

# MOUNTAINS

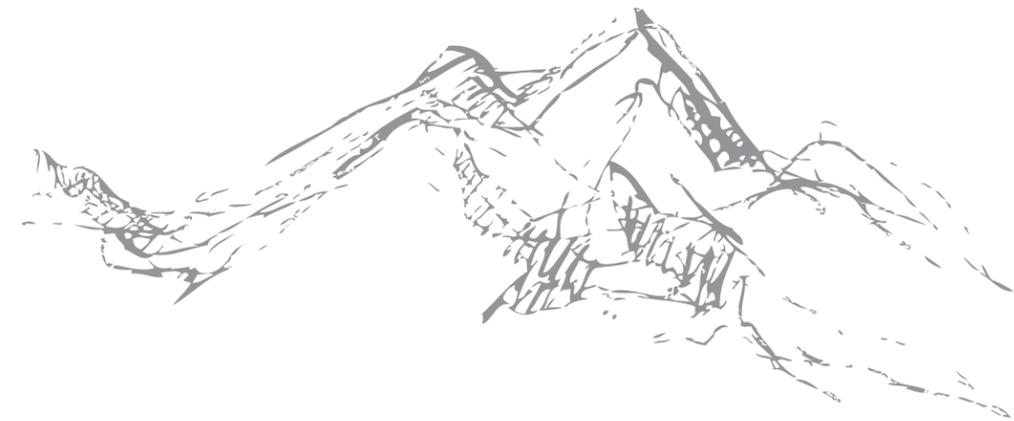
BROWN ADVISORY ANNUAL REPORT



We usually think of mountains as the Earth's surface rising abruptly toward the sky, but with a broader perspective, we find their likeness in the challenges that we face as investors and advisors for our clients, as teammates of our colleagues and as citizens in our communities. No matter the shape of the mountain, our climb is fueled by deep curiosity, incisive questions and critical listening. At the other end of any challenge is the opportunity to turn our energy into solutions for our clients, to deepen relationships with each other and to strengthen the communities in which we work and live.

In this annual report, we ascend these mountains in partnership with each of our stakeholders. In *Mission*, you will read about our relationship with clients and the outcomes that we are helping them create. *Performance* describes our investment activity. *Impact* focuses on our communities and the value that we strive to create beyond our revenue-generating business. *DNA* is about what connects us as colleagues and who we aspire to be. Together, this annual report attempts to highlight the people, places and things that motivate our purpose:

***To raise the future.***



**We are privileged to serve an inspiring group of individuals, families, nonprofits, charities, institutions and financial intermediaries around the world. For each, we work to deliver first-rate investment performance, thoughtful strategic advice and the highest level of service in order to help them get to wherever it is they want to go.**

For private clients—individuals and families with all different types of financial complexity—we assemble a team of portfolio managers, strategic advisors and client service professionals to build relationships around clients' long-term goals. Everything we do stems from listening closely to the values, aspirations, interests and family circumstances of our clients so that we can best invest and plan for their collective futures.

For family offices, we draw on our experience working with multigenerational families to design creative strategies that can range from a specific area of investment expertise to comprehensive financial oversight. Whether families need help streamlining their financial lives for peace of mind or have a professional family office already in place, we know that a customized approach is the only way to help them reach their goals.

For foundations, charities and other nonprofits, we provide investment solutions, strategic advice, policy consultation and guidance on mission-aligned investing in order to help them fulfill their organizational missions. Whether they are seeking a specific investment solution or a fully outsourced chief investment officer (OCIO), our teams partner with organizations' management and investment committees to execute their investment objectives, navigate their fiduciary challenges and consult with their many stakeholders.

For institutions, banks and advisors who are investing for others, we offer a broad range of global, international and U.S.-focused equity and fixed income investment solutions rooted in our bottom-up, fundamental research process. We manage concentrated portfolios focused on long-term compounding and preservation of capital to provide other professional investors with compelling and reliable investment results.

**In the pages to come, you will see a few examples of the clients with whom we work and how together, we are striving to raise the future.**

CEO Letter  
P 6

Mission  
P 10

CLIENT STORY  
Polynesian Explorer  
P 20

Performance  
P 22

CLIENT STORY  
Innovation at He(art)  
P 34

Impact  
P 36

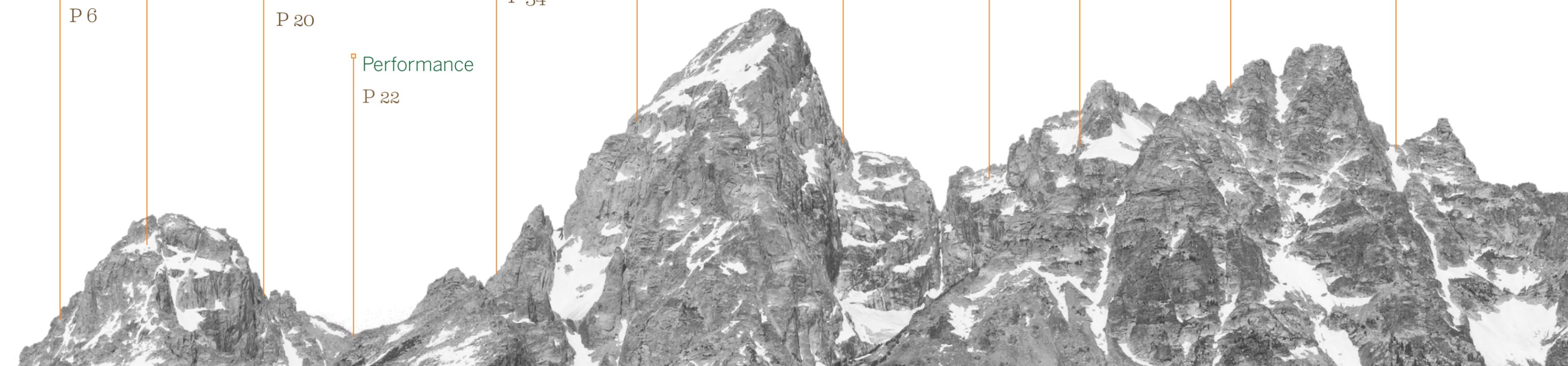
CLIENT STORY  
Multiplier Effect  
P 42

DNA  
P 44

CLIENT STORY  
P.A.T.C.O.L.  
P 52

Spotlight on  
Colleagues  
P 54

CLIENT STORY  
A Natural Leader  
P 62



# LETTER FROM THE CEO

## Dear Clients, Shareholders, Colleagues and Friends—

It has been a long two years since we shared our last report on Brown Advisory. At any moment, if I were to have sat down to write this letter, my mind would likely have been focused on events that none of us would have projected back in 2019, from the COVID-19 pandemic and the shutting down of life as we knew it to the Russian invasion of Ukraine. If we had shared the concerns on our minds at the beginning of 2020, none of these would have ranked very highly, if at all.

We now live in a world, however, where we know that the unthinkable can and may occur. Yet, we have found the capacity to adapt and learn how to move on. Always in our minds will be the countless lives lost or forever changed. At the same time, we appreciate the incredible science behind the vaccines and care of COVID-19 patients. These have given us a sense of relief and hope. We are also inspired by the courage, determination and ability of the Ukrainian people and are actively looking for ways to help them.

These forces have required us to think through the consequences of investing in an environment where lockdowns, quarantines, travel restrictions and government support have taken traditional pressure points in an economy to levels we have never experienced. The combination of deficit spending, expansion of central bank balance sheets, supply chain disruptions, sustained low or zero interest rates, increased savings rates, low unemployment, energy volatility and inflationary pressures have produced challenges and opportunities many businesses and management teams have never before experienced. Global conflict, millions of new refugees, sanctions and the ever-present threat of nuclear war have accelerated a reversal of globalism.

As an employer, we have also had to wrestle with a changing level of trust in institutions and the fear that still unfortunately exists in Black, Asian, Latinx, LGBTQ+ and other marginalized communities. We have had to think creatively and carefully about how to build a working environment that allows us to stay connected without posing undue health risks. And, in a business that depends on human capital, we have had to think in new ways about how best to retain and recruit the talent we need to succeed for clients.

Throughout it all, most of us at Brown Advisory have been far more fortunate and insulated from these pressures than many people around the world. This is both an acknowledgment and responsibility that we feel very deeply across the firm. We believe that Brown Advisory has performed well, and we recognize how lucky we are to be in such a position.

We ended 2021 at a level of client assets—nearly \$148 billion—that is truly humbling. We are privileged to work with people and organizations located in over 40 countries around the world. Most importantly to us, our clients continue to deepen and expand our partnership with them—our trailing 10-year client retention across the entire business is 98.2%. At the top line, this translated into a run-rate revenue of \$578 million. As a private company, we are able to reinvest a significant portion of that amount in strategic initiatives for the future. If you would like more information on our financial results or position, please reach out to me at any time.

The reasons behind these results are clear to us. It starts and ends with our focus on putting clients first, always. I feel confident in saying that we will never, ever hedge on that commitment. “Client first” is our focus on generating first-rate investment performance—the ultimate results we produce for clients will determine our credibility. “Client first” is our focus to provide thoughtful, creative and strategic advice beyond traditional tax, trust and estate matters. “Client first” is our focus to deliver the highest levels of client service—the recognition of several of our client service advisors as Partners during our most recent promotion cycle underlines our commitment to our pillar of service. Finally, “Client first” is our focus on remaining a private, independent and largely colleague-owned firm. Our ownership structure enables everything mentioned above—there is no better model to allow a firm like ours to truly be client first.

However, there is nothing genuinely unique about our focus—these things aren’t “moats” by any means, and there is certainly nothing stopping any other firm from operating under similar principles and competing for our clients. So, what is it that we are doing that has built deep trust with clients and propelled so many others to join us along the way? A year ago, a good friend challenged me with this idea by asking what I thought our business flywheel was—in the Jim Collins sense. Collins describes the flywheel effect in his book *Good to Great* to reflect how the process of business transformation “resembles relentlessly pushing a giant, heavy flywheel, turn upon turn, building momentum until a point of breakthrough, and beyond.” And as I tried to collate the work of our more than 800 colleagues in an effort to answer this seemingly simple question, one thing stood above the rest. If you talk to people throughout our firm—across Partners, Principals and all colleagues—more often than not, you will hear them talking about their teammates.

# \$148

billion in client assets

# \$578

million run-rate revenue

# 98.2%

10-year client retention

# 44

countries in which clients are based



Mike Hankin, President and CEO, back in his office in Baltimore

The “team thing” is something that is on our minds every day. There are lots of reasons for it, but it starts with the fact that we care deeply about each other. We look out for each other. We have fun with each other. We all share a keen focus on our clients, staying private and doing whatever we have to do to meet our performance, advice and service responsibilities to our clients. The team thing is why we pushed so hard to get back into the office during the pandemic, standing up a lot of new processes and procedures so that we could be together in a safe way. The connectedness, as we like to call it, that we are able to achieve when we are side by side allows us to solve problems for clients in ways that just are not possible in a remote setting. Together, a connected team is the flywheel that makes Brown Advisory such an exciting place to work.

Our belief in the power of the team is also evidenced by our ability to recruit new colleagues. Since the start of 2020, we have hired 337 new colleagues in markets across the United States, U.K. and Europe. Our summer analyst program continues to attract high-level talent from top global colleges and universities. During the past two summers, we worked with 41 analysts across the firm, and we look forward to welcoming 29 new summer analysts for 2022. The resounding reason for folks joining the Brown Advisory team is an attraction to the client-, colleague- and community-focused culture.

Without a doubt, though, we have challenges to overcome if we are going to be the firm we want to be. Recently, we framed and organized our challenges in the form of five questions:

1. What are the threats to our team-based, client-first culture?
2. What are the threats to our ability to deliver excellent results for clients?
3. What are the threats to staying private and independent?
4. Do we have the advisors, leaders and managers to fight these threats?
5. Are we committed to innovate beyond the status quo, even if it's still “working?”

Our financial performance, our continuing commitment to being a private company and our belief in the value of teams allow us to meet the questions and challenges before us, head on.

As we grow larger, however, we recognize that the number of threats we face and the number of people who ask us to address them are only going to increase, which makes the last question, rooted in our aspiration to be an innovation organization, absolutely critical to our future. As you will see and read in the pages to come, our team has been very active in reinvesting in the business to create new ways to help clients achieve their goals. This reinvestment of time, capital and resources for the future remains focused on four things: enhancing our investment capabilities, deepening and broadening our advisory expertise, enriching the client experience and protecting our clients and firm from unintended outcomes and cyber-based risks.

There are many exciting things to report from investment, expertise and client experience perspectives, some of which we started years ago and some brand-new.

