Brown ADVISORY
Thoughtful Investing.

LARGE-CAP SUSTAINABLE GROWTH STRATEGY

Reporting on the impact of our investment decisions

2022

LETTER OF INTRODUCTION FROM THE PORTFOLIO MANAGERS

Since launching this strategy more than 13 years ago, the demand for information on ESG, impact, and sustainability has risen dramatically. This is partly due to a confluence of global crises that are broadly affecting how people view the world, and partly due to regulatory or political scrutiny, but regardless, the appetite for information, disclosure and transparency has never been higher. We have always tried to be transparent about our approach to sustainable investing, and our annual Impact Reports are a prime opportunity to explain that approach.

Despite the changing expectations and regulations in this investing arena, we have not altered our sustainable investing (SI) process since our strategy's inception, and we remain committed to the same investment principles that have guided us since 2009.

Then, as now, we did not seek to meet any external definition or label; we simply believed that using a sustainability lens with investment research provides additional information that helps us judge the merits of a long-term investment.

At the outset, we formalized a research framework for understanding the sustainability risks and opportunities that companies face. To understand ESG-related risks, we look at a wide variety of both quantitative and qualitative information to learn about reputational risks, potential obstacles to attracting and retaining talent, externalized consequences to humans and nature, and the governance practices in place for overseeing these matters. In terms of sustainable opportunities—the "upside" financial potential of a company's sustainability strategies or attributes—we look for investments that can claim a distinct "sustainable business advantage" or "SBA" that has the potential to spur meaningful revenue growth, margin improvement, market share or other key drivers of enterprise value.

From the start, we understood that our effort to answer this expanded set of questions about a company would lead us to diverse and sometimes imperfect data sources, many of which were not commonly used in traditional investment research. In our view, our results over time have benefited from the fact that we look for information and review data sources that many other investors may ignore. We are active, high conviction investors, and believe that attempting to broadly categorize groups of companies as "good" or "bad" is antithetical to our philosophy. Every company and every situation is unique, and it requires intense and creative research to evaluate each of these situations, parse a wide swath of information, and hopefully make winning decisions more often than not.

EVOLUTION OF BROWN ADVISORY'S SUSTAINABLE INVESTING (SI) PLATFORM OVER TIME

2009

INTEGRATION OF ESG AND FUNDAMENTAL RESEARCH

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

2010

INCEPTION OF SI EQUITY PLATFORM

- Launch of first U.S. sustainable equity strategy: U.S. Large-Cap Sustainable Growth
- Expansion of platform with subsequent strategy launches including U.S. Sustainable Small-Cap Core (2017) and U.S. Sustainable Income (2021)

2014

INCEPTION OF SI FIXED INCOME PLATFORM

- Launch of first U.S. sustainable fixed income strategies: U.S. Sustainable Core Fixed Income and U.S. Sustainable Tax-Exempt Fixed Income
- Expansion of platform with launch of U.S. Sustainable Short Duration strategy (2017)

Through Present Day

PLATFORM EXPANSION: GLOBAL REACH, NEW STRATEGIES

- 2015: Launch of Global Leaders, the firm's first global sustainable equity strategy
- 2021: Launch of Sustainable International Leaders equity strategy
- 2022: 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

Our research into ESG risks and our efforts to identify SBA represent just one aspect of our strategy to generate outperformance; we seek out companies that meet our three equally important criteria of strong fundamentals, sustainable business advantages, and attractive valuation. We believe that many desirable investment opportunities in the large cap growth space lie at the intersection of these three ideas.

We also aim to be transparent about the outcomes of our investment process in the data we display here, such as data describing the carbon intensity of our portfolio or how an investment aligns with the United Nations' Sustainable Development Goals (SDGs). To be clear, our job as investors is, and always has been, to generate attractive returns, and we believe that ESG research is a means to that end. But after doing this for more than a decade, we have found countless examples where an investment offered plenty of potential for returns as well as positive impact, and there was no need to make a tradeoff. In general, we find that the companies that think comprehensively about risks such as climate change, labor issues, safety and so forth—at all stages of their value chains—are often the companies that are thinking most effectively about their broader businesses as well.

Over the years, we have seen that our focus on performance can create natural alignment with clients who are focused on real-world impact as the end goal. We agree that performance and impact can go hand in hand. Insofar as businesses and hence investment returns depend on natural resources, a stable climate and stable societies, the long-term sustainability of these key elements is a consideration in our capital allocation.

We hope this impact report provides insights into where/how we find relevant extra-financial information, how we discern both qualitative and quantitative ESG data into investment insights, and transparency into how we apply these insights.

Karina Funk

Karina Funk, CFA
Portfolio Manager

David Powell

David Powell, CFA
Portfolio Manager

INVESTMENT PHILOSOPHY & RESEARCH APPROACH

In managing the Large-Cap Sustainable Growth strategy, we believe we can generate competitive, risk-adjusted returns over a full market cycle through a concentrated portfolio of companies with durable fundamental strengths, sustainable competitive advantages and compelling valuations. The purpose of this report is to talk about the impact being generated by our portfolio companies, so we will not spend a great deal of time discussing how we use fundamental research to identify good investment candidates with attractive return potential. But we want to be clear: The work that we do to assess ESG risks and sustainable opportunities is wholly integrated with fundamental due diligence in our process. For more information about our firm's overall approach to sustainable investing in our institutional strategies, please review Brown Advisory's Institutional Sustainable Investment Policy.

