

## Global Focus Strategy

Investment Letter: June 2026

Dear fellow investors, colleagues and friends,

I hope you are well and that you are having a successful start to the year. For investors, the first five months of 2026 have been dramatic with the confluence of the ongoing AI technology wave and the Iran war combining to create heightened levels of uncertainty. This combination has created pockets of euphoria and despair in equal measure. The growing presence of passive, retail and short-term investors has exacerbated price action. Against this backdrop Global Focus was down 6.1% (net of fees) to the end of May relative to the MSCI World Index net return benchmark which was up 10.5%. This performance comes after a 14.5% net return in 2025, which although behind the benchmark MSCI World net return of 21.1%, it was in line with our targeted mid-teens underwriting returns.<sup>1</sup>

We expect the aforementioned market forces to create ongoing dispersion between price and value. As we have written about before, given the concentrated nature of Global Focus, we expect strategy returns to continue to be lumpy. There will be periods when we harvest alpha and periods when we give it back. We do feel that perversely, dispersion should be celebrated. Forces that separate price and value should be welcomed by the long-term investor. The current market dynamic has presented some outstanding investment ideas with forward IRRs that are as good as we can remember in the near nine years that we have been managing Global Focus. We are firm believers that markets are inefficient over short time periods but more efficient over the longer term. It's easy to forget that if markets were always efficient then there would be no alpha. Right now, we see huge inefficiencies with extreme euphoria in the AI infrastructure supply chain sucking the oxygen out of many areas in equity markets. Our view is that markets shoot first and ask questions second. The current firing squads are trigger happy and armed with heavy weapons. Indeed, the sound of Ben Graham's weighing machine has been entirely drowned out by the cacophony of the voting machine.<sup>2</sup> With this in mind, we'd like to explore one of the most important topics in investing: risk.

### Risk

To us, risk is anything that prevents us from achieving our mid-teens underwriting target, which would be reflected in a permanent destruction of capital. It is not volatility – we believe volatility provides opportunity. We primarily think of risk through five lenses which are outlined below.<sup>3</sup> We also aggregate these risks at the portfolio level and deliberately limit exposure to any one of Global Focus's seven investable business models to less than 25% of capital. For individual investments, we intentionally target companies with limited risk. One of the guiding principles of Global Focus is that

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<sup>1</sup> From our internal free-cash-flow estimates, we generate a 5-year internal rate of return (IRR) using an exit multiple, which is triangulated with an implied fair value yield from discounted cash flow (DCF) analysis to apply consistency across the DCF and FCF-based IRR.

<sup>2</sup> *"The market is not a weighing machine, on which the value of each issue is recorded by an exact and impersonal mechanism... Rather should we say that the market is a voting machine, whereon countless individuals register choices which are the product partly of reason and partly of emotion."* - *Security Analysis* by Benjamin Graham and David Dodd.

<sup>3</sup> There are other forms of risk out there – the 'Big 5' are the major sources of risk with our investment approach. Demand risk should be mean reverting over time if substitution risk is low.

by exposing our partners to a small number of high probability investments, we have a greater chance of realising our long-term, mid-teens underwriting target.<sup>4</sup> Our focus on dominant business models with pricing power, improving returns and investor managers is designed to provide risk reduction and tight probabilities.

## Risk Lenses

| Risk                | Description                               | Examples                                |
|---------------------|-------------------------------------------|-----------------------------------------|
| Competition Risk    | Weakening moats or competitive advantages | Nokia 2007 onwards                      |
| Substitution Risk   | Crumbling castles                         | Mainframes in the cloud era, Chegg 2023 |
| Regulation          | Government meddling                       | Tencent China 2021                      |
| Financial Vandalism | ROIC and balance sheet impairment         | General Electric pre-2018               |
| Underwriting Risk   | Overpaying for a vision of the future     | Internet infrastructure 2000            |

