

Brown Advisory US Flexible Equity Fund

Supplement No. 6 dated 12 January 2023 to the Prospectus of the Company dated 22 December 2020 for Brown Advisory Funds plc

This Supplement contains specific information in relation to Brown Advisory US Flexible Equity Fund (the “**Fund**”), a fund of Brown Advisory Funds plc (the “**Company**”) an umbrella type open-ended investment company with variable capital and segregated liability between funds, governed by the laws of Ireland and authorised by the Central Bank of Ireland (the “**Central Bank**”).

This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 22 December 2020.

The Directors of Brown Advisory Funds plc, whose names appear in the Directors of the Company section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Investment Manager has determined that the Fund is a Light Green Fund.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 12 January 2023

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Definitions

In this Supplement, the following words and phrases shall have the meanings indicated below:

“Comparator Benchmark”	for the purposes of this Supplement, the S&P 500® Net Index;
“Environmentally Sustainable Investment”	an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy;
“ESG”	environmental, social, and governance;
“Light Green Fund”	a Fund determined by the Investment Manager to be a financial product which complies with Article 8 of the SFDR;
“SFDR”	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, along with any regulatory technical standards (RTS) thereto, as the context requires;
“Socially Sustainable Investment”	an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;
“Sustainable Investment”	an Environmentally Sustainable Investment and/or Socially Sustainable Investment, as the context requires; provided that such investments do not significantly harm any economic or social objectives and that the investee entities follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;
“Sustainability Risk”	an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
“S&P 500® Net Index”	the S&P 500® Net Index provided by S&P Dow Jones Indices LLC which includes 500 leading

companies and covers approximately 80% of available market capitalisation; and

“Taxonomy Regulation”

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, along with any regulatory technical standards (RTS) thereto, as the context requires.

Investment Objective and Policies

Investment Objective

The objective of the Fund is to achieve capital appreciation by investing primarily in U.S. equities.

Investment Policies

The Fund aims to achieve its investment objective by investing at least 80% of its net assets in equity securities of mid-size and large companies generally with market capitalisations above \$2 billion at the time of purchase that the Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes, and which are listed or traded on the U.S. markets and exchanges listed in Appendix I of the Prospectus.

The Fund promotes certain environmental and social characteristics, as described under **ESG Promotion and Integration of Sustainability Risks** below by investing directly or through the use of FDIs, in a variety of equity securities in order to achieve the Fund’s investment objective.

The Fund may also invest in non-U.S. securities, convertible bonds including U.S. Rule 144A Securities, American and Global Depositary Receipts, U.S. treasury bills, fixed and/or floating rate U.S. government securities, real estate investment trusts and unlisted securities, subject to the limits set out in the Prospectus.

The Fund’s exposure to non-U.S. securities (including securities of issuers in Emerging Market Countries) will not exceed 15% of its Net Asset Value and its exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

Profile of a Typical Investor and Target Market Identification

The Fund is suitable for any investor (institutional and, unless prohibited by the rules of a particular jurisdiction, retail) seeking to achieve capital appreciation over the long term (*i.e.*, greater than five (5) years) by investing in a diversified portfolio consisting primarily of equity securities. Investors should desire that ESG factors be considered as part of the Fund’s investment due diligence process. The Fund invests primarily in equities as described above, and so investors should consider investment in the Fund as medium to high risk.

The Fund is categorised as a non-complex UCITS fund vehicle. This Fund is appropriate for all investors (retail, professional clients, and eligible counterparties) with a basic knowledge of the capital markets who seek to achieve capital appreciation over the long term (*i.e.*, greater than five (5) years) as a core or component of a portfolio of investments. Investors should be prepared to bear all losses (*i.e.*, 100% of the original investment amount). The Fund may not be compatible for investors outside the target market or those that are not able to bear all losses with respect to their investment. The Fund is available through all distribution channels (*e.g.*, investment advice, portfolio management, non-advised sales,

and pure execution services).

Investment Manager's Investment Process

The Investment Manager's bottom-up research process is comprised of integrated fundamental and ESG research, as further detailed under **ESG Promotion and Integration of Sustainability Risks** below.

The Fund seeks to leverage ESG research consistently in the investment process in an effort to help to identify Sustainability Risks associated with particular companies that may impact the company's financial performance.