We believe that some of the most attractive, durable business models available in the large-cap equity universe are those with sustainable drivers at their core. We developed the concept of **Sustainable Business Advantage, or SBA,** to clarify our thinking as we evaluate how sustainability drives a company's **revenue growth**, **cost savings** or **enhanced franchise value**. Every company in our portfolio must have identifiable SBA. Clean energy, health and wellness, and other sustainable trends are massive sources of revenue growth for many companies. Efficient operations that reduce the use of energy, water and other resources can lead to considerable cost savings. We have found that companies that lead on ESG practices, or help customers solve meaningful environmental or health challenges, are often able to greatly enhance their brand or franchise value. And in the end, we see revenue growth, cost savings and enhanced franchise value as the three most important levers that companies can pull to improve their long-term returns to shareholders. While we recognize that there are many ways to view sustainability, we rely on our thorough research to help us understand how a company's sustainability strategies can add to shareholder value through these specific SBA drivers.

We find that our portfolio companies—despite being selected entirely on their investment merits—are also clear generators of positive social and environmental impact in the vast majority of cases. Through their responsible business practices, the examples they set for their peers and the positive outcomes that result from their business activities, we believe that our portfolio companies are producing positive changes in the economy and in society. While we remain focused first and foremost on performance, we view it as a positive sign that so many companies are stepping up to address major issues affecting the world.

OBJECTIVES & INVESTMENT PROCESS

The strategy's return objective is to outperform the Russell 1000® Growth Index over a full market cycle.

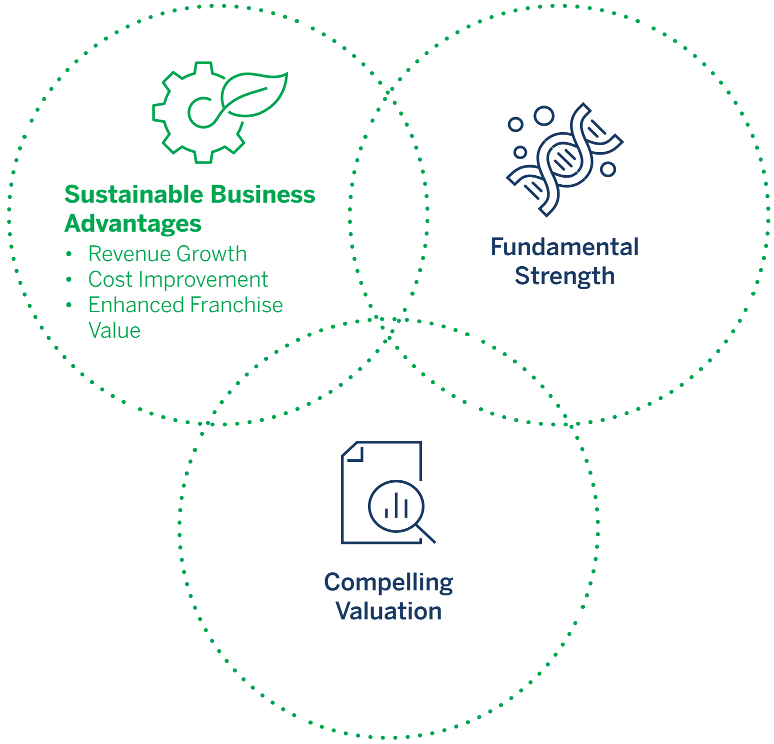
In our process, ESG research is wholly integrated with fundamental due diligence. All of our ESG research analysts are industry sector specialists, and they spend as much time working closely with their fundamental research counterparts as they do with each other. Today, when we assess a current or prospective holding, it almost always involves four or five (or more) people on our team picking up a company, looking at it from their unique perspective, and then combining their views to offer a comprehensive assessment. In this way, our deep integration of ESG research is simply an expansion of our traditional bottom-up approach to investing.

Within this process, we review companies comprehensively across a spectrum of evaluation factors—some rooted in fundamental analysis, some in ESG research and in many cases both (see diagram on page 5). Our review seeks out a clear understanding of both risk and opportunity:

1. ***ESG Risk Assessment.*** Our analysts identify potentially material ESG risks and assess the company's track record of managing these risks and its ability to do so in the future. This step may uncover labor issues, environmental liabilities, or controversial business and governance practices.
2. ***Sustainable Opportunity Assessment.*** Investing, in our view, is as much about opportunity as it is about risk. We seek out companies that use their SBA to add value for shareholders through revenue growth, cost savings or enhanced franchise value. The financial value of these sustainability drivers is not readily apparent to most investors, and we believe our proprietary SBA evaluations can provide us with an informational advantage.

SUSTAINABLE BUSINESS ADVANTAGES: WHERE FUNDAMENTAL AND ESG RESEARCH MEET

We place equal emphasis on the fundamental (including ESG risk management), sustainable and valuation attributes of any company we consider for the portfolio. We only invest when we are confident on all three criteria. Central to our approach is our search for companies with Sustainable Business Advantages (SBAs) that we believe can drive tangible, long-term business results.



