

The Brown Advisory Sustainable Core Fixed Income strategy seeks to deliver risk-adjusted returns by incorporating ESG factors into our investment research. We believe this strengthens our bottom-up, credit-focused approach, with both fundamental and sustainable factors playing a role in our due diligence process and our ultimate decision to purchase bonds.

SUSTAINABILITY PROFILES FOR CORPORATE HOLDINGS (AS OF 03/31/2018)

COMPANY	SUSTAINABILITY DRIVERS
Albemarle Corporation	Specialty chemical firm Albemarle has an attractive long-term opportunity for supplying lithium used in various energy storage applications in electric and hybrid vehicles as well as renewable grid integration. It has long-term lithium supply contracts and experienced 31% sales growth in 2016 that was driven primarily by demand for battery-grade lithium salts.
American Tower Corporation	American Tower is one of the largest wireless tower operators; its strong environmental compliance track record, focus on driving alternative energy into its remote tower base and its work to reduce carrier's dependence on highly inefficient generators has earned the company a strong reputation in international markets and helped it gain market share.
Analog Devices, Inc.	Analog Devices is an industry leader in water conservation with extensive water reuse and conservation programs across their manufacturing sites. It is monetizing opportunities in various cleantech markets by providing integrated circuits to renewable energy firms, energy metrology components for smart meters and technologies for smart grid applications.
AvalonBay Communities, Inc.	AvalonBay redevelops infill sites and conducts urban revitalization and brownfield projects that were formerly industrial sites. This offers residents more options for sustainable living, from green building and walkable neighborhoods to better transit and bike-commuting alternatives.
Ball Corporation	Packaging firm Ball Corporation has gained share in its markets with its metal packaging solutions (metal packaging weighs less and is highly recyclable compared to alternatives such as glass). Ball has been able to reduce the weight of its 12 ounce aluminum can by 40% since the 1970s through design innovations. This has helped many of its global beverage customers achieve their own sustainability goals.
Bank of America Corporation (Green Bond)	Bank of America has provided more than \$53 billion in financing for low-carbon activities since 2007 and for the past four years has been the number one underwriter of green bonds. It seeks to up its commitment to low-carbon-related business from \$50 billion to \$125 billion by 2025 through lending, investing, raising capital, advisory services and developing financing solutions. Green bond proceeds are funding renewable energy and energy efficiency projects.
Boston Properties, Inc.	Boston Properties is a REIT that has strong green building targets, operational policies and tenant engagement activities, which include minimum Silver LEED ratings for new buildings and major extensions. It has one of the most comprehensive LEED professional training programs in the industry for 75% of construction and property management staff and triple net leasing.
Children's Hospital Corp.	Boston Children's Hospital, a "safety net" hospital, serves three important social functions: taking care of the most critically ill children, taking care of children from low-income families and making sure a system of care is in place throughout the region to serve primary and sub-specialty pediatric care needs. In the 2014 fiscal year, Boston Children's Hospital invested over \$127mm to improve the health and well-being of children and families in its community. The Hospital also trains pediatricians and has the largest research program of any other pediatric hospital.
The Clorox Company	Clorox proactively phases out substances that raise consumer and regulatory concerns. Its Green Works line of sanitary and cleaning products uses natural, plant-based or biodegradable ingredients; currently this product line holds a leading U.S. market share in the eco-friendly cleaning products segment.
Digital Realty Trust, LP (Green Bond)	Digital Realty Trust is a leading global provider of data center, colocation and interconnection solutions and is committed to driving sustainable energy consumption within its data centers. It was the first REIT to issue a green bond. The proceeds were used to support the development of nine sustainable projects focused on achieving energy efficiencies in their data centers located in four countries that have received LEED, BREEAM or CEEA certification.
Ecolab, Inc.	Ecolab is a leading provider of cleaning, food safety and health protection products and services. The company helps its customers cut energy and materials costs, improve efficiency and boost bottom-line results.
Education Realty Operating Partnership, LP	Education Realty develops and manages cutting-edge student housing communities that meet the academic goals of partner universities while providing the ecofriendly accommodations and amenities that today's students require. Education Realty is committed to creating sustainable collegiate housing facilities and have achieved significant operational savings in all of the sustainable housing facilities, with utility savings of 20% to 30% and geothermal projects achieving 20% savings.
Equinix	Global leader among REIT's in energy efficiency and emissions reduction, through risks stemming from data security. They have targets for LEED certification in all of their data centers and have a committed goal to 100% clean and renewable energy.
J.B. Hunt Transport Services, Inc.	J.B. Hunt is a leader in intermodal transportation services (i.e. moving freight via a combination of railroad and trucking). The company helps its customers achieve meaningful fuel-cost savings and reduced carbon emissions compared to trucking-only shipping solutions.
Hasbro, Inc.	Hasbro has achieved 100% renewable energy use and carbon neutrality across its owned and operated operations in the United States for the second straight year. The company phased out the use of PVC in its packaging and replaced with bio-PET, a plant-based material derived from agricultural by-product.

