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Fund Manager Review – Brown Advisory Global Sustainable Total Return Bond Fund (GBP)

Portfolio Team: Ryan Myerberg, Chris Diaz, and Colby Stilson
Fund Inception: January 2022
Firm AUM: $161.7bn | Institutional Fixed Income AUM: $8.6bn
Date of Review: May 2025
Fund Website: https://www.brownadvisory.com/intl/funds/global-sustainable-total-return-bond-fund-gbp

Overview and Strategy

This fund adopts a global, unconstrained, sustainable total return approach to fixed income, aiming to generate 2–3% per annum above SONIA through the economic cycle. Its core investment belief is that integrating top-down macro views with bottom-up security selection, and embedding sustainability research, leads to better investment outcomes.

Key to its positioning is acting as a stable asset class, especially during equity market stress. It seeks to smooth return volatility and deliver a more consistent income profile for long-term investors.

Team and Philosophy

The fund is co-managed by a tightly knit team:

- Ryan Myerberg (Europe/Asia)
- Chris Diaz, CFA (Americas/Asia)
- Colby Stilson (Global Credit)

All three previously worked at Janus Henderson and were brought together during the pandemic. The team emphasises:

- A long-term horizon (10 years+)
- Consistency over cycles
- Value alignment across the team and client base

Brown Advisory itself is a privately owned partnership, fostering employee ownership, collaboration, and accountability.

Investment Process and Key Differentiators

The fund operates around four investment pillars—Alpha, Beta, Core Income, and Sustainability ("ABCS")—and emphasises the following:

- **Dynamic Asset Allocation:** Guided by macro insights, risk models, and valuation, with flexibility to shift between sectors (e.g., sovereigns, credit, EM).
- **Bottom-Up Selection:** Deep issuer-level research to identify opportunities and risks.
- **Sustainability Integration:** ESG factors are embedded throughout the process, with a robust internal framework assessing sustainability risks and opportunities.
- **Independent thinking:** Strong emphasis on filtering signal from noise and resisting the commoditisation of fixed income strategies.

Performance and Positioning

3-Year Net Return (as of March 2025): 4.1% annualised

2024 Return: 2.7% (net of fees) vs 5.2% for SONIA

2023 Return: 3.8%

2022 Return: -4.9% (vs -10.7% for Bloomberg Global Aggregate)

Duration:	6.4 years
Yield to Worst:	5.0%
Average Credit Rating:	AA-

The fund has consistently outperformed peers over 3 years and has demonstrated strong downside protection, helped by flexible positioning and active risk management.

Current Portfolio Snapshot (Mar 2025)

Top Sector Exposure: 54.6% DM Sovereign Bonds, 14.8% IG Credit, 11.5% Securitised

Geography: U.S. (26%), UK (21.1%), Euro Area (17.3%)

Notable Holdings: Yara International – an example of integrating fundamental and ESG drivers

ESG Screens: Excludes firms involved in fossil fuels, controversial weapons, tobacco, gambling, and those breaching UNGC principles

Manager Commentary (Ryan Myerberg, May 2025)

Ryan emphasises the “opportunity to be different” in a commoditised bond space.

He believes in:

- Being active in downturns – leaning into risk where warranted, tilting exposures dynamically
- Sustainability as a driver of performance, not just ethics
- Cycles and muscle memory – flexible strategies are key, especially post-QE era
- Structural discipline, delivering consistent value against stated objectives, not market timing

He noted that the world is full of opportunities, but also warned that many managers lack the structural risk-taking capacity to truly differentiate.

Conclusion

Brown Advisory’s Global Sustainable Total Return Bond Fund stands out through its clear process, experienced team, and commitment to performance-led sustainable investing. With a strong three-year track record, robust ESG framework, and strategic flexibility, it is a compelling option for investors seeking a core bond strategy capable of navigating uncertain macro conditions while remaining aligned with long-term values.

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