Specifically, a company is considered to have SBA if its sustainable strategies or attributes have the potential to drive:

- ***Revenue growth*** by helping customers solve for challenging sustainability issues
- ***Cost improvement*** from efficient operations, risk mitigation or other measures that boost productivity or reduce resource consumption
- ***Enhanced franchise value*** by virtue of sustainable strategies or positive societal impact—generally exhibited via higher customer loyalty, attracting and retaining top talent, growing more quickly, or taking market share

SBA Driver	Business Scenario	Company Trait/Strategy	SBA Outcome
Revenue Growth	Customers have an appetite for being more productive and saving money.	Company offers solutions to help firms reduce energy, water or resource usage while improving customer throughput/yields.	Helping customers save money while increasing their productivity is a persistent and compelling value proposition that can increase a company's sales growth.
Cost Improvement	IT firms host data centers that consume energy and produce emissions at a massive scale.	Leading IT firms are working to reduce energy and resource costs of operating these data centers.	Innovators may become more efficient than their data center competitors, offering reduced costs and emissions to customers.
Enhanced Franchise Value	Consumers are increasingly moving to environmentally and socially responsible products.	Some companies are responding with ethical, healthy and organic products to meet this demand.	Companies that have built sustainable product lines over time may enjoy customer loyalty and a strengthened brand.

Our portfolio decisions are focused on investment performance, but quite often, our work leads us to compelling investments that also have the potential to create positive environmental or social impact. The portfolio does not target specific impact exposures, but over time, we have been exposed to a wide range of impact themes, from energy and resource efficiency to economic and community development. We believe that this approach is one of several distinguishing characteristics for our strategy.

We think it is important to acknowledge that the companies in the large-cap equity universe are collectively responsible for a large proportion of the world's economic activity—and the impact, both positive and negative, that stems from that activity. Cloud computing requires silicon, power and cooling systems; industrial activity produces waste; the ongoing global "energy transition" will not end fossil fuel consumption overnight—there is no avoiding these facts. However, our experience tells us that there are vast differences between companies that are trying to build a sustainable future and those that are not. We believe that by investing in the former, we can build a portfolio that drives both attractive returns and positive contributions to society.

We believe that our philosophy is one of the key drivers of our results since inception. The merits of our approach have been repeatedly acknowledged by industry observers; for example, over the years, we have received high marks from the Principles for Responsible Investment (PRI) for how we have developed and implemented our sustainable investment solutions for clients (as noted on page 9).

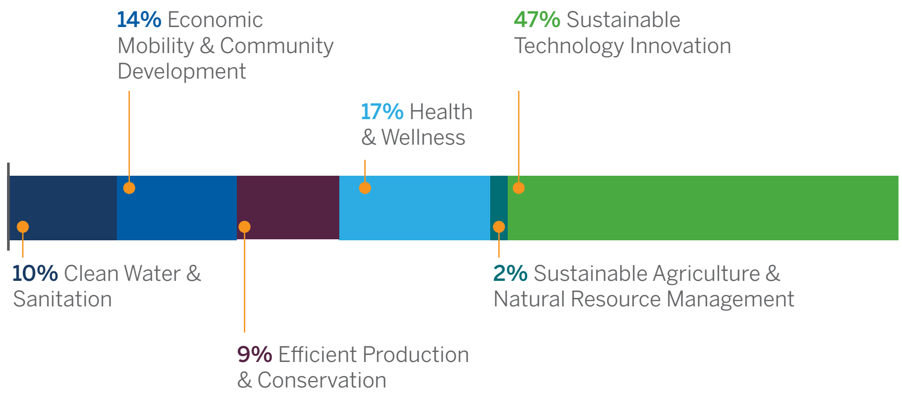
DIVERSIFICATION BY IMPACT THEME

Breaking the portfolio out by different impact themes illustrates the variety of challenges and opportunities that our holdings address. As shown on page 7, we look at impact using a fairly straightforward segmentation into three main categories—environment, health and well-being, and economic development/social inclusion—each with several subcategories.

Categorizing each company's impact is not an exact science. Our research is based on both objective data and subjective analysis, and many companies produce impact on multiple fronts.

IMPACT THEME ANALYSIS

We categorize our holdings according to a series of impact themes to illustrate the variety of challenges and opportunities that our portfolio addresses. We do not target any particular impact mix, and we have found ample opportunity to invest in companies that address a wide range of social and environmental issues. We believe these themes align well with the U.N. Sustainable Development Goals (as noted below).



Source: Brown Advisory analysis. Numbers may not total to 100% due to rounding. Impact theme information excludes cash, is based on a Brown Advisory Large-Cap Sustainable Growth representative account as of Dec. 31, 2022.

IMPACT THEME ALIGNMENT WITH THE U.N. SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The U.N. SDG framework is widely used for categorizing projects and investments that seek to generate positive societal impact. We believe that our impact themes are broadly aligned with these SDGs.

ECONOMIC DEVELOPMENT & SOCIAL INCLUSION

AFFORDABLE HOUSING
1 No Poverty; 10 Reduced Inequalities; 11 Sustainable Cities and Communities

ECONOMIC MOBILITY & COMMUNITY DEVELOPMENT
1 No Poverty; 2 Zero Hunger; 4 Quality Education; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 16 Peace, Justice and Strong Institutions

EDUCATION
4 Quality Education; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

DIVERSITY, EQUITY & INCLUSION (DEI)
5 Gender Equality; 10 Reduced Inequalities; 16 Peace, Justice and Strong Institutions

HEALTH & WELL-BEING

HEALTH & WELLNESS
2 Zero Hunger; 3 Good Health and Well-Being

CLEAN WATER & SANITATION
3 Good Health and Well-Being; 6 Clean Water and Sanitation; 9 Industry, Innovation and Infrastructure; 14 Life Below Water; 15 Life on Land

ENVIRONMENT & CLIMATE

SUSTAINABLE TECHNOLOGY INNOVATION
7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 13 Climate Action

EFFICIENT PRODUCTION & CONSERVATION
7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 13 Climate Action; 14 Life Below Water; 15 Life on Land

