

EQUITY INCOME REVIEW AND OUTLOOK

First Quarter 2021

U.S. stocks posted a respectable advance in the first quarter of the year and continued the general upward momentum that the market established over the past 12 months. After a soft start in January, the S&P 500® Index gained steam through March and finished the quarter close to an all-time high. The Equity Income strategy followed a similar path as the Index during the quarter and finished slightly ahead of the benchmark for the period overall.

The consumer discretionary and information technology sectors were the largest contributors to the strategy's relative performance during the quarter. In fact, all of the strategy's holdings within the two sectors rose in price, with the exception of Apple. During the quarter, these two sectors continued to benefit from the generally favorable tailwinds provided by a reopening U.S. economy in the wake of COVID-19-related shutdowns one year ago.

Higher long-term interest rates, a brightening economic outlook, increased COVID-19 vaccinations, falling unemployment rates and a new round of government-backed stimulus payments helped drive many of the more economically sensitive sectors of the market during the first quarter. As a result, energy, financials and industrials were the strongest performers for the Index during the period. In contrast, less economically sensitive areas, such as consumer staples, utilities and health care, lagged in performance.

We used the weakness in some of these lagging sectors as an opportunity to make several changes to the portfolio. In consumer staples, tobacco-related holdings Altria and Philip Morris International were eliminated in favor of new positions in consumer product companies Clorox and Procter & Gamble. Both of these companies are diversified leaders with many strong brand names in their large portfolios, and both companies have executed well and gained market share with consumers over the past year. We expect this strong performance will continue in the quarters to come. Elsewhere in consumer staples, beverage maker Coca-Cola was eliminated after revealing a legal dispute with the U.S. government related to past taxes that could hamper the company's future earnings and cash flow growth.

We have not had any investments in the utilities sector for many years, but the strategy added one during the quarter with the addition of Dominion Energy. Dominion is benefiting from a favorable regulatory backdrop in its home state of Virginia and is embarking on a dramatic, multiyear shift of its electric power-

generating assets toward renewable sources and away from fossil fuels. As a result, we believe that the company has an improved earnings and dividend growth outlook over the next several years.

Other changes to the portfolio were prompted by higher stock prices in the strengthening financials and industrial sectors. In particular, the stock price of commercial insurer Cincinnati Financial largely recovered during the quarter after a difficult 2020 and negative impacts from the COVID-19 pandemic. The strategy took advantage of the strong stock price movement to swap into fellow insurer Chubb Ltd., which offers a similarly favorable earnings growth outlook at a more moderate valuation. Within industrials, the share price of defense and aerospace company General Dynamics traded up to a level close to our internal evaluation of the business. We sold our position and redeployed the proceeds into United Parcel Service, where a new CEO has unveiled a plan to improve margins and reinvigorate revenue growth at the parcel delivery company.

The stock market has been consistently gaining ground for the past 12 months since hitting the pandemic-related March 2020 low. However, individual stock prices frequently gyrate on their own and can present opportunities for thoughtful investment from time to time. We keep an inventory list of ideas that we are watching and researching closely, and we are willing to act quickly when good investment opportunities are available, as several were in the first quarter. Above all, we will remain patient and disciplined as we seek to build the best possible portfolio of investments that offer above-average yields with a strong potential for future growth at reasonable valuations.

SECTOR DIVERSIFICATION

First Quarter 2021

- Our consumer staples weighting decreased because of relative stock price performance. The strategy is now slightly overweight to the consumer staples sector.
- Our financials sector weighting increased because of relative stock price performance. All of the strategy's holdings in the sector increased in price, except for Erie Indemnity. The strategy remains overweight to the financials sector.
- Our health care weighting decreased because of relative stock price performance. The strategy remains overweight to the health care sector.
- We added regulated utility holding company Dominion Energy during the period. With the addition, the strategy is now slightly underweight to the utilities sector.

