FLEXIBLE EQUITY REVIEW AND OUTLOOK

Third Quarter 2020

The U.S. equity markets had a second consecutive quarter of gains since the COVID-19-driven decline in the first quarter. The market rebound of the past two quarters marks the best six months of performance since the financial crisis in 2009. The gains for the Flexible Equity strategy have exceeded the market during the current upswing. The strategy is also ahead of its benchmark, the S&P 500® Index, for the year-to-date, one-year and most multiyear time periods, ended Sept. 30, 2020.

We began the year with the U.S. economy in a great shape—probably the best it has been so far in this century, at least by some measures. But it reversed abruptly in March and April with the COVID-19 pandemic and the ensuing "great lockdown," causing significant disruption and hardship for an overwhelming number of people. The widespread decline in business activity and sudden loss of employment in the second quarter led to the sharpest contraction of U.S. GDP ever seen in such a short period. Worse, the impact of the lockdown has been uneven, with many underprivileged and lower-income people more negatively affected.

The unprecedented fiscal support, quick monetary response to lower interest rates and the expectation that the economic impact of COVID-19, though severe, will be short-lived are the reasons that the equity market has rebounded so strongly. With the lifting of the lockdown in recent months, the economy is beginning to make a noticeable comeback. How far it goes from here and when it achieves or exceeds 2019 levels remain to be seen. Encouragingly, unemployment numbers have also turned in the right direction. However, a significant slack in employment still remains, and a climb back to prior levels seems arduous, as large sectors of the economy continue to face challenges as the threat of the virus lingers. For example, retail, travel and entertainment industries, which employ millions, continue to face muted demand as consumers have fewer avenues to spend their money and are avoiding both business and leisure travel. Similarly, the oil and gas industry is oversupplied due to the worldwide slump in energy demand. As the Federal Reserve maintains its accommodative policies, it announced a significant policy shift related to managing inflation and growth. The Fed aims to average 2% inflation in the future rather than setting 2% as its target rate. This means the Fed is likely to keep interest rates low longer and allow inflation to rise above 2% for a time, rather than acting to tighten monetary policy on the just prospect of hitting a 2% level. The Fed is committing to low and negative real policy rates for an extended period of time, even as the economy accelerates and inflation picks up.

Despite the current slack and uncertainty related to the timeline of full economic recovery, the U.S. equity market has mostly recovered from its lows on March 23. Many market watchers sense a deep disconnect between the current economic environment and the recovery of the S&P 500 Index. They reason that the equity market ought to roll over to reflect the current economic challenges. While this sentiment could still prevail, there are rational arguments in favor of the market recovery.

In a theoretical world, the value of the S&P 500 Index is the sum of the present value of future yearly free cash flows of all the companies in the Index. In this equation, the contribution of free cash flow from the first year amounts to only 5% to 6% of the total value of the Index. By this math, the Index should decline in value only by 5% to 6% if free cash flow for all the companies in the Index collectively decline to zero in the first year. Despite the economic stress, current forecasts for free cash flow of the S&P 500 Index for 2020 are projecting a decline of approximately 25%—a far cry from a decline to zero. If these projections play out, the Index staying mostly flat this year seems within reason and implies that investors are willing to overlook the short-term impact of the pandemic on cash flows. The story was different in the real world back on March 23, when the market had corrected by 34% and investors were pricing in zero free cash flow for the companies in the S&P 500 Index for the next several years. Today, that scenario seems off the table given what we know about the transmission of COVID-19, improvements in its treatment, prospects for vaccines and the willingness of the government to stimulate the economy.

(Continued on the following page)

This brings us to another point. The S&P 500 Index is a proxy and not an accurate representation of the entire economy. The Index comprises the largest and the most successful companies; the smaller ones do not make it to the Index. Larger public companies typically have higher margins, strong balance sheets, and enjoy easier access to capital markets. These attributes are exactly what make many of the business models of larger companies more resilient than their smaller competitors in such economic environments. Naturally, it is no surprise that the S&P 500 Index, which consists of the largest and strongest companies ought to be doing relatively better than an economic index representing the broad economy.

Another factor buoying the S&P 500 Index is the influence of the "big five"—Apple, Microsoft, Amazon, Alphabet and Facebook. Collectively, their market capitalization is over $6 trillion, and they represent over 20% of the Index. These companies are technology-focused and have been large beneficiaries of an environment where the digitization of our daily lives has accelerated. Not surprisingly, one can see in the visual below that these five companies have had an outsized contribution to the returns of the S&P 500 Index over the last 12 months, while the remaining 495 companies do not have as much to show on a combined basis.