CLEAN ENERGY
7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 13 Climate Action

SUSTAINABLE AGRICULTURE & NATURAL RESOURCE MANAGEMENT
2 Zero Hunger; 3 Good Health and Well-Being; 12 Responsible Consumption and Production; 13 Climate Action; 14 Life Below Water; 15 Life on Land

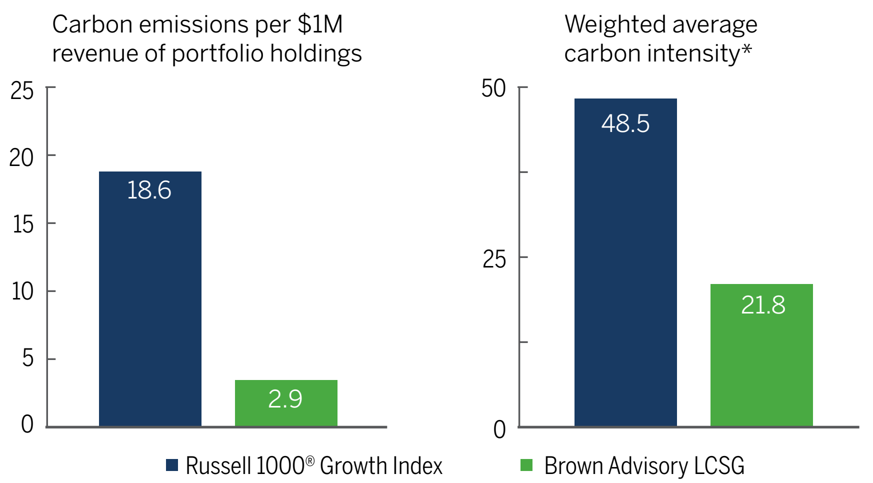
Source: United Nations, Brown Advisory analysis.

IMPACT METRICS AT A GLANCE

As noted throughout this report, our investment approach in this strategy is a bottom-up process that seeks to identify compelling long-term investments. We do not seek to meet a set of top-down screens or other broad criteria, nor do we build our strategies or research processes specifically to earn high marks from external evaluators. That being said, the investment process historically has led to a portfolio with minimal exposure to many practices and business activities that are common targets of screens, as well as a portfolio characterized by lower carbon emissions, and our overall approach is well-regarded by respected bodies such as the PRI (see page 9).

CARBON EMISSIONS DATA

Large-Cap Sustainable Growth Holdings as of Dec. 31, 2022



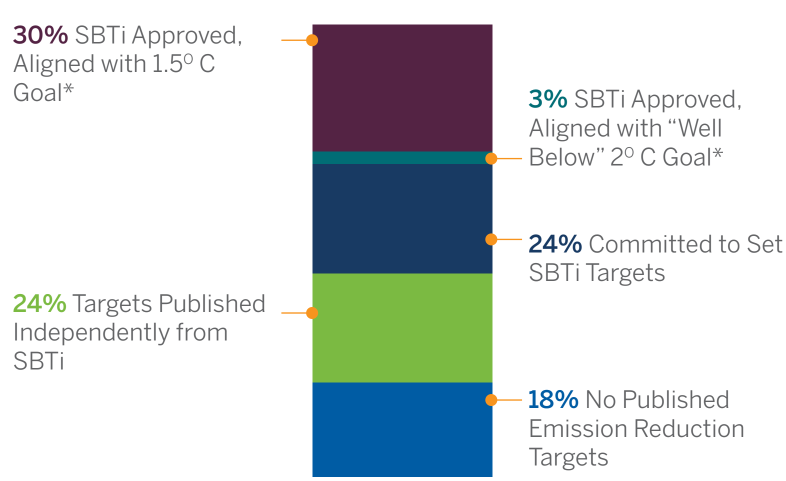
Source: MSCI ESG Manager. *Tons CO e/$M revenue of portfolio holdings, adjusted based on relative weighting of each holding. Portfolio information is as of Dec. 31, 2022. Portfolio information is based on a Brown Advisory Large-Cap Sustainable Growth representative account.

SCIENCE BASED TARGETS INITIATIVE PROGRESS

Large-Cap Sustainable Growth Holdings as of Dec. 31, 2022

The Science Based Targets initiative (SBTi) is a broad, collaborative effort to improve corporate carbon strategies by emphasizing actual reductions vs. offsets and by aligning corporate targets with the broader global Paris Agreement goals. This chart measures our portfolio companies' progress within this initiative.

**Note that the SBTi itself is evolving alongside the climate change crisis; as time passes it is asking companies to consider more aggressive reductions in the hope of further restraining long-term global warming. Companies in this portfolio that have not set carbon targets are largely low-emission businesses by their nature, but we nonetheless seek to engage with all companies to understand their decarbonization strategies and to seek improved transparency and disclosure.*



Source: MSCI ESG Manager and Brown Advisory proprietary analysis. Data reflects portfolio holdings as of Dec. 31, 2022. Portfolio information is based on a Brown Advisory Large-Cap Sustainable Growth representative account.

2021 PRI ASSESSMENT RECAP

Brown Advisory has been a signatory to the PRI (Principles for Responsible Investment) since 2014. Each year, we complete a rigorous disclosure of our sustainable investing practices as part of our obligation as a signatory, and PRI in turn provides an evaluation of our practices and rates us relative to our peers in a variety of categories.

We are pleased to share the PRI's 2021 assessment of Brown Advisory's sustainable investing practices; our scorecard is provided below.