It is important to remember that we need risk to generate returns, but risk that is both understandable and manageable. Crucially in the AI era, risk can change over time. Quality-focused investors, ourselves included, obsess about competition risk. As we learn about in business school, competition, the law of the capitalist jungle, neuters returns. This is one reason why moats and competitive advantage are so important. We do feel that substitution risk, or crumbling castles, is arguably the defining risk in the AI era. For many companies where risk has increased – the major threat is no longer from a like-for-like competitor but from a new solution that has replaced the job that they were providing for their customer.<sup>5</sup> Throughout history, the job that customers look to have done by companies is typically more enduring than the solutions that different companies provide. Companies that fail to innovate, or disrupt themselves, get replaced with better products that satisfy their customer’s needs. Substitution risk can be amplified by disruptive business models and incumbents being paralysed by counter-positioning. Concerns over this growing cocktail of risk is one reason why we sold **Wolters Kluwer**, **Intuit** and **Autodesk** in Global Focus in the last year. In our view, although business risk is unlikely to be terminal for these companies, substitution risk can provide a material headwind for compounding. Wolters Kluwer and Intuit experienced major negative price actions after we sold both companies following drawdown reviews.

As the emergence of a digital super brain raises question marks around the durability of certain compounding engines, we continue to work through the different permutations. To us, widening probabilities seem inevitable for many companies which has resulted in a growing pile of investments that we define as ‘too hard’. Elsewhere, we feel that perceived risk has been overly exaggerated by the discounting effect of equity markets. In addition to the aforementioned risk prism, we have been appraising companies as to which constraint they solve. We feel that companies typically satisfy<sup>6</sup> one of the following constraints for their customers:

1. **Scarcity** – providing goods or services that aren't readily available.
2. **Risk** – reducing liability and uncertainty.

<sup>4</sup> From our internal free-cash-flow estimates, we generate a 5-year internal rate of return (IRR) using an exit multiple, which is triangulated with an implied fair value yield from discounted cash flow (DCF) analysis to apply consistency across the DCF and FCF-based IRR.

<sup>5</sup> The job to be done.

<sup>6</sup> We were inspired by Sangeet Paul Choudary’s excellent book *Reshuffle: Who wins when AI restacks the knowledge economy*.

### 3. **Coordination** – aligning fragmented actors through orchestration.

To us, the best companies not only score lowly on the risk matrix above but also satisfy multiple constraints which are normally reflected in multiple economic moats.<sup>7</sup> Indeed, scarcity is frequently associated with an intangible asset moat, risk with switching costs and coordination with network effects. Earlier in the year, we conducted a number of drawdown reviews<sup>8</sup> and decided to add to long-term positions in **Deutsche Boerse**, **Visa** and **Microsoft**. Below you can see our current view on how these companies satisfy these constraints for their customers.

| Company         | Scarcity Constraint     | Risk Constraint        | Coordination Constraint  |
|-----------------|-------------------------|------------------------|--------------------------|
| Deutsche Boerse | Monopoly trading venues | Market risk management | Market network effect    |
| Visa            | Unique data             | The Visa guarantee     | Dominant payment network |
| Microsoft       | The Microsoft bundle    | Data security          | Product network effects  |

It is much harder to replace a company with either a like-for-like solution or a substitute if the company is innovating and solving multiple problems for the customer. The more unique the product that the company provides, the higher the risk that is being managed. Similarly, the greater the level of the coordination being offered, the lower the threat from competition or substitution. For companies, innovation and mental flexibility remain key. We are acutely aware of the threat of counter-positioning – when an incumbent is unwilling to adapt due to the fear of destroying its legacy business model. Technological change raises the counter-positioning calculus with the growing presence of substitution.

### **Business Models – Lucky Number 7**

Applying the dominant business model lens to the world has historically led us to six investable business models.<sup>9</sup> Ongoing research and business model evolution has resulted in companies coming in and out of our investable scope. Economic moat evolution and substitution risk don't stand still. As an example, aside from **Microsoft**, which we feel has unique distribution power and an infrastructure role in the enterprise, we are unlikely to invest in horizontal software. We sold **Intuit** in January on concerns about substitution risk in TurboTax. One conversation we had with the management team at Intuit in March highlighted what we felt was a lack of awareness of counter-positioning risk at TurboTax. Our decision to exit was partially validated by a lacklustre tax performance in the company's most recent results. Elsewhere, we sold **Autodesk** in June due to the rapid pace of world model development which has the potential to disrupt the company's position as the digital pen and ink for the architecture and engineering industry. We first invested in Autodesk back in 2018 and during our ownership of the company, management have materially improved its business model. Moving to subscription, annual billings and direct sales has improved the economics for Autodesk shareholders. In our opinion, the emergence of world models increases substitution risk in the computer aided design (CAD) market despite the numerous economic moats around Autodesk's business.

