

2017

At Brown Advisory, we believe that you deserve frank and open communication on all aspects of our relationship. In this spirit, we provide this annual summary of our policies relating to confidentiality, privacy of client information, identity theft program, mutual funds, conflicts of interest, trading commissions, proxy voting and Form ADV annual notices.

Confidentiality and Privacy Policy (Regulation S-P and S-AM Notice)

Brown Advisory takes the confidentiality of your personal information and the privacy of your account very seriously. Our commitment to safeguard your personal information goes beyond our legal obligation to process your transactions accurately and securely. Whether we serve you online, in person, on the telephone or by mail, the principles that guide the way in which we conduct business are built upon our core values of trust and integrity.

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include physical, electronic and procedural safeguards that are designed to protect your personal information, including various measures to protect such information while it is stored electronically. We train and consistently remind all employees to respect client privacy (including the identity of our clients) and to recognize the importance of the confidentiality of such information. Those who violate our privacy policy are subject to disciplinary action.

Federal law (Regulations S-P and S-AM) requires us to inform you that we have on record personal information about you and that we obtain such information from you directly (e.g., information you provide to us on account applications and other forms, such as your name, address, Social Security number, occupation, risk tolerance, assets and income) and indirectly (e.g., information on our computer systems about your transactions with us, such as your account balance and account holdings). All personal information is kept confidential.

Like all investment firms, in order to better serve clients, Brown Advisory needs to share certain non-public personal information in the normal conduct of our business with other members of the Brown Advisory corporate group and with unaffiliated companies with whom we have service agreements. We may share your personal information in order to process transactions, maintain your account(s) and offer our services to you. This sharing allows us to: (i) provide better and more complete investment and strategic advice; (ii) develop new services that meet additional needs you may have; and (iii) comply with legal and regulatory requirements. When we share information with unaffiliated companies that are under contract to perform services on our behalf, such as vendors that provide services directly related to your account relationship with us, our agreements with these companies require that they keep your information confidential and not use such information for any unrelated purpose. We may also be required to share non-public personal information to respond to court orders and legal investigations.

We do not sell information about you to third parties, we do not jointly market with non-affiliated companies, and we do not otherwise disclose information about you to non-affiliates so they can market to you.

For U.S. Persons Only: You may limit our ability to share information internally with other members of the Brown Advisory corporate group for marketing purposes by calling 410-537-5380 or by emailing optout@brownadvisory.com. If you are a new client, we can begin sharing your information internally for marketing purposes 30 days from the date you are provided with this notice. When you are no longer our client, we continue to share your information as described in this notice. If you opt out, your selection will be treated as permanent unless you tell us otherwise.

Pursuant to Section 503 of the Gramm-Leach-Bliley Act, this notice may be reduced or eliminated in future years. However, our Confidentiality and Privacy Policy will remain in effect and is available for your review at any time at <http://www.brownadvisory.com/en/disclosures> or by contacting your Client Service team. We will provide notice to you in case the Policy changes or as otherwise required by law.

Identify Theft Program (Regulation SID)

Federal regulators have adopted rules and guidelines that require certain regulated entities to establish programs to address risks of identity theft. These “Red Flag Rules” require certain SEC-regulated entities to develop and implement a written program designed to detect, prevent and mitigate identity theft in connection with certain customer accounts.

Brown Advisory’s policy is to protect you and your accounts from identity theft and to comply with the SEC’s Red Flag Rules. Our identity theft program is designed to identify relevant identity theft red flags, detect those red flags, respond appropriately to any red flags that are detected, and prevent and mitigate identity theft. Brown Advisory’s identity theft policies, procedures and internal controls are reviewed periodically and updated as necessary to ensure that they account for changes both in regulations and in our business. This program overlaps with and leverages other relevant firm policies and programs, such as our Anti-Money Laundering Program (“AML”) and policies and procedures pursuant to Regulation S-P, among others.

To identify relevant identity theft red flags, Brown Advisory considers general factors, such as types of client accounts and the methods by which such accounts can be opened or accessed. Detection of red flags is based on the methods of obtaining information regarding clients or transactions and verifying such information pursuant to AML or other procedures. Brown Advisory has in place policies, procedures and practices with respect to confidentiality, safeguarding of client information and system controls which, among other purposes, are designed to prevent and mitigate identity theft. However, even the most well-designed controls cannot guarantee complete protection. The best protection against identity theft is vigilance and care by both Brown Advisory and clients.

