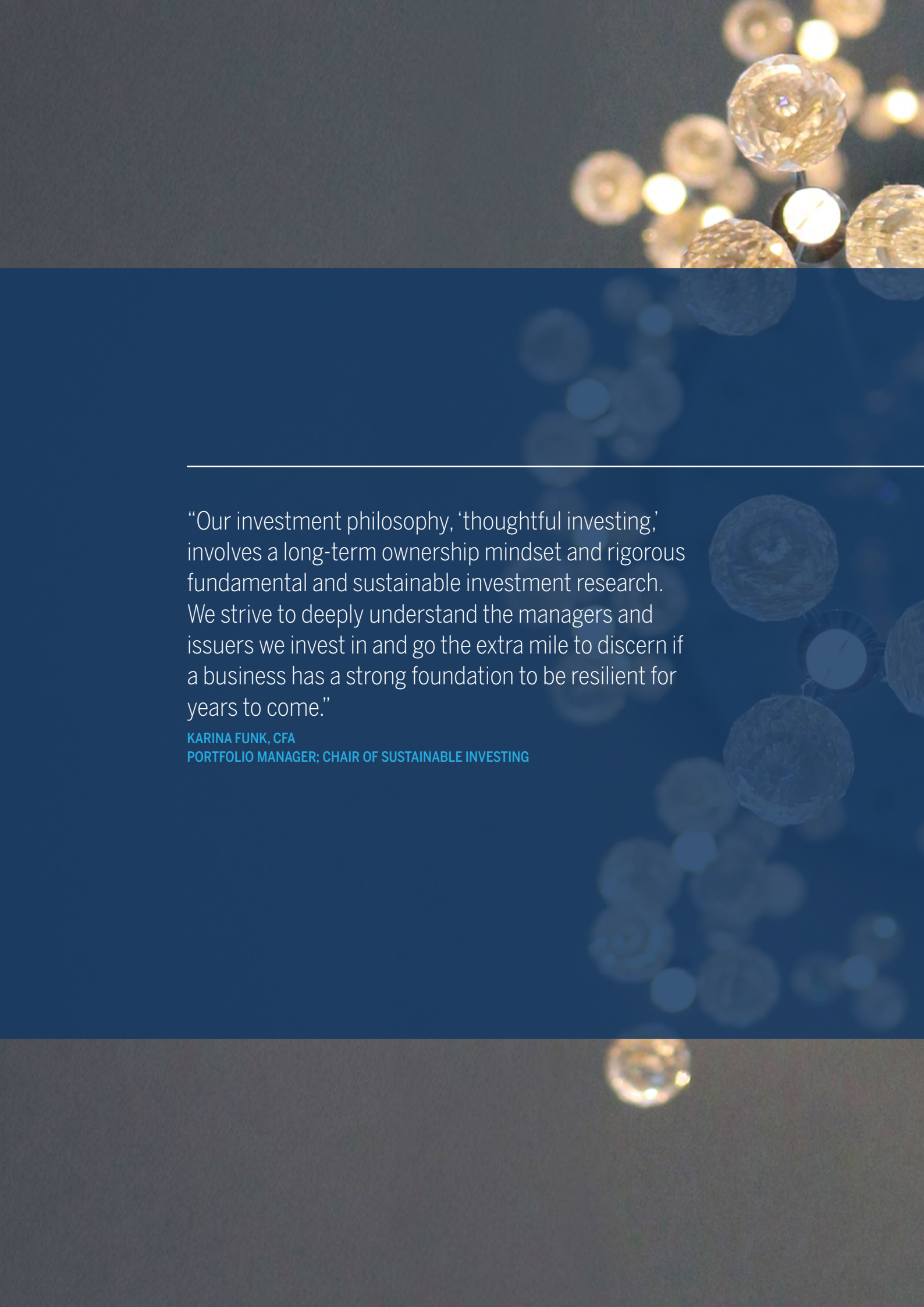


# Sustainable Investing at Brown Advisory

INTRODUCING OUR SUSTAINABLE INVESTING STRATEGIES





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“Our investment philosophy, ‘thoughtful investing,’ involves a long-term ownership mindset and rigorous fundamental and sustainable investment research. We strive to deeply understand the managers and issuers we invest in and go the extra mile to discern if a business has a strong foundation to be resilient for years to come.”

KARINA FUNK, CFA  
PORTFOLIO MANAGER; CHAIR OF SUSTAINABLE INVESTING

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## SUSTAINABLE INVESTING AT BROWN ADVISORY

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As active investors, our portfolio managers have the autonomy to apply their own experience, point of view and expertise to generate long-term performance for clients.

While each strategy is distinctive, across all our strategies financial performance is the core objective. Deep research and analysis is undertaken to provide a holistic understanding of the risks and opportunities associated with any given investment. By combining fundamental and sustainable investment research, something we have been doing for around 15 years, we aim to uncover, assess and identify sustainable drivers that have a meaningful influence on financial performance.

In this context, the term sustainable reflects two things—firstly the durability of an investment and secondly sustainability more broadly. It is with that reflection that our investment professionals look for sustainable drivers in every investment, those that improve financial outcomes, or competitive advantages through sustainability-related activities. These might include responsibly managing natural resources, facilitating the transition to a low-carbon economy, or contributing to equitable and inclusive societies.

