

Large-Cap Sustainable Growth

SUSTAINABLE BUSINESS ADVANTAGE (SBA) PROFILE MATRIX

First Quarter 2024

The Brown Advisory Large-Cap Sustainable Growth strategy seeks competitive, risk-adjusted returns over a full market cycle through a concentrated portfolio of companies that we believe offer durable fundamental strengths, sustainable competitive advantages and compelling valuations. These companies are building powerful business models on a foundation of sustainable business advantages (SBAs), which we believe can drive attractive long-term performance and risk protection through revenue growth, cost improvements and enhanced franchise value.

SBA PROFILES FOR PORTFOLIO HOLDINGS (AS OF 03/31/2024)

COMPANY	IMPACT THEME	SBA PROFILE
Agilent Technologies, Inc.	Sustainable Technology Innovation	We believe Agilent has a distinct competitive advantage related to its broad range of products and services that are specifically designed to help solve key sustainability challenges, from testing solutions that identify PFAS, microplastics, and other toxic contaminants, to atomic spectroscopy tools that improve elemental analysis critical for the development and recycling of lithium-ion batteries, to its leadership in synthetic oligonucleotides used for precision medicines. A key part of Agilent's customer-value proposition is its ability to help laboratories meet their sustainability goals related to greenhouse gas emissions, waste management, and resource intensity.
AirBnB	Economic Mobility and Community Development	We believe Airbnb's two-sided marketplace democratizes hospitality by creating a more diverse and often more affordable lodging supply for travelers and a unique income opportunity for homeowners. Hosts generate value out of an unused asset, and guests receive a unique and authentic experience. In our view, this dual-sided value proposition creates greater brand loyalty to both customer segments while further strengthening Airbnb's extensive and diverse network.
Arthur J. Gallagher & Co. (AJ Gallagher)	Neutral	As an Insurance Broker, AJ Gallagher provides risk management solutions to clients, helping them better address emerging risks like climate, cyber, and AI. The company assists clients in modeling complex climate (and other) risks and sourcing appropriate solutions by leveraging their extensive knowledge of the underwriting universe. We believe that AJ Gallagher's focus on the middle-market also means it can add material value to its client base by helping them understand their risk exposures and providing essential risk products.
Alphabet Inc.	Sustainable Technology Innovation	Alphabet is a trailblazer in sustainable cloud computing. Their data centers are some of the most efficient in the world and the company continues to source more carbon-free energy, thereby helping customers to reduce their footprints as well by choosing Alphabet's products and services. The company states that on average, a Google-owned and -operated data center is more than 1.5 times as energy efficient as a typical enterprise data center. Further, Alphabet is continually building innovative solutions - including sustainability product features in Google Maps, Google Nest, and Google Travel - which we believe drives Alphabet's enhanced franchise value in the long-term.
Amazon.com, Inc.	Sustainable Technology Innovation	Amazon is a leader in e-commerce and in cloud computing services through Amazon Web Services (AWS). AWS auctions computation power in real time, allowing Amazon to more evenly distribute its servers' loads and process more data on less hardware. AWS enables secondary environmental and health benefits to customers (e.g., performing intensive simulations to streamline clinical trials, improving safety and reducing patient burdens). In 2017, Amazon acquired Whole Foods Market, a leading retailer of organic and natural foods (a category growing more rapidly than conventional food products).