SUSTAINABILITY PROFILES FOR PORTFOLIO HOLDINGS (CONTINUED)

COMPANY	SUSTAINABILITY PROFILE
Kaiser Foundation Hospital	Kaiser is committed to sustainability and has long-term environmental stewardship goals to guide the organization's sustainability efforts through 2025. It pledges that by 2025 it will become "carbon net positive" by purchasing clean energy and carbon offsets to remove more greenhouse gases than it emits. It will support sustainable agriculture by purchasing food from local producers that use sustainable practices, it will recycle, reuse or compost 100% of its non-hazardous waste, and reduce the amount of water it uses by 25% per square foot of buildings.
Keysight Technologies, Inc.	Keysight Technologies, Inc. provides electronic design and test solutions to communications and electronics industries. It has been able to capitalize on opportunities for growing in the clean tech market by focusing on providing power management technologies that include batteries, power supplies, power meters and sensors that enable the energy normally consumed to be returned to the grid cleanly, saving costs from energy consumption and cooling, while not interfering with the grid.
Kroger Co.	Kroger is rapidly increasing its offering of organic and natural products, and its private-label, Simple Truth, is the largest natural brand in the country. The company is one of the few food retailers to use anaerobic digesters to process food waste from its manufacturing facilities and grocery stores, which significantly reduces waste costs and carbon emissions.
MidAmerican Energy (Green Bond)	MidAmerican is a regulated utility and recognized as a leader in the use and development of renewable energy. No other U.S. rate-regulated utility owns more wind-powered generation capacity. Green bond proceeds are financing expenditures for the firm's 551mw Wind X and 2,000mw Wind XI projects, both located in Iowa. Upon completion, MidAmerican will have invested \$10.3 billion building over 6 gigawatts of wind-powered generation capacity—equivalent to approximately 90% of its Iowa retail customers' annual consumption.
Morgan Stanley (Green Bond)	Morgan Stanley has a growing focus on sustainability which is not only reflected in its core values, but also in the increasing role that sustainability issues play in global finance. Green Bond proceeds are funding renewable energy projects and energy efficiency investments.
Northwell Health, Inc.	Northwell Health has weaved sustainability and social responsibility into the fabric of their health network. They partnered with the EPA in 2010 to establish far-reaching, environmentally responsible programs and business practices at their facilities, as well as created a Sustainability and Social Responsibility Council whose mission is focused on improving the health and well-being of the communities they serve by protecting and enhancing the environment and improving quality of life. Additionally, Northwell has reduced their carbon footprint by 9.2%, since 2009, and has completed 16 LEED certified projects.
Northwestern University	Northwestern is committed to fostering environmental and ethical stewardship, providing a living-learning environment that supports student, faculty and staff-led sustainability initiatives while also improving its environment and natural ecology. The university is dedicated to creating a greener campus by reducing waste, conserving water and energy and promoting sustainable modes of transportation.
Regency Centers Corporation (Green Bond)	Regency has a green leasing scheme to decrease operation and management costs and targets to use LEED standards in all current and new developments. Green Bond proceeds are being used to finance Regency's new and existing properties to ensure LEED certification.
Starbucks Corporation (Sustainability Bond)	Starbucks' image as an environmentally progressive firm has always been a key component of its brand. It backs up this image with substance: for example, it built its comprehensive CAFÉ purchasing program from the ground up, in order to encourage fair trade and organic practices among a large and ever-growing portion of its coffee-supplier network.
Tenneco, Inc.	Tenneco is a leading producer of original and after-market automotive components, with a product line that focuses on ride-control and emissions/clean air technologies. A pioneering designer of clean-air solutions for vehicles, Tenneco's products support gasoline, gasoline direct injection, flex-fuel and diesel applications. Its suite of clean air technologies are specifically designed to lower emissions of NOx, particulate matter mass and number, hydrocarbons and CO2.
Verisk Analytics, Inc.	Verisk is a leading provider of climate and environmental-risk data to the insurance and reinsurance industries. Its climate data provision segment was once a small sideline that provided data to the government, but has now grown into a thriving business for Verisk, with growth fueled by strong demand from insurers around the world.
Weyerhaeuser Co.	Weyerhaeuser is focused on growing a renewable resource alongside protecting its lands, the wildlife and biodiversity. 100% of its timberlands are certified to SFI sustainable forestry standards and reforests nearly 95% of its harvest sites within two years, relying on natural regeneration for the remaining sites. The company meets 73% of its energy needs from its own carbon-neutral biomass, an alternative to fossil fuels which generates significant revenues and reduces energy costs.
Xylem, Inc.	Xylem is a leading equipment and service provider for water and wastewater applications. The company offers products and services addressing the full cycle of water, from collection, distribution and use to the treatment and return of water to the environment. Solutions include desalination techniques, wastewater recycling, removing harmful chemicals from wastewater, ensuring reliable irrigation supplies, storm water handling systems, filtration to prevent waterborne illness and providing clean water to earthquake and/or tsunami survivors.

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