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ANNEX 4

ANNEX

to the

Commission Delegated Regulation (EU) .../...

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX IV

Template periodic 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 Funds plc – BA Beutel Goodman U.S. Value Fund
Legal entity identifier: 6354002F2ICLDM3QCY81

Environmental and/or social characteristics

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.

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 94.15% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

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

The environmental and social characteristics promoted by the Fund were:

Environmental: The Fund sought to exclude companies that are responsible for significant carbon emissions (e.g., extractive energy companies), without meaningful plans for strategic decarbonisation. The generation of excessive carbon pollution may be a contributing factor to the exclusion of an investee company as determined through this selection process.

Social: The Fund preferred companies showcasing leadership in human capital management, and/or have strategic oversight of supply chains and the labour force as to limit controversies. Poor working conditions and high employee turnover within a company may be contributing factors that lead to the exclusion of an investee company as determined through this selection process.

Governance: The Fund preferred quality and established management teams that have sound governance structures and capital allocation practices. The Fund engaged, through proxy voting and other mechanisms, to vocalise the importance of appropriate incentives, such as compensation and board quality, to enable long term performance. Inappropriate governance structures, such as a lack of alignment with long-term stakeholders, that are determined by the Sub-investment Manager, may be a contributing factor that leads to the exclusion of an investee company through this selection process.

The environmental and social characteristics of the Fund were promoted by:

- Taking sustainability risks into account during the due diligence process
- Taking material principal adverse impacts on sustainability factors into account in the context of each portfolio company
- 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 portfolio companies;
    - openness to collaboration with other investors to identify and implement targeted initiatives; and
    - exercising our voting rights.

When applicable, proxy voting guidelines aided decisions that considered the following:
- A diverse and majority independent Board of Directors;
- A Board of Directors with oversight of ESG issues;
- Compensation programs promoting the inclusion of ESG metrics where appropriate; and
- Thoughtful, realistic progress on climate strategies aligned with the Paris Agreement and ambitions on DE&I initiatives at all levels

The Fund sought to exclude holdings the Sub-Investment Manager deemed inconsistent with applicable ESG characteristics described above. Beutel Goodman policies for this Fund 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;
- Civilian firearms;
- Thermal coal;
- Companies that produce controversial weapons (0% total revenue); and
- Companies the Sub-Investment Manager is aware have been delisted by the United Nations from participation in the UN Global Compact framework.

In determining whether to invest, the Sub-Investment Manager used screening tools from vendors that it believes to be reliable. These third-party ESG data providers (MSCI and Bloomberg) were utilised to complement the Sub-Investment Manager's internal ESG assessments as an additional reference measure for the Fund's sustainability profile. These ESG data providers, along with internal and publicly available information, were able to provide data that can be used to gain insights and track the performance of sustainability indicators for companies.

How did the sustainability indicators perform?

Beutel Goodman obtained sustainability information from external data providers, such as MSCI and Bloomberg. The following indicators were evaluated:

- Principal adverse impact indicators (PAIs)
- 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)

Performance data from Bloomberg and MSCI are not available for 2022 sustainability indicators as the year is not yet complete but are expected to be available in 2023 for reporting. Available data was gathered from Bloomberg, MSCI, publicly available data, and internal data to provide the below insights for 2021. When 2021 data was not available, MSCI 2020 data was used as a supplement.