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Atlassian Corp. PLC	Sustainable Technology Innovation	Atlassian sells a suite of collaboration, work management and software development SaaS applications. From a social perspective, we view TEAM's difficult-to-replicate company culture as a compelling competitive advantage. From an environmental perspective, TEAM is adopting a cloud first strategy which is a revenue growth driver and also drives progress towards internal environmental goals including a commitment to reach net zero emissions by 2040.
Blackstone	Neutral	Through its long-term investment model, Blackstone creates value in its portfolio companies by sharing its strategic insight, operational support, and sustainability expertise. In doing so, it can generate revenue from sustainable business models, and develop a competitive advantage to win deals due to its growing sustainability expertise across its investment, operational, and management teams. Blackstone set a goal to reduce emissions by at least 15% over the first three years of ownership for companies it has an ownership stake in and sees an opportunity to invest an estimated \$100 billion in energy transition and climate over the next decade.
Cadence Design Systems, Inc.	Sustainable Technology Innovation	Cadence seeks to provide customers the technologies needed to design and optimize innovative and differentiated electronic products that conserve energy and power, notably decreasing time-to-market and resource waste. The majority of Cadence's revenue is related to developing or distributing these optimization technologies and systems that have embedded sustainability benefits.
Chipotle Mexican Grill, Inc.	Sustainable Agriculture and Natural Resource Management	Chipotle operates one of the fastest-growing Mexican-style restaurant chains in the U.S., focusing on organically and sustainably sourced foods. The company's "Food with Integrity" mission resonates with consumers looking for high-quality, fresh food at an affordable price. From an operational perspective, Chipotle is a leader in animal welfare and is one of the first national restaurant brands to commit to increasing its use of local and organic produce, which helps support small and local farmers.
Danaher Corp.	Health and Wellness	Danaher's innovative products that improve health and protect key resources, alongside its cultural prowess which translates to strong capital discipline, yields a compelling sustainable opportunity. Danaher was one of the first firms to implement lean manufacturing in 1987 and continues to emphasize "kaizen," continuous improvement, through Danaher Business System (DBS). The DBS Energy Management Toolkit guides facility-level teams to create opportunity assessments and identify, prioritize, and implement initiatives to improve efficiency and reduce emissions.
Dynatrace, Inc.	Sustainable Technology Innovation	Dynatrace is a leader in advanced observability for dynamic multi-cloud environments; providing a full stack solution that covers application performance management, digital experience management, digital business analytics, infrastructure monitoring and artificial intelligence for operations. Very simply, while the multi-cloud environment is typically more efficient, it adds complexity. Dynatrace enables companies to manage this complexity more efficiently, and to accelerate digital transformation. Thus, reducing both costs and carbon emissions associated with IT processes.
Ecolab Inc.	Clean Water and Sanitation	Ecolab helps companies produce more using fewer resources. It develops water management systems, cleaning, food safety, and health protection products for the food, energy, healthcare, industrial, and hospitality industries. We believe Ecolab's ability to produce measurable savings for water, energy, and emissions will only become more important as water shortages intensify, energy prices remain high, and the global focus on reducing emissions heightens.
Edwards Lifesciences Corp.	Health and Wellness	As a developer and manufacturer of technologies that treat structural heart disease the company's transcatheter valve replacement is less invasive than traditional open-heart surgery and is approved for patients deemed too high risk for traditional surgery. This minimally invasive surgery technology effectively increases the probability of survival, reduces the length of hospital stays and readmission rates, and can provide patients with a significantly higher quality of life post-surgery.

Source: Underlying portfolio companies. The conclusions provided are based on fundamental research of Brown Advisory's sustainable investment team. Please see the end of this presentation for important disclosures.

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Fortive Corp.	Sustainable Technology Innovation	This Danaher spin-off focuses on instrumentation, transportation and automation technologies. We think that its solutions offer strong customer value by enabling adherence to changing environmental regulations, improving energy efficiency and connectivity of devices, and meeting increasing safety and security requirements.
Gartner Inc.	Neutral	Gartner is a research and consulting firm that provides its clients with actionable guidance to strengthen performance. In recent years, Gartner has increased its focus on sustainability consulting services, empowering clients to make better-informed decisions about their sustainability practices. These services include advice regarding building a diverse and equitable organization, supply chain management, and implementing sustainable digital transformations. These sustainability services are currently a relatively small portion of Gartner's revenue; we believe there is potential for significant revenue growth in the coming years.
IDEXX Laboratories, Inc.	Clean Water and Sanitation	IDEXX's business segments provide diagnostic and software solutions for the companion animal veterinary industry to improve the standard of care, ensure the safety of drinking water for billions of people globally, and to monitor the health of herd and flock animals and ensure the quality of milk. IDEXX's products directly improve the health of animals and people, and it has a more diversified opportunity set (due to its business segments) than competitors.
Intuit Inc.	Economic Mobility and Community Development	Intuit helps consumers, small businesses, and the self-employed prosper through financial management and compliance solutions. Intuit's 2025 goal is to double the household savings rate and improve small and midsize business' success rate > 10 pts vs. the industry clearly exhibit how the company's social impact and business goals are closely intertwined. This is also demonstrated through Intuit's Prosperity Hubs program which helps create new jobs in underserved communities, trains workers for jobs of the future and equips entrepreneurs to start and build successful businesses.
KKR & Co	Economic Mobility and Community Development	KKR's employee ownership model champions sustainable opportunity through social inclusion and providing equity to portfolio company employees across all ranks, thus driving operational excellence and creating substantial wealth for hourly workers. This progressive model not only empowers workers financially but also integrates them into decision-making processes, boosting workplace improvements and operational performance. Environmentally, KKR commits heavily to sustainability, with over \$30 billion in climate and environmental investments, and recently raised \$2.8 billion in its second Global Impact fund to invest in companies where societal and environmental impacts are aligned with financial success.
KLA Corp.	Sustainable Technology Innovation	As a global leader in process control and a supplier of process-enabling solutions for a broad range of industries, including semiconductors, printed circuit boards and displays, KLA enables customers to achieve their productivity goals by significantly reducing their risks and costs and improving their overall profitability and returns on investment. In doing so, KLA's solutions help customers improve efficiency, reduced waste, and the achieve sustainability goals. For example, their process control solutions detect defects early, minimizing material waste, while their energy-efficient product innovations contribute to the development of renewable energy solutions like electric vehicles and wind farms.
Marvell Technology Group Ltd.	Sustainable Technology Innovation	Marvell is a leading fabless semiconductor company that drives sustainability through semiconductor products that require less power during the use phase, ultimately increasing energy efficiency of devices and data infrastructure systems that incorporate Marvell's products, and reducing their own downstream greenhouse gas emissions. Marvell plays an important role in improving the overall efficiency of clouds, enterprise networks, and automobiles by developing products that continuously increase performance per Watt.
Microsoft Corporation	Sustainable Technology Innovation	Microsoft offers a compelling customer value proposition through its efficient Azure cloud computing and infrastructure. When customers move to Azure, many reduce per-user carbon footprint by up to 98%. The company provides innovative ways to support customers' sustainability goals—for example, Azure customers can access a carbon calculator that tracks emissions generated on the cloud. Microsoft has operated as a carbon-neutral company since 2012, commits to being carbon negative by 2030, and intends to remove all the carbon the company has emitted either directly or by electrical consumption since its founding by 2050.

