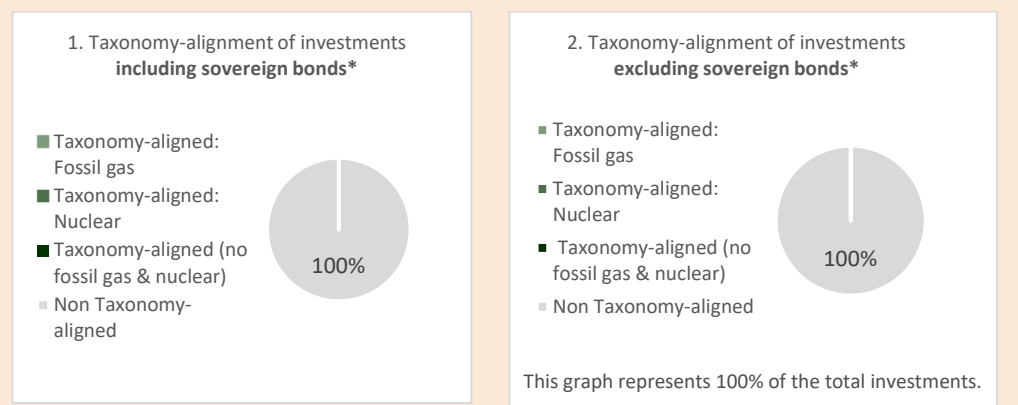
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>1</sup>**

Yes:

In fossil gas In  nuclear energy

No

*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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

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?**

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. Such investments do not have any minimum environmental or social safeguards.



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

**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.browoadvisory.com/intl/ucits-legal-document-library>