Article 10 Transparency Statement in respect of

Brown Advisory Global Leaders Fund (the "Fund")

LEI code: 635400WHZWLZELLOYF49

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

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

Brown Advisory LLC (the "Investment Manager")

Brown Advisory Limited (the "Sub-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 Investment Manager has delegated some of the day-to-day portfolio management of the Fund to Sub-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 är en artikel 8-fond enligt SFDR och främjar miljörelaterade eller sociala egenskaper men har inte hållbara investeringar som mål.

Fondens investeringsmål är att ge kapitaltillväxt genom att främst investera i globala aktier.

Fonden strävar efter att uppnå målet genom att investera minst 80 % av sina nettotillgångar i globala aktier. Under normala marknadsförhållanden kommer fonden även att: (1) investera minst 40 procent av sina nettotillgångar utanför USA (inklusive i tillväxtländer), vilket kan sänkas till 30 procent om marknadsförhållandena är ogynnsamma, och (2) inneha värdepapper från emittenter i minst tre olika länder.

Miljörelaterade och sociala egenskaper främjas genom att investera i fundamentalt starka företag som underförvaltaren bedömer, på kvalitativ basis, att ha starka eller förbättrade hållbarhetsegenskaper samtidigt som man upprätthåller lämpliga riskhanteringsmetoder.

De värdepapper som fonden kan investera i omfattar aktier i företag som underförvaltaren anser är ledande inom sin bransch eller land, vilket visas genom förmågan att leverera hög relativ avkastning på investerat kapital över tid.

Minst 80 % av fondens substansvärde bedöms och fastställas för att främja miljörelaterade och sociala egenskaper. Dessutom investeras minst 50 % av fondens substansvärde i företag som har fastställts vara hållbara investeringar.

Underförvaltarens analysprocess omfattar en bedömning av hållbarhetsegenskaper och väsentliga hållbarhetsrisker för varje bolag i fonden. Denna analys är helt integrerad i fondens investeringsprocess och tillhandahålls genom interna analysbedömningar. Dessa bedömningar görs sedan regelbundet på portföljinnehav efter investering för att övervaka att underförvaltarens hållbarhetskriterier följs. Underförvaltaren övervakar fondens hållbarhetsegenskaper genom hållbarhetsindikatorer.

Underförvaltaren träffar ledningsgrupper och genomför en rigorös bottom-up-investeringsprocess.

Vid bedömningen av fondens hållbarhetsegenskaper och hållbarhetsrisker använder underförvaltaren datakällor som inkluderar offentligt tillgängliga data, tredjepartsleverantörer, information som samlats in från engagemangsverksamhet i förekommande fall och analyser från underförvaltarens analysgrupp. Underförvaltaren för löpande diskussioner med bolagen för att informera om ´investeringsanalys och beslutsfattande.

Ett referensvärde har valts i syfte att uppnå de miljörelaterade eller sociala egenskaper som fonden främjar.

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 Sub-Investment Manager assesses, on a qualitative basis, to have strong or improving Sustainability Characteristics while maintaining adequate risk management practices.

Specifically, the Sub-Investment Manager will identify companies that use sustainability strategies to add value for shareholders. The Sub-Investment Manager categorizes these characteristics as “Sustainable Business Advantages” or SBAs. The SBAs are detailed in the investment strategy section below.

The Sub-Investment Manager believes that the companies selected for investment will promote one 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 objective of the Fund is to achieve capital appreciation by investing primarily in global equities.

Under normal circumstances, the Fund aims to achieve its investment objective by investing at least 80% of its net assets in global equity securities. The Fund also will, under normal market conditions: (1) invest at least 40% of its net assets outside the United States (including Emerging Market Countries) which may be reduced to 30% if market conditions are not favourable; and (2) hold securities of issuers located in at least three countries.

The Sub-Investment Manager will use in-house research and other external research sources to identify a universe of companies across a broad range of industries and countries whose underlying fundamentals are considered by the Sub-Investment Manager to be attractive. The Sub-Investment Manager will focus on companies that it believes exhibit the following desirable characteristics:

- high quality companies that are leaders in their industry or country supported by enduring competitive advantages that can deliver high relative return over time;
- capable and trustworthy management who manage for the long term;
- sustainable, predictable, premium growth in cash flow over time;
- positive industry dynamics;
- sensible capital allocation; and



- have a reasonable price – the Sub-Investment Manager expects growth to compound the excess economic return over time.

This includes companies with identifiable sustainable business advantages ("**SBAs**"):

- **Revenue Growth**: *e.g.,* attracting or retaining business through the sustainable attributes of its offerings, or helping customers solve for challenging sustainability issues.
- **Cost Improvements**: *e.g.*, improving margins from efficient operations, risk mitigation or other measures that increase productivity while using less resources.
- **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.

The securities in which the Fund may invest will include the equity securities of companies that the Sub-Investment Manager believes are leaders within their industry or country as demonstrated by an ability to deliver high relative return on invested capital over time.

The 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

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 Sub-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 Sub-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 Sub-Investment Manager has identified to be resource efficient.
- **Positive Environmental or Social Outcomes**:
    - the percentage of the Fund the Sub-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 Sub-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 Sub-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 Sub-Investment Manager believes that investing in the best companies globally in any sector or country can deliver superior long-term investment returns. The Sub-Investment Manager seeks to identify high-quality companies underpinned by structural long-term growth and strong management teams, and to purchase those companies at reasonable prices.

These methodologies allow the Sub-Investment Manager to select companies that may have an SBA and also those which the Sub-Investment Manager considers to be Sustainable Investments.

The Fund will also limit its exposure to particular companies and industries. In addition to the Sub-Investment Manager's proprietary and qualitative analysis, the Sub-Investment Manager relies on a third-party provider to apply a rules-based screening process which seeks to identify companies that may have controversial business involvement, as determined by the Sub-Investment Manager.

The Fund also considers PAIs at portfolio level.

h) Data Sources and Processing

The Sub-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 Sub-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 Sub-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 Sub-Investment Manager's vendors, or any judgment exercised by the Sub-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 Sub-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 Sub-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 Sub-Investment Manager's research team. Whilst the data providers are responsible for the accuracy of the data, the insights that the Sub-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 Sub-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 Sub-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 Sub-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 Sub-Investment Manager will meet with management teams and engage in a rigorous bottom-up investment selection process. The Sub-Investment Manager emphasizes individual security selection based on identifying long-term attractive businesses *i.e.*, those with significant desirable characteristics (such as a viable, long-term franchise, sustainable business model, generate excess economic return, high return on invested capital and stable profitability) and few or no undesirable characteristics (such as excessive financial or operational leverage, risk of business or product obsolescence, excessive compensation, misaligned incentives or management hubris), when they are available at reasonable prices. When possible and material to an investment decision, these conversations are a component of the Sub-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 Sub-Investment Manager will exit the position in a manner that the Sub-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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