### A holistic mindset

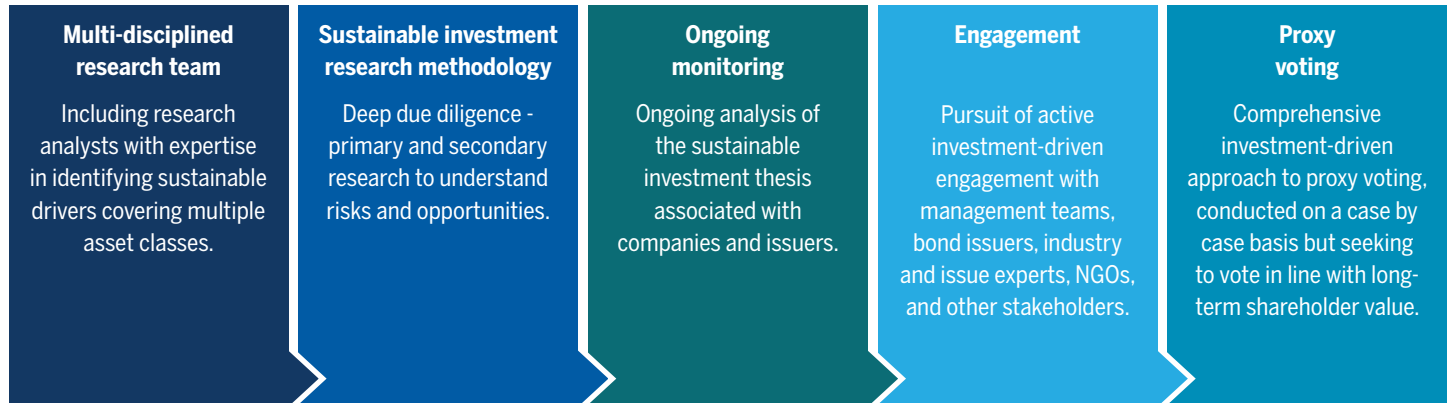
We believe there does not have to be a trade-off between strong performance and sustainable practices – either in the equities or fixed income space. We have found that companies and issuers who think comprehensively about risks and opportunities such as climate change, labor issues, resources—at all stages of their value chain—are often those that are better equipped to navigate other types of challenges or uncertainty.

Within each of our strategies we aim to answer balancing questions around growth, risk, income, liquidity and stability. We will consider any data, factor, business tactic or strategy, economic or market condition—whether quantitative or qualitative—that might allow us to better understand the material challenges and opportunities facing a business or issuer. These considerations include an emphasis on the risks and opportunities that arise from the effects of natural resources, climate, human capital and governance on the securities in which we invest, and their influence on investment returns.

## SUSTAINABLE INVESTMENT RESEARCH INTEGRATION

We have nearly 15 years of experience developing sustainable investment solutions and have built a number of tools and processes that we use to integrate sustainable investment considerations into investment decision-making and portfolio construction. We believe this integrated approach helps us to better understand the investment opportunities we consider with the end objective of meeting and exceeding the expectations of our clients.

### OUR INTEGRATED APPROACH



“Sustainable investment research adds an informational edge that helps us to better manage risks and aligns us with forward-looking issuers that are likely to be more resilient over the long-term.”

**AMY HAUTER, CFA**  
 PORTFOLIO MANAGER; DIRECTOR OF SUSTAINABLE FIXED INCOME

## MULTI-DISCIPLINED RESEARCH TEAM

Brown Advisory's global equity and fixed income research teams include sustainable investment research analysts with expertise in analyzing sustainability characteristics within sectors that may influence financial performance. As well as being fully integrated members of the investment research teams, our analysts also collaborate with one another across sectors, geographies and asset classes to share insights and develop best practices.

### Thematic framework

The research team begins their analysis of each investment from the bottom-up, with a focus on understanding the specifics of the investment's structure and fundamental characteristics. While there are many levers that can impact financial results, we have identified two broad themes that transcend asset classes and sectors: Climate & Natural Capital and Community & Human Capital.

- **Climate & Natural Capital:** Our economy is highly influenced by climate change and the availability of natural resources, which pose risks and opportunities for companies, governments and other stakeholders. We seek to identify the financial implications of transitioning to a lower carbon economy, managing losses associated with physical climate risk and biodiversity loss, and operating in an increasingly resource-constrained environment.
- **Community & Human Capital:** People are foundational to all aspects of our economy. As such, we seek to identify investments that are managing human capital well, contributing to equitable and inclusive societies, and upholding global human rights standards—which we believe are important to driving improved financial outcomes.

Brown Advisory's sustainable investment research is underpinned by a focus on sound governance. Careful assessment of how leadership, whether it be a company's management team or government organization, serves the needs of its various stakeholders is important in assessing an investment's ability to deliver positive outcomes, including those related to Climate & Natural Capital and Community & Human Capital. Furthermore, we seek investments where appropriate transparency and accountability structures are in place enabling durable operations and management.

### A client-focused approach

Our two broad themes can be further segmented as displayed in the table below. This framework has been developed with the sole purpose of explaining the potential sustainability outcomes of our investments. We work closely with our clients to help them translate our themes against their own tools or other internationally recognized frameworks, such as the U.N. Sustainable Development Goals (SDGs). Whilst we do not invest to achieve these goals, some clients have found it useful to show how our themes map against the SDGs to understand a strategy's investment outcomes.