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Monolithic Power Systems, Inc.	Sustainable Technology Innovation	Monolithic Power is a specialist in high-performance analog and mixed-signal integrated circuits combines drivers, logic and power on one piece of silicon vs. using three separate semiconductor technologies. As a result, it delivers differentiated products that offer energy-efficient, cost-effective and easy-to-use solutions for industrial, cloud computing and automotive applications.
MSCI, Inc.	Economic Mobility and Community Development	MSCI is a first-mover in sustainability-related solutions for financial market participants, with a dominant market position. MSCI covers over 90% of the equity and fixed income market and 60-70% of all sustainability-related ETF AUM is linked to MSCI indices. MSCI's ESG and Climate business is growing notably faster than MSCI's next closest product category. We believe that MSCI's ESG business will continue to drive material opportunities, accelerated by secular and disruptive investment trends, and through their investments focused on key areas of growth: ESG indexes, Climate, and sustainability-related integration across capital markets.
NVIDIA Corporation	Efficient Production and Conservation	NVIDIA's products are energy efficient, helping conserve resources and lower the cost of accelerated computing while tackling problems that ordinary computers cannot. The foundation of our thesis is on the incremental efficiency gains NVIDIA drives via accelerated computing. For example, NVIDIA states that their GPUs are typically 20X more energy efficient for certain AI and HPC workloads than traditional CPUs. Additionally, NVIDIA GPUs enable some of the most promising areas of discovery in areas such as climate science, genomics, and autonomous vehicles.
Progressive Corp.	Sustainable Technology Innovation	As one of the largest P&C insurance companies in the US, Progressive Insurance's pioneering telematics technology benefits customers by offering personalized discounts for safe and efficient driving behavior, directly rewarding them for reduced risk and simultaneously generating cost savings by more accurately pricing premiums based on driving behavior. Additionally, Progressive's telematics aids in expedited claims processing and enhanced accident response which serves as a competitive advantage by improving the customer experience and safety. By aligning insurance costs with driving habits, customers gain financial incentives to drive responsibly while Progressive's costs are reduced through reduced accidents.
ServiceNow, Inc.	Sustainable Technology Innovation	ServiceNow is a software provider that helps enterprises and employees unlock productivity through its innovative digital workflow products and services. The majority of Fortune 500 companies rely on ServiceNow solutions and its cloud platform, which help customers achieve a lower carbon footprint using a more resource efficient modern cloud versus an inefficient legacy system. In addition, the company continues to build sustainability-related solutions into their platform which we believe will play a role in their enhanced franchise value over the long-term.
Thermo Fisher Scientific, Inc.	Health and Wellness	Thermo Fisher is a leading life science company, manufacturing scientific instruments, consumables and chemicals that are helping its customers accelerate life sciences research, improve patient diagnostics, deliver medicines to market and increase laboratory productivity. As a key supplier to pharmaceutical and biotech companies, hospitals and clinical diagnostic labs, universities, research institutions and government agencies, we believe that Thermo Fisher is enabling innovation in the health care space.
Uber Technologies	Economic Mobility and Community Development	Uber has helped democratize transportation by creating a more affordable and inclusive ride-sharing service that promotes safety, economic mobility, and access that was previously fragmented. The company has built a brand people trust due to their significant investments in safety, inclusion, and accessibility, which has helped the company capture a large portion of the U.S. ridesharing market. Uber differentiates itself from peers by innovating and expanding products that provide a social and environmental good such as Uber Health and Uber Green. Uber also has significant data, allowing the company to continue innovating to promote customer engagement and new solutions to help close transportation barriers, focusing on fully electrifying its fleet by 2040.