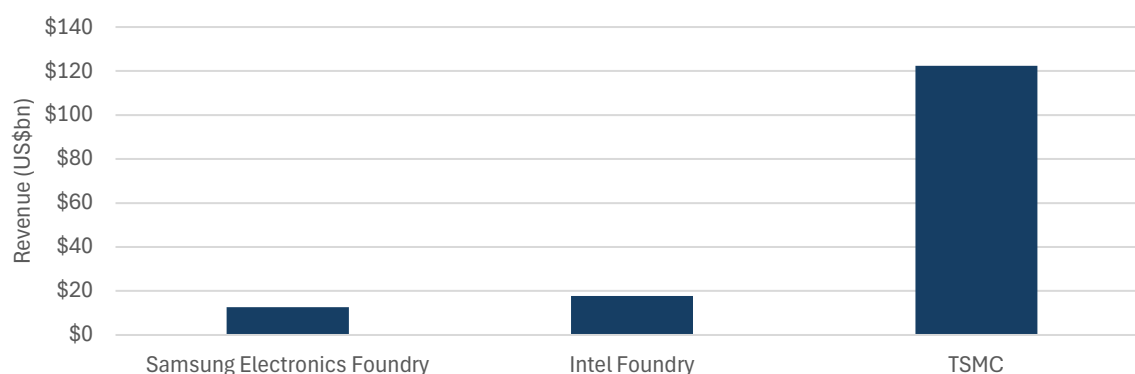
<sup>7</sup> Competition, substitution, regulation, financial vandalism and underwriting.

<sup>8</sup> A drawdown review is an automatic review triggered by a 20% absolute decline in equity value from purchase or a 20% relative underperformance. The review is designed to reduce loss aversion with a forced buy or sell decision.

<sup>9</sup> As a reminder the six investable Global Focus business models are: Financial market infrastructure (FMI), industrial aftermarket, payment networks, software, two-sided media networks and business services.

Whilst one door closes, another one opens. Thanks to the outstanding work of our research team, we have added a new business model to the six that we already own. We built a new position in **Taiwan Semiconductor Manufacturing Company (TSMC)** in June. TSMC invented the semiconductor foundry business model, the seventh Global Focus business model, in 1987 with the company focusing on leveraging economies of scale for the benefit of all industry participants. Through customer focus and dogged innovation, the company has a 72%<sup>10</sup> share of the foundry market (see below) and an effective monopoly in the production of leading-edge semiconductors with >90% share.<sup>11</sup>

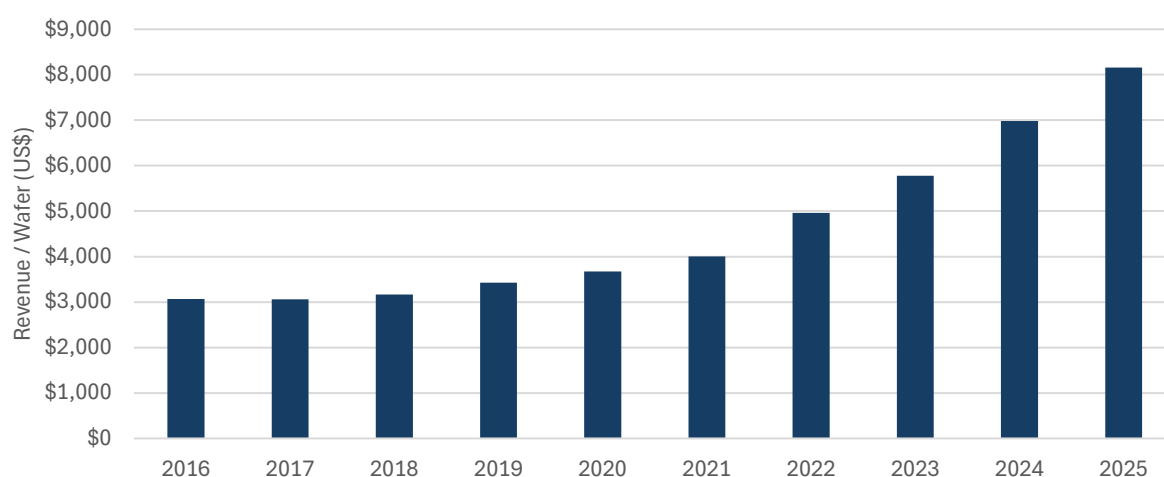
2025 Foundry Revenue (US\$ bn)



Source: Company reports, as of December 31, 2025.