Our now 12-year commitment to sustainable investing continues to be welcomed enthusiastically by investors and has resulted in significant inflows of new assets. Our Large-Cap Sustainable Growth (LCSG) team, led by Karina Funk and David Powell and supported by a deep and experienced team of analysts, managed \$17.7 billion at the end of 2021. In February, the strategy was recognized by Bloomberg for its performance and size relative to its very few peers that have zero exposure to fossil fuels. In March, Karina was once again named to *Barron's* list of the 100 Most Influential Women in U.S. Finance. The hallmark of LCSG's investment approach is to identify companies with a “Sustainable Business “Advantage” —the factor by which we believe a company can drive attractive, long-term performance and risk protection through revenue growth, cost improvements and enhanced franchise value.

The performance success of our team has led the firm to make a much broader commitment under the umbrella of sustainable investing. We now have 11 institutionally distributed sustainable strategies, including the newly launched Global Sustainable Total Return Bond and Sustainable International Leaders strategies. The Global Sustainable Fixed Income strategy is led by Ryan Myerberg, Colby Stilson and Chris Diaz, who joined the firm in 2021 to help expand our sustainable fixed income efforts globally. Sustainable International Leaders is managed by Priyanka Agnihotri, who has been with the firm since 2015 and has made outstanding investment contributions working with Mick Dillon and Bertie Thomson on the global equity team.

In late 2021, we also made the decision to sign on to the Net Zero Asset Managers initiative (NZAMi). We know that it is up to clients to decide how their assets are used and counted, and whether they want certain issues to be taken into account in the management of their portfolios. Our responsibility is clear—to protect client interests, make decisions that we believe can enhance future returns and encourage the companies, bond issuers and managers with whom we invest to act in a way that has the potential to reduce risk and maximize opportunities. We view climate change entirely from this perspective, and we believe that NZAMi is aligned with this approach. As the world embraces sustainable and environmental, social and governance (ESG) investing more broadly, our experience has allowed Brown Advisory to take a leadership role globally.

As we did when we charted out a course with sustainable investing, we are thinking about where we need to invest today so that we can serve our clients well in the future. Over the past year-plus, we have been building teams around a number of exciting opportunities.

We now have a group focused exclusively on creating and delivering solutions for entrepreneurs, founders and those building game-changing businesses but whose investable liquidity might be years down the road. The value we can provide in these situations relies on a heavy dose of what we call strategic advice. In fact, we are concurrently and meaningfully expanding the capacity of our strategic advisory team so that we can more deeply advise in areas that are increasing in relevance to our clients, namely impact advisory, blockchain technology (think crypto, Web3 and NFTs) and banking/lending/financing.

We have (or soon will have) opened new offices in San Francisco, Frankfurt, Nashville and Southern California, and brand-new space in Austin, London and Washington, D.C. We have expanded our capacity to serve endowments and foundations in meaningful ways. We have built new relationships across Europe, Asia and Australia. We raised the 10th edition of our Private Equity Partners (PEP) program and launched a new direct investing platform called the Anchor Investor Network. The firm received ISO 27001 certification by an independent audit as a means to reflect the rigor of our information security management system. These are just a few examples of our engagement to improve our ability to invest for, advise and serve our clients—you will see plenty more examples of this focus throughout this report.

To close, I want to reflect on and thank our colleagues. I am so very proud of the leadership of the firm, at all levels and functions. We have a tremendous bench of people who have done an incredible job serving clients, helping each other and making decisions in a very difficult environment. Coping with the pandemic has been demanding and exhausting for many, and most acutely for our client service, human resources and technology teams. If we have learned anything since the onset of COVID-19, however, it is that Brown Advisory is stronger together and that we will do absolutely everything we can to ensure our colleagues can safely execute on our mission to put our clients first. We understand the toll that COVID-19 has had on the social-emotional well-being of our colleagues and their families—our path forward will continue to support the needs of each. Our COVID-19 “success” has been possible only because of our team's collective adherence to the protocols that have been developed to keep all of us safe and healthy. If we find that today's protocols are not meeting those standards, then we will do what we have done all along—we will pivot and modify as needed.

Our long-term commitment to invest in our colleagues is also evidenced in our belief in diversity, equity and inclusion. We believe that bringing diverse experiences, backgrounds and thinking is critical to serving our clients and making a material and positive difference in their lives. We also believe that it is the right thing to do. At its core, it is about each and every one of us considering what it feels like to be in someone else's shoes and asking ourselves the questions: Are they comfortable working in the Brown Advisory environment? Are they treated fairly and with respect? How can I help?

In the pages that follow, we reflect on our mission, performance, impact and DNA through both an internal and external lens. Internally, you will read about the themes and people that provide our client-first foundation. Externally, you will find stories and profiles of several clients who we think are making a distinct and indelible impact on the world. We hope that, together, they provide a better understanding of our focus—past, present and future.

As always, I invite you to reach out to me or anyone on the team to provide your thoughts, questions or feedback at any time—we are always looking for ways to improve, and your input is a big part of doing just that. Thank you again for your support.

Sincerely,

At Brown Advisory, our mission is to make a positive and material difference in the lives of our clients. In everything we do, we are guided by asking: What do our clients need? How can we help them get there? These questions propel our aspiration to be team oriented, generational, holistic, sustainable, personal and connected.

# MISSION

## Team Oriented

Perhaps no characteristic distinguishes Brown Advisory more than our team approach. We have a remarkable group of professionals who serve our clients—and by working as a team, we can bring to bear the power of our collective experience, insights and service. Our culture of teamwork is supported by our firm’s structure. As partners and collective owners of the firm, we are well-positioned and incentivized to challenge each other to achieve better outcomes for clients. It is also much easier to listen for the nuance of a certain client situation when you have eight ears tuned in rather than two. Collaboration, whether focused on investment research, tax planning or creating an impact in the community, allows us to ask the right questions, formulate thoughtful strategies and fine-tune solutions. It may not always be the easiest way to operate or the quickest approach to a result, but we know that teams deliver the best solutions and outcomes for our clients. We believe we can credit our unusually high client retention rate of 98% for the past 10 years to this approach.



Paul Chew, Chief Investment Officer

## Generational

When thinking, planning and investing for both our clients and our firm, we think in terms of generations and value the long term over the short. As a private and independent firm, we have a patient, supportive and aligned group of shareholders (most of whom are colleagues). They have enabled us to develop multigenerational relationships with clients, build institutional portfolios that beat their benchmarks over decades, and seed new, innovative strategies and services that likely won’t “reward” shareholders for many years.

Our clients rely on us to realize their investment objectives. We believe that achieving compelling investment results starts and ends with an ability to weather the tough times (which are always shorter than they feel) so that capital can compound. This philosophy applies whether we are investing on behalf of individuals, families, family offices, nonprofits and charities, pension plans, or financial institutions and is underpinned by rigorous research, repeatable processes, collaborative teamwork and high-conviction ideas.

When we oversee and manage a majority (if not the entirety) of an overall investment portfolio, we use our “three-bucket” framework to help protect a long-term focus. The first bucket, or operating account, provides liquidity and stability; the second bucket, or core portfolio, combines growth and stability assets designed to pursue long-term growth; and the third bucket, or opportunistic allocation, enables timely investments that capitalize on time-sensitive opportunities. Over the 10-plus years that we have used this three-bucket approach, we have found that it not only serves as a useful structure to survive down markets but also allows our clients to thrive in them—the confidence of adequate liquidity frees up capital to take advantage of opportunities in times of market dislocation.

## BROWN ADVISORY’S THREE-BUCKET APPROACH: A BALANCE OF LIQUIDITY, STABILITY AND GROWTH IS ESSENTIAL.

### OPERATING ACCOUNT

#### Provides liquidity

Invested in cash and cash equivalents—reserved for near-term needs.

### CORE PORTFOLIO

#### Pursues long-term targets

Core mix of stability and growth assets—the foundation of an investment program. Allocations will vary depending on client circumstance.

### OPPORTUNISTIC ALLOCATION

#### Allows for timely investments

Generally characterized by greater potential risk and reward—typically involves a near-term catalyst, although the time horizon is generally at least one year.

When we manage individual portfolios for clients, we also take the long view, relying on concentration to drive the long-term orientation of the given strategy. Concentration forces, among other things, high conviction and a ruthless search for the best ideas. Coupling conviction with the possibility that selling a position from a concentrated portfolio can lead to adverse tax outcomes, our institutional portfolio managers and analysts have a fundamental incentive to invest in securities that they intend to hold for, at the very least, three to five years.

As an example of our long-term approach, the Global Leaders strategy, led by Mick Dillon and Bertie Thomson, has outperformed for clients by integrating fundamental and sustainable research to evaluate and invest in a portfolio of companies that they believe combine consistently high returns on invested capital while delivering exceptional customer outcomes. Mick and Bertie are true long-term investors, asking, “Will I care about this issue in three, four or five years’ time?”—so as not to get distracted by short-term market moves.

## Holistic

We built our firm around the idea that an investment program is most helpful when integrated with broader strategic advice. In many ways, our strategic advisory team—which typically plays a central role in client relationships—epitomizes our long-term approach. Team members often have decades-long relationships across generations, with the goal of helping clients make good decisions as they confront investment and financial challenges throughout their lives. The firm’s strategic advisors bring together experience across many fields, including law, taxation, investing, business, philanthropy and family dynamics, to act as a sounding board and thinking partner for clients.



Brian White, COO of U.S. Private Client, Endowments and Foundations



Brigid Peterson, Head of U.S. Endowments and Foundations; Amy Seto, U.S. Endowments and Foundations Senior Advisor



Sandi Moffet, Co-Head of Strategic Advisory and Head of Baltimore Private Client

Among the many types of clients who find strategic advisors’ specialized knowledge helpful are startup founders and leaders. Brown Advisory was founded to help entrepreneurs involved in newly public companies invest their capital. Today, we continue to work with entrepreneurs across the stages of their companies’ life cycles—helping them address all forms of capital (human, intellectual, social and financial), business succession, philanthropy, and generational, estate and tax planning. For example, we often help startup executives navigate the complexities around restricted stock units and taxation, such as understanding the nuances of qualified small business stock exclusions.

## Sustainable

Sustainability means a lot of things to different people. For us, it is at the heart of our generational focus and our questions about goals, values and risk tolerance.

For some of our clients, particularly nonprofits, charities and families, we construct multiasset, mission-aligned portfolios that seek to deploy capital to achieve both financial objectives and positive impact in the world. Just as we do not build portfolios based on models, we do not make assumptions about what sustainability means to a client. Again, we start by listening and investigating which issues are most important before we begin to discuss how to express any idea through a client’s investment portfolio. For many of our family clients, discussions about sustainability serve as valuable tools to connect multiple generations, as we help them articulate the impact they want to create and then work with them to help realize their vision through investments and philanthropy.

For our nonprofit and charity clients, we often craft an investment portfolio that serves as an extension of their mission. We were particularly gratified that several of our new nonprofit and charity clients selected Brown Advisory to oversee their sizable endowments not only because of our investment capabilities but also because of our firm’s purpose-driven commitment. At year-end, we oversaw more than \$12 billion of endowment and foundation assets.

### Personal

Everything about our structure—being private and independent, our team orientation, and our completely customized approach—is designed to help us build deep and personal relationships with our clients. As our firm evolved, we added capabilities based on what our clients told us they needed. We recently opened an office in Frankfurt to bring us closer to our clients in Germany, Austria and Switzerland. Over the years, client needs led us to open our office in Singapore and our Delaware trust company, expand access for clients to private equity opportunities, and launch customized equity and fixed income strategies. As an organization, we place enormous value on learning and innovation—trusted, personal relationships with clients allow for challenges to become opportunities to develop new solutions.

One such an example was launching the Social Inclusion equity strategy for one of our long-standing financial intermediary clients. The firm came to us to help build a public equity portfolio focused on manifesting positive social impact when its team couldn't find anything truly compelling or authentic in the market. The strategy seeks to generate attractive, risk-adjusted returns by investing in companies that offer inclusive products and services, create economic opportunities for underrepresented populations, address systemic drivers of inequity, and exemplify diverse, equitable and inclusive corporate cultures—which we believe will lead to enhanced franchise value over time.



Members of the Social Inclusion equity strategy team: Victoria Avara, Emmy Wachtmeister, Louise Nankiinga



Elisa Wagnitz, Head of the DACH (Germany, Austria, Switzerland) Region

## Opportunistic Investing for Clients

As the market absorbed the reality of COVID-19 in March 2020, several members of Brown Advisory's investment team saw a way to help clients in the midst of the sell-off. The idea was to create a concentrated equity portfolio of high-quality businesses whose household names could reassure clients and whose strong balance sheets would serve as ballast for an uncertain future. Chief Investment Officers Paul Chew and Chris Bartlett, Head of Equities Eric Gordon, and Portfolio Risk and Analytics Manager Erin Cawley stood up the Select Opportunities strategy for clients in one week during a volatile time in the market. The strategy, which includes our equity analysts' highest-conviction recommendations, is designed to have very low turnover. As Eric says, "If you own great businesses, they will do the work for you."