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Veralto Corp.	Clean Water & Sanitation	Veralto's business segments work to protect water, food, and pharmaceutical supplies for the global population. We believe the company is well positioned to address the growing challenges of climate change-induced water scarcity, increasing PFAS regulation, and the demand to meet sustainability-based goals amongst its client bases. Its mission-critical technology supports consumer health and safety, particularly in water quality and availability.
Verisk Analytics, Inc.	Sustainable Technology Innovation	We expect climate-related data and analytics to be an increasingly important tool to address the urgency around climate risk and our complex global energy transition. As a leading provider of advanced data analytics, software, scientific research, and deep industry knowledge, we believe that Verisk is well-positioned to play a vital role in meeting this demand by helping customers in the insurance and energy industries to understand and make informed decisions about global issues, including climate change and extreme events. Importantly, Verisk has made strategic investments at the forefront of the energy transition, integrating renewable energy assets and expertise to provide solar, wind, storage, and grid edge market intelligence services.
Visa, Inc.	Economic Mobility and Community Development	Visa leverages its extensive network to enable financial inclusion in underserved communities and to empower small and micro businesses. As part of their efforts to advance digital equity, Visa set a goal to digitally-enable 50 million small business hub (SMBs) worldwide by 2023, after achieving its 2020 goal to provide 500 million unbanked individuals access to digital payments. Visa's financial inclusion priorities coincide with its business strategy through products such as Visa Direct, Visa Acceptance Card, and Scan to Pay helping underserved communities access the digital economy.
Workday, Inc.	Diversity, Inclusion & Equality	Most companies spend, on average, 70% of their operational costs on human capital. Through Workday's enterprise cloud applications for finance and human resources, customers can more effectively manage this critical asset – people. Workday's suite of Human Capital Management applications allows organizations to manage the entire employee lifecycle – from recruitment to retirement – enabling HR teams to hire, onboard, pay, develop and reskill, and to deliver equitable and sustainable business practices. Given the meaningful costs which arise from employee turnover and the competitive landscape for talent, we believe software deployment for more comprehensive and inclusive human capital management is critical to the success of enterprises moving forward.

Source: Underlying portfolio companies. The conclusions provided are based on fundamental research of Brown Advisory's sustainable investment team. Please see the end of this presentation for important disclosures.

DESCRIPTIONS OF IMPACT THEMES

Economic Development and Social Inclusion

Affordable Housing	Offering housing options to low- and moderate-income families.
Economic Mobility and Community Development	Increasing employment opportunities and financial inclusion for underserved communities.
Education	Reducing barriers to education for underserved groups.
Diversity, Inclusion, Equality	Supporting race and gender equity; empowering marginalized populations.

Health and Well-Being

Health and Wellness	Promoting health and well-being, and improving access to and quality of health care.
Clean Water and Sanitation	Improving access to clean drinking water and sanitation services; solving infrastructure challenges; managing freshwater ecosystems.

Environment

Sustainable Technology Innovation	Innovating products and services that deliver sustainability results (e.g., energy-efficient products, sustainable transportation).
Efficient Production and Conservation	Reducing use of energy or raw materials, increasing use of renewables, etc., through internal operations.
Clean Energy	Developing, operating or delivering clean energy from wind, solar and other renewable sources.
Sustainable Agriculture and Natural Resource Management	Responsibly managing natural resources, minimizing or reversing land degradation, and protecting biodiversity.

The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. Past performance is not a guarantee of future performance and you may not get back the amount invested.

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All investments involve risk. The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned.

We at Brown Advisory worked to build unified themes for our sustainable and impact portfolios that were applicable across equity and fixed income securities alike. In our pursuit, we worked closely to align our goals with the goals of the U.N. Sustainable Development Goals (SDGs). We believe that our framework aligns with the goals and spirit of the SDGs but also relies on our proprietary sustainable investment research capabilities that impact our investment decisions.



Source: UN Department of Economic and Social Affairs.

Sustainable investment considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The Large-Cap Sustainable Growth Strategy ("Strategy") seeks to identify companies that it believes may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. As a result, the Strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The Strategy may also invest in companies that would otherwise be excluded from other funds that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The Strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.

The strategy intends to invest in companies with measurable sustainability-related outcomes, as determined by Brown Advisory, and may seek to screen out particular companies and industries. Brown Advisory may rely on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.