We have long admired TSMC's management, but the historical lack of pricing power is the main reason we haven't invested before now. Indeed, we feel that the company's dominance in the supply chain has finally been accompanied by value-based pricing. As you can see below, TSMC's revenue per wafer has materially improved in recent years. We view this uplift as a combination of innovation and like-for-like pricing – both of which we expect to continue.

TSMC Revenue per Wafer (US\$)



Source: Company reports, as of December 31, 2025.

<sup>10</sup> Source: Brown Advisory estimates and CLSA.

<sup>11</sup> Source: Brown Advisory estimates and JPM. Leading edge is defined as <7 nanometres.

We feel that this is a classic example of a dominant outsourcer capturing increasing market power. When companies outsource, they invite modularisation which frequently drives commoditisation in the supply chain due to the significant power of the buyer. Over time, this supply chain modularisation can eventually become decommoditised due to specialisation. TSMC is the best current example of post-modularisation decommoditisation that we can think of. Crucially, we feel that there is limited technology risk with TSMC as their prowess lies in process power and manufacturing excellence<sup>12</sup>. Whichever chip designer or architecture wins in the next decade – in our opinion, there is a high probability that their semiconductors will be made by TSMC. The company acts as a toll booth on the growing demand for compute in the AI era.

In addition to the change in pricing, we feel that the outlook for silicon demand continues to inflect positively. Through our long-held investments in two hyperscalers, **Alphabet** and Microsoft, we are acutely aware of the rising demand for compute. World Semiconductor Trade Statistics now expect a \$1.9trn market in 2027<sup>13</sup> and we expect TSMC to be able to maintain their market share through a combination of leading-edge silicon and packaging.<sup>14</sup> This view and a detailed look at the ambitions of TSMC's ultimate end customers give us confidence that the company's long-term free cash flow power could materially surpass current consensus expectations. We also expect further capex spending in the near term to satisfy demand and to ultimately drive rising returns on this capital due to scale and pricing power. Accordingly, in our view, TSMC has all the ingredients that we seek in a potential investment in Global Focus: a dominant business model with pricing power, improving returns on capital, investor managers and a mid-teens IRR. All of this enthusiasm is tempered by geopolitics. Despite 75% of TSMC's 2025 sales<sup>15</sup> being to U.S. customers, there is no escaping the fact that the majority of its production and innovation takes place on an island 75 miles off the coast of China – a country whose leadership views Taiwan as theirs. We have used a higher cost of capital for TSMC and although we view the prospect of an imminent conflict as being remote, we are limiting the position size for now.<sup>16</sup>

### And Finally...

Despite a lacklustre start to 2026 for Global Focus returns, the story is very different at the company level. We continue to be positively surprised with the operating performances of our companies. During the first quarter, some of Global Focus's largest positions such as Deutsche Boerse, Visa, Alphabet and Microsoft reported accelerating growth helped by innovation. Against this backdrop the five-year forward EV/FCF<sup>17</sup> multiple (see the chart on the next page) for Global Focus is back at 2022 levels, which we feel represents an outstanding opportunity. Dominant business models are currently on sale. Although we have no predictive powers as to where the focus of the voting machine of equity markets will shift, we are confident that over long time periods, the weighing machine dominates. We are encouraged that our companies continue to invest in expanding their moats and reducing risk. In many instances we have seen an acceleration of share buybacks and sizeable insider buying – clear

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<sup>12</sup> One recent former TSMC employee remarked to us that '*Semiconductors are the hardest things to make in the world – much harder than rockets and electric vehicles.*'

<sup>13</sup> Source: WSTS as of 02/06/2026. WSTS expect 37.3% and 27.1% growth in the logic market in 2026/27. We expect +\$2trn semiconductor market in 2030.

<sup>14</sup> Our understanding is that TSMC's COWOS packaging dominates in semiconductors for AI workloads.

<sup>15</sup> Source: company reports. as of 12/31/2025.

<sup>16</sup> Current (as of 18 June 2026) position size is 5%.