#### PRIMARY THEMES AND SUB-THEMES

Climate & Natural Capital
<ul style="list-style-type: none"> <li>■ Sustainable Technology Innovation</li> <li>■ Efficient Production &amp; Conservation</li> <li>■ Clean Energy</li> <li>■ Sustainable Agriculture/Natural Resource Management</li> <li>■ Sustainable Finance</li> <li>■ Clean Water &amp; Sanitation</li> </ul>
Community & Human Capital
<ul style="list-style-type: none"> <li>■ Affordable Housing</li> <li>■ Economic Mobility &amp; Community Development</li> <li>■ Education</li> <li>■ Diversity, Inclusion, Equality</li> <li>■ Health &amp; Wellness</li> <li>■ Clean Water &amp; Sanitation</li> <li>■ Sustainable Finance</li> </ul>

“We use sustainable investment research to look at how companies create economic value in multiple ways and how risks are appropriately managed over the long term. It's about how businesses are using different factors to compound a competitive advantage, to differentiate them vs. peers and to create customer value.”

MICK DILLON, CFA  
PORTFOLIO MANAGER, GLOBAL LEADERS STRATEGY

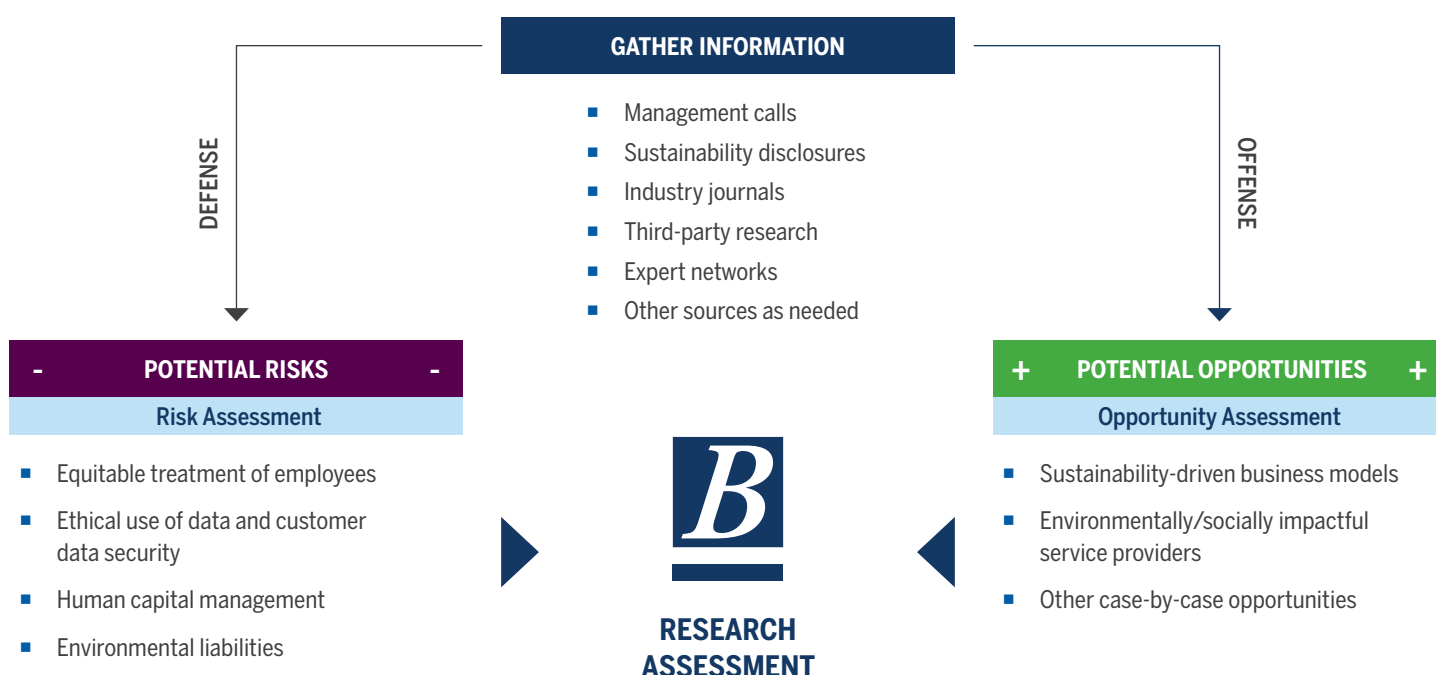
# SUSTAINABLE INVESTMENT RESEARCH PROCESS

Our sustainable investment research analysts work together across asset classes to develop overarching research tools and provide coverage of overlapping portfolio holdings that are held, or are being considered, within the equity and fixed income strategies.

Our research team conducts deep due diligence using a combination of primary research and third-party data sources to understand the risks and opportunities associated with any given investment. This research is leveraged by the portfolio managers to inform portfolio decisions and engagement dialogue with companies, bond issuers and other stakeholders.

## Research process explained

Value added sustainable investment research helps us manage investment risk and opportunities.



Source: Brown Advisory as of June 30, 2024.