Key takeaways:

- After a long delay (results from the 2021 reporting cycle were just released in September 2022), PRI has overhauled its scoring system to help address the "grade inflation" that had occurred in the program over the years. As noted below, scores are now provided in a bell-curve driven "star" system rather than with letter grades. Notably, numerical scoring results for each advisor, versus the industry as a whole, provide a more helpful view of an asset manager's relative strength vs. their peers.
- Broadly, we feel that our scores reflect our firm's broad-based efforts to adopt sustainable investing principles across all aspects of our business. While we hope to earn more 5-star ratings over time, we expect to have fewer of them currently, simply due to the fact that Brown Advisory has a broad mix of clients, some of whom do not currently pursue sustainable investing. Also, since this disclosure was filed in early 2021, we have done meaningful work in areas such as proxy voting, climate strategy and fixed income ESG research, which we believe may bolster our ratings going forward in a variety of categories.

Module Name	Brown Advisory 2021 Score	Brown Advisory Percentile Score	Industry Average
Investment & Stewardship Policy	★★★★	68	60
Indirect – Manager Selecting, Appointing & Monitoring			
Listed Equity - Passive	★★★★	81	57
Listed Equity – Active	★★★★	82	67
Fixed Income – Passive	★★★★	79	43
Fixed Income – Active	★★★★	80	57
Private Equity	★★★★	76	63
Real Estate	★★★★	76	62
Infrastructure	★★★★	75	71
Hedge Funds	★★★★★	92	34
Direct & Active Ownership Modules			
Listed Equity – Active Fundamental - Incorporation	★★★★	79	71
Listed Equity – Active Fundamental - Voting	★★★★	70	54
Listed Equity – Investment Trusts - Voting	★★★★	70	60
Listed Equity – Passive Voting	★★★	57	57
Fixed Income – SSA (Government Issued)	★★★★	85	50
Fixed Income – Corporate	★★★★	84	62
Fixed Income – Securitized	★★★★	86	55

Source: UNPRI. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. Please see the end of this presentation for important disclosures.

Chipotle Mexican Grill

SECTOR:
Consumer Discretionary

IMPACT THEME:
Sustainable Agriculture / Natural Resource Mgmt.

Chipotle's "food with integrity" mission is central to our Sustainable Business Advantage thesis, as we believe the company's focus on good food made with real ingredients that are produced sustainably can be great for business and the planet. The company has built a valuable brand with a loyal customer base by offering high-quality meal options that emphasize healthy, fresh, and sustainably-sourced ingredients at affordable prices. Over the years, the company's culinary team has helped launch new menu innovations that elevate vegetables and plant-based proteins alongside animal proteins, showcasing that its "real food" offerings can appeal to a wide range of consumer preferences and dietary needs.

We especially appreciate that the company is as focused on sustainability as it is on the quality and taste of its products. Chipotle has become known for its emphasis on incorporating locally-sourced produce, organic ingredients, and ethically raised meat that don't use anti-biotics, preservatives, or food dyes. In 2021, for example, the company purchased over 40.7 million pounds of organic and transitional ingredients and over 35.7 million pounds of local produce. In addition to sustainable sourcing of the 53 ingredients used in Chipotle recipes, the company's sustainability efforts also carry through to the end of a product's lifecycle as well. According to the company's latest report, Chipotle diverted over 2.6 million cubic yards of waste through recycling, composting, and biomass energy generation, helping to exceed the company's ambitious goal of achieving a 90% recycling rate and a 50% landfill diversion rate.

Cadence Design Systems

SECTOR:
Information Technology

IMPACT THEME:
Sustainable Technology Innovation

A leader in electronic design automation (EDA) solutions, Cadence Design Systems offers mission-critical software and tools that support the design and verification of increasingly complex semiconductor chips, printed circuit boards, and integrated systems. Its technologies enable the creation of electronic products that optimize energy usage by addressing all aspects of power management.

Cadence's solutions help solve two key issues that arise as semi-conductor chips become smaller, more condensed, and more complex: wasted energy, which can lead to shorter battery life; and excess heat, which can lead to poor reliability and shorter product lifespans.

The company's software and tools play a vital role in driving sustainability innovations in various end-market applications. For example, EDA technology is crucial in the design of the advanced chips that power electric vehicles.

UnitedHealth Group

SECTOR:

Health Care

IMPACT THEME:

Health & Wellness

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

UnitedHealth has positioned itself as a leader in value-based care, seeking to align the incentives of doctors, patients, and insurers with a results-oriented model designed to lower costs, improve the quality of care, and, most importantly, improve patient outcomes. Through the combined capabilities of UnitedHealth and Optum, the company served over 14 million members through physicians in value-based arrangements at the end of 2022, and more than two million Optum customers via value-based care arrangements.

The company reports that members of Medicare Advantage served by value-based care arrangements saw significant reductions in days spent in the hospital and emergency room usage while saving customers over 30% versus other Medicare patients in fee-for-service arrangements in the highest performing Medicare Advantage markets.

UnitedHealth is also expanding accessibility in underserved areas through home and virtual care, and provides a variety of tools and services to patients to help them manage and control their prescription drug costs. The company is committed to identifying, studying and reporting on emerging health issues to ensure its products meet the evolving needs of its patient population. Overall, we feel the company puts a high degree of emphasis on these long-term initiatives that have the potential to lower patient costs and improve outcomes broadly.