Eric Gordon, Head of Equities

# Opening in San Francisco

When Meredith Shuey Etherington left Brown Advisory in 2013, she knew she would be back. She just didn't know when.

Likewise, having a presence in San Francisco always felt like it would be part of the firm's plan. We just needed to wait for the right time.

Fortunately for the firm and our clients, we were able to recruit Meredith back to Brown Advisory to open our San Francisco office in 2021. As with all of our growth in new geographies, we wanted to be very intentional, waiting until we found the right people. We knew that Meredith, an experienced portfolio manager with a track record serving large families and smaller institutions who was now based in the Bay Area, was just the person around whom to build a team.

Today, the team in San Francisco includes colleagues in private client, institutional and NextGen Venture Partners—our early-stage, network-driven venture firm. The institutional team works with West Coast-based clients who invest in our equity and fixed income strategies. On the private client side, we work with many second- and third-generation family members who have migrated to the West Coast, as well as our growing group of California-based clients—including company founders and members of the startup ecosystem, many of whom are venture partners at NextGen.

The firm's legacy with entrepreneurs and venture capitalists in the Bay Area goes back to our history as part of Alex. Brown, the investment bank that underwrote many of the iconic growth companies of the 1980s and 1990s. Says Meredith, "Serial entrepreneurs and members of the venture community who had close connections with Alex. Brown are thrilled to know that we now have an office in San Francisco."



Meredith Shuey Etherington, Head of the San Francisco Office, Portfolio Manager

Our U.S.-connected clients living in the U.K. have specialized cross-border investment, financial and tax needs that require highly personalized solutions. Having worked with these clients for many years, our portfolio management, strategic advisory and client service teams understand the intricacies and interactions of the two respective financial systems. Frankly, we embrace the complexity and the opportunity to develop tailored investment solutions that address tax compliance, trusts, philanthropy and currency risk while striving to meet clients' individual risk and return objectives.



Georgina Guy, Head of International Strategic Advisory; Billy Mathews, Portfolio Manager

## Connected

Our client service teams across the firm play a pivotal role in fulfilling our mission. They are a group of individuals who make it their business to understand the intricacies of each client relationship. Client service teams include professionals with MBAs, CFAs, CAIAs, Masters of Taxation, Masters of Trust and Wealth Management, Certified Financial Planners, Certified Trust and Fiduciary Advisors, and attorneys. They combine technical expertise—in investments, fiduciary oversight, trust management, estate administration, tax compliance, charitable giving, portfolio analysis and more—with the detailed execution that clients need and deserve. They typically are clients' first call when they have a question, concern or news to share. Our client service team members are critical guides in helping our clients climb their individual mountains, and we recognized several of our client service colleagues at the highest levels last year, promoting Megan Brune, Kathryn McManus and Greta Meytin to Partner.



Members of the Client Service team: Kathryn McManus, Megan Brune, Greta Meytin

CLIENT STORY

DR. ELIZABETH LINDSEY  
—*Polynesian Explorer*

**“Women are always stronger and braver together. As a community, we are unstoppable, and we must model that for young women.” - Dr. Elizabeth Lindsey**

Dr. Elizabeth Kapu'uwailani Lindsey is an adventurer and a wayfinder, and the first Polynesian Explorer and woman Fellow in the history of the National Geographic Society. Raised by Hawaiian elders, Dr. Lindsey is a cultural anthropologist committed to learning from indigenous people before they are gone. She has journeyed to some of the most remote places on Earth. In Micronesia, she traveled with navigator-priests sailing thousands of miles without the use of maps or instruments. She studied the survival skills of Moken sea nomads in the Andaman Sea, who averted danger during the 2004 tsunami by observing the behavior of the animals around them.

Living with New Zealand's Māori elders, Q'ero priests of Peru and chi kung masters in China's temple caves, Dr. Lindsey saw that these women's power came from marrying intuition and logic, and that women were the glue that bound communities together and inspired them to reach for a purpose larger and more lasting than themselves. Today, this is her mission: Empower women to build a stronger, more sustainable future together.

Through her TED Talks, writing and entrepreneurship, Dr. Lindsey expresses her commitment to sustainability for the planet, respect for indigenous people, and belief in the catalytic power of strengthening women and girls. She wanted her investment portfolio to reflect these values. And she wanted a woman to oversee it—collaboratively. Led by Meredith Shuey Etherington, Dr. Lindsey's Brown Advisory team built a portfolio that is focused on achieving her financial objectives and is aligned with her personal mission. “Until I met Meredith, I didn't have a language for finance, and I felt woefully incompetent. Meredith placed a metaphoric arm around me and let me know that my Brown Advisory team is a safe space for me to come with questions that I don't even know how to formulate.”

**Thoughtful investing** is a dedication to rigorous, fundamental research to gain a deep understanding of the businesses, issuers and managers in which we invest our clients' capital. It is the patience to allow the quality of strategies, companies and allocators to compound our clients' capital over time. It is the humility needed to make objective, unbiased decisions—even under pressure—and to learn from our mistakes. It is an appreciation of context so that ideas can be kept in proper perspective. It is an intense focus on sustainability as a means to outperform. Thoughtful investing is the belief that teams—through diversity, collaboration and a willingness to challenge one another—best deliver the first-rate performance that we promise to each and every client.



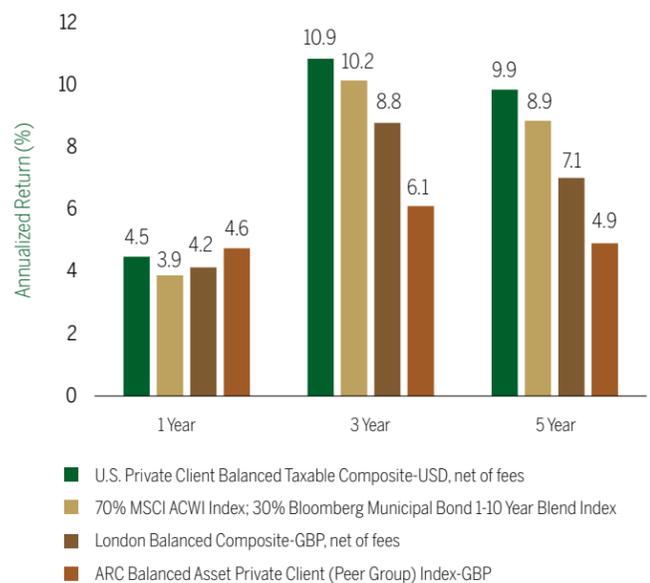
PERFORMANCE

# Investing for Private Clients, Endowments and Foundations

We measure our private client, endowment and foundation portfolios against the customized performance objectives that we set with each and every client—we do not use “models” to build multiasset portfolios. At the same time, it can be helpful to aggregate similar portfolios to gain a sense of general performance.

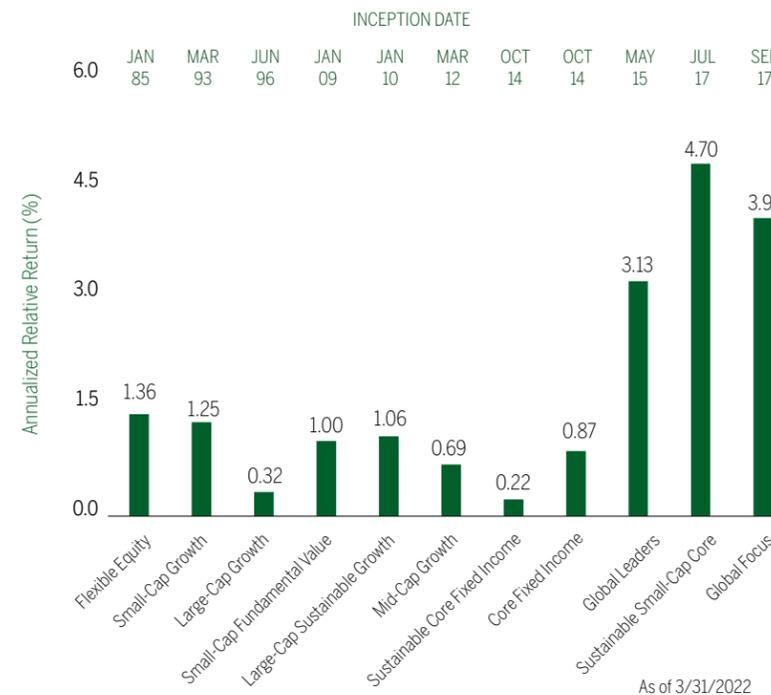
## REPRESENTATIVE PERFORMANCE

On a net-of-fees basis, our U.S. and U.K. teams have delivered strong performance in the trailing one-, three- and five-year periods.



## SELECT STRATEGY PERFORMANCE RELATIVE TO BENCHMARKS

On a net-of-fees basis, the 11 strategies below have delivered meaningful annualized outperformance over their benchmark since inception.



# Institutional Investment Management

In our actively managed, single-strategy equity and fixed income portfolios, we strive to generate outperformance through rigorous, bottom-up research; high-conviction ideas; and a repeatable investment process that is focused on long-term, risk-adjusted returns.

Benchmarks | Flex: S&P 500 | SCG: Russell 2000 Growth | LCG: Russell 1000 Growth  
 SCFV: Russell 2000 Value | LCSG: Russell 1000 Growth | MCG: Russell Midcap Growth  
 SCFI: Bloomberg U.S. Agg. | CFI: Bloomberg U.S. Agg. | GL: FTSE All-World Net  
 SSCC: Russell 2000 Total Return | GF: FTSE All-World Developed



“Our clients benefit from a research team that focuses solely on identifying and evaluating best-in-class investment solutions across asset classes, which allows us to build specifically tailored portfolios. Our Investment Solutions Group is a real differentiator.”

**Stephanie McCormick**  
 Head of New York Private Client, Portfolio Manager



“A challenging macro environment—like we have seen for the last several years—can make investors feel like they need to become pseudo-epidemiologists or war experts. Our job is to stay focused on what we do well, which is to find great companies that we can own for a long time.”

**David Powell**  
 Co-Portfolio Manager, Large-Cap Sustainable Growth

## Funds and Strategies

We use a disciplined, bottom-up, fundamental research approach to build low-turnover, concentrated portfolios with the potential to drive attractive performance results over time. We have a culture and firm equity ownership structure that help us attract and retain professionals who share these beliefs, and we follow a repeatable investment process that helps us stay true to our philosophy. ESG research is fully integrated into the process behind our dedicated sustainable investing strategies and considered across our entire research platform to identify risks.

To respond to clients' needs and provide specific solutions for each client's considerations and goals, we have expanded our platform, adding investment strategies, making significant new hires and promoting professionals from within our research ranks.

In fixed income, we built a global sustainable platform, recruiting and reuniting the experienced global team of Chris Diaz, Ryan Myerberg and Colby Stilson. The team has worked closely with our broader research team to develop a fully integrated and truly global fixed income platform that includes a research and evaluation process

for sovereign and supranational issuers. Our new Global Sustainable Fixed Income strategy offers investors access to an attractive income stream and risk-adjusted returns while producing positive global environmental and social impact.

We launched our Sustainable International Leaders equity strategy in 2021 to respond to client demand. Managed by Priyanka Agnihotri, the portfolio leverages the investment process developed by our Global Leaders team, of which Priyanka remains a key member. Clients wanted an ex-U.S. strategy to pair with U.S.-focused equity strategies.

Our Sustainable Small-Cap Core strategy builds on our history of small-cap equity investing and ESG research. This strategy has been a separately managed account option for our clients since 2017, generating notable performance since inception, and in 2021, we launched the strategy as a U.S. mutual fund. Our Sustainable Income strategy, launched in 2021 and co-managed by Emily Dwyer and Brian Graney, seeks to deliver returns through a portfolio of companies with meaningful sustainable advantages that can drive compelling growth and dividend income for clients.



“

Our goal is to deliver exceptional equity and fixed income investment solutions for our clients by executing on a disciplined investment process, focused on in-depth, bottom-up research and thoughtful portfolio construction, and supported by a culture of excellence and collaboration within our team of investment professionals.”

**Tim Hathaway**

*CIO for Institutional; Head of U.S. Institutional Business; Portfolio Manager*



Members of the Global Equity and Fixed Income teams: Priyanka Agnihotri, Anna Rudgard, Bertie Thomson, Mick Dillon, Susanne Reisch, Lara Wigan

### Multiasset Portfolio Solutions

Our Investment Solutions Group guides asset allocation and manager research recommendations for our private client and our endowment and foundation portfolios, conducting deep and rigorous due diligence across asset classes to provide access to both leading and emerging managers. As our client base has grown and as the capital markets become ever more complex, we have expanded our external manager platform and continue to add highly specialized, best-in-class managers—so that we can customize portfolios to maximize opportunities and account for risk and liquidity preferences. As part of our responsibility to clients, we continue to mine opportunities among managers in public and private markets that can add value to portfolios.