## RESEARCH ASSESSMENT: FOUR PRIMARY AREAS

Risk	Opportunity	Labeled bonds	Thematic and sector-focused research
Analysis of potential material risks facing an investment including the company or issuer's ability and track record in managing those risks and documenting what may be deemed as controversies.	To identify investments with sustainable drivers, we assess a company or issuer's sustainability characteristics or activities, with the potential to improve financial outcomes and enhance long-term performance.	Within fixed income we seek to examine the positive or negative impacts of projects a labelled bond may be funding, looking at adherence to best practices, including voluntary guidelines produced by the International Capital Market Association (ICMA).	Supplementing our bottom-up approach, the team also examines broader issues and themes that have potential implications across multiple investments. For example, technologies such as AI or regulatory developments that may have wide-ranging effects.

## ENGAGEMENT

Engagement is a foundational part of investment research and ongoing monitoring for all Brown Advisory strategies. As an active manager, primary discussions with a company or issuer's management team, its customers, its critics, and experts on material issues that inform our investment conviction are critical to delivering performance for clients. We speak with a company's management team, with issuers of securities, their customers, their critics and experts on material issues affecting that business or sector. These insights help to challenge our thinking and refine our conviction, which we believe are critical to delivering performance for clients.

### Our approach

Brown Advisory's engagement approach mirrors our broader investment approach: performance driven, long-term in nature, and collaborative.

When conducting engagement, our research analysts use three different approaches:

- **General due diligence:** Using engagement, the investment team seeks to learn from any primary source of information that can inform and test the investment thesis. This type of engagement may take place throughout the investment process, from before initiating a position to after exit.
- **Tailored engagement:** Some companies or issuers require a more tailored engagement approach based on the risk or opportunity profile. These engagements are further guided by Key Performance Indicators (KPIs) to help assess the strength of the investment thesis and progress toward it.
- **Engagement on sector themes and macro concepts:** Unlike general due diligence, engagement on strategic areas of focus such as climate change and general disclosure can be approached from a top-down view and applied to the investment analysis. Research analysts with domain expertise on recurring issues improve broad understanding of these issues as related to specific investments and enable Brown Advisory to collaborate with the company or issuer as it seeks to address such issues and opportunities.

Our engagement efforts aim to uncover sustainability-related investment risks and opportunities that provides additional information that can influence our investment decisions and potentially the return from an investment. This also allows us to encourage positive steps from companies, bond issuers and other stakeholders, as well as track progress to ensure accountability.

Please note that we do not engage with every company or issuer. We only engage when we believe engagement will be material to our investment decision making.

### Key engagement priorities

For our institutional sustainable investment strategies, we choose priority issues for our engagement activity that we believe merit strategic focus because of their investment importance, and broad applicability to our investable universe. These priorities include, but are not necessarily limited to:

- **Climate & Natural Capital:** Encouraging the reporting and management of material physical and transition climate risks, and responsible management of natural resources and biodiversity-related risks.
- **Community & Human Capital:** Promoting employee well-being, diversity, and community engagement to create equitable and inclusive cultures that allow businesses and communities to thrive.
- **Governance:** Encouraging governance structures and practices that incentivize long-term performance, including but not limited to supporting greater disclosure and transparency on relevant investment-related risks and opportunities, providing effective oversight over AI applications, etc.





## Engagement across asset classes

As long-term investors, we prefer to collaborate with the companies and issuers we hold, or are considering, to encourage change that we believe will reinforce the conditions necessary for the investment thesis associated with the company or issuer to thrive over time. Our approach to engagement will often vary across asset classes, and can depend on the investment structure, governance controls, sectoral nuances and varying stakeholders involved.

### Equity strategies

In our equity strategies, as our preferred style of investing is to build concentrated portfolios of sizable, long-term holdings, we seek to build and maintain productive relationships with the management teams of these companies over the long-term.


We are not activist investors. Companies that require material change to management, policy, or oversight are generally not candidates for investment. As such, our engagement dialogue tends to be more pragmatic and solutions-oriented with a shared interest and long term outperformance.

### Fixed income strategies

In our fixed income strategies, we tend to prioritize engagement with smaller or private corporate issuers and non-corporate asset classes (securitized, municipal, sovereign) where disclosures may be more limited and where our engagement can be the most meaningful. These discussions can serve varying purposes. They may either form part of our due diligence and risk assessments, involve monitoring or encouraging improvement on issues or opportunities, or function as an advisory discussion for issuers seeking guidance or feedback on structuring labelled bond offerings.

## Industry collaboration

We acknowledge that one investor's voice is rarely enough to spur meaningful actions by companies or bond issuers and engagement from many investors is often needed. Industry initiatives often help to enhance our due diligence and engagement through providing access to experts, working groups or other resources on topics that are material to our investments. It is our experience that in certain circumstances, participating in industry initiatives is a more successful approach to raising topics that the investment team views to be important to long term performance.



“In the small-cap asset class, where informational inefficiencies are prevalent, engagement with the companies we invest in is fundamental to our process. At Brown Advisory, our approach to primary research and broad view of engagement (with a company, its customers, suppliers and employees, and industry experts) reinforces our value proposition in this area.”