The Investment Manager believes that when executed successfully, this investment approach can achieve the *Investment Objective* of the Fund.

Purchasing Portfolio Securities

The Investment Manager will use in-house research and other [third-party data] sources to identify a universe of companies across a broad range of industries whose underlying fundamentals are considered by the Investment Manager to be attractive. The Investment Manager will focus on companies that it believes exhibit the following desirable characteristics:

- favourable business economics supported by enduring competitive advantages;
- capable and trustworthy management;
- positive industry dynamics; and
- sensible capital allocation.

The Investment Manager follows an investment philosophy referred to as “*flexible equity*”. Flexibility allows the Investment Manager to evaluate many types of opportunities expanding the bargain hunting concepts of value investing to a broad range of investments. The Investment Manager emphasises individual security selection based on identifying long-term attractive businesses *i.e.*, those with significant desirable characteristics and few or no undesirable characteristics (such as excessive financial leverage, risk of business or product obsolescence, excessive compensation, misaligned incentives or management hubris), when they are available at bargain prices. Bargain prices most often arise in the stock market due to short-term investor perceptions or temporary business challenges creating undue price declines and price recovery potential, or because the Investment Manager believes that the business has favourable prospects which are typically unrecognised by industry or changes for the better in company management or industry conditions.

Selling Portfolio Securities

The Investment Manager will monitor the companies in the Fund's portfolio to determine if there have been any fundamental changes in the companies. The Investment Manager may sell a security or reduce its position in a security if:

- the security's market price exceeds the Investment Manager's estimate of intrinsic value;
- the ratio of risk and reward of continuing to own the company's equity is no longer attractive; and/or
- the Investment Manager needs to raise cash to purchase a more attractive investment opportunity, satisfy net redemptions, or other purposes.

ESG Promotion and Integration of Sustainability Risks

An Overview of the Investment Manager's ESG Integration Approach

The Investment Manager integrates in-house and/or third-party ESG research as part of its investment process. The Investment Manager's Light Green Funds, including the Fund, integrate ESG research in a manner it believes is appropriate to achieving each stated investment objective.

ESG research is provided through in-house ESG research or from third-party ESG research providers. In-house ESG research is produced by ESG research analysts who work alongside fundamental analysts across asset classes and industry sectors. The portfolio manager of the Fund oversees the research process that seeks to examine individual securities to drive performance, and includes an assessment of Sustainability Risks. In-house or third-party ESG analysis is provided for every company in the fund. At the Investment Manager's discretion, the Fund is permitted to make an investment without a written ESG assessment on file at the time of purchase, as long as the Investment Manager believes the relevant security meets the Fund's sustainability criteria.

In-house and third-party ESG research assessments seek to show if a company is exposed to material ESG risks that would materially detract from financial performance, and how a company is managing and mitigating its exposure to ESG risks. The ESG research approach is largely qualitative, but will contain certain quantitative elements (e.g., carbon emissions, certain controversial business exposure, board diversity). These ESG research assessments will be delivered in the form of an ESG Assessment (such term as defined and as further detailed under *ESG Research Integration* below) created by the ESG research analysts and/or a third-party ESG research report. The in-house ESG research assessment seeks to produce a proprietary view on a broad set of potentially material ESG risks facing an investment, such as certain ESG controversies the Investment Manager may deem material. Analysis focuses on the material ESG risks that may be present, taking into consideration the Investment Manager's view of the company's ability to manage those risks. The Investment Manager takes ESG analysis into account to evaluate the overall ESG profile of the company.

The ESG risks that could be included as part of the ESG Assessment may include any one or a combination of, but are not limited to, the following:

- **Environmental Risks:** carbon emissions, energy, waste, water, and biodiversity;
- **Social Risks:** human capital management, human rights, diversity and inclusion, product quality and safety, and data privacy and security; and
- **Governance Risks:** board and committee composition, limits to shareholder rights, business ethics, and management incentives.

Controversial business involvements such as fossil fuel expansion without decarbonization considerations, non-medical animal testing, tobacco, alcohol, and conventional and/or controversial weapons, among others, will be considered in the ESG Assessment.

Examples of material ESG risks include companies with weak management of natural resource usage resulting in supply chain instability, such as significantly increased costs or reduced supply of key natural resources in the future. In these cases, the Manager will seek to avoid an initial investment in such a company or will seek to reduce its exposure to such companies over time.

