Article 10 Transparency Statement in respect of

Brown Advisory US Sustainable Growth Fund (the "Fund")

LEI code: 635400YQDOEVKMPDS494

a sub-fund of Brown Advisory Funds plc (the "Company")

Prepared by Brown Advisory (Ireland) Limited (the "Manager")

Brown Advisory LLC (the "Investment Manager")

26 April 2025

This Article 10 Transparency Statement (the "**Statement**") is published by the Manager of the Company, which has delegated investment management of the Fund to the Investment Manager. The Statement meets the requirements of the EU Sustainable Finance Disclosure Regulation ("**SFDR**"), specifically Article 10(1) of Regulation (EU) 2019/2088 and Articles 25 to 36 of the Commission Delegated Regulation (EU) 2022/1288. In accordance with Article 10 of the SFDR, financial market participants such as the Manager are required to publish and maintain summary information on a public website regarding financial products which promote environmental or social characteristics or which have sustainable investment as their objective. The purpose of the statement is to provide transparency on the Fund's environmental or social characteristics, Sustainable Investments and the methodologies that are used to assess, measure and monitor these characteristics within the investment strategy.

Words and expressions defined in the supplement to the prospectus of the Company relating to the Fund shall have the same meaning unless otherwise defined in this Statement.

a) Summary

Fonden er en artikel 8-fond i henhold til SFDR og fremmer miljømæssige eller sociale karakteristika, men har ikke bæredygtig investering som mål.

Fondens investeringsmål er at opnå kapitalvækst ved primært at investere i amerikanske aktier. Fonden sigter mod at nå sit investeringsmål ved at investere mindst 80 % af sine nettoaktiver i aktier i amerikanske virksomheder, som efter investeringsforvalterens opfattelse har sunde grundlæggende elementer og forretningsmodeller, som er bæredygtige på lang sigt.

Miljømæssige og sociale karakteristika fremmes ved at investere i fundamentalt stærke selskaber, som investeringsforvalteren vurderer, på en kvalitativ basis, til at have bæredygtighedskarakteristika, som er stærke eller i forbedring, samtidig med at passende risikoforvaltningspraksisser bevares. Mindst 80 % af fondens nettoaktivværdi vil blive vurderet og fastslået til at fremme miljømæssige og sociale karakteristika. Desuden vil mindst 50 % af fondens nettoaktivværdi være i virksomheder, som er blevet fastslået til at være bæredygtige investeringer.

Investeringsforvalterens researchproces omfatter en vurdering af bæredygtighedskarakteristika og materielle bæredygtighedsrisici for hvert enkelt selskab i fonden. Denne research er fuldt integreret i fondens investeringsproces og leveres via in-house researchvurderinger. Disse vurderinger foretages derefter regelmæssigt på porteføljebeholdninger efter investering for at overvåge den løbende overholdelse af underfondens investeringsforvalters bæredygtighedskriterier. Investeringsforvalteren overvåger fondens bæredygtighedskarakteristika via bæredygtighedsindikatorer, og fonden er bundet af en udelukkelsespolitik.

Investeringsforvalterens porteføljeforvaltere og researchteam udfører også væsentlig due diligence på forhånd inden investering, hvilket fører til, at de har en meget stor tiltro til de virksomheder, hvis værdipapirer i sidste ende udvælges til fonden.

I forbindelse med vurdering af fondens bæredygtighedskarakteristika og -risici anvender investeringsforvalteren datakilder, som omfatter offentligt tilgængelige data, tredjepartsdataudbydere, oplysninger fra engagementsaktivitet, hvis relevant, og investeringsforvalterens researchteams analyse.

Investeringsforvalteren har løbende drøftelser med virksomheder med henblik på at kunne udføre velinformeret investeringsresearch og foretage velinformerede investeringsbeslutninger.

Der er ikke angivet et referencebenchmark med henblik på at opnå de miljømæssige eller sociale karakteristika, som fonden fremmer.

b) No Sustainable Investment Objective

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

c) Environmental or Social Characteristics of the Fund

Environmental and social characteristics are promoted by investing in fundamentally strong companies that the Investment Manager assesses, on a qualitative basis, to have strong or improving Sustainability Characteristics while maintaining adequate risk management practices.

Specifically, the Investment Manager will identify companies that use sustainability strategies to add value for shareholders. The Investment Manager categorizes these characteristics as "Sustainable Business Advantages" or SBAs. The SBAs are detailed in the investment strategy section below. All companies in which the Fund invests must have at least one (1) identified SBA.

The Investment Manager believes that companies that have SBAs will promote one (1) or more of the following environmental or social characteristics:

- **Emissions Reduction**: companies with internal strategies to reduce emissions;
- **Resource Efficiency**: companies implementing efficient operations that reduce resource use; and/or
- **Positive Environmental or Social Outcomes**: companies with products or services that: (i) help customers to be more resource efficient; and/or (ii) help to solve sustainability challenges.

The Fund does not have Sustainable Investment as its objective but does commit to investing at least 50% of the Fund's NAV in Sustainable Investments.

d) Investment Strategy

The investment objective of the Fund is to achieve capital appreciation by investing primarily in U.S. equities.

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 Investment Manager seeks companies that possess one (1) or more SBA. There are three ways companies can use SBAs to improve their financial position:

1. **Revenue Growth**: attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve 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.

The determination of whether a company has demonstrable SBA is made by the Investment Manager based on a variety of quantitative and qualitative information.



The strategy also will identify Sustainable Investments, investing at least 50% of the Fund in companies that positively contribute to identified sustainability outcomes, being one or more of:

- Affordable Housing
- Clean Energy
- Clean Water and Sanitation
- Diversity, Inclusion and Equality
- Economic Mobility and Community Development
- Education
- Efficient Production and Conservation
- Health and Wellness
- Sustainable Agriculture and Natural Resource Management
- Sustainable Finance
- Sustainable Technology Innovation

The Fund is also bound by its exclusion policy.

