

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 09/30/2018)

COMPANY	SUSTAINABILITY DRIVERS
Albemarle Corp.	Lithium products make up the largest and fastest growing portion of Albemarle's business, mainly driven by increased demand for lithium-ion batteries for use in electric vehicles, mobile devices and grid storage. Lithium is unique in that it is light but able to store large amounts of energy, making it ideal for energy storage applications and renewable energy integration, a market that is expected to grow 30% CAGR through 2024.
Alexandria Real Estate Equities, Inc. (Green Bond)	Alexandria focuses on developing sustainable campus environments that promote health, wellness, and productivity for leading life science and technology entities. 50% of total annual rental revenues come from LEED projects, and moving forward, Alexandria targets minimum LEED Gold certifications for all new ground-up developments. This is bolstered by other sustainability initiatives throughout its portfolio to manage GHG emissions, waste, energy, and water use.
Allison Transmission Inc.	Allison Transmission is a global leader in producing hybrid propulsion systems, which use regenerative braking, converting a vehicle's kinetic energy into stored electric power to propel the vehicle or to operate auxiliaries. As of March 2018, it is estimated that Allison electric hybrid buses have resulted in the savings of 41 million gallons of diesel fuel and prevented 406,465 metric tons of carbon dioxide from entering into the atmosphere.
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 capitalizes on its clean tech opportunities through integrated circuits for smart grid applications, ranging from energy meters, renewable generation systems and storage, to dynamic grid-integrated management and communications systems. Moreover, it is an industry leader in conserving water and reducing the use of toxic chemicals, and beginning in 2017, ADI's Ireland and Philippines facilities started using 100% renewable energy.
AvalonBay	AvalonBay invests in green buildings and energy efficiency initiatives, requiring all new mid- and high-rise buildings to receive third-party environmental certification. Moreover, it conducts urban revitalization and brownfield projects on land with former industrial uses and an estimated 50% of its new construction projects require environmental remediation, thereby reinventing communities and providing residents with more options for sustainable living.
Ball Corporation	Metal packaging is lighter weight and infinitely recyclable when compared to alternatives such as glass, leading to share gains. Through design innovations, Ball has been able to reduce the weight of its 12-oz. aluminum can by 40% since the 1970s, which has helped many of its global beverage customers achieve their own sustainability goals.
Bank of America (Green Bond)	Bank of America has provided more than \$87 billion in financing for low-carbon business activities since 2007 and has committed to reaching \$125 billion by 2025, which, if fulfilled, would make Bank of America the largest provider of green financing in the world. Green bond proceeds are funding renewable energy and energy efficiency projects.
Boston Properties LP	Boston Properties has very strong green building targets, operational policies and tenant engagement activities, which include minimum Silver LEED ratings for new buildings and major extensions, a LEED professional training program 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 subspecialty pediatric care needs. In 2014, Boston Children's Hospital invested over \$127 million to improve the health and well-being of children and families in its community. The hospital also trains more pediatricians and has the largest research program of any other pediatric hospital.
Clorox Co.	Clorox proactively phases out substances that raise consumer and regulatory concerns. The Green Works line incorporates industry-leading natural, plant-based or biodegradable ingredients in cleaning and sanitary products with the largest U.S. market share in this segment.
Delphi Jersey Holdings	Delphi is a leading supplier of electrical architecture, safety products and electronics, and powertrain systems for light vehicles. DLPH's products enable OEMs to meet increasingly stringent government regulations and consumer preferences for products that are safe, "green" and connected; these trends are leading to increased content per vehicle, greater profitability and higher margins.
Digital Realty Trust, LP (Green Bond)	Digital Realty 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 and the proceeds were used to support the development of nine sustainable projects to achieve energy efficiencies in their data centers located in four countries that have received LEED, BREEAM or CEEDA certification.
Ecolab, Inc.	Ecolab, a leading provider of cleaning, food safety and health protection products and services, helps its customers to improve resource efficiency while boosting bottom line results. In 2017 alone, Ecolab helped customers conserve more than 171 billion gallons of water, eliminate 44.7 million pounds of waste, and save 12 trillion BTUs of energy.
Equinix, Inc.	Through targeted energy efficiency and renewable energy initiatives in its data centers, including building to LEED Silver standards wherever possible, Equinix helps its customers reduce their environmental footprint. Notably, 77% of Equinix's energy needs are met through renewable sources with a long-term goal of achieving 100% renewables.
Hasbro, Inc.	Hasbro achieved 100% renewable energy use and carbon neutrality across its U.S. operations for two consecutive years (2015-2016) and continues to implement energy saving initiatives. Additionally, it has phased out the use of PVC in its packaging and replaced it with bio-PET, a plant-based material derived from agricultural byproduct.
J.B. Hunt Transport Services, Inc.	A leader in intermodal transportation services (i.e. moving freight via a combination of railroad and trucking), J.B. Hunt helps its customers achieve significant fuel cost savings and reduced carbon emissions compared to trucking-only shipping solutions.