Fundamental and ESG research are considered when making portfolio decisions for the Fund. Integrating ESG research into the investment due diligence process in a systematic manner is integral to the Investment Manager's philosophy for Light Green Funds, including the Fund. The Fund may invest in a company that is exposed to legacy material ESG risks or that is lagging in ESG risk management, however it will seek to find evidence of a positive ESG risk-management trajectory which the portfolio manager will document before making an investment.

ESG Research Integration

The Investment Manager considers certain material ESG factors as part of its fundamental company research. ESG factors are assessed as part of the investment process for every security in the Fund. The assessment of ESG factors is guided by ESG data provided through the research process. The Fund seeks to promote ESG characteristics through its investment selection. ESG and fundamental analyses are considered holistically when making investment decisions. The ESG analysis focuses on the material ESG risks of a company. Characteristics that are considered in the promotion of ESG characteristics include:

- **Environmental:** The Fund seeks to avoid companies with poor management of natural resources and insufficient governance structures/expertise that would otherwise mitigate environmental risks.
- **Social:** The Fund prefers companies showcasing leadership in human capital management, and/or have strategic oversight of supply chains and the labour force as to limit controversies and potentially benefit fundamental performance. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: an assessment of supply chain policies and audit practices; board, management and employee diversity; and compliance with global standards (e.g., UN Global Compact). This investment selection process may lead to the exclusion of investee companies with poor working conditions and/or high employee turnover relative to peers.
- **Governance:** The Fund prefers quality and established management teams that have formalised governance structures. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: board composition and structure in terms of expertise and diversity; shareholder rights provisions; and compensation packages. The Fund will engage, through proxy voting and other mechanisms, to vocalise the importance of appropriate incentives (e.g., compensation) to enable long-term performance. This investment selection process may lead to the exclusion of investee companies where the Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

(the foregoing, the “**ESG Assessment**”).

The Fund also seeks to limit exposure to companies that the Investment Manager deems to be laggards on certain environmental and social characteristics and do not have a positive ESG trajectory. Should a company have significant exposure to any of these businesses or practices, the Investment Manager will seek to engage with the company to understand what plans the company may have to reduce exposure. If the Investment Manager determines that the company has no plans to reduce exposure within the investment horizon, the position will be exited in a manner that the Investment Manager believes to be in the best interests of the Fund. In determining whether or not to invest based upon these principles, the Investment Manager may use third-party ESG data to assess relevant exposures. The Investment Manager is permitted to invest in a security if it determines the security has an acceptable ESG risk profile notwithstanding contrary third-party data or third-party recommendations. In addition, although the Fund does not have a specific sustainable investment objective, the Fund has adopted the following binding restrictions and will not invest in companies that:

- manufacture whole controversial weapons systems, including cluster munitions, land mines, biological weapons, and/or chemical weapons;
- are identified as failing to comply with the United Nations Global Compact;
- derive more than 10% consolidated revenue from tobacco;

- derive more than 10% consolidated revenue from civilian firearms; and
- derive more than 10% consolidated revenue from adult entertainment.

The Fund will seek to exclude holdings the Investment Manager deems inconsistent with applicable ESG characteristics described above. As a result, the universe of investments available to the Fund will be more limited than other funds that do not apply such characteristics. However, the Fund may have exposures to certain companies which some investors consider contrary to ESG principles, such as energy, defence and conventional weapons. The application of the ESG characteristics could result in performance that is better or worse than the performance of a similar fund, depending on the performance of the excluded investments and the investments included in place of such excluded investments. The Fund's ESG characteristics may effectively accommodate the requirements of certain Fund investors but not others, and may be more or less restrictive than a particular fund an investor might otherwise prefer.

In addition to the Fund's *Investment Policies* and **Investment Restrictions**, the Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund investments, such as evolving internal Investment Manager policies limiting or prohibiting investments in businesses that engage in certain types of weapons manufacturing, natural resource activities or are identified as failing to meet certain criteria put forth by the United Nations or other global organisations (including "sanctions" lists, such as those maintained by the United States Office of Foreign Assets Control (OFAC) and the European Union (the foregoing, the "**ESG Investment Limitations**").