All companies added to the portfolio are analysed according to a variety of applicable governance factors including, 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. This analysis forms part of the Fund's general assessment of Sustainability Characteristics and Sustainability Risks.

e) Proportion of Investments

At least 80% of the Net Asset Value of the Fund will be assessed and determined to promote environmental and social characteristics. In addition, a minimum of 50% of the Fund's Net Asset Value will be in companies that have been determined to be Sustainable Investments.

Up to 20% of the Fund's Net Asset Value may consist of other investments that have not been determined to be aligned with the environmental and/or social characteristics, including` any cash that the Fund may not yet have allocated to an investment or for liquidity or currency hedging purposes through the use of FDI.

f) Monitoring of Environmental or Social Characteristics

The Investment Manager's research process includes an assessment of Sustainability Characteristics and material Sustainability Risks for every company in the Fund. This research is fully integrated into the Fund's investment process and is provided through in-house research assessments. These assessments are then conducted on portfolio holdings periodically after investment in order to monitor ongoing compliance with the Investment Manager's sustainability criteria.

The following are the sustainability indicators used to measure the environmental or social characteristics of the Fund:

- **Emissions Reduction**:
    - weighted-average greenhouse gas emissions intensity of the Fund's investee companies in terms of the Greenhouse Gas Protocol's definition of Scope 1 emissions (direct emissions owned or controlled by a company) and Scope 2 emissions (emissions that a company causes indirectly and come from where the energy it purchases and uses is produced); and
    - the percentage of the Fund with an emissions reduction target.
- **Resource Efficiency**:
    - the percentage of the Fund the Investment Manager has identified to be resource

efficient.

- **Positive Environmental or Social Outcomes**:
    - the percentage of the Fund the Investment Manager has identified to have products or services that: (i) help customers to be more resource efficient, and/or (ii) help to solve sustainability challenges.

Quarterly reports on Fund holdings are created by the Investment Manger's Reporting and Business Intelligence team with data sourced from the in-house research assessments which is reviewed by the portfolio managers. These reports document the available in-house sustainable investment ratings and third-party data assigned to each holding.

g) Methodologies

The Investment Manager's bottom-up research process seeks to understand the fundamental characteristics and Sustainability Characteristics of its investments.

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 identify companies that, overall, approach sustainability issues that help to maintain or improve a company's financial position while also seeking to avoid those companies exposed to material Sustainability Risk. The Investment Manager will avoid those companies that it believes either to 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 Investment Manager's portfolio managers and research team also 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 invested in for a long period of time.

These methodologies allow the Investment Manager to select companies with an SBA and also those which the Investment Manager considers to be Sustainable Investments.

The Fund will also limit its exposure to particular companies and industries. In addition to the Investment Manager's proprietary and qualitative 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 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
- alcohol products; and/or
- tobacco products; and/or
- adult entertainment; and/or



- gambling.

The Fund also considers PAIs at portfolio level.

In addition to the Fund's investment policies and exclusion policy stated above, the Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund investments.

h) Data Sources and Processing

The Investment Manager relies on a number of data sources when assessing Sustainability Characteristics and Sustainability Risks. These sources include publicly available data, third party data providers, information gathered from engagement activity if applicable and the Investment Manager's research team's analysis. Third party data is one input in the Fund's approach but is not the primary factor in the assessment.

Responsibility for data accuracy and any data accessed via a third party platform is undertaken by the respective data provider. Any in-house data that is derived from the Investment Manager's internal research database is peer-reviewed prior to being distributed internally.

Estimated data varies by the dataset and is dependent on the coverage of the data provider.

i) Limitations to Methodologies and Data

Investing on the basis of sustainability criteria is qualitative and subjective by nature, and there can be no assurance that the data received from the Investment Manager's vendors, or any judgment exercised by the Investment Manager, will reflect the beliefs or values of any particular investor. Data and qualitative information are inherently subject to interpretation, restatement, delay and omission outside the Investment Manager's control.

Due to inconsistencies with respect to the evaluation of particular companies by third party research and data providers, the evaluation of an investment's sustainability characteristics may differ between financial market participants. For this reason, the Investment Manager always uses a combination of qualitative and quantitative data. Quantitative data is provided by either the company directly or by a third party data provider and this is then overlaid by the qualitative assessment undertaken by the Investment Manager's research team. Whilst the data providers are responsible for the accuracy of the data, the insights that the Investment Manager's research teams gain through their interaction with the companies and their own analysis, limits the effect of poor/lack of data in the investment process.

j) Due Diligence

As noted above, the Investment Manager's sustainable investment research team conduct a significant amount of up-front due diligence prior to investing and monitor the companies in the Fund on an on-going basis. Additional monitoring is also undertaken through a quarterly review of certain Sustainability Characteristics of the Fund. In addition to the in-house qualitative analysis, the Investment Manager has access to data from third-party providers. The research process may also 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's research teams are tasked with overseeing and monitoring the portfolio manager's approach to integrating sustainability considerations and engagement insights into their investment due diligence.

k) Engagement Policies

The Investment Manager conducts ongoing discussions with companies to inform its investment research and decision-making. When possible and material to an investment decision, these conversations are a component of the Investment Manager's research process and on-going monitoring.

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 the Fund's investment, and the harm is unlikely to be mitigated, the Investment Manager will exit the position in a manner that the Investment Manager believes to be in the best interests of the Fund, taking account of such factors such as costs of dealing and ensuring the Fund is fully invested.

l) Designated Reference Benchmark

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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