SECTOR	REPRESENTATIVE EQUITY INCOME ACCOUNT (%)	S&P 500® INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE EQUITY INCOME ACCOUNT (%)	
	Q1 '21	Q1 '21	Q1 '21	Q4 '20	Q1 '20
Communication Services	2.57	10.93	-8.36	2.68	2.40
Consumer Discretionary	14.28	12.46	1.82	13.59	12.60
Consumer Staples	6.74	6.15	0.59	9.02	8.35
Energy	2.08	2.74	-0.65	1.84	3.73
Financials	18.83	11.33	7.49	17.67	15.01
Health Care	16.68	13.01	3.67	18.10	19.27
Industrials	5.52	8.90	-3.38	5.07	5.00
Information Technology	22.49	26.64	-4.15	23.37	22.76
Materials	4.41	2.70	1.71	4.34	3.62
Real Estate	4.14	2.46	1.67	4.29	7.25
Utilities	2.27	2.67	-0.41	--	--

Source: FactSet®. 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. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. The portfolio information provided is based on a representative Equity Income account and is provided as supplemental information. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

First Quarter 2021

SECTOR	REPRESENTATIVE EQUITY INCOME ACCOUNT		S&P 500® INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	2.62	3.75	10.89	8.08	-0.16	-0.10	-0.26
Consumer Discretionary	13.85	12.02	12.63	3.11	--	1.14	1.14
Consumer Staples	6.92	-3.67	6.13	1.15	-0.08	-0.35	-0.43
Energy	1.99	23.93	2.69	30.85	-0.13	-0.10	-0.24
Financials	18.90	14.43	10.99	15.99	0.81	-0.31	0.50
Health Care	17.34	0.50	13.27	3.18	-0.10	-0.52	-0.62
Industrials	5.22	8.39	8.47	11.11	-0.12	-0.15	-0.26
Information Technology	22.87	4.01	27.22	2.06	0.19	0.41	0.60
Materials	4.28	10.13	2.66	9.08	0.06	0.04	0.10
Real Estate	4.09	4.79	2.41	9.02	0.03	-0.17	-0.13
Utilities	1.96	4.54	2.65	2.80	0.08	0.03	0.11
Total	100.00	6.69	100.00	6.17	0.58	-0.06	0.51

- Energy was the best-performing sector for the Index and for the strategy during the period, while consumer staples was the worst-performing sector. Both sectors detracted from relative performance because of unfavorable stock selection.
- Consumer discretionary was the largest contributor to relative performance during the quarter because of favorable stock selection. Information technology and financials also contributed to relative performance in the period.
- Health care was the largest detractor from performance during the period because of unfavorable stock selection. Communication services and industrials also detracted from performance during the quarter.

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QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN



First Quarter 2021 Representative Equity Income Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
BAC	Bank of America Corp	Operates as a bank holding company whose subsidiaries provide banking and nonbank financial services	2.48	28.24	0.65
JPM	JPMorgan Chase & Co.	Provides investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity	3.40	19.80	0.63
AMP	Ameriprise Financial Inc.	Provides financial planning, brokerage, asset management and insurance services to individuals, businesses and institutions	3.26	20.18	0.62
CSCO	Cisco Systems Inc.	Designs, manufactures and sells internet protocol-based networking products and services related to the communications and information technology industry	3.54	16.47	0.57
KMI	Kinder Morgan Inc. Class P	Provides pipeline transportation of natural gas	1.99	23.93	0.44

- Bank holding companies Bank of America and JPMorgan Chase both rose during the quarter on expectations that their earnings growth will improve as economic conditions in the U.S. become more favorable. In particular, higher long-term interest rates and resilient consumer spending are supportive trends for both banks' earnings outlooks this year.
- Diversified financial services provider Ameriprise Financial gained after reporting strong quarterly earnings. The company's advice and wealth management unit continued to report positive investment flows and attracted solid new client growth during the period.
- Networking equipment supplier Cisco Systems rose after reporting quarterly earnings that met consensus expectations. The company noted that order trends from its large enterprise customers improved during the quarter, which suggests better sales growth in future quarters this year.
- Natural gas pipelines operator Kinder Morgan gained as the backdrop for natural gas production in the U.S. improved because of higher commodity prices and better general economic conditions. During the quarter, the company announced a 5% increase to its quarterly dividend.