SUSTAINABILITY PROFILES FOR PORTFOLIO HOLDINGS (CONTINUED)

COMPANY	SUSTAINABILITY PROFILE
Kaiser Foundation Hospital	Kaiser embeds environmental stewardship into its operations, recognizing the intersection between climate change and health. Given that hospitals are the second greatest commercial energy user, emitting roughly 8% of the U.S.' GHG emissions, Kaiser has committed to becoming "carbon net positive" by 2025. Green bond proceeds will finance and refinance LEED Gold and Platinum buildings to support this goal.
Keysight Technologies, Inc.	Keysight Technologies provides electronic design and test solutions to communications and electronics industries, and has capitalized on opportunities to grow in the clean tech market. Keysight provides power management technologies (i.e. batteries, power supplies, power meters and sensors) that enable energy that is 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 rapidly increased its offering of organic and natural products, and its private-label Simple Truth is the largest natural brand in the U.S. It 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.
Land O Lakes Inc.	Land O Lakes' extensive sustainability efforts are driven by the need for productivity improvements to feed a growing population, desire to increase efficiency and increasing demand for more sustainable farming practices. It touches half of the harvested acres of row crops in the U.S. and recently partnered with the Environmental Defense Fund to launch a new business unit, SUSTAIN, that is focused on using ag-tech to turn a decision agriculture skill set to precision conservation to help farmers increase efficiency while improving soil health and water quality.
MidAmerican Energy (Green Bond)	MidAmerican Energy is a regulated utility with a "100% renewable vision". Green Bond proceeds are financing its 551 MW Wind X and 2,000 MW Wind XI projects in Iowa. Upon completion, it will have invested \$10.3bn in 6,007 MW's of wind-powered generation capacity, enough to generate enough energy to meet the needs of ~90% of its Iowa retail customers. No other U.S. rate-regulated utility owns more wind-powered generation capacity.
Morgan Stanley (Green Bond)	Morgan Stanley's growing focus on sustainability is not only reflected in their core values, but also by the increasing role that sustainability issues play in global finance. Green Bond proceeds are funding renewable energy and energy efficiency projects.
Northwell Health, Inc.	Northwell Health has weaved sustainability and social responsibility into the fabric of their health network. It 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 to focus on improving the health and well-being of the communities it serves by protecting and enhancing the environment and improving quality of life. Additionally, it has reduced its 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; and 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.
Novelis Corp.	As a global leading producer of flat-rolled aluminum products and the world's largest recycler of aluminum, Novelis continues to expand the use of lightweight, infinitely recyclable aluminum while reducing energy use and preserving natural resources. Notably, Novelis opened the world's largest and most advanced aluminum recycling facility in Germany which has set the global standard for closed-loop recycling.
Regency Centers (Green Bond)	Regency has a green leasing scheme to decrease O&M costs and targets to use LEED standard in all current and new developments. Green bond proceeds are financing their existing and new properties to ensure LEED certification.
Staples, Inc.	Staples offers a selection of sustainable products and services to businesses looking to reduce their environmental impact, including eco-friendly paper products, energy-efficient electronics, green chemistry-based cleaning products, free e-waste recycling services, and eco-friendly shipping options. Moreover, Staples has improved the sustainability of its own operations through a 39% reduction in carbon emissions since 2010, in part driven by energy efficiency initiatives that have resulted in over \$1 million in annual savings.
Toronto-Dominion Bank (Green Bond)	TD Bank was the first North American-based bank to become carbon neutral in 2010 and has participated in underwriting over C\$6.5bn in green bonds since then, illustrating a long-standing commitment to environmental stewardship. It issued one of the largest green bonds by a bank in the developed markets in 2017 with its \$1 billion USD Green Bond, proceeds of which are funding renewable energy, energy efficiency, and sustainable land use projects.
Verisk Analytics, Inc.	Verisk is a leading provider of climate and environmental risk data to the insurance and reinsurance industries. Once a small sideline providing data to the government, climate data provision is now a thriving business for Verisk fueled by strong demand from insurers around the world. Verisk has also recently become a leading provider of commercial intelligence to the renewable energy sector.
West Fraser Timber Co.	Wood is a renewable resource with a low carbon footprint compared to other common building materials. To ensure the long-run availability of this important resource, West Fraser certifies 100% of its land to SFI sustainable forestry standards. Moreover, West Fraser's investments in alternative energy further reduce its environmental impacts while also reducing operating costs—Over 50% of its energy requirements are currently met from its own biomass.
Weyerhaeuser Co.	Focused on growing a renewable resource, Weyerhaeuser aims to protect its lands and biodiversity by certifying 100% of its timberlands to SFI sustainable forestry standards. It reforests nearly 98% of its harvest sites within two years and uses natural regeneration on some sites. Notably, Weyerhaeuser meets 71% of its energy needs from its own biomass, offering an alternative to fossil fuels and reducing energy costs.
Xylem, Inc.	Xylem is a leading equipment and service provider for water and wastewater applications with a broad portfolio of energy-efficient 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, recycling wastewater, 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.

The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. Past performance is not a guarantee of future performance and you may not get back the amount invested. 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. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. 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. The enclosed information is provided as supplemental information to the Sustainable Core Composite. Please refer to the composite presentation for additional information.