<sup>17</sup> Enterprise value to free cash flow.

evidence that the investor managers we look to partner with are using their own scales. Many thanks for your ongoing partnership and support. We look forward to catching up with you in the coming months and please get in touch ([globalfocus@brownadvisory.com](mailto:globalfocus@brownadvisory.com)) if you'd like to discuss Global Focus or any of the companies mentioned.

Best,

Bertie Thomson

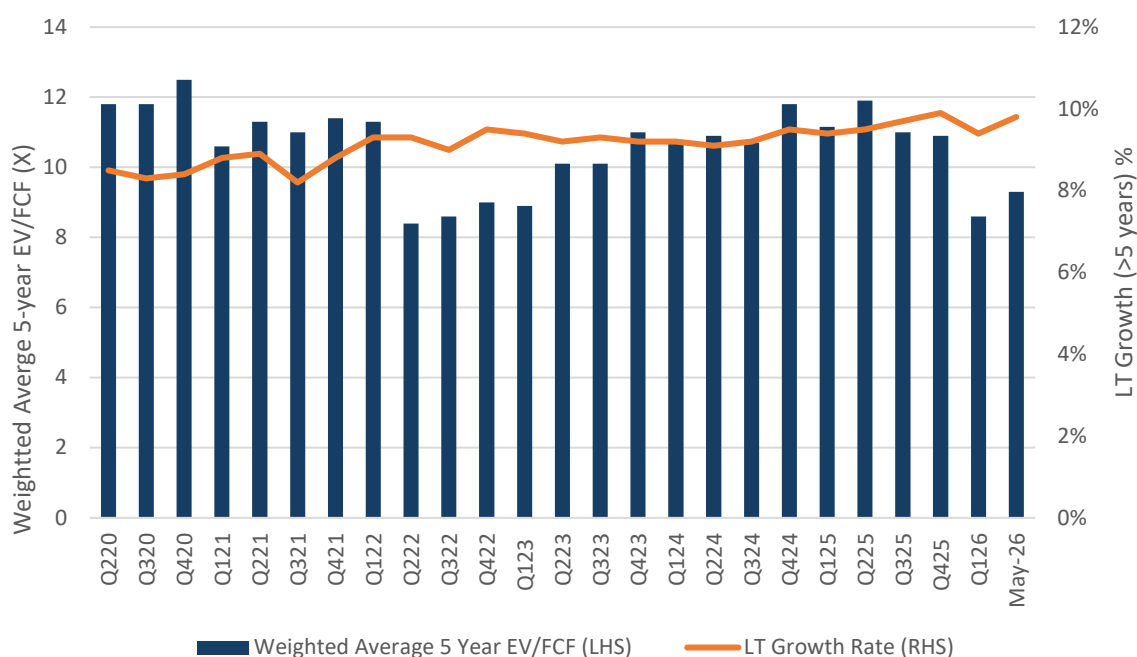


**Bertie Thomson, CFA**  
Portfolio Manager



**Mick Dillon, CFA**  
Portfolio Manager

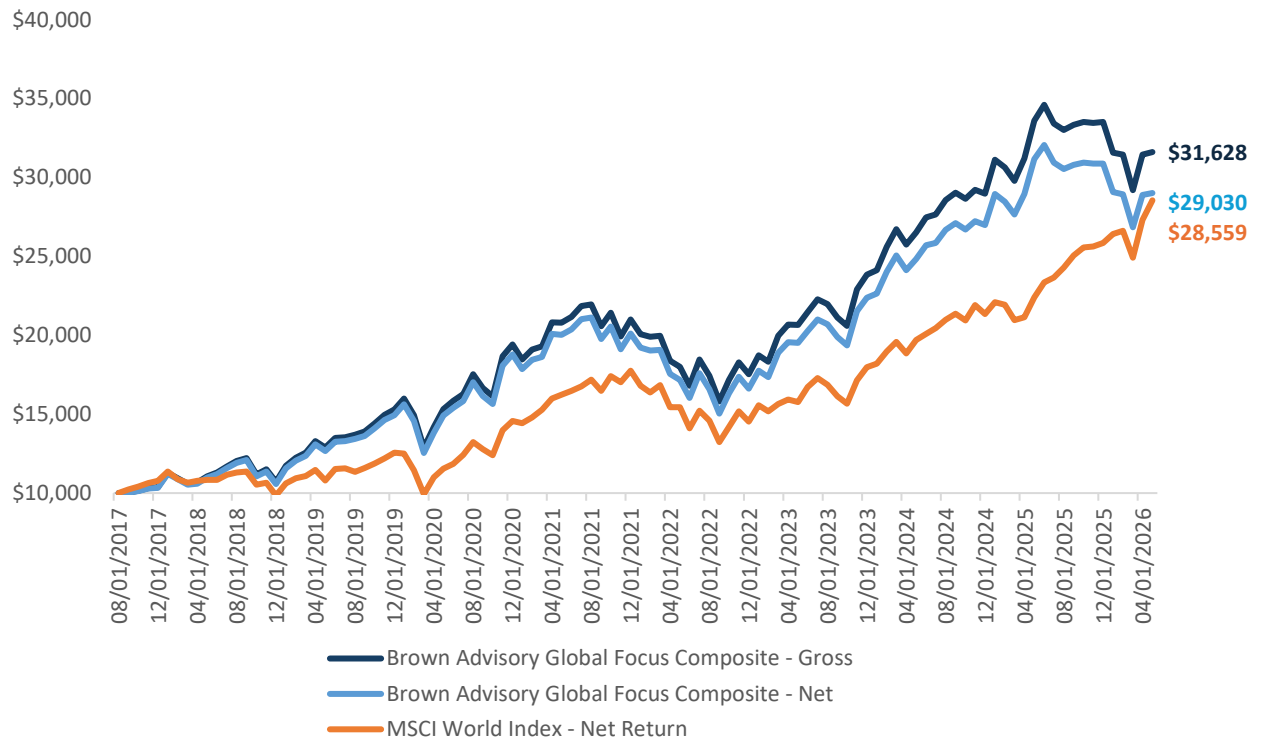
Global Focus Five Year EV/FCF and LT Growth Rate



Source: FactSet and Brown Advisory calculations, as of 31 May 2026.

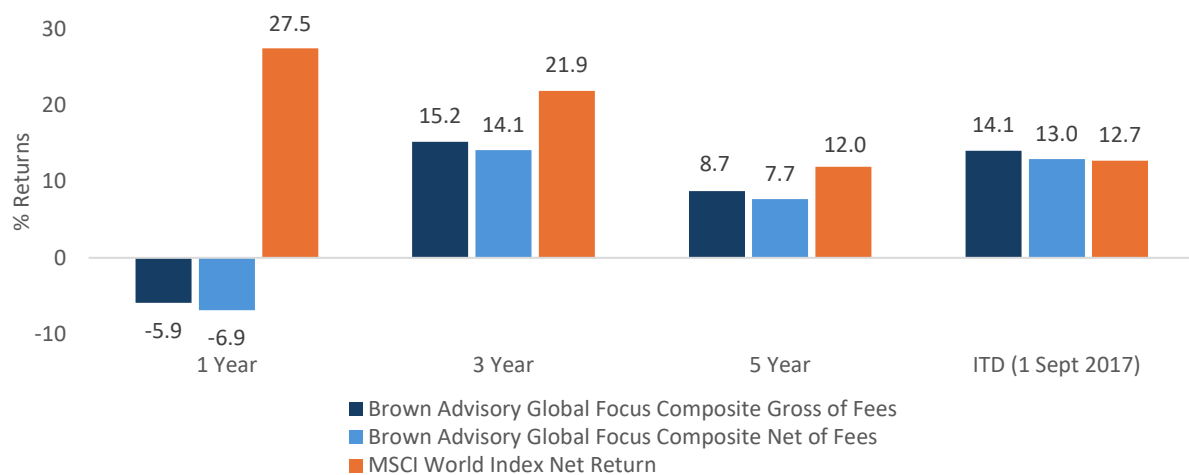
## Cumulative Performance Summary: Growth of \$10,000

Global Focus Composite vs MSCI World Index Net Return  
from 1 September 2017 to 31 May 2026



## Annualised Performance Summary

Global Focus Composite vs MSCI World Index Net Return  
from 1 September 2017 to 31 May 2026



Source: FactSet, as of 31 May 2026. Returns greater than one year are annualized. Past performance is not indicative of future results.

## Disclosures

Past performance may not be a reliable guide to future performance and investors may not get back the amount invested. All investments involve risk.

The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned. If you are a private investor you should not act or rely on this document and should consult with your financial adviser.