Source: FactSet. 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. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Contribution to return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return for the reporting period. Returns listed represent the period when the security was held during the quarter. Total portfolio return figures provided above reflect the sum of the returns of the equity holdings in the representative account portfolio due to price movements and dividend payments or other sources of income, and exclude cash. The portfolio information provided is based on a representative Equity Income account and is provided as supplemental information. Top five contributors exclude cash and cash equivalents Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

First Quarter 2021 Representative Equity Income Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
AAPL	Apple Inc.	Designs, manufactures and markets mobile communication, media devices, personal computers and portable digital music players	5.95	-7.80	-0.51
KO	Coca-Cola Company	Manufactures, wholesales and retails nonalcoholic beverages	0.23	-8.76	-0.24
ERIE	Erie Indemnity Company Class A	Provides insurance services	2.33	-9.67	-0.23
MRK	Merck & Co. Inc.	Discovers, develops and markets human and animal health products	3.68	-5.02	-0.21
NVS	Novartis AG Sponsored ADR	Manufactures and markets health care and nutritional products	2.55	-6.08	-0.18

- iPhone maker Apple fell as initial enthusiasm waned for a new 5G-enabled device that was launched last fall. While the most optimistic sales expectations for the new device may have fallen a bit, the latest iteration of the iPhone is still expected to be a very strong seller for the company in 2021.
- Global beverage company Coca-Cola dropped after disclosing a tax dispute with the U.S. government, which could result in retroactive tax payments and a higher ongoing tax rate for the company. We sold our position because of the tax case uncertainty, which could negatively impact the company's future free cash flow and earnings growth.
- Property and casualty insurer Erie Indemnity fell after reporting quarterly results that were largely flat compared to a year ago. While the outlook for the company's business growth remains muted for the first half of 2021, we expect Erie's insurance premiums will begin to grow again later in the year as general economic conditions improve and driving miles in the U.S. increase.
- Drugmaker Merck dropped after reporting that headwinds from COVID-19 negatively impacted the near-term growth of its large vaccine business. However, the company forecasted improving business trends in future quarters and provided full-year earnings guidance that was above expectations.
- Drugmaker Novartis fell after forecasting that COVID-19 would negatively impact the growth of its core oncology and ophthalmology drugs in the near term. In addition, the ongoing pandemic is delaying the launches of certain new drugs in the U.S., which is expected to result in slower sales and earnings growth this year.

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QUARTER-TO-DATE ADDITIONS/DELETIONS

First Quarter 2021 Representative Equity Income Account Portfolio Activity

- We eliminated tobacco products companies Altria and Philip Morris International. The proceeds were reinvested into diversified consumer products companies Clorox and Procter & Gamble, which we believe both feature relatively brighter long-term outlooks for continued earnings and dividend growth.
- Commercial insurer Cincinnati Financial was eliminated after its share price approached our estimation of fair value. We reinvested the proceeds into fellow insurer Chubb, which has a similar earnings growth outlook at a more reasonable valuation than Cincinnati.
- The stock price of defense and aerospace company General Dynamics rose during the quarter to a level in line with our internal valuation of the business. It was eliminated in favor of parcel delivery company United Parcel Service, where the long-term earnings growth outlook is improving as a result of the efforts of a new CEO.
- Global beverage company Coca-Cola was eliminated after revealing a legal dispute with the U.S. government related to past taxes that could hamper the company's future earnings and cash flow growth.
- Regulated utility Dominion Energy was added to the portfolio during the period. The company is embarking on a dramatic, multiyear shift of its electric power-generating assets toward renewable sources and away from fossil fuels, which should improve Dominion's earnings and dividend growth outlook over the next several years.

