

CANDIDATE STATEMENT, BIOGRAPHY, SIGNATORY AND COMPARATIVE INFORMATION FORM

Full name: **Karina Funk**

Job title: **Portfolio Manager and Chair of Sustainable Investing**

Signatory organisation name: **Brown Advisory**

Signatory organisation seconding your candidacy:

- **Asset Management One Co. Ltd.**
- **Charles Stanley PLC**
- **InsingerGilissen Asset Management**
- **Smith & Williamson Investment Management LLP**
- **Stanhope Capital**
- **Canaccord Genuity Wealth Management**
- **Credit Suisse Group AG**
- **Stance Capital LLC**
- **Bank of America Global Wealth and Investment Management**
- **Boston Trust Walden**
- **Clean Energy Ventures**
- **Impax Asset Management**



CANDIDATE STATEMENT

For more than twenty years, I have been devoted to generating investment performance for clients through rigorous sustainability research. On the strength of my convictions and the desire to challenge longstanding conventions, I co-created (and still co-manage) Brown Advisory's flagship Large-Cap Sustainable Growth strategy. Twelve years on, our track record has attracted over \$15 billion in client assets and has helped lead the evolution of our firm to prioritize sustainability as fundamental to business success and a meaningful driver of financial performance.

If elected, I will collaborate with PRI staff, board members and signatories to build a more inclusive, accountable and scalable sustainable investment ecosystem:

1. Inclusivity

- The breadth and depth of our world's challenges require time, attention and engagement from as many investors as possible. The original movers in ESG will continue to lead while the PRI's "big tent" can bring more key influencers to the table, expand the types of voices we hear, and increase the diversity of investment approaches, asset classes, and demographics.

2. Accountability

- The PRI laid the foundation for investors to adopt ESG integration at a massive scale. It is now time to leverage that success toward greater impact and outcomes, in order to prepare signatories for the accountability their future stakeholders will require. I believe the PRI can powerfully validate some of the near-term actions that position businesses and investors to thrive while also endeavoring to achieve the Sustainable Development Goals.

3. Scalability

- Encouraging and accelerating the pace of signatory innovation is important to produce exponential impact. New methods and new experiments are vital to learning how to build a more sustainable economy and just society. The PRI can help share these new learnings and best practices more efficiently, and accelerate our understanding and adoption of successful sustainability strategies.

My early training as an environmental engineer, plus graduate and postgraduate environmental technology and policy work in the U.S. and in France, has informed my efforts to help scale sustainability solutions. My career and heritage have led me to work across three languages, positioning me to help spread the PRI's advancements in the investment industry globally. Further, my experience across academic, public, and private sectors shapes a diverse view on both the art and science of investing, and offers skills that I believe can help the PRI thrive in its role as a beacon guiding the next era of sustainable investing.

BIOGRAPHY

Karina is a Partner at Brown Advisory, Co-Portfolio Manager of the Brown Advisory Large-Cap Sustainable Growth strategy (LCSG), and Chair of Sustainable Investing. She has led the firm's efforts to be one of the world's foremost sustainable investment and advisory firms. Through an acquisition of one of the oldest impact asset managers in North America, Karina joined Brown Advisory in 2009 and quickly became a meaningful voice in the industry on the importance of a rigorous and repeatable sustainable investing approach that can improve investment decision-making.

Karina's 20+ years of investment experience spans early-stage venture, debt and public equity markets. Prior to investing roles, Karina has experience in the U.S., Latin America and Europe as a strategy consultant and an engineer. Karina has engineering degrees from Purdue and MIT in the U.S., and continued post-graduate work in environmental technology and policy at the Ecole Polytechnique in France. A CFA Charterholder since 2006, Karina uses these diverse experiences to inform her evaluation of investment opportunities today.

At Brown Advisory, Karina and co-portfolio manager David Powell developed an investment research methodology for the LCSG strategy that focuses on investing in companies with what they call Sustainable Business Advantages stemming from sustainability strategies that help drive revenue, profit and ultimately shareholder value. Their performance has earned substantial acknowledgment from peers, industry journals, and news media over time. The strategy's growth is often attributed to compelling returns and its early and authentic approach to ESG integration. Karina has carried her message to both ESG enthusiasts and doubters, and offered powerful evidence that sustainable strategies represent the future of mainstream investing. Karina has been recognized for this approach by many third parties, and has twice been named to Barron's list of the 100 Most Influential Women in U.S. Finance.