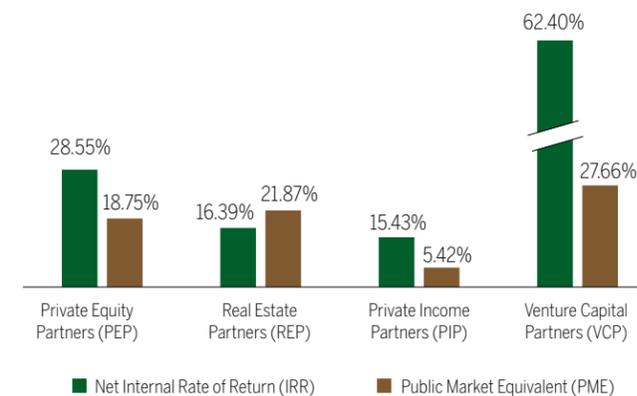
Christopher Hancock, CIO International



Members of the Operational Due Diligence team: Atte Enyenihi, Rima Parikh, Sam Shah

### PRIVATE INVESTMENT PROGRAM PERFORMANCE

Our private multimanager vehicles have frequently performed strongly versus their public market equivalent benchmarks since inception.



Our private multimanager vehicles are benchmarked to the following indexes: PEP: S&P 500 | REP: FTSE NAREIT All-Equity REIT | PIP: S&P/LSTA Leveraged Loan Index | VCP: S&P 500

As of 12/31/2021

Private markets are much larger than they were even a few years ago, and companies are staying private longer—so helping clients gain exposure to those markets is more important than ever. Now in its 10th year, our Private Equity Partners (PEP) program provides a highly effective way for investors to access private equity opportunities through a diversified portfolio of both “name-brand” and emerging managers across buyout, venture capital and growth equity. This portfolio approach offers clients access to world-class managers in which we have high conviction but which typically have limited capacity and are generally available only to very large investors.

We continue to challenge ourselves to find ways to add meaningful performance in client portfolios. To provide clients access to growth-stage private companies that are raising funds through increasingly competitive, often capacity-constrained deals, we created the Anchor Investor Network in 2021. Clients can pledge to make an “anchor commitment,” thereby gaining priority allocations to deals that are vetted by our investment committee. The program aims to combine our work to source opportunities in the venture community with the robust due diligence capabilities of our private equity team and sector research specialists.



Elise Liberto, Portfolio Manager, Anchor Investor Network; Keith Stone, Portfolio Manager, Venture Capital Partners

# CROSSBOUNDARY

## —Our Frontier Markets Partner

Challenging ourselves to look for strategic opportunities that can unlock investments for clients led us to partner with CrossBoundary—a frontier markets firm whose mission is to provide private capital to underserved markets. Through 16 offices on five continents, the CrossBoundary team advises entrepreneurs, investors, Fortune 500 companies and policymakers on frontier market investments, and invests client capital in sustainable energy projects.

**“With Brown Advisory, we have found a truly aligned partner. Together, we look forward to pursuing our mission of bringing private capital to underserved markets, which might be considered frontier today but will be the mainstream growth stories of tomorrow.”**

*—Jake Cusack, Co-Founder and Managing Partner, CrossBoundary*



PROJECT SPOTLIGHT

 **CROSSBOUNDARY**  
ENERGY ACCESS

The fund aims to connect rural homes and businesses in Africa to mini-grids to bring electricity to 170,000 people. Pictured is a mini-grid project in Tanzania that is being developed by PowerGen Renewable Energy. This project will build 60 grids, connecting 7,000 homes and businesses, and over 34,000 people to electricity.

## Sustainable Investing

For us, sustainability is an essential part of thoughtful investing. We see incorporating a broad range of risks and opportunities into our research process as an important tool to generate long-term performance—including how a company is managing its products, services and solutions in the face of climate change and other long-term societal forces.

Nowhere is our belief that there does not have to be a trade-off between strong performance and responsible business practices more evident than our flagship Large-Cap Sustainable Growth strategy. Led for the past 10 years by Karina Funk and David Powell, the strategy, with more than \$17 billion in assets under management as of year-end, has performed well for clients and is widely recognized by investors and leading financial publications as a leader in the industry. As another example of the proprietary research on which we rely to produce positive outcomes for clients, David and Karina developed the concept of Sustainable Business Advantages (SBAs) more than 10 years ago to determine how sustainability can drive a company's revenue growth, cost savings or enhanced franchise value and lead, ultimately, to advancing shareholder value.

## In 2021, our research team's priorities for engaging with management teams were:

- Climate change
- Disclosure and transparency
- Diversity, equity and inclusion
- Ethical AI and data security



Amy Hauter, Portfolio Manager and Global Head of Fixed Income Sustainability

Engagement with management teams is an essential part of our fundamental due diligence. As fiduciaries and stewards of client capital, we have a responsibility to maintain consistent dialogue with the companies and issuers in which we invest. Engaging at a strategic level with management teams also enables us to advocate for progress on specific impact topics.

In our work with individuals, families, endowments and foundations, aligning their investment portfolios with their values is often a natural part of the conversation. Here too, we believe that we do not have to sacrifice performance, thanks to a range of rigorously vetted investment opportunities across asset classes.

The firm's proprietary ARIS (Alignment, Risk, Impact and Sustainability) reporting tool provides detailed analyses of individual client portfolios' exposure to a range of factors. With dashboards that monitor exposure to climate risk, corporate diversity, corporate governance, religious values, exposure to controversies and exposure to positive impact, ARIS enables clients to understand their portfolio exposure at a granular level and supports substantive discussions around sustainability risks, opportunity for impact and progress over time.

ARIS is an example of our belief in the importance of proprietary due diligence, especially in the sustainability space, where the data sets are notoriously incomplete and "greenwashing" is prevalent. Primary research helps us assess where financial and nonfinancial risks intersect for a given investment and, importantly, evaluate the opportunities to create "sustainable alpha"—where an investment stands to generate outsized performance thanks to its sustainable strategies or characteristics. Ultimately, we believe sustainable investing offers clients the means to achieve superior financial returns by allocating capital to companies, issuers and funds that are being thoughtful about the future.

Our investment "engine" is powered by teamwork. We combine multiple perspectives with the humility of knowing that a single point of view is often flawed and that listening is more important than speaking. We know that to help clients reach their long-term financial goals, we must bring humility to the investing process, continually asking: What can we do better? What other perspectives would be helpful to consider? What are we missing?

One way we put this into practice is through building intentionally diverse portfolios that incorporate multifaceted perspectives. For our balanced portfolios—in both public and private markets—in response to our clients' wishes and to invest in high-performing opportunities, we partner with "name-brand" and emerging firms owned by women and people of color. Less than 2% of the \$82 trillion of assets managed in the U.S. is overseen by diverse managers. Allocating capital has consequences; we choose to maximize outcomes for our clients and elevate groups that have been overlooked. When investing sustainably and with diverse managers, we strongly feel that there need be no trade-off between performance and impact.

It comes back to our mission: to make a positive and material difference for the clients with whom we are privileged to work.



Emily Dwyer, Portfolio Manager

CLIENT STORY

SAXO BANK

## —*Innovation at He(art)*

“Saxo Bank is a very different bank, and we want our environment to reflect that. The T-Rex that hangs in the canteen reminds us that we need to remain agile and be on the leading edge of technology developments so that we can continue to help our clients and partners navigate the global markets. In other words, we cannot become dinosaurs.”

—*Kim Fournais, CEO and Founder, Saxo Bank*

What do banking and art have to do with each other? At Saxo, the answer is: quite a lot.

You might not associate banking with creativity. But at Saxo, creative energy animates its client solutions and its culture. As a fintech leader, Saxo develops advanced trading and investment solutions for banks, brokers and financial advisors—helping clients access global capital markets through a range of instruments, including stocks, bonds, foreign exchange and options.

Headquartered in Copenhagen, with offices across Europe, Asia and the Middle East, Saxo serves clients in more than 170 countries. It is on a mission to democratize the financial services industry by giving investors of all sizes, located anywhere, access to the highest-caliber online trading platform and technology-enabled investment services. Driving to continually innovate is essential to Saxo’s mission.

As the curator of one of Europe’s largest private contemporary art collections, Saxo makes a direct connection between art and innovation. Says Kim Fournais, CEO and Founder of Saxo, “We are a different kind of bank—and we want our environment to stimulate innovative thinking. Our employees tell us having art around them lightens their mood, makes them feel joyful and inspires them to think creatively.”

When Saxo wanted to offer a sustainable investing portfolio to its clients, it looked around the world to find a partner. “We don’t claim to be the best in every asset class and every geography,” says Kieran Phyo, Head of Asset Management Products at Saxo, “so we want to partner with best-in-class investment managers.” This was how the Brown Advisory Ethical Selection strategy, managed by Brown Advisory and offered by Saxo to its clients, was born. “We look for partners, like Henry Francklin and the Brown Advisory team, who are willing to experiment, innovate and explore new ideas,” says Phyo.



Creating impact—real impact—for the communities in which we live and work has been an essential part of Brown Advisory’s DNA since our beginnings. As we strive to make a positive and material difference for all of our stakeholders, we are cognizant of our responsibilities to our communities—we believe we have an obligation to contribute to and enhance the lives of others through financial, intellectual and hands-on partnership.



We think about “making an impact” broadly—you will see us use the term “raise the future” to refer to how we view our purpose for our clients, colleagues and communities. As investors, we invest in sustainable companies and issuers. As advisors, we help clients articulate what matters most to them in order to best incorporate philanthropy, community engagement, sustainability and impact-driven investments within their portfolios. As a business, we partner with for-profit and nonprofit purpose-driven organizations. As a firm, we contribute our charitable dollars strategically and offset our emissions to achieve carbon neutrality. As a collection of colleagues, we donate time—and funds—to support the communities that support us and our families.

We intentionally recruit and elevate colleagues who share these values. Indeed, one of our criteria for promotion to Principal and Partner is a demonstrated energy and leadership in the community. At last count, Brown Advisory colleagues served over 400 nonprofits and charities across the U.S. and U.K.

## Climate

We are committed to addressing climate change from both an investment and operational lens. With respect to operational emissions, our focus remains first on reducing and monitoring emissions, and then on contributing funds to climate-positive projects around the world to compensate for unavoidable emissions.

Our operational carbon emissions in 2021 were approximately 3,500 metric tons, with the bulk of our impact stemming from a mix of Scope 1 and 2 emissions (heating and powering our physical office spaces) and Scope 3 emissions (emissions from air travel). Our corporate real estate team is supporting multiyear reduction efforts for Scope 1 emissions with a requirement for new buildings where we procure office space to meet the highest levels of LEED and BREEAM certifications. Our development of office spaces is also aligned with these standards.

Each year, we “offset” the aforementioned emissions through a combination of renewable energy certificates and contributions to climate-positive projects. Several of these recent investments include:

- The Giving Trees plants trees in Kenya and Uganda to help small communities create a nature-based carbon removal system that helps train leaders, supports women’s smallholder farms and pulls families out of poverty. The project is verified by Verra ([verra.org](http://verra.org)) and the Cool Effect Foundation ([cooleffect.org](http://cooleffect.org)), our purchasing partner.
- Cooking with Gas builds biogas digestors for families in China that capture methane emissions from waste and convert them to renewable energy. It is verified by Gold Standard CDM and the Cool Effect Foundation.



The Giving Trees project empowers small communities and creates nature-based carbon removal solutions.

Our operational carbon footprint is important to us, but we believe that we can have a far greater impact on climate change through our investments: by working with clients to implement sustainable investment strategies, monitoring and managing the climate risk within the portfolios we manage, and engaging with our portfolio holdings and their stakeholders. We think that every business should be clear about the direct and indirect climate impacts of their activities. Nearly all of our firm’s impact on the global climate stems from our investments, not our operations. In 2021, our firm’s listed equity holdings—totaling \$101.1 billion as of December 31, 2021—had a carbon footprint approximately 500 times greater than the footprint of our operational operations.

We are tackling this opportunity for impact in multiple ways. The first is through our firm’s sustainable investing strategies, whose philosophies and processes have consistently led to portfolios with substantially lower carbon intensity (a measure of a portfolio’s carbon emissions, scaled by its proportional ownership of the underlying holdings) than their benchmarks. Perhaps more importantly, many of our sustainable strategies seek to invest in companies that are trying to solve climate challenges for the rest of the world. Second is through our ESG research team’s engagement work. The team had full engagements with 148 different companies, bond issuers and other stakeholders in 2021, and 91 of those had to do with asking those entities, either on our own or as part of coalitions, such as the

Science-Based Target Initiative and the Task Force on Climate-Related Financial Disclosures, to make additional progress on their emissions reduction strategies.