symbol	Additions	Sector
CB	Chubb Limited	Financials
CLX	Clorox Company	Consumer Staples
D	Dominion Energy Inc.	Utilities
PG	Procter & Gamble Company	Consumer Staples
UPS	United Parcel Service Inc. Class B	Industrials

symbol	Deletions	Sector
MO	Altria Group Inc.	Consumer Staples
CINF	Cincinnati Financial Corporation	Financials
KO	Coca-Cola Company	Consumer Staples
GD	General Dynamics Corporation	Industrials
PM	Philip Morris International Inc.	Consumer Staples

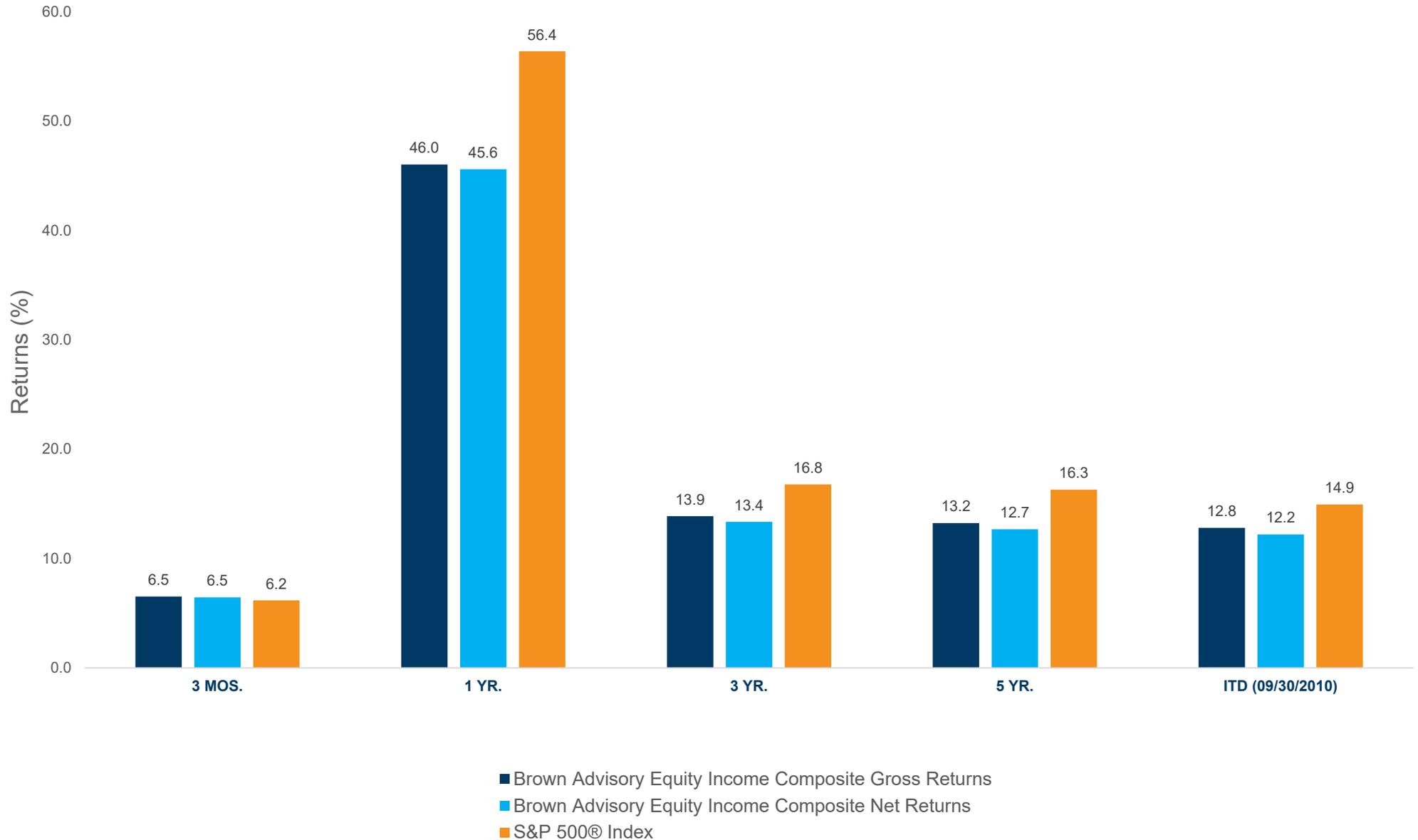
PORTFOLIO CHARACTERISTICS

First Quarter 2021

	REPRESENTATIVE EQUITY INCOME ACCOUNT	S&P 500 INDEX
Number of Holdings	44	504
Dividend Yield (%)	2.3	1.5
P/E Ratio FY2 Est. (x)	17.6	20.0
Top 10 Equity Holdings (%)	38.1	26.3
Active Share (%)	74.7	--
Market Capitalization (\$ B)		
Weighted Average	365.6	465.3
Maximum	2,055.0	2,055.0
Minimum	1.5	5.3