**EMILY DWYER MACLELLAN**  
PORTFOLIO MANAGER, SUSTAINABLE SMALL-CAP CORE STRATEGY

## Engagement outcomes

Brown Advisory's engagement activities are intended to support each investment strategy's investment performance objectives. As a result, the investment team seeks outcomes aligned with improving or reinforcing an investment thesis that is congruent with the strategy's performance objective. Indirect outcomes that may occur as result of our engagements include, for example, improved disclosure, more robust sustainability related policies, adjustments in capital allocation or strategic priorities, and improved corporate practices that benefit climate, natural capital, human capital, communities, or governance practices.

The decision on which action to take rests solely with the portfolio manager and may include the following:

Thesis outcome	Possible actions
<b>Strengthened</b>	<ul style="list-style-type: none"> <li>Escalation that may include widening the scope of stakeholders interviewed and consulted, engaging with strategic decision makers within the company, increasing research touch points, and voting proxies aimed at reinforcing the conditions for the company to out-perform.</li> <li>The investment may be initiated or the position size may be increased.</li> </ul>
<b>Maintained</b>	<ul style="list-style-type: none"> <li>The engagement strategy stays in place.</li> <li>The investment position size may be increased in the portfolio.</li> </ul>
<b>Weakened</b>	<ul style="list-style-type: none"> <li>The engagement strategy may escalate.</li> <li>Escalation may include widening the scope of stakeholders interviewed and consulted, engaging with strategic decision makers within the company, increasing research touch points, and voting proxies promoting change that we believe will create long-term value for shareholders.</li> <li>The investment position size may be reduced in the portfolio.</li> </ul>
<b>Broken</b>	<ul style="list-style-type: none"> <li>The investment position will be exited.</li> <li>If applicable, the investment is no longer considered to exhibit a "sustainable driver" but continues to be held if a company's risk mitigation efforts are determined to be sufficient, provided no other aspects of the investment policy have been breached.</li> </ul>

"Engagement with sovereigns on sustainability issues transcends mere monetary and fiscal policy. By considering a broad spectrum of risks and opportunities, we enhance due diligence and actively promote progress."

**RYAN MYERBERG**  
 PORTFOLIO MANAGER, CO-HEAD OF  
 GLOBAL TAXABLE FIXED INCOME

# PROXY VOTING FOR EQUITY STRATEGIES

Proxy voting is one way to communicate with companies on risks and opportunities that may present a challenge or an opportunity, and in turn, its investment returns. In essence, it is an extension of our investment philosophy, and we consider it to be our fiduciary duty. We hold ourselves responsible for aligning our investment decision-making process and protecting long-term shareholder value with our proxy voting.

## Underpinned by deep and thorough analysis

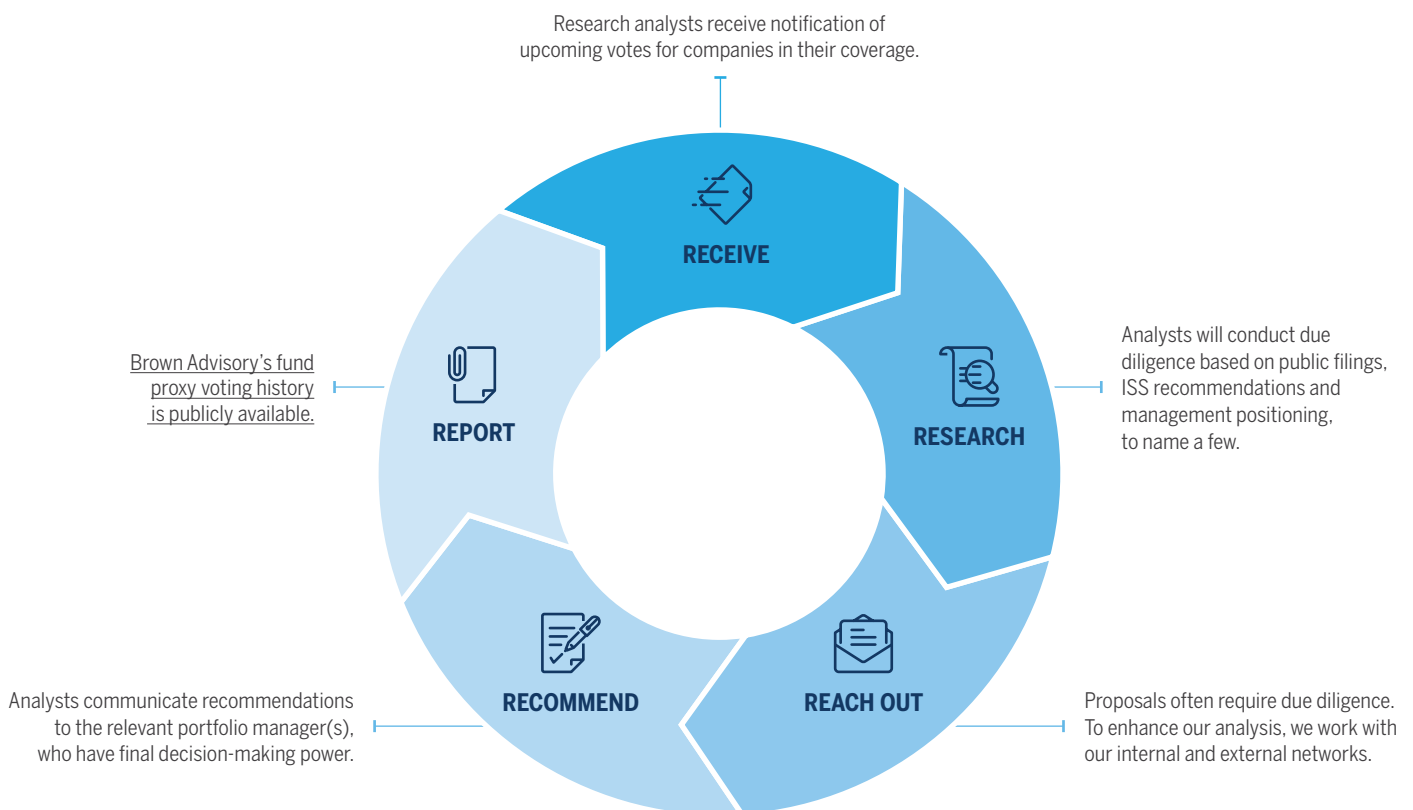
Our engagement with companies can also inform our proxy voting decisions. Through dialogue with management and the board, we can express our perspectives and propose ideas that we believe will help companies manage risks and capitalise on opportunities. In keeping with our responsibility to protect and enhance shareholder value, we cast proxy votes in line with what we believe is the best for a company’s long-term financial interests.