Third is through our initial steps as part of the Net Zero Asset Managers initiative (NZAMi). NZAMi supports a goal of net-zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5° C. Our decision to participate was the result of several months’ evaluation of the initiative’s goals as well as its alignment with our sustainable investment philosophy. Further, and most importantly for our clients, NZAMi respects that we, as the signatory, are not an asset owner. Exactly if, how, when and where our commitment is reflected in portfolios will be the result of conversations and support from clients—the asset owners—themselves.

All of this work has one common thread running through it: our belief that sustainable investing is smart investing and that ESG information helps us make better investment decisions. We are often frustrated when sustainable investing is framed as an “either/or” proposition—performance or impact, but not both. For over 12 years, we have been committed to the belief that you can have it both ways, and we believe that our track record in sustainable investing is largely attributable to delivering performance and impact to clients, and not sacrificing one for the other.



“Brown Advisory’s ethos of humility runs deep and drives us to ask: How can we help? The commitment of our colleagues to take responsibility and make a positive impact is important not just for the communities where we live and work but also for strengthening the bonds among us.”

**Charlie Constable**

*Head of U.S. Private Client, Endowment and Foundation Business*

## Giving

In 2021, Brown Advisory contributed more than \$1.75 million to a range of nonprofits and charities across the communities where we live and work. In addition to supporting organizations that are important to our clients and colleagues, we focus our giving in three strategic areas: justice, the environment and gender equity.

We are pleased to share a few examples of charitable organizations in which we are investing.

### Justice:

We support charitable organizations that address social injustice and racial inequity. These organizations provide support and services to underrepresented and economically disadvantaged groups, work to dismantle systemic barriers to racial equity, and build deliberate systems to achieve and sustain racial equity.

**Bard Prison Initiative | Roca |  
Ron Brown Scholar Program |  
B-360 | 10,000 Black Interns**

### Environment:

The nonprofits and charities with which we partner strive to solve for the complex environmental challenges that threaten our world, such as climate change, water scarcity and quality, biodiversity, sustainable agriculture and environmental justice. We believe that these issues are interconnected with their social and systemic counterparts, and that addressing them requires a holistic approach to balance urgency with long-term solutions.

**Nature Sacred | Conservation Fund |  
Royal Botanic Gardens, Kew**

### Gender Equity:

We partner with organizations dedicated to helping and empowering women and girls, especially those in underrepresented groups. Their work focuses on inclusion, education, health and social services, and includes closing the gender gap in business and government, mentoring, furthering and supporting women's rights, preventing abuse, and providing direct services to people in need.

**Invest in Girls | Him For Her |  
International Women's Forum |  
U.K. Treasury's Women in Finance  
Charter | Girls Are INvestors (GAIN)**



The Bard Prison Initiative provides a rigorous liberal arts education to inmates—along with career development and specialized support—to disrupt the cycle of poverty, mass incarceration and systemic inequities.



B-360 uses dirt bike culture to engage youth and young adults, equip them with STEM skills and career opportunities, and disrupt the cycle of poverty and the prison pipeline.

## Community Investment

At Brown Advisory, we catalyze innovation in mission-driven businesses and initiatives that are designed to materially enhance opportunities in our communities. These strategic investments take the form of capital, resources and collaboration with change agents who promote opportunity, equity and inclusion in the ecosystems in which we work.

**UpSurge Baltimore** is building an engine to propel Baltimore into the top tier of U.S. innovation cities, while striving to be the country's first "Equitech City." UpSurge works with founders to launch, support and grow high-impact startups, and develops strategies to attract new companies, talent and capital to Baltimore.

**DivInc's** mission is to generate social and economic equity through entrepreneurship by equipping underrepresented founders with access to the critical resources they need to build investable companies. Based in Austin and Houston, DivInc offers a 12-week accelerator for early-stage startups and builds partnerships with public and private institutions to drive systemic change.

**B.Innovative** is our collaborative workspace program for purpose-driven startups and investors that seeks to catalyze entrepreneurial activity and thought leadership across underserved stakeholders. Beginning in Baltimore and now launching in Austin, B.Innovative embodies our dedication to provide physical and human capital resources to change-makers, and to help unlock new ways to create value and results for people and organizations that are working to raise the future.

There are a lot of needs, and we certainly do not have all the answers. However, we believe that through innovation, collaboration and humility, we can raise the future—for all of us—together.



Royal Botanic Gardens, Kew, with one of the largest and most diverse botanical collections in the world, is dedicated to protecting biodiversity, motivating environmental advocacy, inspiring the next generation of scientists, and creating a world where nature is valued and managed sustainably.



When Cheryl Hampton's home—which had been in her family for six generations—was being threatened with foreclosure, she worked with credit counselors at Southern Bancorp. Backed by a grant from the Winthrop Rockefeller Foundation, the bank helped her to buy back her family home.

## CLIENT STORY

## WINTHROP ROCKEFELLER FOUNDATION —Multiplier Effect

“Advancing equity in Arkansas will have a profound effect on the state’s families and communities, with the potential to drive significant economic growth. All of us—community leaders, employers, policymakers and others—have a stake in addressing the opportunity gaps and unequal access that hold back our entire society.”

– Dr. Sherece Y. West-Scantlebury, CEO, Winthrop Rockefeller Foundation

The Winthrop Rockefeller Foundation has a distinctive origin story. Win Rockefeller was born in New York City into one of the wealthiest families in history. After serving in the U.S. Army, he went to visit a friend in Arkansas and fell in love with the region and decided to settle near Little Rock permanently. He built a global cattle business and eventually ran for and was elected governor. As governor, he was credited with passing the state’s first minimum wage act, enacting prison reform and integrating Arkansas schools. He was the only southern governor to mourn the assassination of Dr. Martin Luther King, Jr. publicly, saying: “I am not my brother’s keeper. I am my brother’s brother.”

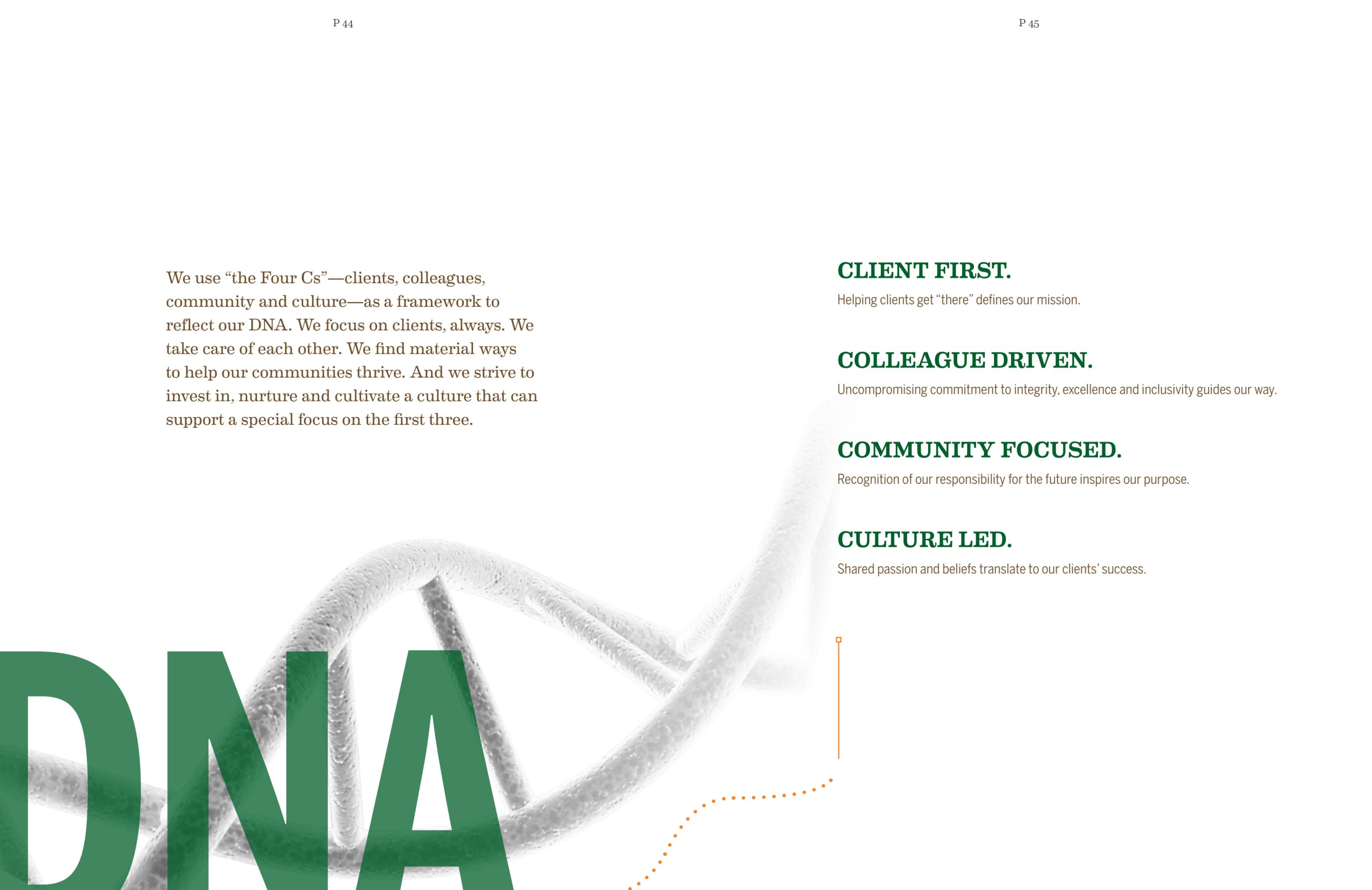
Governor Rockefeller’s legacy became the Winthrop Rockefeller Foundation (WRF). Today, WRF, with about \$170 million in assets, is focused on funding systemic change to address the root causes of poverty in Arkansas. Governor Rockefeller said, “There’s no place for poverty in Arkansas.” Maybe not coincidentally, this aligns with the personal mission of Dr. Sherece Y. West-Scantlebury, WRF’s CEO since 2007, who believes that there’s no place for poverty in the U.S.

Dr. West-Scantlebury, who was raised in Baltimore’s Murphy Homes public housing community, is passionate about eradicating poverty, building community and advancing equity. According to Dr. West-Scantlebury, “There’s a point where you make a choice between whether you want your society, community or economy to be one filled with working-age adults who are not employable or you change the system to be responsive to the needs of children and families and their success.” She believes we are at that point and that WRF can play a critical role for Arkansans, to ensure their background does not determine their life’s course and outcomes.

WRF carries out its mission—to relentlessly pursue economic, educational, social, ethnic and racial equity for all Arkansans—through funding nonprofits and advocacy groups that have a “multiplier effect” and aim to increase prosperity for future generations. For example, an important focus for WRF is ALICE (asset limited, income constrained, employed) families, who represent a significant segment of Arkansas households—providing grants to support research, affect policy and change the narrative so that the health care workers, teachers, retail employees, delivery drivers and members of the military in Arkansas who struggle with financial stability can access pathways to thrive over the long term. In addition, WRF provides funding to Community Development Financial Institutions (CDFIs) across Arkansas to provide access to capital, especially to entrepreneurs who identify as women and people of color.

The Foundation’s commitment to its mission is palpable. “Over time,” says Andrea Dobson, the Foundation’s CFO and COO, “we began to realize that our investments needed to help us achieve our mission.” In 2014, the organization went through a search process to find an investment partner that could deliver performance and mission-aligned investments. Today, about 50% of the Foundation’s endowment is invested sustainably, including in Brown Advisory’s Large-Cap Sustainable Growth strategy—with Mary Gregory as WRF’s relationship manager. “If we’re really going to create change, capital markets have got to be part of it,” says Dobson.

We use “the Four Cs”—clients, colleagues, community and culture—as a framework to reflect our DNA. We focus on clients, always. We take care of each other. We find material ways to help our communities thrive. And we strive to invest in, nurture and cultivate a culture that can support a special focus on the first three.



# DNA

## **CLIENT FIRST.**

Helping clients get “there” defines our mission.