Three-Year Annualized Portfolio Turnover (%)	15.8	--

COMPOSITE PERFORMANCE

First Quarter 2021 as of 03/31/2021



Source FactSet. All returns greater than one year are annualized. Past performance is not indicative of future results. The composite performance shown above reflects the Equity Income Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Please see the Brown Equity Income Composite disclosure statement at the end of this presentation for a GIPS compliant presentation.

TOP 10 PORTFOLIO HOLDINGS

Representative Equity Income Account as of 03/31/2021

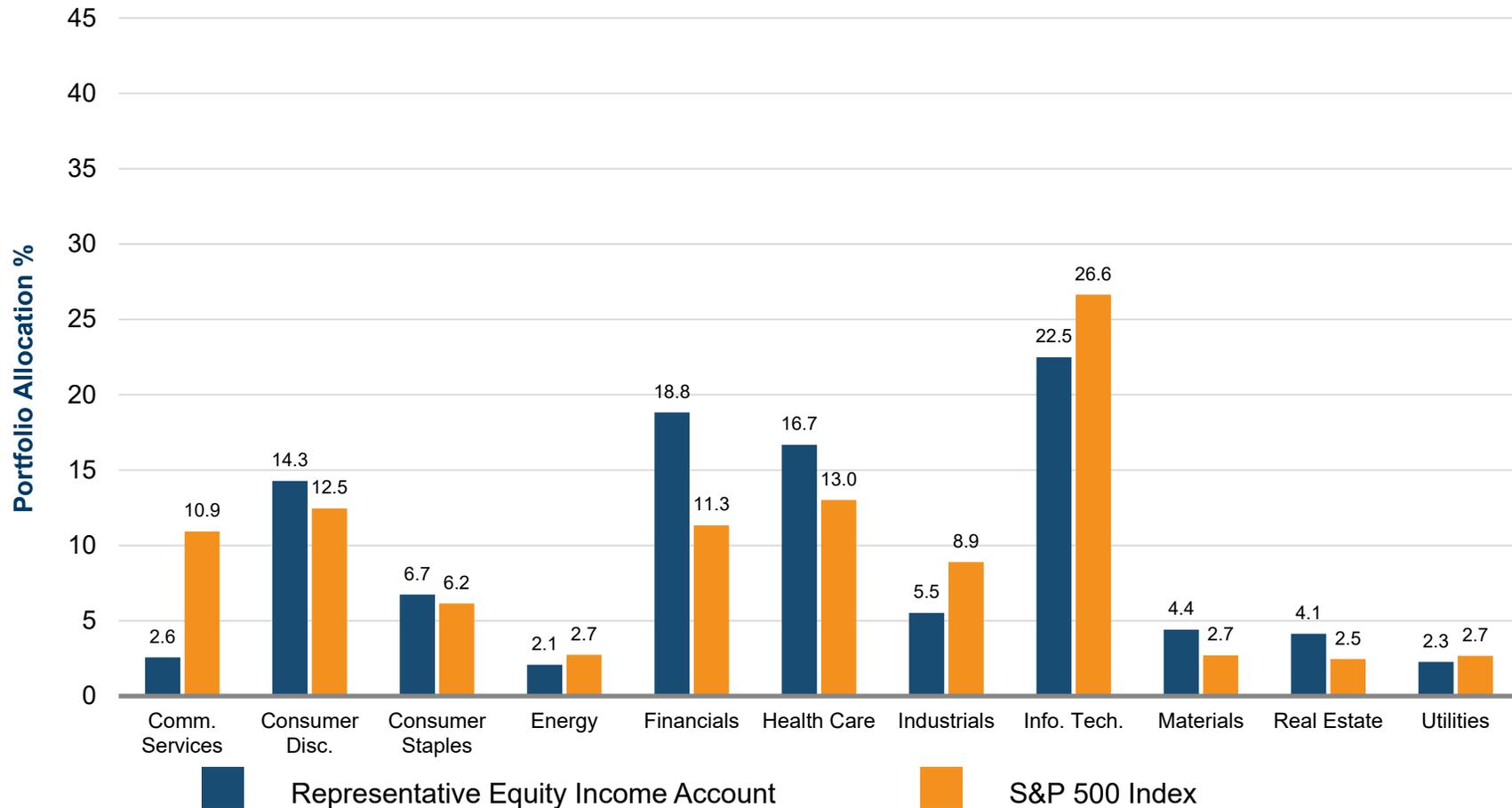
Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Microsoft Corp.	6.5
Apple Inc.	5.2
Cisco Systems Inc.	3.6
Merck & Co Inc.	3.4
JPMorgan Chase & Co.	3.4
Ameriprise Financial Inc.	3.3
Automatic Data Processing Inc.	3.3
Cash & Equivalents	3.1
Johnson & Johnson	2.8
Target Corp.	2.8
Total	37.4%