For the calendar year 2021, there were 32 investee companies in the Fund; 3 were acquired during the year. Not all companies reported data for each indicator. From the most recent data available (2021 with gaps filled in using 2018, 2019, and 2020 data), 94% of companies in the portfolio reported on their scope 1, 2, and 3 greenhouse gas (GHG) emissions. 26 companies reported on scope 1 and 2 emissions in 2021 and 6 reported in 2020. 25 companies reported on scope 3 emissions in 2021 and 5 reported in 2020. 2 companies did not report on scope 3 emissions. 31 of 32 companies reported consuming renewable energy (using data from 2018, 2019, and 2021) and 3 companies used more than 50% renewable energy in their operations. All companies reported "N/A" for renewable energy produced, so it was assumed that no company produced their own renewable energy. 32 companies reported on their total energy consumption (using data from 2018, 2019, and 2021). No companies reported on emissions to water and 12 companies reported on hazardous or radioactive waste produced. No companies operated in biodiversity sensitive areas and only one company gained revenue from fossil fuels. Of the 28 companies that reported, 93% of companies had a carbon reduction initiative and 57% had an initiative that aligned with the Paris Agreement (based on 2020 MSCI data). 29 of 32 companies reported having policies indicating they monitor UNGC principles and OECD Guidelines for Multinational Enterprises. 2 companies reported not having such policies in place, and 1 company did not report on this indicator. MSCI assessed the severity and wide-spread nature of controversies across human rights, corruption, environment, and labor. Based on 2020 MSCI data, for the companies that reported (28), 21 all had passing compliance and 7 did not disclose the data. There were 3 companies that had a violation of the UNGC principles or OECD Guidelines for Multinational Enterprises, based on 2021 Bloomberg data. These violations did not contradict Beutel Goodman's guidelines, and necessary engagement with the companies has occurred. 32 companies reported on board diversity and 1 company reported having a female board ratio of at least 50%. Only 7 companies reported on their gender pay gap (4 in 2021 and 3 in 2019). No companies manufacture or sell controversial weapons, aligning with the Fund's exclusion policy. 78% of companies (25) reported having accident prevention policies in place (based on 2020 MSCI data). 7 companies did not report on this indicator.

Based on the data available, it can be noted that most companies do not report on the gender pay gap. Most companies also lack in purchasing renewable energy and most energy consumption is from non-renewable sources. It can also be noted that no companies reported renewable energy production as being applicable to their operations. It was assumed if data relating to operations in biodiversity sensitive areas was not reported, then the criteria was not relevant to the company.

The PAI statement located on the company's website (Responsible Investing – Beutel, Goodman & Company Ltd. (beutelgoodman.com) provides additional information on this portfolio.

…and compared to previous periods?

Performance data is not available for 2022 sustainability indicators as the year has not ended but is expected to be available in 2023 for reporting. 2021 will be the baseline year for 2022 reporting. When 2022 data is available, it will be compared to the 2021 indicator performance described in the above section.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Making sustainable investments is not an objective of the Fund and the Fund is not committed to making sustainable investments.

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 did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Making sustainable investments is not an objective of the Fund and the Fund is not committed to making sustainable investments.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Fund does not have making sustainable investments as its objective and it is not committed to making sustainable investments.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund does not have making sustainable investments as its objective and it is not committed to making sustainable investments.

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 Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Sub-Investment Manager considered 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 Sub-investment Manager leveraged third-party data providers (MSCI and Bloomberg) to monitor the principal adverse impacts of the Fund's investments.

The most material factors to each investment were identified through a combination 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 Sub-Investment Manager prepared incorporated ESG considerations. The principal adverse impacts identified in the valuation assessments also formed a basis for identifying potentially productive avenues for engaging in active ownership. The Sub-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 long-term value.

The Sub-Investment Manager 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 applied 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 applied any changes in the RTS upon adoption by the European Commission.

Due to the geographical focus of the Fund and the minority positions that the Fund takes in target assets, the Fund had difficulty 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 were not subject to the non-financial reporting initiatives of the European Union and did 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' responsiveness to requests for information.

When direct information was not available, the Fund utilized 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.

More information on these principal adverse impacts, the Sub-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 Sub-Investment Manager's Responsible Investment Policy located in the "Sustainability-related disclosures" section of the Sub-Investment Manager's website.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: January 1st 2022 to the financial year end of the company, October 31st 2022