Sources: Brown Advisory research, UnitedHealth Group. Sectors identified for each company are based on the GICS sector classification system. 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 the sustainable investment philosophy of the strategy, and do not represent all of the securities purchased, sold or recommended for advisory clients. Portfolio information is based on a Brown Advisory Large-Cap Sustainable Growth representative account.

We regularly engage with the companies whose securities we hold in the Large-Cap Sustainable Growth portfolio and with other stakeholders with an interest in those companies.* Sometimes our goal in these engagements is to inform our investment thesis, and other times we seek to elicit a specific stakeholder response to an idea, suggestion or perceived risk.

Engagement has always played an important role in our fundamental due diligence. We believe that good fiduciaries and stewards of client capital have a responsibility to maintain consistent dialogue with the companies they own and related stakeholders. This extends to our responsibility to understand companies and issuers from an ESG perspective and, when appropriate, to encourage improved ESG practices.

Our firm's ESG research team plays a critical role in formalizing our firm's ESG engagement approach with companies and issuers. The team made progress on a number of fronts related to engagement in 2022:

- **Collaboration**: We have partnered with a number of organizations and coalitions in recent years in large-scale engagement campaigns and view collaboration as a core engagement tactic. We were early signatories to Climate Action 100+, and in 2022 we continued our participation in company-specific engagements and to integrate analysis from this initiative into our proxy voting decisions for target companies. Another example is our work with CDP, which spans multiple campaigns on climate change strategy, including outreach to encourage SBTi adoption and engagement with municipal bond issuers. Also in 2022, we had the opportunity to act as the lead investor voice in discussions with three companies in our portfolio, as part of CDP's annual Non-Disclosure Campaign.
- **Tapping into expertise**: Sustainability issues can be enormously complex, and for some issues, we seek to build networks with specialized individuals and groups in an effort to better understand the associated risks and opportunities. Our work on ethical AI is a good illustration: We joined working groups at the World Economic Forum, PRI and the American Institute of Certified Public Accountants, all of which assemble investment, technology and policy thought leaders to address bias, transparency and other ethical issues in AI deployment.
- **Helping drive implementation**: Once investors reach an agreement with a company in an engagement, there is still a lot of work to do, generally over many years, to actually implement change. We are long-term investors and often hold companies for multiyear periods, so we are often in good position to monitor and encourage those companies to adhere to annual sustainability goals and targets. For example, we have worked with CDP on its campaign to ask companies to adopt the SBTi, and for the companies that have agreed, we can continue to engage with them individually regarding implementation steps.

ENGAGEMENT APPROACHES

ESG Due Diligence: We conduct ongoing discussions with companies to inform our investment research. These conversations are a standard component of our ESG research and contribute to portfolio decisions and ongoing monitoring of holdings.

Impact: We collaborate with companies/issuers and industry groups to encourage companies toward the achievement of certain ESG outcomes that we believe are aligned with long-term shareholder value. We note that proxy voting, especially on ESG-related shareholder proposals, is an important signaling tool in these engagements.

Advisory: We are often asked by companies for feedback and informal advice on the development, improvement and/or communication of their ESG efforts. To be clear, we do not act in any formal capacity as an advisor or consultant on these matters; we simply act as a sounding board.

Collaboration: We partner with many investor groups and nonprofits to help advance salient issues.