Integration of Sustainability Risks

All investments are vetted for Sustainability Risk. Research seeks to identify material Sustainability Risks and the portfolio manager of the Fund takes these Sustainability Risks into consideration when making an investment decision.

Accordingly, consideration of Sustainability Risks is systematically integrated in the Investment Manager's investment process and investment decisions for all investments for the Fund.

The Investment Manager's ESG research approach seeks, first and foremost, to contribute positively to the performance of the Fund. The Investment Manager's ESG research efforts aim to uncover Sustainability Risks that may materially impact the return from an investment.

Accordingly, the results of ESG Assessment on investments and the implementation of ESG Investment Limitations as part of the Investment Manager's investment process for security due diligence and selection, together with the participation in ESG Engagement, are likely to diminish the impacts of Sustainability Risks on the returns, and improve the overall risk profile, of the Fund.

The Manager (in conjunction with the Investment Manager) conducts an assessment of the principal adverse impacts of its investment decisions on sustainability factors across all of the holdings in the Fund. Further information is available in the Statement on the Due Diligence Policies of the Manager on the Principal Adverse Impacts of Investment Decision, available at: <https://www.brownadvisory.com/intl/ucits-legal-document-library>. In addition, information on principal adverse impacts on sustainability factors will be available in the annual report and audited financial statements of the Manager.

Transparency of Environmentally Sustainable Investments

Environmentally Sustainable Economic Activities and Do No Significant Harm

The Investment Manager has determined that the Fund is a Light Green Fund, as the Fund promotes environmental and social characteristics by integrating ESG research into the overall research process.

As required by Article 6 of the Taxonomy Regulation, the Fund must disclose that the “*do no significant harm*” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

As the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities contained in the Taxonomy Regulation, the “*do no significant harm*” principle does not apply to any of the investments underlying the Fund.

Although the Fund promotes environmental characteristics, the Fund does not promote the environmental objectives contained in the Taxonomy Regulation. Accordingly, as a percentage of the Fund's portfolio, the Manager (in conjunction with the Investment Manager) has determined that 0% of the investments underlying the Fund will be in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation (“**Taxonomy-Aligned Investments**”), and does not commit that the Fund will make any Sustainable Investments.

Technical Screening Criteria

The Manager (in conjunction with the Investment Manager) anticipates that the percentage of investments in the Fund that are in Taxonomy-Aligned Investments and may be eligible to be assessed against the technical screening criteria (TSC) issued pursuant to the Taxonomy Regulation will be 0%.

Benchmark Index

The Fund uses the Comparator Benchmark to compare performance. The Fund is actively managed and is not constrained by any benchmark.

In its construction and method of calculation, the Comparator Benchmark does not take into account the sustainability characteristics described under **ESG Promotion and Integration of Sustainability Risks** in a manner that is consistent with the Fund's approach towards the sustainability characteristics. Further information in respect of the methodology used for the calculation of the benchmark can be found at:

- <https://www.spglobal.com/spdji/en/indices/equity/sp-500/#overview>.

Financial Derivative Instruments

Subject to the Regulations and to the conditions and limits laid down by the Central Bank from time to time, the Fund may utilise **FDIs**. The Fund only intends to use forward foreign exchange (“**FX**”) contracts to hedge currency FX risks arising for Hedged Share Classes of the Fund. In addition, convertible bonds may represent derived investment positions whose value at maturity or interest rate is linked to equity securities and which may therefore embed FDIs. The leverage exposure of the Fund through the use of FDIs will not exceed 100% of the Fund's Net Asset Value, as measured using the commitment approach.

This section is to be read in conjunction with the section **FUNDS – Use of FDI** in the Prospectus.

Investment Restrictions

In addition to the investment restriction set out below, the general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply.

Investments made by the Fund in shares or units of CIS may not exceed, in aggregate, 10% of the Net Asset Value of the Fund. The CIS, in which the Fund invests, must be prohibited from investing more than 10% of their net assets, in aggregate, in CIS.

Borrowings

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS – Borrowing and Lending Powers**, the Fund may borrow up to 10% of its Net Asset Value on a temporary basis. It is not intended to borrow for leverage purposes.

The Manager operates a Risk Management Process on behalf of the Fund in relation to its use of FDIs, details of which are set out in the sub-section entitled Risk Management of the section entitled **Funds – Use of FDI** in the Prospectus.