Our analysts dive below the surface of each proposal to fully assess and understand the potentially complex and material implications for our investments. While we use the recommendations of Brown Advisory’s proxy voting guidelines as a baseline for our voting, especially for routine management proposals, we vote each proposal after consideration on a case-by-case basis. We may elect to cast votes against management to indicate our support for or concern with a specific issue. We seek to have dialogue with the company before we cast votes against management. The final decision for how a vote is cast rests with the portfolio managers of our various strategies.

Shareholder proposals reflect other investors’ view on actions they believe a company should take to achieve particular outcomes. We review these proposals in the same way as management proposals, considering the impact the adoption of the proposal may have on company performance. We seek to support proposals that our evaluation shows will likely have a positive financial effect on shareholder value and not impose unnecessary or excessive costs on the issuer. Some shareholder proposals have a sustainability focus. The sustainability-related proposals we support often result in increased reporting and disclosure, which we believe will benefit investors’ due diligence.

Voting activity for our strategies is overseen by a Proxy Voting Committee and our policy is reviewed on at least an annual basis and a full explanation can be found [here](#).

## INSTITUTIONAL PROXY VOTING PROCESS



Source: Brown Advisory as of June 30, 2024.

## SUSTAINABLE EQUITY RANGE

Our actively managed sustainable equity strategies seek attractive risk-adjusted returns by identifying and vetting high conviction ideas with sound bottom-up fundamental and sustainable investment research.

We believe that performance and sustainability go hand-in-hand. Businesses and hence investment returns depend on natural resources, a stable climate and stable societies. We have found that companies that think comprehensively about risks and opportunities such as climate change, labor issues and resources—at all stages of their value chain—are often the companies that are thinking most effectively about their broader businesses as well.

### Equity strategies

Our range of equity sustainable strategies are diversified across investment styles, geographies and market capitalization, providing a wide choice to meet a variety of differing client needs.

Strategies	Investment universe	Inception	Managers
Global Leaders	Global Equity	May 2015	Mick Dillon, Bertie Thomson

A concentrated portfolio of typically 30-40 companies who we believe to be Global leaders—companies that have competitive advantages with strong management teams, pricing power, above-industry margins and high return on invested capital that is underpinned by long-term, structural growth. We look to identify high quality businesses who are using sustainability to drive competitive advantages and that also manage sustainability-related risks effectively over time.

Sustainable International Leaders	Global ex-U.S.	September 2021	Priyanka Agnihotri
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A concentrated portfolio of typically 25-35 companies with strong competitive advantages and moats from a fundamental and sustainability perspective. We look for companies that we believe have reinvestment opportunities at high returns on invested capital (ROIC), capable and rightly incentivized management teams and are undervalued over a long-term investment horizon with the ability to compound returns and generate attractive risk-adjusted excess returns throughout the economic cycle.

Large-Cap Sustainable Growth	U.S. Large-Cap	December 2009	Karina Funk, David Powell
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A concentrated portfolio of companies that we believe offer durable fundamental strengths, Sustainable Business Advantages and compelling valuations, seeking competitive risk-adjusted returns over a full market cycle.

Sustainable Small-Cap Core	U.S. Small-Cap	June 2017	Emily Dwyer MacLellan, Tim Hathaway, Chris Berrier and David Schuster
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A portfolio that seeks outperformance versus its benchmark, the Russell 2000® Index, through a concentrated, low-turnover portfolio of companies with strong business fundamentals, attractive valuations and Sustainable Drivers that stem from a company's products, services, or operations.

Large-Cap Sustainable Value	U.S. Large-Cap	September 2022	Michael Poggi
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A concentrated portfolio seeking to achieve competitive risk-adjusted returns over a full market cycle while providing a margin of safety over time via investment in large market capitalization companies that have durable fundamental strengths, exhibit capital discipline, attractive valuations and a Sustainable Cash Flow Advantage.