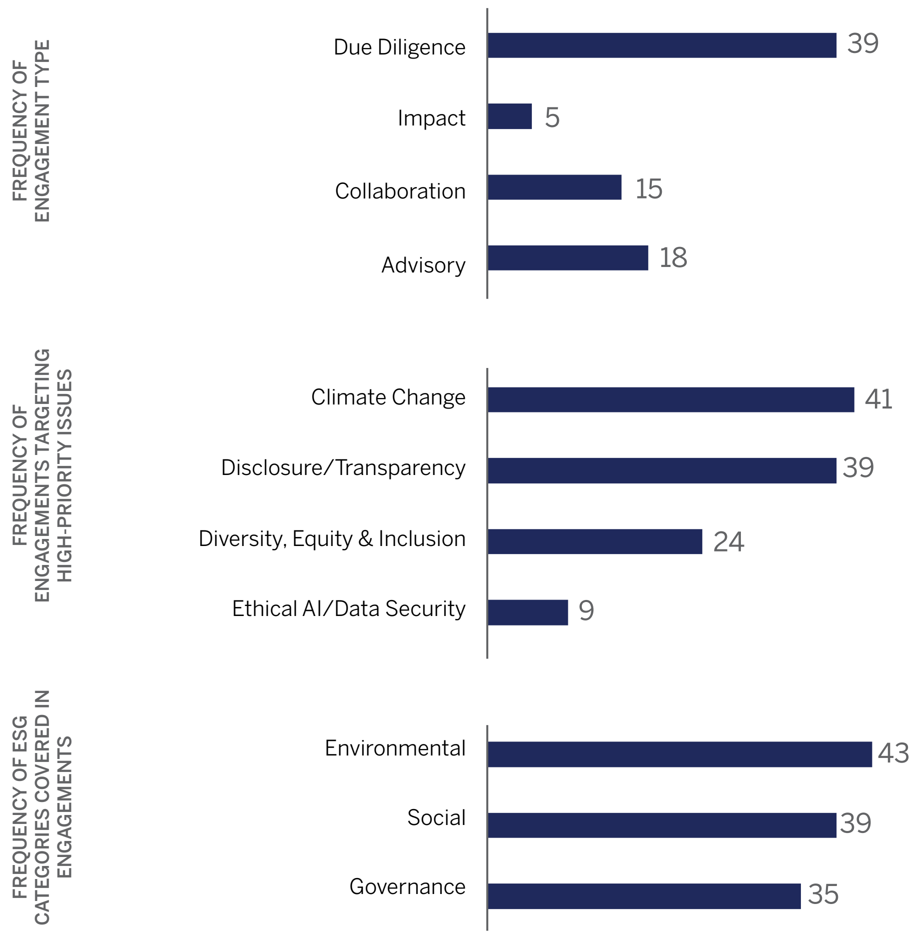
ISSUE PRIORITIZATION

Our engagements generally flow from our overall "bottom-up" orientation to investing—we seek to engage with each company on the specific risks and opportunities that we consider to be most relevant and material in each situation. However, we also strive to engage at a strategic level with many companies on a common set of high-priority topics that have wide-ranging relevance. We prioritize based on several factors, including materiality (is the issue meaningful in terms of long-term shareholder value), saliency (does the issue transcend materiality, with sweeping implications for all stakeholders), exposure (does the issue pose an outsized risk to our portfolio), as well as our belief in our ability to achieve meaningful progress on the issue and whether it is an issue that multiple companies are bringing up with us proactively.

In 2022, our four high-priority engagement topics were **climate change, disclosure and transparency, diversity, equity & inclusion,** and **ethical AI/data security.** These have been our priorities for the last few years and continue to be relevant across our sustainable portfolios and important for enhancing our research. On page 13, we provide a summary of our activity in 2022.

*Note: We do not engage with every company or issuer. We engage only when we believe engagement will be material to our investment decision making.

2022 ENGAGEMENT ACTIVITY BY THE NUMBERS: *LARGE-CAP SUSTAINABLE GROWTH*



58 engagements in 2022 with portfolio companies, portfolio candidates and relevant stakeholders

EXAMPLE: LEADING DATA ANALYTICS FIRM

ISSUE: Disclosure
TYPE: Collaboration, Advisory

We have engaged productively with this company many times over the years, and had five ESG-related discussions between July 2021 and January 2023. In many of these conversations, our fundamental and ESG research analysts have partnered to ensure that our suggestions reflect both business and impact priorities.

Recent recommendations include enhancements to disclosures that highlight "sustainable business opportunities," a step that we believe can help investors better understand the full scope of positive outcomes generated by sustainable products and services. Further, we have suggested several governance ideas for consideration, including instituting more formal oversight of ESG matters, and separating the role of chairman and CEO. **In 2022, the company announced policies or programs to begin addressing each of the areas mentioned above, and cited shareholder feedback as a primary inspiration.**

EXAMPLE: CDP NON-DISCLOSURE CAMPAIGN

ISSUE: Climate Change, Disclosure
TYPE: Impact, Collaboration

CDP organizes a broad outreach campaign every year to encourage the world's largest companies to improve reporting on their carbon emissions. We have long supported CDP's efforts, and 2022 was our second year of formal participation in the campaign.

Our primary focus in 2022 was to engage with two companies in our portfolio that had never reported to CDP. We are pleased to note that in both cases, our direct engagement resulted in the companies reporting to CDP for the first time. We note that neither company's report was rated highly by CDP, but that is quite common for companies submitting for the first time. We view the initial reports as a positive foundation for future discussions, and hope to have the opportunity to help both companies think through how they want to evolve their disclosures and eventually, their climate strategies.

Source: Brown Advisory. Portfolio information is based on a Brown Advisory Large-Cap Sustainable Growth representative account. *Note: We do not engage with every company or issuer. We engage only when we believe engagement will be material to our investment decision making.

Proxy voting is the process by which shareholders vote on proposals submitted for consideration at a company's annual general meeting. Most proposals are submitted by management, and votes on management proposals are binding. Additionally, a growing number of shareholder proposals are submitted each year for consideration at annual general meetings. These votes are nonbinding, but the vote totals on these proposals can nonetheless influence corporate behavior. For this reason, we believe that the rights of shareholders with regard to these resolutions should be protected by regulators to ensure that investors' perspectives can always be heard in a public forum.

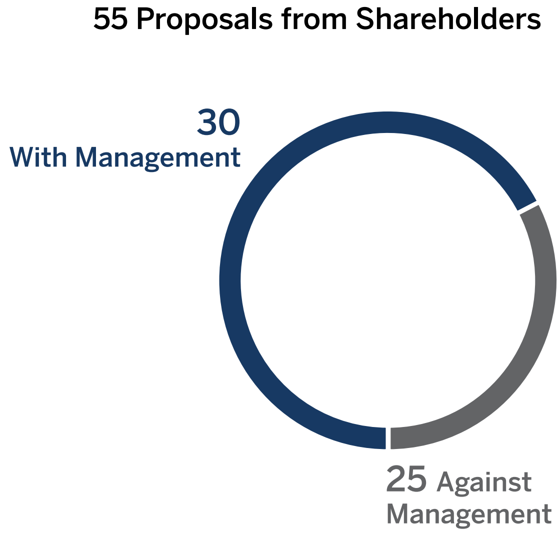
We believe that companies can benefit by considering forward-thinking social and environmental proposals. We generally aim to support ESG-related shareholder proposals that we consider likely to improve shareholder value over time. On the next page, we report on our voting record in 2022. Our case-by-case approach results in voting that largely follows our Proxy Voting Policy guidelines, but also diverges on occasion when warranted by a proposal's specifics or a company's particular circumstances.