The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. This piece is intended solely for our clients and prospective clients, is for informational purposes only, and is not individually tailored for or directed to any particular client or prospective client.

The **MSCI World Index** is a broad global equity index that represents large and mid-cap equity performance across all 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country. All MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries.

An investor cannot invest directly into an index.

**The internal rate of return (IRR)** is a measure of an investment's rate of return. The internal rate of return is a discount rate that makes the net present value (NPV) of all cash flows from a particular project equal to zero. It is also called the discounted cash flow rate of return.

**Discounted cash flow (DCF)** analysis is a valuation methodology that estimates the present value of a company based on projected future cash flows, discounted back to today using an assumed discount rate.

**Free cash flow (FCF)** represents the cash a company generates after cash outflows to support operations and maintain its capital assets. Unlike earnings or net income, free cash flow is a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital.

A **drawdown** is a peak-to-trough decline during a specific period for an investment, trading account, or fund.

**Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a portfolio and compares its risk-adjusted performance to a benchmark index.

**CapEx**, or capital expenditures, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.

**Enterprise Value/Free Cash Flow (EV/FCF)** is the enterprise value of a company (defined as market value plus debt minus cash and minority interests) divided by its free cash flow (defined as operating cash flow minus net capital expenditure). EV/FCF calculations presented use FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1.

**LT Growth Rate** (Long-term Growth Rate) refers to the assumed annualized long-term growth rate used for analytical purposes. It is a forward-looking estimate based on stated assumptions and should not be viewed as a guarantee of future results.

## Global Focus Composite

| Year       | Composite Total Gross Returns (%) | Composite Total Net Returns (%) | Benchmark Returns (%) | Composite 3-Yr Annualized Standard Deviation (%) | Benchmark 3-Yr Annualized Standard Deviation (%) | Portfolios in Composite at End of Year | Composite Dispersion (%) | Composite Assets (\$USD Millions)* | GIPS Firm Assets (\$USD Millions)* |
|------------|-----------------------------------|---------------------------------|-----------------------|--------------------------------------------------|--------------------------------------------------|----------------------------------------|--------------------------|------------------------------------|------------------------------------|
| 2025       | 15.6                              | 14.5                            | 21.1                  | 12.9                                             | 11.3                                             | 7                                      | 0.2                      | 724                                | 83,812                             |
| 2024       | 21.7                              | 20.5                            | 18.7                  | 17.3                                             | 16.6                                             | Five or fewer                          | N/A                      | 338                                | 88,323                             |
| 2023       | 36.0                              | 34.7                            | 23.8                  | 18.7                                             | 16.7                                             | Five or fewer                          | N/A                      | 187                                | 78,241                             |
| 2022       | -16.5                             | -17.4                           | -18.1                 | 22.5                                             | 20.4                                             | Five or fewer                          | N/A                      | 114                                | 58,575                             |
| 2021       | 7.7                               | 7.0                             | 21.8                  | 19.3                                             | 17.1                                             | Five or fewer                          | N/A                      | 59                                 | 79,715                             |
| 2020       | 27.0                              | 25.8                            | 15.9                  | 19.6                                             | 18.3                                             | Five or fewer                          | N/A                      | 32                                 | 59,683                             |
| 2019       | 42.7                              | 41.4                            | 27.7                  | N/A                                              | N/A                                              | Five or fewer                          | N/A                      | 12                                 | 42,426                             |
| 2018       | 3.4                               | 2.3                             | -8.7                  | N/A                                              | N/A                                              | Five or fewer                          | N/A                      | 4                                  | 30,529                             |
| YTD 2017** | 3.7                               | 3.4                             | 7.9                   | N/A                                              | N/A                                              | Five or fewer                          | N/A                      | 2                                  | 33,155                             |

\*\*Return is for period September 1, 2017 through December 31, 2017.