#### VEHICLES AVAILABLE\*

- Mutual Fund
- Separately Managed Account
- UCITS
- Model Delivery
- Collective Investment Trust

For more information on these strategies please visit [www.browoadvisory.com](http://www.browoadvisory.com) or contact us, see page 19 for details.

\*Note that not all vehicles are available for every strategy.

## SUSTAINABLE FIXED INCOME RANGE

Our sustainable fixed income strategies seek attractive, risk-adjusted returns through integrating sustainable investment with fundamental research to provide a complete picture of the risks and opportunities associated with an investment.

We firmly believe there does not have to be a trade-off between strong performance and smart investments that help address global sustainability challenges. We find that a sustainability-oriented mindset is well-suited for fixed income investing. Through a unified due diligence process that combines fundamental and sustainable investment research, we aim to identify responsible and forward-thinking issuers to construct a portfolio that delivers attractive risk adjusted returns.

### Fixed income strategies

Our range of fixed income sustainable strategies are diversified across and within the fixed income sector, providing a wide choice to meet a variety of differing client needs.

Strategies	Investment universe	Inception	Managers
Global Sustainable Total Return Bond	Global Multisector	February 2022	Chris Diaz, Ryan Myerberg, Colby Stilson

A global, sustainable and dynamic strategy that seeks to deliver a total return by allocating to liquid global fixed income and foreign exchange asset classes, re-positioning as markets evolve. The portfolio aims to offer investors access to an attractive stream of income and risk-adjusted returns.

Sustainable Core	U.S. Multisector	September 2014	Amy Hauter, Jason Vlosich
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An active and flexible approach to fixed income investing focused on our best ideas, seeking to offer investors access to an attractive stream of income and risk-adjusted returns.

Sustainable Short Duration	U.S. Short-Duration	January 2017	Amy Hauter, Jason Vlosich
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An investment-grade, short duration portfolio that seeks to preserve capital and maximize liquidity across government, corporate and securitized sectors – seeking to offer an attractive risk-return profile.

Tax-Exempt Sustainable	U.S. Municipal	September 2014	Amy Hauter, Stephen Shutz
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A focused portfolio that seeks to deliver attractive after-tax returns and maintain preservation of principal, by investing at least 80% of net assets in fixed income securities that are exempt from Federal income taxes.

#### VEHICLES AVAILABLE\*

- Mutual Fund
- Separately Managed Account
- UCITS

For more information on these strategies please visit [www.browoadvisory.com](http://www.browoadvisory.com) or contact us, see page 19 for details.

\*Note that not all vehicles are available for every strategy.

## GOVERNANCE AND OVERSIGHT

When Brown Advisory was established over 25 years ago, we elected to engage an outside Board of Directors to oversee the firm at the highest level. We are grateful for the accountability and benefits that an independent board provides—for all of our stakeholders. Our directors share diverse perspectives on strategic issues, are experts in their respective fields and question our assumptions and challenge us to be the best.

### Maintaining clear focus on core values

Our governance structure is designed to ensure we operate with a clear focus on serving our clients' interests while also adhering to our core values and strategic goals. It is a multi-layered framework, incorporating various levels of oversight and decision-making bodies that work together collaboratively to manage the firm's operations effectively.

Brown Advisory has established several other boards that oversee or advise different parts of our business. Some of these boards have a focus on sustainable investing. For example, the boards that govern Brown Advisory's Mutual Fund and UCITS Fund platforms oversee the firm's approach for determining which products are marketed as "sustainable" and for ensuring that the firm has appropriate policies and procedures to maintain compliance with sustainability-focused fund regulation.

The Sustainable Investing Advisory Board was set up in 2016 to provide advice and guidance on the firm's sustainable investing strategy and approach. This board is comprised of both internal and external board members who are experienced and skilled in different aspects of the sustainable investing work Brown Advisory undertakes.<sup>1</sup>



**Mark Collins, Jr**  
Senior Advisor



**Karina Funk, CFA**  
Portfolio Manager,  
Chair of Sustainable  
Investing



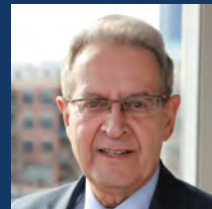
**Kate Gordon**  
Member, Sustainable  
Investing Advisory  
Board



**Jon Hale**  
Member, Sustainable  
Investing Advisory  
Board



**Michael D. Hankin**  
President, CEO



**Martin S. Kaplan**  
Member, Sustainable  
Investing Advisory  
Board



**Mamie Parker**  
Member, Sustainable  
Investing Advisory  
Board



**Beth Richtman**  
Member, Sustainable  
Investing Advisory  
Board



**Truman T. Semans**  
Senior Advisor



**Dune Thorne**  
Chief Strategy Officer  
- U.S. Private Client



**Herta von Stiegel**  
Member, Sustainable  
Investing Advisory  
Board

<sup>1</sup> This is our membership as of June 30, 2024.

## Integrated internal expertise

Sustainable Investing expertise and oversight is integrated across our governance structures, within the executive team, within various investment teams, as part of the firm's Investment Risk Management Committee, and across various business strategy and operational management teams.