Risk Factors

Investment in the Fund carries with it a degree of risk including, but not limited to, the risk factors set out under the heading **Risk Factors** of the Prospectus and the further risk factors set out below. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

Environmental, Social and Governance Policy Risk

Because the Fund's ESG criteria exclude securities of certain issuers for non-financial reasons, the Fund may forgo some market opportunities available to funds that do not use these criteria. In addition, the Fund may otherwise reduce its exposure to certain securities when it might be advantageous to maintain its position. The Fund's integration of ESG criteria, as well as any guideline restrictions referenced in this Supplement or the Prospectus may adversely impact the performance of the Fund.

In assessing ESG factors of a security or issuer, the Investment Manager may use information and data from third-party ESG research providers, which may be incomplete, inaccurate or unavailable. It may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security, issuer or index. There is also a risk that the Investment Manager, or third-party ESG research providers the Investment Manager may use, may not interpret or apply the relevant ESG factors correctly. Neither the Fund nor the Investment Manager or any of their affiliates make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG Assessment.

ESG Risks

If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

Dividend Policy

Details of the dividend policy for the Fund are set out under the **SHARE CLASS INFORMATION** section of the Prospectus.

Key Information for Buying and Selling

Base Currency

U.S. Dollars.

Business Day

Any day (except Saturday or Sunday) on which the New York Stock Exchange is open, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

Each Business Day.

Dealing Deadline

3.00 p.m. Irish Time on each Business Day.

Valuation Point

10.00 p.m. Irish Time on each Business Day

Share Class Information

As of the date of this Supplement, the Share Classes listed in the tables below with a corresponding tick (✓) under the heading **Subscription Open** are available for subscription in the Fund. Share Classes listed in the tables below with a corresponding check (X) under the heading **Subscription Open** are no longer available for subscription in the Fund. Investors seeking to invest in any other Classes as set out in the Prospectus in the **SHARE CLASS INFORMATION** section should contact the Investment Manager. Upon receipt of sufficient interest in any such Class, such a Class may be launched.

The applicable Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for the Shares are set as out in the Prospectus under the heading **SHARE CLASS INFORMATION**.

Initial Offer Period / Initial Issue Price

In relation to the Share Classes listed in tables below with a corresponding tick (✓) under the heading **Initial Offer Period Open**, the Initial Offer Period remains open and will close upon the earlier of: (i) the first investment by a Shareholder in such Class of Shares; or (ii) 3.00 p.m. (Irish Time) on 13 July 2023; or (iii) such earlier or later date as the Directors may determine and notify to the Central Bank.

Investors may apply to subscribe for such Shares during the Initial Offer Period at the Initial Issue Price for each Class. The Initial Issue Price for such Classes is as set out in the tables below under the heading **Initial Issue Price**.

The Share Classes listed in the tables below with a corresponding check (X) under the heading **Initial Offer Period Open** are currently in issue and are available for subscription at prices calculated with reference to the Net Asset Value per Share, as indicated by "NAV" under the heading **Initial Issue Price**.

After the Initial Offer Period, Shares will be continuously open for subscriptions on the relevant Dealing Day and the Issue Price shall be the Net Asset Value of the relevant Class of Shares on the relevant Dealing Day.

Class A Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class A Acc Shares	✓	X	NAV
Dollar Class A Dis Shares	✓	✓	\$10.00
Sterling Class A Acc Shares	✓	✓	£10.00
Sterling Class A Acc H Shares	✓	✓	£10.00
Sterling Class A Dis Shares			£10.00
Sterling Class A Dis H Shares			£10.00
Euro Class A Acc Shares	✓	✓	€10.00
Euro Class A Acc H Shares	✓	X	NAV
Euro Class A Dis Shares	✓	✓	€10.00
Euro Class A Dis H Shares	✓	✓	€10.00
Swiss Franc Class A Acc Shares	✓	✓	CHF10.00
Swiss Franc Class A Acc H Shares	✓	X	NAV
Swiss Franc Class A Dis Shares	✓	✓	CHF10.00
Swiss Franc Class A Dis H Shares	✓	✓	CHF10.00