Upon detecting an incident of actual or attempted identity theft, we will notify you and may report the incident to relevant regulatory or law enforcement agencies, as appropriate. Brown Advisory’s senior management and board of directors receive reports on a periodic basis regarding issues pertaining to this program.

Mutual Funds

Brown Advisory’s mutual funds are available to the public, but are also used in connection with clients who have existing relationships with Brown Advisory.

When clients hold these funds in an account that is charged an investment advisory fee by Brown Advisory, we credit the client’s pro rata share of the net investment advisory fee paid to Brown Advisory by the fund or funds as an offset against the client’s advisory fee, unless otherwise agreed with the client. Separately, the funds may pay a fee for shareholder services provided to the funds by financial institutions, including Brown Advisory, or other fees including business management charges. The funds may also pay a fee under a 12b-1 plan as compensation for distribution and shareholder services provided by entities including Brown Advisory. The Brown Advisory Funds are governed by an independent board of directors and as such, these practices and fees are subject to change. Please refer to the funds’ prospectus for up-to-date details on fees, risk factors and other important information.

We utilize money market funds managed by a third party financial firm for short-term cash investments for some of our clients. Currently, Brown Advisory receives a fee as compensation for sub-accounting responsibilities under this arrangement. Further details on this relationship may be found in our Form ADV Part 2A.

Conflicts of Interest

Since our inception, it has been our policy to avoid practices that are adverse to our clients’ interests and to avoid conflicts of interest. This policy is evident in our strict code of ethics, which applies to investments by our employees for their own accounts. While we strive to avoid conflicts, we are cognizant that conflicts will

nevertheless arise, and it is our policy to fully and fairly disclose known material conflicts to you. Please refer to Form ADV Part 2A for current disclosure of known potential conflicts and other important information about our policies and practices.

Trading Practices

Unless a client uses a custodian that requires trades to be directed to its platform (such as Fidelity or Charles Schwab), or unless otherwise directed by the client, when Brown Advisory places orders for the execution of portfolio transactions for a client, we allocate transactions to unaffiliated broker-dealers for execution on markets at prices and commission rates that we determine will be in the best interests of the client. It is Brown Advisory's longstanding practice not to allocate commissions to any person or company on the basis of business they might direct to us. In the selection of broker-dealers, Brown Advisory takes into consideration not only the available prices of securities and rates of brokerage commissions, but also other relevant factors such as execution capabilities, research, and other services provided by broker-dealers that are expected to enhance the general portfolio management capabilities of Brown Advisory.

If research services are a factor in selecting a broker-dealer, Brown Advisory must determine that the amount of commission paid is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer. The types of research services received from broker-dealers include fundamental analysis of particular companies or securities, technical analysis, economic information, market news services, securities quotation and data systems, and other relevant materials affecting investment decisions. To the extent that research and related services of value are provided by broker-dealers with whom Brown Advisory executes portfolio transactions, Brown Advisory may be credited for payment of expenses which might otherwise be charged directly to Brown Advisory. Research provided by such broker-dealers is used for a broad range of accounts for which Brown Advisory has investment management responsibility.

Brown Advisory does not require that such research be limited to or used by the accounts that generated the commissions that were allocated to such broker-dealers. However, if a client specifically directs the use of a specific broker-dealer for execution of securities transactions, we will direct such transactions to the specified broker-dealer, including our affiliate. Further details on our trading practices may be found in our Form ADV Part 2A.

Proxy Voting

Brown Advisory's policy governing the voting of proxies is designed to ensure that the firm votes client securities in the best interest of our clients, if clients have delegated voting authority to Brown Advisory. Brown Advisory seeks to vote proxies so as to promote the long-term economic value of the underlying securities. Brown Advisory maintains a proxy voting policy that lays out our standard approach to voting on common proxy questions. When votes are considered contrary to our standard policy, we will consider the proposals on their own merits. Although Brown Advisory believes that the recommendation of management should be given substantial weight, Brown Advisory will not support management proposals that we believe may be detrimental to the underlying value of client positions. A record of proxy votes is available upon request.