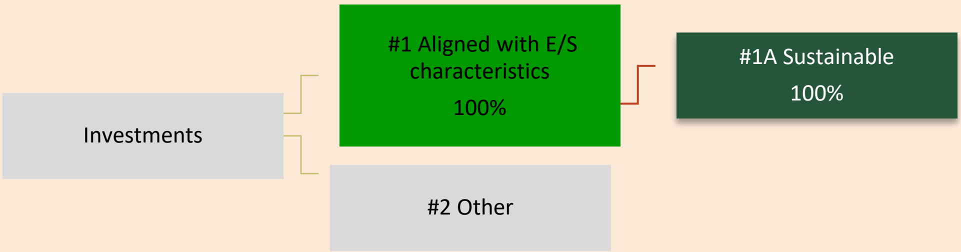
Largest investments	Sector	% Assets	Country
Amgen Inc	Health Care	5.47	US
Amdocs Ltd	Information Technology	4.73	US
Harley-Davidson Inc	Consumer Discretionary	4.66	US
Omnicom Group Inc	Industry	4.63	US
Merck & Co Inc	Health Care	4.53	US
Campbell Soup Co	Consumer Staples	4.45	US
Kellogg Co	Consumer Staples	4.39	US
Ameriprise Financial Inc	Financials	4.30	US
Kimberly-Clark Corp	Consumer Staples	3.99	US
NortonLifeLock Inc	Information Technology	3.84	US
American Express Co	Financials	3.50	US
Westinghouse Air Brake	Industrials	3.30	US
Cummins Inc	Industrials	3.21	US
Polaris Inc	Consumer Discretionary	3.17	US
SEI Investments Co	Financials	3.15	US

What was the proportion of sustainability-related investments?

The Fund made no sustainability-related investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



#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.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Communication Services	9.96
Consumer Discretionary	14.27
Financials	12.83
Health Care	15.78
Industrials	16.15
Information Technology	14.89
Materials	13.31
Real Estate	0.66

Based on holding data from 31 October 2022, the fund was allocated accordingly

Based on data from 30 November 2022, the fund was most invested in the industrial (6 companies), consumer discretionary (5), and financials (5) sectors. The Fund also had additional investments in the healthcare (4), information technology (4), communication services (3), consumer staples (3), and materials (1) sectors. Based on the available data, between 1 January 2022 and 30 November 2022, the Fund divested four companies and invested in six. On 30 November 2022, the portfolio had two more investments in financials, one more in information technology sector, and one less investment in the communications sector when compared to 31 December 2021.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

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.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

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.

- ***What was the share of investments made in transitional and enabling activities?***

  The Fund did not allocate any fixed minimum proportion of its assets to EU Taxonomy transitional or enabling economic activities.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

  The Fund did not allocate any fixed minimum proportion of its assets to sustainable investments that are aligned with the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Fund did 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 was the share of socially sustainable investments

The Fund did not allocate any fixed minimum proportion of its assets to socially sustainable investments.

What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

100 % of the investments are included as “not sustainable” as per the 2(17) definitions. The purpose of these investments was to promote environmental and social characteristics through Beutel Goodman’s policies and investment strategies for the Fund. The sub-Investment Manager runs an MSCI ESG screen for each new investment and then on a quarterly basis thereafter. When evaluating an investment opportunity, the selection process evaluates a variety of factors and material themes. No one factor may exclude an investment but considering these factors comprehensively may lead to an exclusion.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund promoted environmental and social characteristics through the investment selection process and engagement with investors and companies. Companies were excluded when the energy transition risk was too difficult to assess, providing too much uncertainty for the long-term cash flows and viability of the company. The due diligence process allowed for a selection of companies that had limited carbon emissions, meaningful plans for strategic decarbonisation, limited supply chain and labor controversies and that had low employee turnover. When applicable, the Fund also promoted E&S characteristics through exercising its voting rights that aided decisions that considered companies with long-term climate strategies and that exhibited ambitions on DE&I initiatives at all levels.

How did this financial product perform compared to the reference benchmark?

The Fund will not refer to a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How does the reference benchmark differ from a broad market index?***

  This is not applicable as the Fund did not allocate any fixed minimum proportion of its assets to sustainable investments.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  This is not applicable as the Fund did not allocate any fixed minimum proportion of its assets to sustainable investments.

- ***How did this financial product perform compared with the reference benchmark?***

  This is not applicable as the Fund did not allocate any fixed minimum proportion of its assets to sustainable investments.

- ***How did this financial product perform compared with the broad market index?***

  This is not applicable as the Fund did not allocate any fixed minimum proportion of its assets to sustainable investments.

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