Class B Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class B Acc Shares	✓	X	NAV
Dollar Class B Dis Shares	✓	X	NAV
Sterling Class B Acc Shares	✓	✓	£10.00
Sterling Class B Acc H Shares	✓	✓	£10.00
Sterling Class B Dis Shares	✓	X	NAV
Sterling Class B Dis H Shares	✓	X	NAV
Euro Class B Acc Shares	✓	✓	€10.00
Euro Class B Acc H Shares	✓	X	NAV
Euro Class B Dis Shares	✓	X	NAV
Euro Class B Dis H Shares	✓	✓	€10.00
Swiss Franc Class B Acc Shares	✓	✓	CHF10.00
Swiss Franc Class B Acc H Shares	✓	✓	CHF10.00
Swiss Franc Class B Dis Shares	✓	✓	CHF10.00
Swiss Franc Class B Dis H Shares	✓	✓	CHF10.00

Class C Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class C Acc Shares	✓	X	NAV
Dollar Class C Dis Shares	✓	X	NAV
Sterling Class C Dis Shares	✓	X	NAV
Sterling Class C Dis H Shares	✓	X	NAV

Class J Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class J Acc Shares	✓	✓	\$10.00

Class M Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class M Dis Shares	✓	X	NAV
Sterling Class M Dis Shares	✓	X	NAV

Class P Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class P Acc Shares	✓	✓	\$10.00
Euro Class P Acc H Shares	✓	✓	€10.00

Class SI Shares

Class	Subscription Open	Initial Offer Period Open	Initial Issue Price
Dollar Class SI Acc Shares	✓	✓	\$10.00
Dollar Class SI Dis Shares	✓	✓	\$10.00
Sterling Class SI Acc Shares	✓	✓	£10.00
Sterling Class SI Acc H Shares	✓	✓	£10.00
Sterling Class SI Dis Shares	✓	✓	£10.00
Sterling Class SI Dis H Shares	✓	✓	£10.00
Euro Class SI Acc Shares	✓	✓	€10.00
Euro Class SI Acc H Shares	✓	✓	€10.00
Euro Class SI Dis Shares	✓	✓	€10.00
Euro Class SI Dis H Shares	✓	✓	€10.00

Settlement Date

In the case of applications, two (2) Business Days after the relevant Dealing Day.

In the case of repurchases, two (2) Business Days after the relevant Dealing Day (assuming the receipt of the relevant duly signed repurchase documentation including all relevant anti-money laundering documentation).

Preliminary Charge

If subscribing through a financial intermediary for Class A Shares or Class P Shares, a Preliminary Charge of up to 3% of the Issue Price may be deducted from the amount payable in respect of the subscription.

The Preliminary Charge is payable to financial intermediaries appointed by the Manager or by a Distributor, in accordance with applicable laws and regulations. The Preliminary Charge may either be deducted from the net amount received by the Administrator for the subscription for Shares or from the amount received by a financial intermediary from investors.

No Preliminary Charge is payable in respect of Class A Shares or Class P Shares if subscribing directly into the Fund through the Administrator.

There is no Preliminary Charge payable for other Share Classes.

Repurchase Charge

1%.

The Repurchase Charge will only be charged in instances where there is a significant (typically in excess of 10%) net redemption or in the case of an investor engaging in excessive trading.

Anti-Dilution Charge

Cost of dealing.

Fees and Expenses

Investment Management Fee and Expense Limitation

The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding the amounts set out in the Prospectus in the **FEES AND EXPENSES** section (plus VAT, if any) per Share Class of the Net Asset Value of the Fund.

Such fee shall accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager may, at its absolute discretion, pay any portion of the investment management fee to any third party in any manner whatsoever, whether by rebate or otherwise. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for its properly vouched out-of-pocket costs and expenses in the performance of its duties.

The Investment Manager has committed to waive its investment management fee or reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (excluding the fees of the Manager but including the fees and out of pocket expenses of the Administrator and the Depositary) from exceeding an annual rate of 0.25% of the daily Net Asset Value of the Fund. If annual operating costs are less than this amount, no reimbursement will be made by the Investment Manager, and the lower amount will be charged to the Fund.

Management Fee

The fees and expenses of the Manager are paid out of the assets of the Fund as set out in the Prospectus in the **FEES AND EXPENSES** section.