## **COLLEAGUE DRIVEN.**

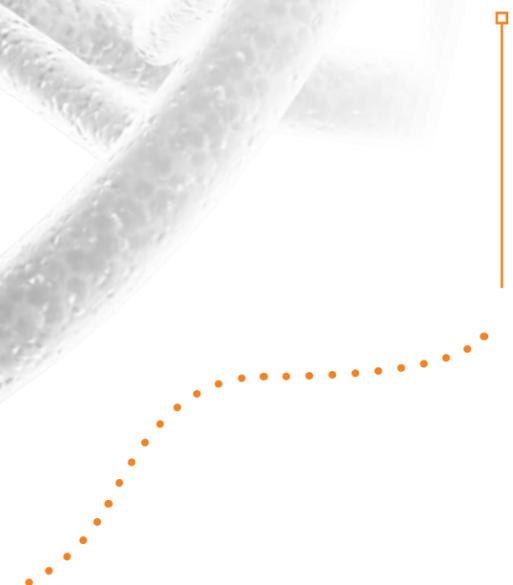
Uncompromising commitment to integrity, excellence and inclusivity guides our way.

## **COMMUNITY FOCUSED.**

Recognition of our responsibility for the future inspires our purpose.

## **CULTURE LED.**

Shared passion and beliefs translate to our clients' success.





“The results we have been able to deliver for clients are directly correlated to our culture. Clients tell us that they are attracted by the synergy that they feel among our colleagues. Our ability to recruit exceptional investors and advisors hinges on our collaborative, team-based environment.”

**Logie Fitzwilliams**  
*Head of International Business and Global Head of Sales*

Fundamental to Brown Advisory’s DNA is our ownership structure and our independence. Every one of our full-time colleagues is an equity owner of the firm. This “ownership mindset” could not be more essential to our culture. As owners, we are responsible for building a firm that will navigate and raise the future. It’s on us. Each of us. And this makes for an exciting, challenging and empowering environment in which we are privileged to work.

Beyond our ownership structure, there are certain “genetic markers” that we think add substantially to the Brown Advisory experience. In the next few pages, we are pleased to share how some of these markers bring our DNA to life.

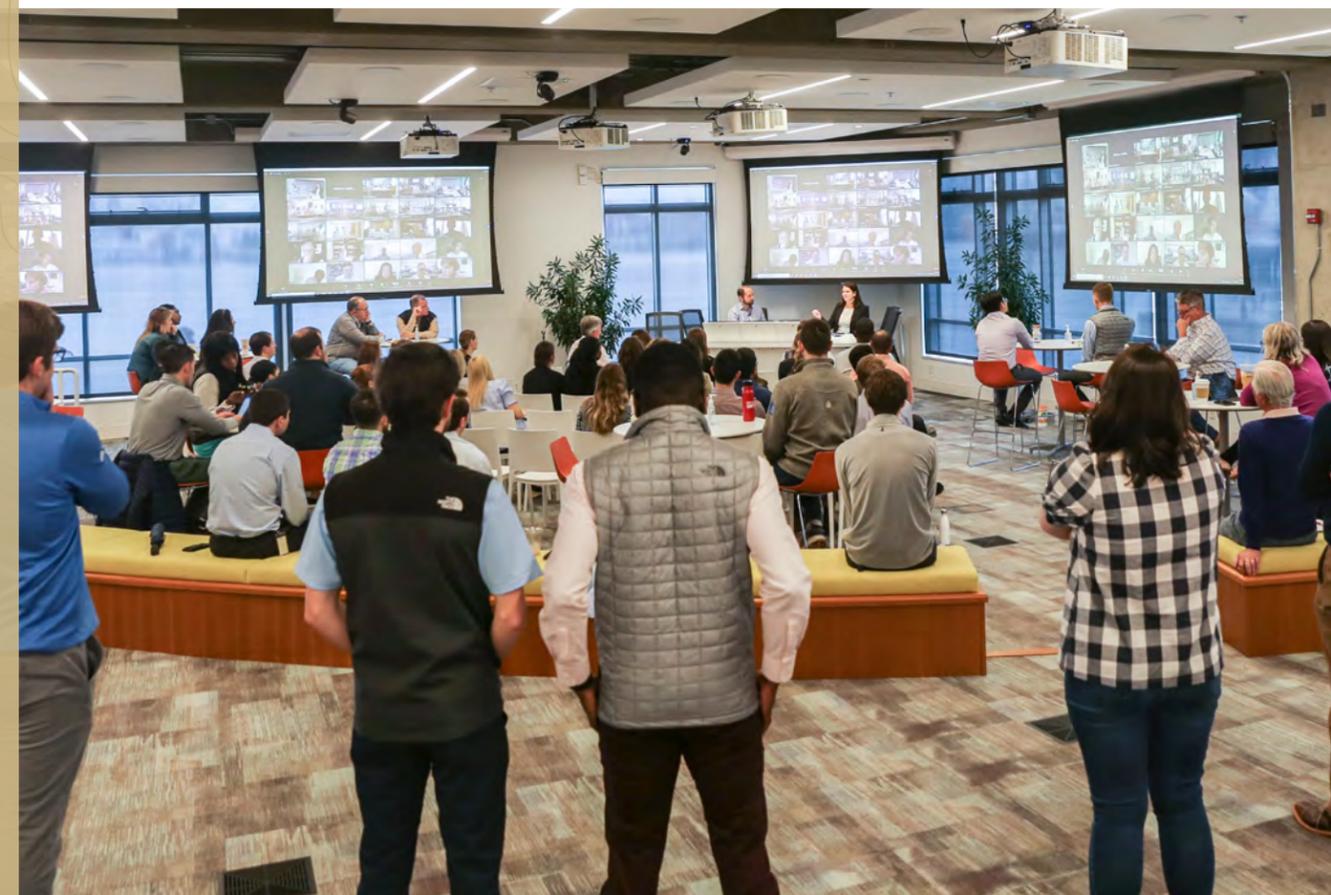
### Connectedness

We were quick to ask colleagues to work remotely at the beginning of the pandemic and early to determine that we could safely come back to the office with proper testing and safeguards in place. We continue to believe that physical connectedness is important—to enable our responsibilities to clients and, especially, to sustain our very special culture and support the mental health of our colleagues. Throughout the pandemic, we learned that we can operate seamlessly from home. Frankly, however, we missed each other. We built the Brown Advisory culture in our offices, and we know that we belong together; it’s where we can best look after our clients and care for each other.

### Morning Meeting Mindset

Perhaps no single activity embodies our connectedness more than our morning research meeting. Four days a week, the entire firm gathers to listen to our investment teams discuss topics that are influencing their investment thinking—from macro issues, such as asset allocation and consumer trends, to deep dives into private real estate investment opportunities and engagement with management teams around sustainable business practices. These meetings bring us together physically—each office gathers in person, and we are all connected via video—and also emotionally and intellectually.

In addition to sharing investment insights, the morning meeting provides an opportunity for Colleague Resource Groups (CRGs) to make announcements about upcoming events, to celebrate birthdays and anniversaries, and for colleagues to hear from members of the firm’s leadership about what’s on their minds, including strategic updates, financial results, colleague wellness and future opportunities. Especially in tough and trying times, we feel the significance of starting each week shoulder to shoulder at the morning meeting. This team orientation continues throughout our day and week, as we work together within and across teams to deliver for our clients.



Gathering for the morning meeting



A brainstorming session at a recent off-site, led by Doug Godine, Head of Private Client Business Development

## Culture of Learning

Extending far beyond the morning meeting, our culture of learning means learning from each other. It means listening more than talking when we meet with clients. We place enormous value on curiosity and continuous learning. This value is ubiquitous across the firm and shows up in big and small ways: book clubs hosted by our Global Leaders equity team and our Women's CRG, behavioral coaching to challenge and support our investment team's process, firm-funded education, "lunch and learns" to meet with community leaders and explore the work nonprofits and charities are doing, and our speaker series for colleagues to learn from experts about the history of racial injustice.

To ensure that we are able to support clients across all aspects of sustainable investing, we launched SISME (Sustainable Investing Subject-Matter Expert) in 2018. Since then, more than 250 colleagues have graduated from the four-month training program, and our goal is for 100% of our colleagues to complete

the course. The robust SISME curriculum—which we continue to develop and refine—incorporates 35 learning modules in a combination of on-demand video classes taught by our investment professionals, online discussions and live workshops.

We launched our Navigating Our World (NOW) podcast in April 2020 when we could not host our flagship client conference due to COVID-19. The conference—and podcast—reflect our belief in embracing outside, diverse viewpoints and in learning from experts about the pressing, long-term issues that will impact our investment decisions, our lives and our communities. While not a substitute for gathering in person, the NOW podcast continues to provide an opportunity for shared learning and a valuable means to connect with our network. Podcast guests have included CEOs, such as Dan Schulman (PayPal), Alan Jope (Unilever), Josh Silverman (Etsy) and Dr. M. Sanjayan (Conservation International); climate expert Kate Gordon; Librarian of Congress Dr. Carla Hayden; and global energy authority Dr. Daniel Yergin.

## The "Team Thing"

As we have said elsewhere, at Brown Advisory, we "team" well.

Are teams always the most efficient approach to completing a task? Maybe not. Are they the surest way to think through complex challenges, develop creative solutions and deliver optimal outcomes? We think so.

We support our clients with teams—incorporating portfolio managers, strategic advisors and client service team members. We include senior and junior colleagues on teams, and we ask everyone to share their points of view and to listen to others' points of view. We don't put titles on business cards because seniority doesn't

connote greater importance. We make decisions—for clients and for our business—as teams. We incubate and launch new strategies in teams. We hold two strategic planning sessions a year—often including more than 100 colleagues—because we want to include as many voices as possible. Our days begin with the morning meeting, together with the whole Brown Advisory team. Each of our teams matters, whether they are evaluating stocks in equity research, processing trades, reviewing trust documents, helping colleagues understand benefits or deploying a new technology application. All of our teams contribute in meaningful ways to our clients' success. The "team thing" is simply the Brown Advisory way.

# Shared Beliefs

### Putting clients first, always

This principle pervades everything we do. We are fortunate to be in a position to amplify the work, effort and impact of individuals, families and institutions who are making a difference in the world.

### The importance of our people

We invest in individuals who embody our mission, purpose and values with humility. These colleagues perpetuate our culture by directing their focus, energy and skill for the benefit of our clients.

### The importance of investment results

As investors, first and foremost, we know that achieving compelling investment results is paramount to our success.

### Being disruptive and innovative

As a private firm, our long-term investment horizon allows our colleagues to explore new ideas and take certain risks. This entrepreneurial spirit is the foundation for building new performance, advice and service capabilities for clients.

### Working as a team

We believe that decisions are best made with input from a group and in the light of each other's scrutiny, instead of alone and in the dark.

### Embracing outside views

A key ingredient in making sound decisions for our clients is to surround ourselves with a network of intelligent, experienced and diverse people. For us, this includes but is not limited to directors, outside shareholders, clients, other investors and industry leaders across the globe.

### Open and honest communication

Our flat organizational structure makes it particularly important for us all to communicate effectively. At the heart of effective communication is honesty, openness and a willingness to challenge each other with positive intent.

### Celebrating diversity, equity and inclusion

Beyond just being the right thing to do, we know that a diverse team—with different backgrounds, worldviews and perspectives—operating in an inclusive environment will create more meaningful outcomes for clients. This commitment should not only be reflected in the diversity of our colleagues but also in those recognized as Principal and Partner. Further, a constructive attitude toward progress, an open mind and an open heart are factors that are held in focus when candidates are considered for Principal and Partner.

### Protecting our equity structure

We award equity to all colleagues to make sure that our ownership structure is inclusive and balanced. This "partnership" philosophy underlies our shared sense of purpose and the alignment of our interests with those of our clients.

### Learning and curiosity

Colleagues who are always in learning mode tend to have two important traits that translate to client success—humility and an adept ability to listen. In celebrating our collective curiosity, we recognize that we do not always have all the "right" answers and must continue to search for new and more effective solutions.

### The importance of growth and reinvestment

We seek to grow steadily over time so that we can develop our resources to better serve clients. This includes meaningful reinvestment activity to expand our range of advice and service capabilities, strengthen our investment research teams, and improve technology resources.

### The performance and impact value of sustainable investing

When it comes to maximizing the risk-adjusted total return of an investment portfolio and making meaningful progress toward one's mission, clients do not have to choose one over the other.



Rebecca Sugarman, Chief Human Resources Officer

### Investing in Human Capital

Sometimes, as the saying goes, it is better to be lucky than smart. We think we were perhaps a bit of both when we hired Rebecca Sugarman as our Chief Human Resources Officer in the third quarter of 2019, before the word “pandemic” became ubiquitous. Rebecca and the human resources team have built and provided extraordinary COVID-19 protocols and policies, a testing and tracing program, and mental-health support systems—all the while professionalizing our commitment to diversity, equity and inclusion (DEI); recruiting to support our remarkable level of hiring; overhauling our benefits; establishing a business partner structure to support our managers and each of our colleagues; and deploying a new HR technology platform.