SIGNATORY ORGANISATION INFORMATION

Brown Advisory is an investment firm established in 1993 as an affiliate of Alex. Brown. In 1998, the current management and investment team led a buyout to establish Brown Advisory as a private, independent investment business. Since our founding, we have managed active equity and fixed income strategies for institutional investors and discretionary portfolios for private clients, endowments and foundations. Brown Advisory is now a firm of over 795 colleagues – each with an ownership interest in the firm – with locations in Austin, Baltimore, Boston, Carolinas, Delaware, London, New York, San Francisco, Singapore, Virginia, and Washington, D.C. As of July 1st, 2021, the firm managed approximately \$127 billion in client assets.

Brown Advisory's mission is to make a material and positive difference for our clients. The firm is committed to delivering first-class performance, customized strategic advice and the highest level of personalized service. Over the years, we have built and nurtured our client-first culture through a clear set of values, beliefs, methodology, attitudes and standards that reflect our DNA. These include the importance of our people and investment results, being disruptive and innovative, embracing outside views, celebrating diversity and inclusion, open and honest communication, protecting our equity structure, sustainability, and more.

Sustainable investing is one of the primary methods used at Brown Advisory to pursue compelling investment returns for our clients. Our investment process emphasizes long-term stability and we are devoted to sustainable and equitable investment and business practices. We believe that sustainable investing is an investment approach that can drive performance, values alignment, and positive impact. Through sustainable investing, Brown Advisory aims to improve the performance of the portfolios we build while also making investments with positive environmental or social impacts. As of June 30, 2021, \$34.4 billion of Brown Advisory's client assets were managed to a sustainable or values-aligned objective.

SPECIFIC EXPERTISE

LEADERSHIP AND GOVERNANCE EXPERIENCE

Karina has dedicated her career to solving sustainability challenges, and has applied that passion to sustainable investing for two decades. Karina's clear and uncompromising vision led Brown Advisory to name her as its first Head of Sustainable Investing in 2015 where she led the firm's efforts to 1) move the concept of "sustainable investing" from a niche to a mainstream offering; and 2) recruit and develop the talent needed to support this new platform. Today, a successful investment philosophy combined with a motivated, world-class team has led institutions, individuals, families, family offices, endowments and foundations around the world to entrust Brown Advisory with over \$34 billion on a comprehensive multi-asset sustainable investing platform.

Karina's governance experience has been refined through a variety of leadership roles. She presents to Brown Advisory's Board of Directors on a regular basis, serving as a trusted resource on sustainable investing issues, and she helped build the firm's Sustainable Investing Advisory Board, which she now chairs. She is on the investment committee of the Charles River Watershed Association, the advisory board of impact manager Cyan Capital, and was a founding member of the Ceres Investor Network Advisory Committee. Prior to Brown Advisory, she provided mentorship to early stage ventures and helped them develop effective capital and governance structures, through engagements with the National Renewable Energy Laboratory and the Massachusetts Technology Collaborative. Further, her understanding of effective leadership is informed by her current work as a portfolio manager investing in some of the world's largest companies.

Karina also has a passion for mentoring the next generation of sustainable investing experts. Her skill in developing talent has helped create exciting new career paths at Brown Advisory for several rising leaders, including new leadership posts in sustainable fixed income, engagement, ESG research, and a CIO of sustainable investing.

GENERAL

DEMONSTRATED LEADERSHIP WITHIN RESPONSIBLE INVESTMENT, ESG EXPERTISE AND OTHER EXPERIENCE RELEVANT TO THE LONG-TERM SUCCESS OF THE PRI.

Karina has been influential in demonstrating that sustainable investing and performance are connected. ESG research is central to her team's investment philosophy, and the Large-Cap Sustainable Growth (LCSG) strategy's performance over time has been a powerful argument in support of that philosophy. With over \$15 billion in client assets, the strategy allocates capital to companies that are leading the way toward a climate-resilient and socially just future. Karina's experience and success have provided the credibility needed to challenge the status quo and strategically advocate for climate action.

In addition to showing the value of ESG through performance, Karina has also been able to help move the industry towards more sustainable financial frameworks through a robust network and community of collaborators. Through the LCSG strategy, Karina is an active and meaningful investor in some of the largest companies in the world. Given Brown Advisory's well-established roots as a respected, high-conviction institutional investor, Karina has a seat at the table with many of the corporate goliaths, asset owners and managers that are likely to play an enormous role in the future path of climate change.

Extensive profiles by *Bloomberg*, *Barron's*, and *Forbes*, as well as industry recognition and awards, have helped to amplify her voice and message across the world. She has also materially contributed to business and academic research through peer-reviewed publications in *Sloan Management Review*, the *Journal of Environmental Finance* and elsewhere, and shares her findings through media, panels, and thought leadership. These diverse partnerships could offer the PRI opportunities to further broaden its reach and deepen existing relationships.

Through her professional training in both engineering and stock picking, and cultivating sincere, meaningful relationships with key decision makers, Karina is tactfully and strategically persuading peers – through performance – that impact and returns can go hand in hand.