Brown Advisory has had colleagues focused on sustainable investing since 2009. Over the years this team has grown to include numerous research analysts, portfolio managers and business team members. As this team has grown, we have established a variety of leadership roles to make sure that the execution of our sustainable investing work is robust and of a high quality. Colleagues who play senior leadership roles in the Institutional business at Brown Advisory include:

- **Carey Buxton**  
Head of Sustainable Investing Business
- **Karina Funk, CFA**  
Chair of Sustainable Investing, Portfolio Manager
- **Amy Hauter, CFA**  
Director of Sustainable Fixed Income, Portfolio Manager
- **Katherine Kroll**  
Director of Equity Research, Sustainable Investing
- **Lisa Abraham**  
Director of Fixed Income Research, Sustainable Investing

In their respective roles, Karina Funk and Amy Hauter provide thought leadership and help to guide the strategic direction of Brown Advisory's sustainable investing work. As early members of Brown Advisory's sustainable investing team, Karina and Amy have pioneered the development of the foundational tenants of the sustainable investment philosophy that guides our work across public equities and fixed income.

Katherine Kroll and Lisa Abraham lead and oversee Brown Advisory's sustainable investment research team, ensuring that the research provided to portfolio managers is of a high standard and provides portfolio managers with the information that they need to execute on their fiduciary duty to clients. Katherine and Lisa also provide oversight for the engagement work that sustainable investment research analysts undertake in collaboration with portfolio managers and fundamental research analysts.

Led by Carey Buxton, the team has built the foundations and bolstered our Sustainable Investing capabilities at Brown Advisory. They have developed leadership in core groups, embedded across our business lines.

Together, the leadership team oversees a team of over 25 colleagues who focus wholly or predominantly on the firm's sustainable investing work across various functions.



## ABOUT BROWN ADVISORY

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Brown Advisory is a global, leading independent investment firm that offers a wide range of solutions to institutions, corporations, nonprofits, families and individuals. Our mission is to make a material and positive difference in the lives of our clients.

### Delivering first-class client service

We are committed to delivering a combination of first-class performance, customized strategic advice and the highest level of personalized service.

With an approach rooted in rigorous research, risk management, and a long-term perspective, we believe in active management, seeking out opportunities across asset classes, including equities, fixed income, and alternative investments. This belief remains as strong today as when we began investing on behalf of clients 25 years ago.

Our independence as a firm supports our approach: we are able to focus intently on creating, and adhering to, the investment philosophy and processes that we believe will deliver results for our clients over the long term.

### Sustainable investing at Brown Advisory

Our 15-year track record in sustainable investing is driven by the belief that integrating sustainable investment analysis provides a holistic view of the risks and opportunities of any given investment. It helps us understand how a company or issuer is positioned to succeed in the future—such as how it is managing products, services and solutions in the face of climate change and other long-term societal forces—and hence its effect on investment returns.





## EVOLUTION OF BROWN ADVISORY'S SUSTAINABLE INVESTING PLATFORM OVER TIME

2009

**INTEGRATION OF SUSTAINABLE INVESTMENT AND FUNDAMENTAL RESEARCH**

- Winslow Management Company joined Brown Advisory, bringing 25+ years expertise in sustainable investing
- Inception of Brown Advisory's sustainable investing platform, utilizing sustainable investment research as a value-added component of individual security analysis, integrated with fundamental analysis

2010

**INCEPTION OF SUSTAINABLE INVESTMENT EQUITY PLATFORM**

- Launch of first U.S. Sustainable Equity strategy: Large-Cap Sustainable Growth
- Sustainable Investment Research team established

2014

**INCEPTION OF SUSTAINABLE INVESTMENT FIXED INCOME PLATFORM**

- Launch of first U.S. Sustainable Fixed Income strategies: Sustainable Core Fixed Income and Tax-Exempt Sustainable Fixed Income (2014)
- Expansion of Sustainable Investment Research team to include coverage of fixed income securities
- Expansion of platform with launch of Sustainable Short Duration strategy (2017)

Through Present Day

**PLATFORM EXPANSION: GLOBAL REACH, NEW STRATEGIES**

- Launch the firm's first global sustainable equity strategy: Global Leaders (2015)
- Launch of Sustainable International Leaders strategy (2021)
- Expansion into global fixed income highlighted by launch of Global Sustainable Total Return Bond strategy (2022)
- Launch of U.S. Large-Cap Sustainable Value strategy (2022)

Source: Brown Advisory as of June 30, 2024.



# REPORTING ON SUSTAINABILITY OUTCOMES

Every year we publish a detailed report for a selection of our sustainable investing strategies which highlights the outcomes of our investment decisions. These are available to read at [www.brownadvisory.com](http://www.brownadvisory.com).





## Contact information

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**Past performance may not be a reliable guide to future performance and investors may not get back the amount invested. All investments involve risk. The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned.**

The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. This document is provided for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any security or any interest in any investment vehicle. Any such offer or solicitation will be made only pursuant to a prospectus.

Sustainable investment considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives.

This piece is intended solely for our clients and prospective clients, is for informational purposes only, and is not individually tailored for or directed to any particular client or prospective client.

Certain strategies seek to identify companies that we believe may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. As a result, these strategies may invest in companies that do not reflect the beliefs and values of any particular investor. Certain strategies may also invest in companies that would otherwise be excluded from other funds that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. These strategies incorporate data from third parties in their research process but do not make investment decisions based on third-party data alone.

Brown Advisory relies on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.