Source: FactSet. 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. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Portfolio information is based on a representative Equity Income account and is provided as supplemental information. Please see disclosure statement at the end of this presentation for additional information. Top 10 portfolio holdings include cash and equivalents. Figures in chart may not total due to rounding.

SECTOR DIVERSIFICATION

First Quarter 2021 Global Industry Classification Standard (GICS) as of 03/31/2021



Source: FactSet. The portfolio information provided is based on a representative Equity Income account and is provided as supplemental information. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

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The S&P 500® Index represents the large-cap segment of the U.S. equity markets and consists of approximately 500 leading companies in leading industries of the U.S. economy. Criteria evaluated include market capitalization, financial viability, liquidity, public float, sector representation and corporate structure. An index constituent must also be considered a U.S. company. Standard & Poor's, S&P, and S&P 500® are trademarks/service marks of MSCI and Standard & Poor's.

An investor cannot invest directly into an index.

Global Industry Classification Standard (GICS®) and "GICS" are service makers/trademarks of MSCI and Standard & Poor's.

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Figures shown on sector diversification and quarterly attribution by detail slides may not total due to rounding.

TERMS AND DEFINITIONS

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted.

The **Average Weight** of a position or sector refers to the daily average for the period covered in this report of a stock's value as a percentage of the portfolio.

The **Total Return** of an equity security is the sum of the return from price movement and the return due to dividend payments or other sources of income. The portfolio and benchmark returns provided reflect the sum of the returns of the equity holdings in the portfolio and the benchmark, respectively. The returns exclude cash.

Allocation Effect measures the impact of the decision to allocate assets differently than those in the benchmark.

Selection and Interaction Effect reflects the combination of selection effect and interaction effect. Selection effect measures the effect of choosing securities that may or may not outperform those of the benchmark. Interaction effect measures the effect of allocation and selection decisions (i.e., did we overweight the sectors in which we underperformed).