Form ADV

Annually, clients of our registered investment advisor entities will receive updates to Form ADV Part 2A in one of two ways: 1) complete copy of or link to Form ADV Part 2A accompanied by a summary of material changes, or when appropriate, 2) a summary of material changes along with an offer to provide a complete copy of Form ADV Part 2A upon request. Clients may request a copy of Form ADV Part 2A at any time without charge by sending a written request to our Chief Compliance Officer at our Baltimore address, or by email to compliancegroup@brownadvisory.com.

Custody

Brown Advisory does not seek to hold actual custody of client assets; however, regulations deem certain activities, including the firm serving as general partner to pooled investment vehicles, employees serving as trustee for client accounts, and other ways the firm may assist clients in receiving or moving assets, as “custody.” Clients may be asked to confirm asset movement or other information by an independent auditor engaged to comply with regulations and ensure the safety of client assets.

Cash Management Options

From time to time, Brown Advisory uses money market funds, and cash sweep products offered by banks and broker-dealers, as cash management options for discretionary client accounts. These cash management options are (i) selected, in the case of money market funds, and (ii) monitored, in the case of money market funds and sweep vehicles, by Brown Advisory’s manager research team, which is responsible for evaluating the investment merits of third party investment options available to our clients. Sponsors of certain of these cash management options have agreed to pay Brown Advisory a fee, typically a percentage of invested assets, for providing reporting and other administrative services to our clients that invest therein. This fee, which does not affect the investment return of the respective investment option, creates a potential conflict of interest because it provides an incentive for Brown Advisory to use such cash investment option for our clients. Brown mitigates this conflict by ensuring that the manager research team evaluates investment options solely based on the objective investment merits of a particular investment option; these administrative services payments do not factor into the manager research team’s evaluations about the cash investment options that are made available to Brown Advisory’s clients. The range of cash management options may vary based on the custodian selected by the client.

Fraud and Identify Theft Assistance

If you believe you are a victim of fraud or identity theft, please contact your Brown Advisory Client Service Team for assistance. This may include placing holds on your accounts or changing account number information. Additional measures you can take include the following:

- Contact all financial services firms with whom you maintain accounts for assistance, such as placing holds on your accounts.
- Contact the Social Security Administration’s Fraud Hotline at 1-800-269-0271 to report fraudulent use of your identification information.
- Report the incident as quickly as possible to all of the credit reporting agencies below:

Experian	1-888-397-3742
Equifax	1-800-525-6285
TransUnion	1-800-680-7289
- File a police report in your local jurisdiction and retain the report number and the name of the officer who took the report.
- File a complaint with the Federal Trade Commission (FTC) by contacting the FTC’s Identify Theft Hotline: 1-877-IDTHEFT

Information Technology Security

We employ strong protective measures to safeguard your personal and other information from unauthorized access or use. We are committed to maintaining security designed to protect our systems from malicious activity.

If you have reason to believe that your interaction with us has been compromised, please contact your Brown Advisory Client Service Team for assistance.

In addition to Brown Advisory taking steps to protect clients in their interactions with us, your Brown Advisory Client Service Team can offer helpful tips and tools to help you protect your personal data and enhance your information security generally.

How to Protect Yourself

We recommend that you follow these security measures to protect and help prevent potential misuse of personal information about you:

- Protect and properly dispose of your account records.
- Do not share account information, passwords, user IDs, PINs, code words or other confidential information with others.
- Do not provide confidential information by telephone to unknown callers.
- Do not provide confidential information online unless you initiate the contact, know the party with whom you are dealing, and provide the information through a secure channel.
- Do not send sensitive information via unencrypted email.
- When conducting business over the Internet, always use a secure browser, exit online applications as soon as you finish using them, and make sure you keep your computer and software up to date with the latest security software.
- Monitor your financial accounts often for suspicious activity.
- Monitor your credit report for accuracy. By law, you are entitled to receive one free credit file disclosure every 12 months from each of the nationwide consumer credit reporting companies. To learn more or request a copy of your credit report, visit www.annualcreditreport.com or call 1-877-322-8228.

Contact Your Brown Advisory Team With Questions

We welcome the opportunity to answer any questions you may have about this statement or the safeguarding and confidentiality of client information. Please contact your Brown Advisory Client Service Team for additional information or to discuss any concerns.