Proxy voting, in our view, must be a nuanced exercise to ensure it aligns with thoughtful investment management:

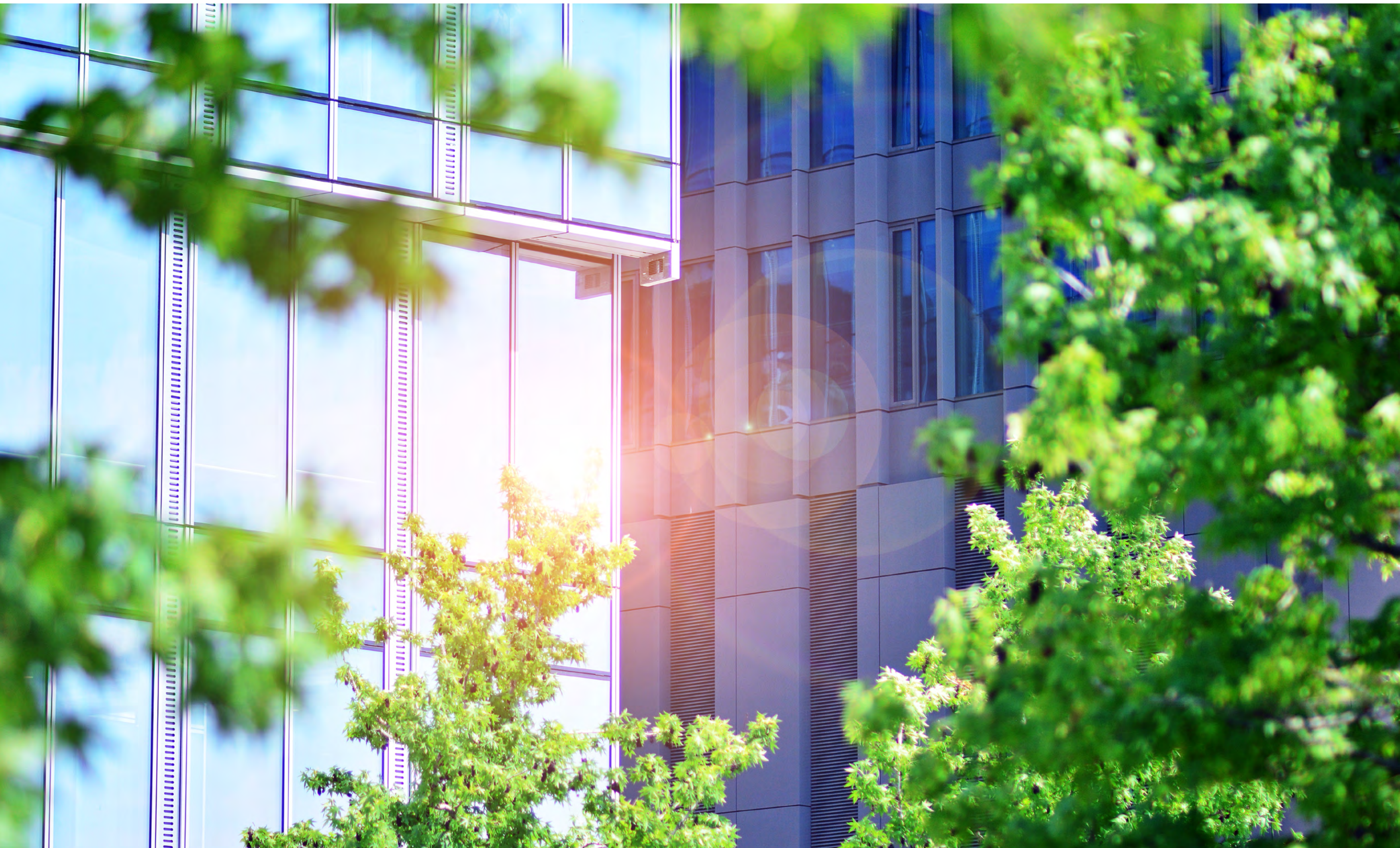
- When possible, we seek to leverage our proxy voting choices as a way of reinforcing our engagement activities with certain companies. For example, we have engaged with many of the world's leading technology companies over the past several years on the topic of ethical deployment of artificial intelligence, seeking to encourage these firms to more carefully consider the potential risks that AI and other algorithmic systems pose to society and their businesses. At one such firm, we had the opportunity to support a 2022 proposal for greater disclosure of how the firm's AI systems worked. The eventual resolution of the matter seemed a fair compromise, with the company agreeing to disclose some information but retaining the right to protect its most valued intellectual property.
- As noted in the chart on the next page, generally our case-by-case voting results in a fairly even mix of "for" and "against" votes. Each situation is different and must be treated that way. By way of illustration, we voted on a number of DEI proposals in 2022, supporting some and rejecting others. For example, we supported one proposal at a company to improve DEI reporting, because we believe that DEI and general labor issues are a meaningful risk for the company. Conversely, we rejected a proposal at another company, when it became clear that the proposal was a thinly veiled attempt to discredit the company's DEI efforts thus far.

Proxy voting for our institutional investment strategies is overseen by a proxy voting committee made up of equity research analysts (both fundamental and ESG-focused), trading operations team members, the head of our sustainable investing business, and our general counsel (among others). The committee oversees the execution and effectiveness of our proxy voting policy, but responsibility for casting votes ultimately rests with the portfolio managers responsible for each Brown Advisory equity investment strategy.

2022 PROXY VOTING BY THE NUMBERS:
LARGE-CAP SUSTAINABLE GROWTH



Source: Brown Advisory. Portfolio information is based on a Brown Advisory Large-Cap Sustainable Growth representative account..



The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.