A hallmark of Brown Advisory is investing in, developing and promoting our own talent. We believe in challenging our colleagues with new opportunities and, with proper support, have seen time and again that they bring fresh perspectives and insightful approaches that benefit our clients. Many of the innovations described in these pages have been created, launched and led by colleagues who joined the firm as recent college graduates in entry-level positions. Driven by entrepreneurial spirit and nurtured by mentors, they continue to seek out new and better ways to serve clients and to help us all raise the future.

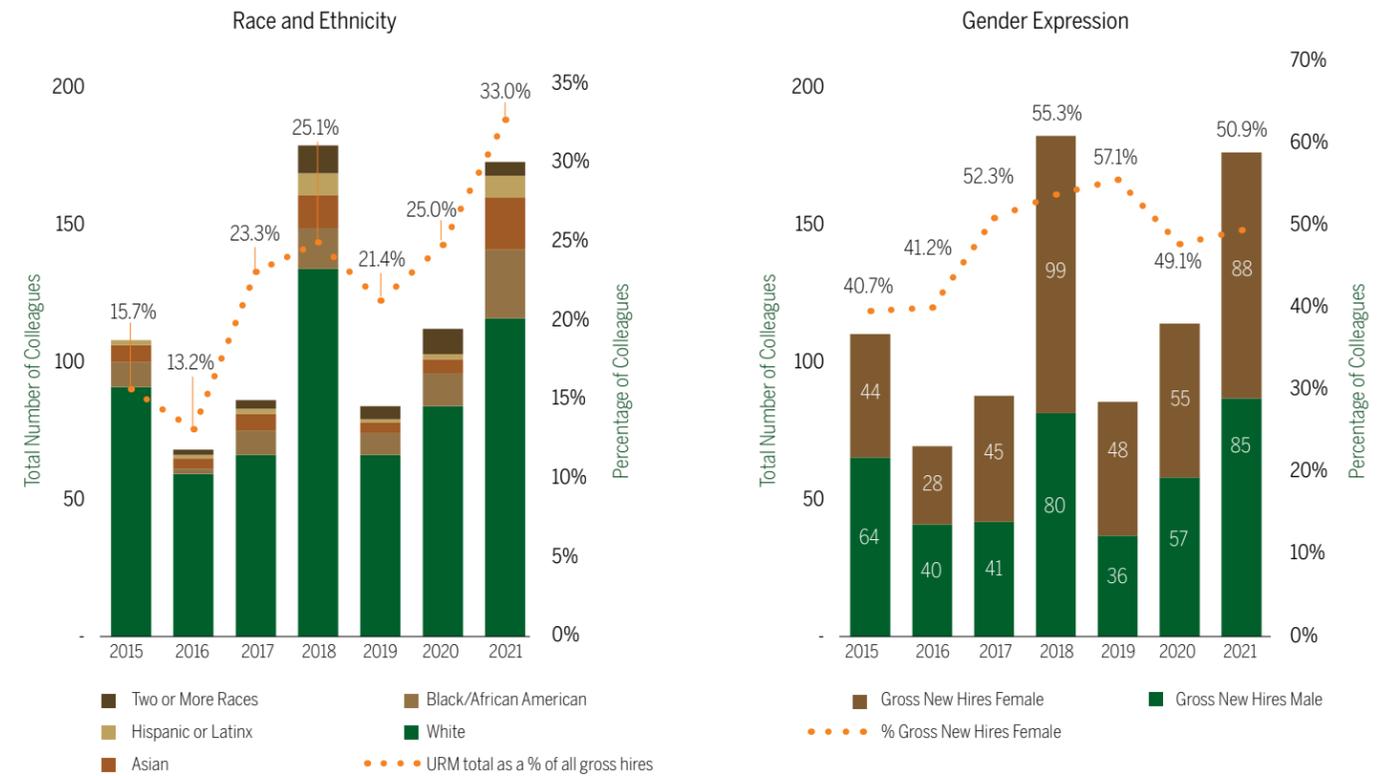
An important piece of our commitment to colleagues is diversity, equity and inclusion. We simply cannot be an innovative firm without a pronounced dedication to and investment in DEI.

After serving clients as part of our private client team, David Hodnett assumed the role of Director of Diversity, Equity and Inclusion. Led by David and Rebecca, we are building the infrastructure to deepen DEI across all aspects of our work with clients, colleagues and communities. We were thrilled to add Mia Contreras, Senior DEI Talent Acquisition Advisor, to our recruiting team as we continue to search for exceptional colleagues and strive to be the employer of choice for candidates, including those from underrepresented groups. For the third year in a row, we earned a perfect score of 100 on the Human Rights Campaign’s Corporate Equality Index, the national benchmark for corporate policies and practices to support LGBTQ+ colleagues. As we further embed DEI across the firm, all of our group heads have diversity and inclusion as part of their annual goals, to which their compensation is tied.

In the summer of 2020, in the wake of George Floyd’s murder and the continuing racial reckoning in the United States and beyond, we formed our Justice Task Force. While violence and injustice against Black and African American people have been perpetrated for centuries, we knew that this was a moment to bring

### NEW HIRE DIVERSITY

Colleague data is self-reported.



renewed firmwide energy and focus to this critical issue through highly specific action. The task force set objectives across five areas: clients, community, colleague leadership development and retention, colleague recruiting, and training and assessment. It catalyzed progress across the firm, including building out our diverse manager solutions for clients, hiring Mia, recruiting a summer analyst class where approximately 40% identified as underrepresented minorities, conducting a pay equity review, organizing colleague focus groups to understand how we can drive an ever more inclusive culture and incorporating DEI into the promotions process, which resulted in the most diverse promotions class yet.

The firm’s Colleague Resource Groups (see page 56) play an instrumental role in the Brown Advisory colleague experience. The seven CRGs are energetically led by colleagues across the firm whose commitment to these “volunteer” roles continues to inspire. The CRGs provide important opportunities for colleagues to connect with each other. For example, leaders of the Black, Hispanic, and Asian and Pacific Islander CRGs co-led town halls about racial injustice and targeted violence. The town halls crystallized many of the characteristics that sustain our culture: participation, inspiration, honesty, humility, trust and profound caring.



David Hodnett, Director of Diversity, Equity and Inclusion

## CLIENT STORY

# OSAGIE IMASOGIE —P.A.T.C.O.L.

“People are the currency of life.”

—Osagie Imasogie

This is the English translation of “eyan ni owo aye,” a Yoruba proverb that animates Osagie Imasogie. It is also the mantra of the life sciences investment firm that he founded and leads. The philosophy of the Yoruba, Osagie’s mother’s people from southwestern Nigeria, plays a foundational role in Osagie’s success as an entrepreneur, his commitment to his chosen philanthropic outlets and his passion for lifting up the people around him.

As an entrepreneur, Osagie believes in a three-step framework: conceptualization—you have to come up with a great idea; communication—you have to articulate the “why” so that it resonates with others; and actualization—you have to execute. Osagie would suggest that the second step might be the most important and that storytelling is the most effective way to convey ideas and to motivate people. This is where the Yoruba proverb comes in.

Osagie’s firm, PIPV Capital, which he co-founded and has operated with the same two partners for almost 20 years, acquires intellectual property-protected life sciences assets with the objective of maximizing their value for all stakeholders. “Our focus is on building deep, meaningful relationships. Full stop. We believe if we do that, we will be able to source the best deals, execute and deliver effective exits. If we had our druthers, we wouldn’t even have a website.”

In his philanthropic work, Osagie focuses on education and the arts, serving on the executive committee of the boards of the University of Pennsylvania, the Philadelphia Orchestra and the Philadelphia Museum

of Art, and as Chair of the board of the University of Pennsylvania Law School. He believes that education offers the best leverage. “If you invest in educating one student, that person may grow up to be the next Marie Curie—the only person to win two Nobel Prizes—or Charles Drew—who pioneered blood storage. Every single person has the potential to have a profound impact on humanity.”

For Osagie, the arts are the foundation of civilization. They create joy and soothe our soul. They enable us to expand our minds, experience our emotions and connect with others. In other words, the arts make us human.

When he thinks about his children, Osagie believes it is important to engage them in discussions about the values that underpin his outlook on financial assets and human relationships. Indeed, Osagie’s children are imbued with the Yoruba proverbs. They have absorbed the concept of “*ashe*”—that they have the power to create change for the benefit of others. Osagie wants his assets to assist his children but not be a burden. “I don’t want to limit their ability to become who they are.”

Osagie says that P.A.T.C.O.L. was behind his attraction to Brown Advisory, in addition to his multidecade relationship with Joe Cozza, his New York-based portfolio manager. “We look at the world in a similar way. How you treat people matters. Your probity. The value of your word. How you conduct yourself, in good times and bad. These things matter.”



# Spotlight on Colleagues

## Making a New Professional Home

Reena Thadhani, a strategic advisor based in Boston, wasn't looking for a new job. Her role as leading partner and trust and estates attorney at Mintz Levin for more than 25 years was fulfilling. She loved her clients, her colleagues and her pro bono work.

Reena is driven by the question: Where can I make the biggest impact? She believes this aspiration emanates from her parents' experience as immigrants. Her father marched with Ghandi in India, then moved to Nigeria, Hong Kong, Hawaii and ultimately Guam, where Reena grew up, to find the best place to support his family.



Reena Thadhani, Strategic Advisor

In the midst of the pandemic, Reena wondered if there might be a way for her to make an impact beyond her legal career. She knew the team at Brown Advisory well, given many shared clients and the caliber of service that she had seen them receive. So, her interest was piqued when she started having conversations with Craig Standish, Head of the Boston office, about the possibility of joining the firm.

Says Reena: "I had a professional home for 25 years, and I was only going to leave for a place with an exceptional culture. I firmly believe that culture starts at the top, and the Brown Advisory leadership had very honest discussions with me and kept their word at every point throughout the recruiting process."

Getty Melaku spent the first two decades of his career at Fortune 100 companies. He would say these experiences were educational and fulfilling, and he had a chance to work around the world. Yet, he had always been curious about smaller, entrepreneurial firms. When he thought about making a career change, he wanted to explore what that might look like for him.

When evaluating companies and opportunities, Getty asked himself four questions: Does the firm have integrity? Is it a good cultural fit? Is the firm making an impact for its clients, its communities? Is it well-managed and focused on the long term? As Getty says, "Brown Advisory checked all those boxes."

Since joining Brown Advisory as Head of Corporate Finance in January 2021, he believes he has found a place that enables him to work on consequential projects in a collaborative environment. Getty says: "This is a place where everyone is rowing in the same direction. The culture is all about asking what's right for the client instead of what's right for me."

He has been particularly impressed by the nimble decision-making and the genuineness with which colleagues across the firm try to be helpful. Getty recalls one of his early interactions when he reached out to a colleague in a different part of the firm to help solve a problem. The colleague's response was, "Of course, I'll give you as much time as you need; we are all shareholders."



Getty Melaku, Head of Corporate Finance

## The COVID Challenge

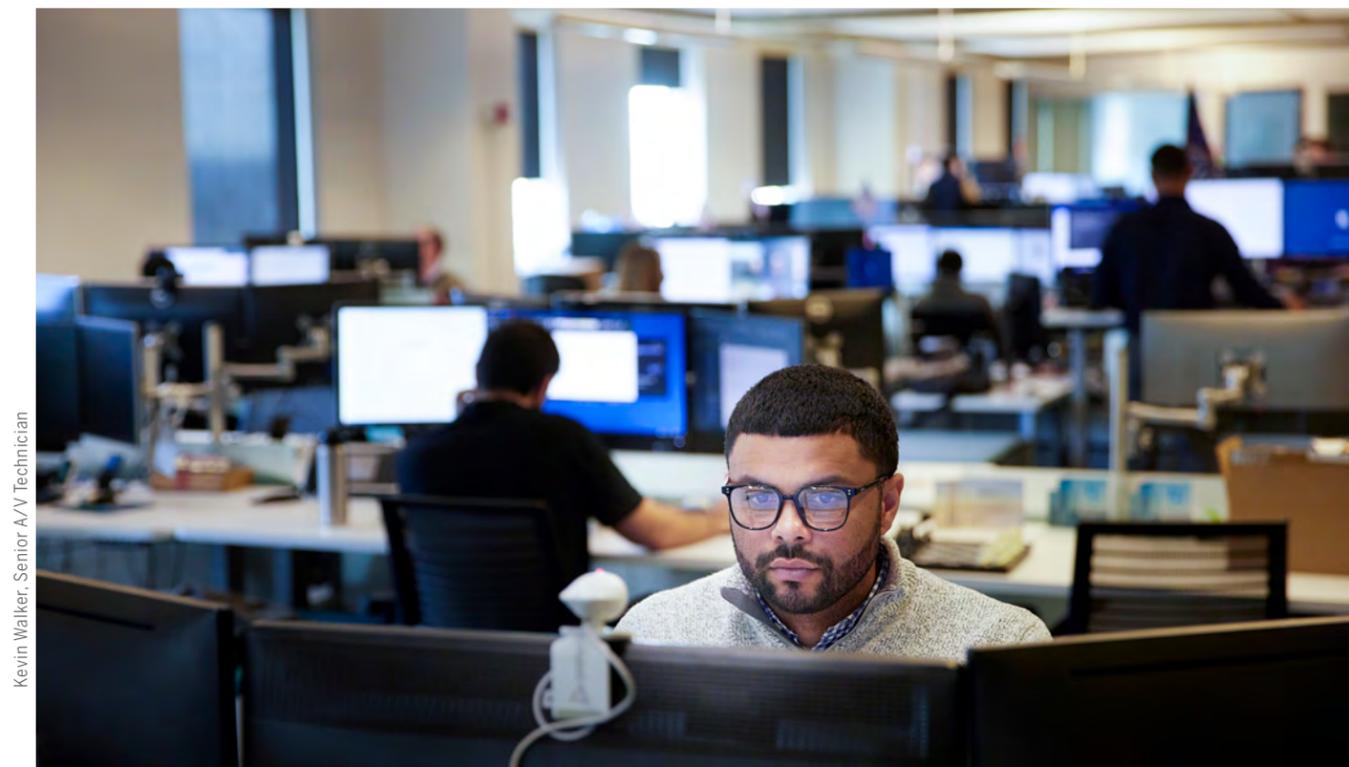
Taking care of our colleagues took on new meaning during the pandemic. Many of our colleagues experienced significant personal loss and sadness. We have all been through collective challenges, and our mental wellness has been tested. More than ever, we know that we need to ask every one of our colleagues, regularly: Are you okay? Colleagues across the firm stepped up in extraordinary ways to support our clients and each other. We are grateful for this remarkable Brown Advisory team.