Administration Fee

The Administrator shall be entitled to receive out of the Net Asset Value of the Fund an annual fee,

accrued and calculated at each Valuation Point and payable monthly in arrears at an annual rate which will not exceed 0.07% of the Net Asset Value of the Fund (plus VAT, if any) subject to an annual minimum fee which will not exceed US\$48,000 and will also receive registration fees and transaction charges at normal commercial rates. The Administrator shall also be entitled to receive a monthly fee of up to US\$500 per Share Class of the Fund launched (this fee will not be applied to the first two Share Classes of the Fund launched by the Company) subject to an annual minimum fee for the Company which will not exceed US\$10,000. The Administrator is entitled to be repaid all of its properly vouched out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Depositary Fee

The Depositary shall be entitled to receive an annual maximum fee of 0.03% per annum of the Net Asset Value of the Fund accrued at each Valuation Point and shall be payable monthly in arrears. The Depositary's fees are accrued at each Valuation Point, payable monthly in arrears, and subject to a minimum charge of US\$25,000 per annum. The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees and expenses, transaction charges and cash service charges (all at normal commercial rates) and to recover properly vouched out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

This section should be read in conjunction with the section entitled **FEES AND EXPENSES** in the Prospectus.

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Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Brown Advisory US Flexible Equity Fund (the “Fund”)

Legal entity identifier: 25490014LIG26I039303

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



Words and expressions defined in the Prospectus of the Fund shall, unless the context appears otherwise, have the same meaning when used in this Annex.

What environmental and/or social characteristics are promoted by this financial product?

The Fund seeks to promote ESG characteristics through its investment selection. ESG and fundamental analyses are considered holistically when making investment decisions. The ESG analysis focuses on the material ESG risks of a company. Characteristics that are considered in the promotion of ESG characteristics include:

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.



Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **Environmental:** The Fund seeks to avoid companies with poor management of natural resources and insufficient governance structures/expertise that would otherwise mitigate environmental risks.
- **Social:** The Fund prefers companies showcasing leadership in human capital management, and/or have strategic oversight of supply chains and the labour force as to limit controversies and potentially benefit fundamental performance. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: an assessment of supply chain policies and audit practices; board, management and employee diversity; and compliance with global standards (e.g., UN Global Compact). This investment selection process may lead to the exclusion of investee companies with poor working conditions and/or high employee turnover relative to peers.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Environmental and social characteristics are measured by the following indicators:

- **Environmental Risks:** carbon emissions, energy, waste, water, and biodiversity; and
- **Social Risks:** human capital management, human rights, diversity and inclusion, product quality and safety, and data privacy and security.

The indicators above are not exhaustive and are analysed to the extent disclosure and data are available.



Does this financial product consider principal adverse impacts on sustainability factors?



Yes, a company's performance on the adverse impact indicators in Table 1 of the Annex I are reviewed where data is available and reliable. Save with regard to the exclusions applied by the Fund, no specific thresholds are set for how a company or the overall fund must perform on a specific PAI indicator.



No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to follow an investment strategy referred to as "flexible equity". This flexible equity strategy enables the Investment Manager to evaluate many types of opportunities by expanding the bargain hunting concepts of value investing to a broad range of investments. The Investment Manager aims to achieve this by emphasising the individual security selection which is based on identifying long-term attractive businesses. These may include those with significant desirable characteristics and few or no undesirable characteristics (such as misaligned incentives or management hubris, when they are at bargain prices. These desirable characteristics include favorable business economics supported by enduring competitive advantages, capable and trustworthy management, positive industry dynamics, and sensible capital allocation. The Investment Manager will invest in equity securities of mid-size and large companies generally with market capitalisations above \$2 billion at the time of purchase where the Investment Manager believes has strong or improving long term business characteristics and where the share prices do not reflect these favourable fundamental attributes.

The Investment Manager oversees a research process that seeks to examine individual securities to drive performance, and includes an assessment of Sustainability Risks. In-house and third-party ESG research assessments seek to show if a company is exposed to material ESG risks that would materially detract from financial performance, and how a company is managing and mitigating its exposure to ESG risks. Fundamental and ESG research are considered when making portfolio decisions for the Fund. The Fund may also pursue strategic, active engagement with certain companies and other stakeholders either through direct engagement or through collaborative initiatives being undertaken by the Investment Manager broadly. The Fund also seeks to limit exposure to companies that the Investment Manager deems to be laggards on certain environmental and social characteristics and do not have a positive ESG trajectory.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager will consider in-house or third party ESG research for every company in the Fund. The ESG analysis focuses on the material ESG risks that may be present, taking into consideration the Investment Manager's view of the company's ability to manage those risks.