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2024. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

1. \*For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
2. The Global Focus Composite (the Composite) includes all discretionary portfolios invested in the Global Focus Strategy. The Global Focus Strategy seeks to invest in a small number of quality franchises the manager believes have the ability to materially improve their cash flows over the long-term. In choosing securities, the strategy seeks to invest in companies with one or more of the following characteristics: an entrenched competitive position, durable economic moats, and/or is priced at a discount to intrinsic value due to investor misconceptions. The minimum account market value required for inclusion in the Composite is \$500,000.
3. Sustainable investment considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The Global Focus Strategy ("Strategy") seeks to identify companies that it believes may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. As a result, the Strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The Strategy may also invest in companies that would otherwise be excluded from other strategies that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The Strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.
4. The Composite creation date is June 1, 2020. The Composite inception date is September 1, 2017.
5. The benchmark is the MSCI World Net Index rebalanced quarterly. The MSCI World Net Index captures large and mid cap representation across Developed Markets (DM) countries. The Index covers approximately 85% of the free float-adjusted market capitalization in each country. All MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
6. As of September 1, 2022, the Composite benchmark was changed from the FTSE All-World Developed Index to the MSCI World Net Index. The change was applied retroactively from the Composite inception date. The Advisor determined that MSCI indices are more widely used for global products, and thereby provide more relevant data to shareholders and prospects as well as comparisons to competitors.
7. The composite dispersion presented is an equal-weighted standard deviation of portfolio gross returns calculated for the accounts in the Composite for the entire calendar year period. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the Composite for the entire period.
8. Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fees performance returns are calculated by adjusting the gross-of-fees performance return by the highest fee for the institutional strategy, applied on a monthly basis. Certain accounts in the Composite pay asset-based custody fees that include commissions. For these accounts, gross returns are also net of custody fees. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 1.00% on all assets with a minimum account size of \$50 million. Further information regarding investment advisory fees is described in Part 2A of the firm's Form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
9. Effective July 1, 2023, the firm transitioned from using actual account fees in the calculation of net performance returns to applying the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV. The net performance track record was revised back to Composite inception.
10. The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31. The 3 year annualized standard deviation is not presented as of December 31, 2017, December 31, 2018 and December 31, 2019 because 36 month returns for the Composite were not available (N/A).
11. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
12. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

13. Past performance does not indicate future results.
14. This piece is provided for informational purposes only and should not be construed as a research report, a recommendation or suggestion to engage in
15. or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell or hold any of the securities mentioned, including any mutual fund managed by Brown Advisory.
16. The following exhibit reflects the management fees, performance fees, and total expense ratios of the Brown Advisory Global Focus Onshore Fund, L.P. and Brown Advisory Global Focus Offshore Fund, LTD, which are included in the Composite, as of the most recent fiscal year end (December 31, 2023):

| BROWN ADVISORY GLOBAL FOCUS<br>ONSHORE FUND, L.P.  | Management Fee | Incentive Allocation | Expense Cap | Total Expense Ratio to Avg Net Assets |            |
|----------------------------------------------------|----------------|----------------------|-------------|---------------------------------------|------------|
|                                                    |                |                      |             | Unrestricted                          | Restricted |
| Series A                                           | 1.00%          | 0.00%                | 0.25%       | N/A                                   | N/A        |
| Series B                                           | 0.60%          | 10.00%               | 0.25%       | N/A                                   | N/A        |
| Series C                                           | 0.30%          | 20.00%               | 0.25%       | N/A                                   | N/A        |
| Series F                                           | 0.50%          | 0.00%                | 0.25%       | 0.74%                                 | N/A        |
| Series Z                                           | 0.00%          | 0.00%                | 0.25%       | 0.23%                                 | 0.38%      |
| BROWN ADVISORY GLOBAL FOCUS<br>OFFSHORE FUND, LTD. | Management Fee | Incentive Allocation | Expense Cap | Total Expense Ratio to Avg Net Assets |            |
|                                                    |                |                      |             | Unrestricted                          | Restricted |
| Class A                                            | 1.00%          | 0.00%                | 0.25%       | 1.03%                                 | N/A        |
| Class B                                            | 0.60%          | 10.00%               | 0.25%       | N/A                                   | N/A        |
| Class C                                            | 0.30%          | 20.00%               | 0.25%       | N/A                                   | N/A        |
| Class Z                                            | 0.00%          | 0.00%                | 0.25%       | 0.22%                                 | 0.25%      |
| Class F                                            | 0.50%          | 0.00%                | 0.25%       | 0.73%                                 | 0.76%      |
| Class FD                                           | 0.50%          | 0.00%                | 0.15%       | N/A                                   | N/A        |
| Class FDE                                          | 0.50%          | 0.00%                | 0.15%       | 0.22%                                 | N/A        |