Total Effect reflects the combination of allocation, selection and interaction effects. Totals may not equal due to rounding.

Contribution To Return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return to the reporting period.

Dividend Yield is the ratio of a stock's projected annual dividend payment per share for the fiscal year currently in progress, divided by the stock's price.

Price-Earnings Ratio (P/E Ratio) is the ratio of the share of a company's stock compared to its per-share earnings. P/E 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.

Active Share measures the percentage of holdings in a manager's portfolio that differ from those in the benchmark index. An active share of 0% means that the portfolio is identical to the benchmark, while an active share of 100% means that the portfolio has no common holdings with the benchmark.

Market Capitalization refers to the aggregate value of a company's publicly traded stock. Statistics are calculated as follows: Weighted Average: the average of each holding's market cap, weighted by its relative position size in the portfolio (in such a weighting scheme, larger positions have a greater influence on the calculation); Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

Portfolio Turnover is the ratio of the lesser of the portfolio's aggregate purchases or sales during a given period, divided by the average value of the portfolio during that period, calculated on a monthly basis. Portfolio turnover is provided for a three-year trailing period.

Weighted Average (Weighted Mean) refers to when data points in a sample contribute more to the final mean than others.

All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio's holding, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.

EQUITY INCOME 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)*
2019	31.6	31.0	31.5	10.6	11.9	33	0.3	219	42,426
2018	-5.0	-5.5	-4.4	9.4	10.8	28	0.2	171	30,529
2017	21.5	20.8	21.8	8.7	9.9	49	0.3	289	33,155
2016	10.5	9.9	12.0	9.7	10.6	44	0.2	252	30,417
2015	-4.4	-5.0	1.4	10.1	10.5	53	0.2	331	43,746
2014	11.3	10.7	13.7	8.3	9.0	72	0.3	446	44,772
2013	29.2	28.5	32.4	8.6	11.9	84	0.3	450	40,739
2012	12.8	12.0	16.0	N/A	N/A	67	0.2	350	26,794
2011	11.6	11.0	2.1	N/A	N/A	43	0.2	120	19,962
2010**	6.5	6.5	10.8	N/A	N/A	8	N/A	22	16,859

**Return is for period October 1, 2010 through December 31, 2010.

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, 2019. The Verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. GIPS® is a registered trademark owned by CFA Institute.

- *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.
- The Equity Income Composite (the Composite) includes all discretionary portfolios invested in the Equity Income Strategy. The strategy invests primarily in U.S. equities that exhibit above-average dividend yields, dividend growth and return on equity. The minimum account market value required for Composite inclusion is \$1.5 million.
- The Composite was created in 2010. The Composite inception date is October 1, 2010.
- The benchmark is the S&P 500® Index. The S&P 500 Index is a capitalization-weighted index of 500 stocks that is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Index returns assume reinvestment of dividends and do not reflect any fees or expenses. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers. Standard & Poor's, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"), a subsidiary of S&P Global Inc.
- The composite dispersion presented is an equal-weighted standard deviation of portfolio 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.
- Gross-of-fees performance returns are presented before management fees but after all trading commissions. Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 0.80% on the first \$10 million; 0.65% on the next \$15 million; 0.50% on the next \$25 million; and 0.40% on the balance over \$50 million. Further information regarding investment advisory fees is described in Part II A of the firm's form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- 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 three-year annualized standard deviation is not presented as of December 31, 2010, 2011 and 2012 because 36 month returns for the Composite were not available (N/A).
- Valuations and performance returns are computed and stated in U.S. dollars. All returns reflect the reinvestment of income and other earnings.
- A complete list of composite descriptions, policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.
- Past performance is not indicative of future results.
- This piece is provided for informational purposes only and should not be construed as a research report, 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, including any mutual fund managed by Brown Advisory.