In addition, the Investment Manager has processes in place designed to avoid investing in companies that derive significant direct revenue (generally, greater than 10% of consolidated direct revenue) from tobacco, adult entertainment or civilian firearms. In addition, the Investment Manager will also seek to avoid companies that produce certain whole controversial weapons systems, and those companies the Investment Manager is aware have been expelled by the United Nations from participation in the UN Global Compact framework. Should a company have significant exposure to any of these businesses or practices, the Investment Manager will seek to engage with the company to understand what plans the company may have to reduce exposure. If the Investment Manager determines that the company has no plans to reduce exposure within the investment horizon, the position will be exited in a manner that the Investment Manager believes to be in the best interests of the Fund.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

No process is undertaken to reduce the size of the investable universe.

● ***What is the policy to assess good governance practices of the investee companies?***

Governance: The Fund prefers quality and established management teams that have formalised governance structures. Indicators that are considered in this analysis include, though are not limited to, any one or more of the following: board composition and structure in terms of expertise and diversity; shareholder rights provisions; and compensation packages. The Fund will engage, through proxy voting and other mechanisms, to vocalise the importance of appropriate incentives (e.g., compensation) to enable long-term performance. This investment selection process will lead to the exclusion of investee companies where the Investment Manager determines that governance structures are inappropriate, such as a lack of alignment with long-term shareholders.

The Fund assesses the following governance risks:

- board and committee composition;
- limits to shareholder rights;
- business ethics; and
- and management incentives.

All companies added to the portfolio are analysed according to a variety of applicable governance factors. This analysis forms part of the Fund's general ESG analysis. Applicable governance factors may include, though are not necessarily limited to:

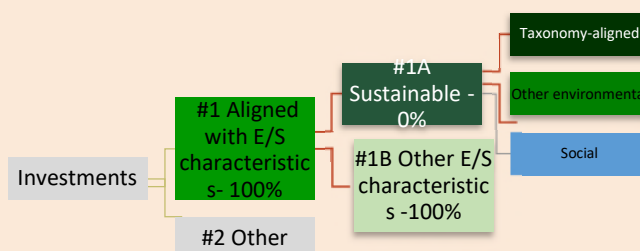
- Ownership and Control
- Board and management composition and structure
- Employee relations
- Tax Transparency
- Remuneration practices
- Shareholder Rights
- Accounting Practices
- Transparency and Disclosure
- Business Ethics



What is the asset allocation planned for this financial product?

All investments of the Fund, excluding cash, are assessed and determined to promote environmental and social characteristics. The fund does not have a sustainable objective.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.



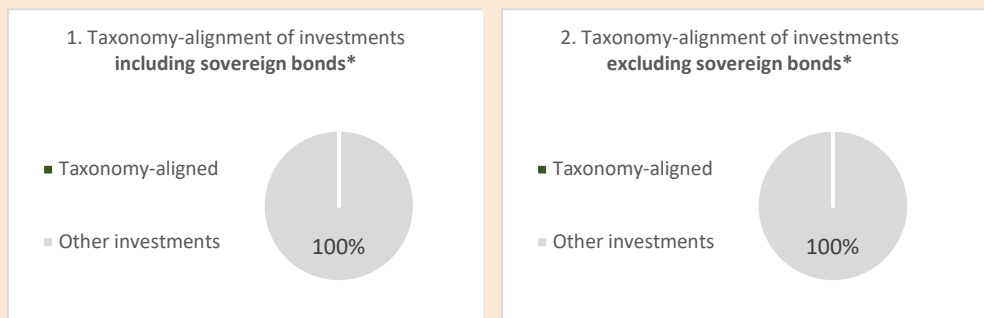
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Investment Manager has not collected and evaluated data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the Product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). The Product has zero exposure to Taxonomy Aligned Investments.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Any cash that the Fund may not yet have allocated to an investment or for liquidity or hedging purposes.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No, the Fund does not use a reference benchmark to determine whether the financial product is aligned with the environmental and/or social characteristics it promotes.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

● **How does the designated index differ from a relevant broad market index?**

N/A

● **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.brownadvisory.com/intl/ucits-legal-document-library>

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.