

CORE ATTRIBUTES

Active credit research. Integrated ESG analysis. Impact investments. Total return.

Benchmark: *Bloomberg Barclays US Aggregate Bond Index*

Inception Date: *September 30, 2014*

Vehicles Available: *Separately Managed Account (\$2m minimum)
Mutual Fund*

WHY INVEST IN THE SUSTAINABLE CORE FIXED INCOME STRATEGY?

A true core fixed income approach that seeks long-term total return. With a process rooted in credit analysis, we seek opportunities across all major sectors that, over time, may offer both potential yield growth and an appropriate risk/reward balance. We are a true core fixed income offering that focuses on all major benchmark sectors and various credit qualities—putting equal weight on sustainability impact and investment performance.

Our approach to ESG analysis helps us find sustainability where others may not. We look beyond the universe of labeled green and sustainability bonds to identify sustainable business drivers across sectors. We believe that non-labeled issues can also offer compelling cases for inclusion based on their sustainability profiles.

Sustainability research can help manage risk. We believe that integrating ESG factors into our research process enhances our ability to value securities and can uncover undesired issue- and issuer-specific risks that might not be revealed through fundamentals alone. This helps us identify high-quality issuers that are addressing society's challenges.

ESG FACTORS ARE MATERIAL TO FUNDAMENTALS. WE SEEK TO UNDERSTAND IT IN MULTIPLE STEPS.

ESG factors can warn investors of inherent risks. Our goal is to identify these risks, as well as controversial business activities, and exclude them from the portfolio.



PROPRIETARY ESG ASSESSMENT

Identify material risks and assess the issuer's ability to not only mitigate these risks, but build competitive advantages around sustainability



ENGAGEMENT

We actively engage with issuers to understand management's stewardship of ESG issues, opportunities and risks that they face



USE-OF-PROCEEDS ASSESSMENT

We analyze and report on the impact of the projects funded by our sustainable bond investments. We work to understand how an issuer reports impact and if a repeat issuer, we ensure that past issuances adhered to the Green Bond Principles

WE BELIEVE CLIENTS WANT REAL IMPACT.

By investing in issuers and issues that create tangible ESG impact, we deploy client assets to help fund projects across a variety of themes. Our diverse investment universe provides opportunity in the following:

Affordable Housing

Aiding low-and moderate- income families

Clean Energy, Efficient Production & Conservation

Responsible resource usage

Food, Water & Sustainable Agriculture

Healthier, safer and more responsible farming and food production

Economic Opportunity & Community Development

Improve quality of life in communities

Innovative Technologies & Climate Awareness

Support eco-friendly technologies

Education

Support schools, especially those in underserved areas

Health & Social Services

Improving health care access and quality for at-risk populations

Multi-Theme

Bonds that finance a range of projects across one or more themes

THE SUSTAINABLE CORE FIXED INCOME STRATEGY IS A DIFFERENTIATED OFFERING

- **Fundamental analysis** of security-specific upside/downside scenarios forms the foundation of our portfolios.
- By supplementing our **original, in-house ESG analysis** with third-party data, we produce a proprietary, research-based ESG methodology aimed at providing additional understanding of the embedded risks and opportunities in the bonds we evaluate.
- Our **expertise across a range of fixed income strategies** provides clients the option of a customized strategy based on risk tolerance, liquidity needs and return expectations.
- Brown Advisory was an **early adopter of the Green Bond Principles** and has been a leading participant in the green bond market. This helps us **gain access to new-issue inventory** from many global green-bond issuers.
- We **concentrate our team's best ideas** in a duration-managed portfolio that seeks benchmark outperformance over a full market cycle.

OUR PROCESS.

- Our investment team collectively determines sector allocations based on sector outlooks focused on risk, alpha drivers and upside opportunities
- We create portfolio allocations based on sector risk-adjusted return potential and optimize the risk budget in terms of duration, liquidity and cash flow structure
- Security selection is a byproduct of fundamental research and relative value calculations
- We allocate securities across portfolios based on portfolio need and suitability

WHY IS BROWN ADVISORY DIFFERENT?

- All portfolios are constructed to optimize risk-adjusted returns
- Our proprietary sector outlooks dictate consistent sector weightings across accounts
- We manage benchmark-agnostic portfolios of our highest conviction names with security selection based first on fundamental credit quality and then on relative valuation

PORTFOLIO GUIDELINE TARGETS

Number of Holdings	50-80	Sector Weightings	Typically less than 20% in one sector
Duration	3.0 to 7.0 years	Credit Quality	Investment grade with up to 20% high yield; credit-sensitive securities generally held to 1%-2% per issuer

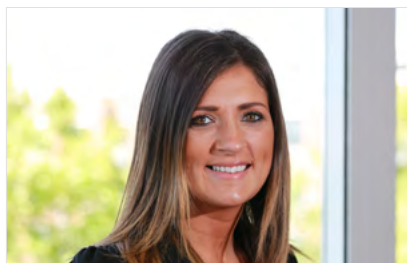
PORTFOLIO MANAGER PROFILES



THOMAS D.D. GRAFF, CFA

Portfolio Manager

- With Brown Advisory since 1999
- Industry Experience since 1999



AMY HAUTER, CFA

Associate Portfolio Manager/ESG Research Analyst

- With Brown Advisory since 2012
- Industry Experience since 2011

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