Members of the Human Resources team: Jasmine Parsons, Sam Burnham



Members of the Office Solutions Group: Kayla Gugliotta, Susan Spencer, Karley Sullivan and Melissa Stone



Kevin Walker, Senior A/V Technician

# Colleague Resource Group Leaders

Our seven Colleague Resource Groups support colleagues and allies who identify as:

**Asian and Pacific Islander**

**Black and African American**

**Hispanic and Latinx**

**LGBTQ+**

**Military and First Responders**

**Parents and Caregivers**

**Women**



Felix Miralles, Gabriel Osamor, Sonal Bapodra



Emily St. John



Daniela Lampru, Jasmine Allen, Stephanie Martinez, Jillian Alm, Chris Gibson



John Mai, Jae Chon, Sandy Doeller, Matt Cooper, Carey Buxton

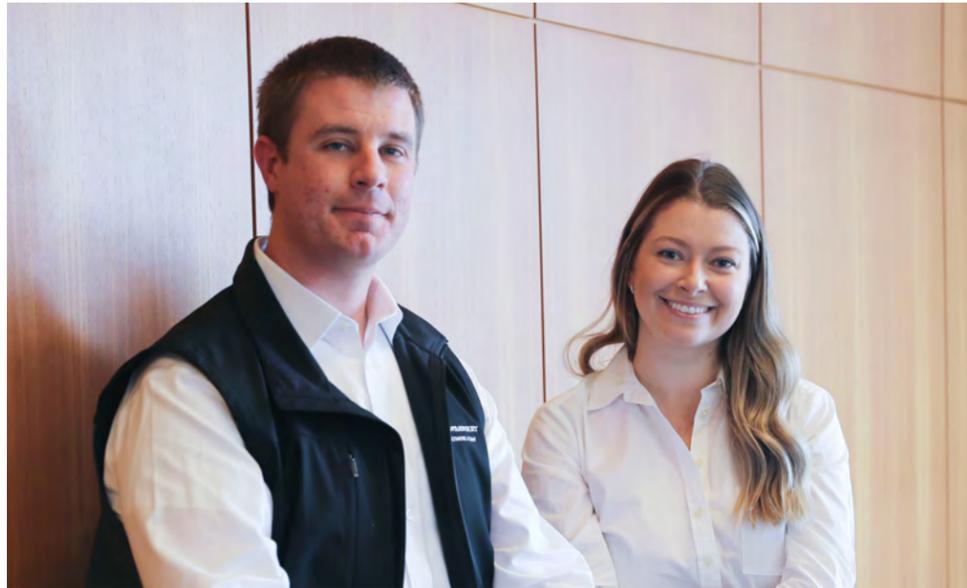


Michael Lau, James Ferguson, Marissa Johnson, Erica Scott, Frank Godfrey III



Faiza Jooma, Marvin Williams, Olivia Chan, Maria Tardugno

# Colleague of the Year



Bryan Carney and Ally Smith | 2022 Colleagues of the Year



Rebecka Markland | 2021 Colleague of the Year



Kristin Grady Olinyk | 2020 Colleague of the Year

# Promotions

## PARTNER

- 2020 Andrea Ayres | JJ Baylin | Carey Buxton
- John Canning | Katie Delaney | Dan Glading
- Amy Hauter | Jon Jester | Mark Kelly
- Sung Park | Amar Patel | Josh Perry
- Chris Rusbuldt | Amy Seto | Shooter Starr
- James Stierhoff | Richard Thomason

## PRINCIPAL

- Eddie Bradley | Alicia Burnham
- Gussie Codrington | Peter Curteis
- Neil D'Anniballe | James Davie
- Ariel Fortunato | Henry Francklin
- Christian Hayes | Mia Karides | Jeff Keady
- Katherine Lee | Cam Mathis | Sean Meehan
- Uche Ogbuokiri | Maggie Nugent
- Christian Ventimiglia | Elisa Wagnitz
- Ashley Webb

- 2021 Victor Abiamiri | Priyanka Agnihotri
- Teague Avey | Megan Brune | Joe Carpenter
- Lauren Dell | Atte Enyenihi | Eric Fischer
- Rob Furlong | Carter Furr | David Hodnett
- Elise Liberto | Mike Maxwell
- Kathryn McManus | Greta Meytin
- Tayo Okunseinde | Rima Parikh
- Jason Vlosich

- Lisa Abraham | Ty Andrews | Matt Bailey
- Samantha Burnham | Lauren Cahalan
- Drew Courtney | Will Crimmins
- Dominic DiFebo | Katelyn Estrich
- Thomas Fitzalan Howard | Kate Flewelling
- Samantha Friday | Elizabeth Hiss
- Phéné Jean-Claude | Emma Jewkes
- Marissa Johnson | Katherine Kroll
- John Mai | Kelly McConkey | Fran Minges
- Dave Morrison | Jasmine Parsons
- Marty Quinn | Shane Ransom
- Brendan Regan | Carlos Rodriguez
- Caroline Sacks | Paul Snyder
- Stephanie Song | Alex Trevino

# Leadership

**Mike Hankin**  
President & Chief Executive Officer

**Dave Churchill**  
Chief Financial Officer & Chief Operating Officer

**Sid Ahl, CFA**  
CIO for Private Clients, Endowments and Foundations

**Chris Bartlett**  
CIO for Investment Risk and Business Strategy

**Carey Buxton**  
Head of Sustainable Investing Business

**Paul Chew, CFA**  
Chief Investment Officer

**Brian Cobb**  
Chief Technology Officer

**Charlie Constable**  
Head of U.S. Private Client, Endowment and Foundation Business



Carey Buxton

**Logie Fitzwilliams**  
Head of International Business and Global Head of Sales

**Richard Gamper**  
Head of Messaging

**Doug Godine, CFA**  
Head of Private Client Business Development



Brian Cobb



Dave Churchill



Sid Ahl

**Eric Gordon, CFA**  
Head of Equity Research

**Tim Hathaway, CFA**  
CIO for Institutional; Head of U.S. Institutional Business; Portfolio Manager

**Jacob Hodes**  
CIO for Private Investments; Head of Baltimore Office

**Getty Melaku**  
Head of Corporate Finance



Nicole Nesbitt



Jacob Hodes

**Sandi Moffet**  
Head of Baltimore Private Client; Co-Head of Strategic Advisory

**Nicole Nesbitt**  
Head of U.S. Institutional Sales and Service

**Erika Pagel**  
CIO for Sustainable Investing; Portfolio Manager

**Alice Paik**  
Chief Strategic Advisory Officer

**Shannon Pierce, CPA**  
Controller



Dune Thorne

**Brett Rogers**  
General Counsel

**Steve Shutz, CFA**  
Head of Tax-Exempt Fixed Income; Portfolio Manager

**Rebecca Sugarman**  
Chief Human Resources Officer

**Dune Thorne**  
Chief Strategy Officer of U.S. Private Client

**Brien White**  
Chief Operating Officer of U.S. Private Client, Endowment and Foundation Business

CLIENT STORY

PHIPPS CONSERVATORY

# —A Natural Leader

“Our purpose is to reconnect communities with the power and the value of nature—for the future of our collective well-being and the health of our planet.”

—Richard Piacentini, President and CEO, Phipps Conservatory

While Phipps Conservatory and Botanical Gardens may be based in Pittsburgh, Pennsylvania, its vision and mission are global.

Close to home, Phipps connects its 500,000 annual visitors to nature, based on its foundational belief that human and environmental health are connected. The organization educates students and adults alike about ways to address climate change and encourages visitors to take advantage of its “Easy Steps with Big Impact for Climate Change” that provide a road map for how each of us can make a difference. Its Center for Sustainable Landscapes is one of the greenest buildings in the world in terms of both environmental and human wellness, and is the only building to meet six of the highest green certifications.

In the community, Phipps aims to expand its sustainable message beyond its gardens, providing outreach programs that focus on human and environmental health to help the broader community live in greater harmony with nature.

Recently, Phipps developed the Climate Toolkit for museums, botanical gardens and zoos that want to manage climate change aggressively within their organizations and as leaders in their communities. The Climate Toolkit—which encourages collaboration among its members and transparency with the public—establishes goals across nine focus areas: energy, water, food service, transportation, waste, landscapes

and horticulture, investments, internal and external engagement, and research. Currently, more than 50 institutions serving over 40 million annual visitors have joined the Climate Toolkit.

In the focus area of investments, Phipps is a leader. More than 20 years ago, the organization decided that its buildings, programs and operations should reflect its values. Over time, Phipps realized that its investment portfolio needed to do the same—but, according to Richard Piacentini, Phipps’ President and CEO: “It was not a decision without challenges nor one that we made lightly. Our board was concerned about potential impacts to the endowment’s performance as fiduciaries, and they worried about how our community, which has long ties to coal mining and natural gas extraction, might react.” Phipps searched for a new investment manager who could help design and implement a socially responsible investment strategy and turned to the Brown Advisory team, led by James Stierhoff. In the end, Phipps received no negative feedback from donors or the public, and its portfolio returns have remained strong. “First,” says Piacentini, “we determined that the primary fiduciary responsibility of the board was to ensure that Phipps’ investments support the institution’s mission. Then we realized that we did not have to make a trade-off: We can invest in accordance with our values without sacrificing performance.”



## In Memoriam



**George R. Floyd**  
(1931 – 2020)

“George was an enthusiastic and hardworking colleague who cared deeply about his clients and the firm. He was passionate about history and about preservation. He was a true gentleman.”



**Julia M. Ice**  
(1981 – 2022)

“Julia greeted each day with a smile and with kindness. She was gracious, selfless, smart and sensitive—and she had an amazing work ethic. She was a ‘yes’ person, always looking for ways to help her colleagues.”



Austin	Delaware	Richmond
Baltimore	Frankfurt	San Francisco
Boston	London	Singapore
Chapel Hill	Nashville	Washington, D.C.
Charlotte	New York	
Charlottesville	Norfolk	

Certain of the information contained in this annual report represents or is based upon forward-looking statements or information. Forward-looking statements are inherently uncertain, and changing factors, such as those affecting the markets generally, or those affecting particular industries or issuers, may cause events or results to differ from those discussed.

References to funds or individual securities or issuers are intended to illustrate the application of Brown Advisory’s investment process only and should not be viewed as a recommendation of any particular fund, security or issuer. This annual report is provided for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any security or any interest in any investment vehicle. Any such offer or solicitation will be made only pursuant to a prospectus.

All performance data quoted is as of March 31, 2022, and fees and expenses are not included unless otherwise indicated. Past performance does not guarantee future results. The investments and strategies described in this report do not represent all the investments and strategies offered by Brown Advisory.

We hope you come away from reading this report with an understanding of our aspiration to get better—as partners of the clients we are privileged to serve, as investors, as teammates and as community members.

In that respect, we want to hear from you. Please share any feedback, questions, concerns and ideas with us at [annualreport@brownadvisory.com](mailto:annualreport@brownadvisory.com). Know that we will carefully read your comments and direct your inquiry to the most appropriate person. Thank you in advance for helping us

*raise the future.*



*Raise  
the Future*



Client-first investment management,  
advice and service.