BIG 5 CONTRIBUTION TO RETURNS

Trailing 1-year as of September 30, 2020

	Total Return		BIG 5* Contribution to Total Return		EX-BIG 5** Contribution to Total Return
S&P 500	+14.23%	=	+10.95%	+	**3.28%**
Flexible Equity	+19.71%	=	+10.07%	+	**+9.64%**

*BIG 5 = Apple, Amazon, Microsoft, Alphabet, Facebook
**EX-BIG 5 = 495 companies in the S&P 500 outside of the BIG 5

Source: Factset® Brown Advisory. Data displayed gross of fees.

The good news is that Flexible Equity, too, has benefited from our investments in all of the big five, which were made over the last decade when we invested in them for a "bargain" relative to our assessment of their future prospects. Even more interesting in the visual is the contribution from the other 40 investments in our portfolio, which have added meaningfully more value compared to the rest of the 495 names in the S&P 500 Index. Stock picking is working!

The last point we will make in favor of the market move to date is that the ever-lower interest rates make equities a more attractive asset class relative to bonds, and lower discount rates tend to push equity valuations higher.

Looking forward, the U.S. holds an election very soon. While political discussions in the U.S. at the moment are very intense between opposing sides, the U.S. system of government, along with the economic and social development of its people, has been resilient over the decades. That is the most likely outcome for the future too. In the shorter run, issues we note for their potential negative effects on valuations should they increase are interest rates and tax rates, both of which are at the low ends of their historical ranges.

We always close our commentaries with the following statement to remind our clients and ourselves what we do as investors and what to expect over time.

The Flexible Equity team searches for investment bargains among long-term attractive businesses with shareholder-oriented managers—those with productive assets and productive managers. These businesses should have or develop competitive advantages that result in good business economics, managers who allocate capital well, capacity to adjust to changes in the world and the ability to grow business value over time. Bargains in these types of stocks can arise for various reasons but are often due to short-term investor perceptions, temporary business challenges that will improve, company or industry changes for the better, or as-yet-unrecognized potential for long-term growth and development. Despite the occasional investment that will go awry and stretches when the general stock market or our investment selection is unrewarding, we are optimistic about the long-term outlook for equities of good businesses purchased at reasonable prices and our ability to find them.

SECTOR DIVERSIFICATION

Third Quarter 2020

- We base our investment approach on individual company selection and incorporate a reasonable balance of sector exposure as part of our risk management process. We believe that companies in the same sectors can vary as greatly in their business economics and profiles as companies in completely different sectors.
- The consumer discretionary weighting increased with the addition of Bright Horizons Family Solutions. Strong returns for this new holding and for others, increased the weighting despite the trims of Alibaba Group Holding, CarMax and Lowe's Companies.
- We added to Hain Celestial Group in the consumer staples sector.
- Energy holdings Kinder Morgan and Suncor Energy both declined in the quarter. We added to Kinder Morgan on its price weakness.
- We added to Merck in health care.
- In the industrials sector, we eliminated Raytheon Technologies and added to Carrier Global and Otis Worldwide. Several of the holdings rose in price, resulting in a higher weighting.
- We trimmed Apple and PayPal Holdings in information technology.

SECTOR	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	S&P 500® INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	
	Q3'20	Q3'20	Q3'20	Q2'20	Q3'19
Communication Services	11.18	10.80	0.38	11.27	10.22
Consumer Discretionary	18.68	11.55	7.13	17.61	15.57
Consumer Staples	5.05	7.02	-1.97	4.83	3.35
Energy	1.95	2.06	-0.10	2.33	4.38
Financials	12.87	9.67	3.19	13.30	19.20
Health Care	10.08	14.23	-4.15	9.88	9.02
Industrials	7.05	8.29	-1.24	6.71	7.77
Information Technology	30.15	28.15	2.00	30.90	26.66
Materials	--	2.62	-2.62	--	0.96
Real Estate	2.99	2.64	0.35	3.17	2.88
Utilities	--	2.97	-2.97	--	--

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 Flexible Equity 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 CONTRIBUTION DETAIL BY SECTOR

Third Quarter 2020

	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT		S&P 500® INDEX		CONTRIBUTION TO RETURN ANALYSIS		
GICS SECTOR	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT(%)	S&P 500 INDEX (%)	DIFFERENCE (%)
Communication Services	11.52	9.47	10.96	8.94	1.10	0.98	0.12
Consumer Discretionary	18.37	17.12	11.30	14.97	2.98	1.62	1.36
Consumer Staples	4.85	10.85	7.00	10.37	0.51	0.71	-0.20
Energy	2.15	-20.82	2.47	-19.72	-0.49	-0.52	0.03
Financials	13.14	7.21	9.87	4.47	0.95	0.44	0.51
Health Care	9.99	9.45	14.35	5.83	0.92	0.88	0.04
Industrials	6.67	15.54	8.11	12.49	1.01	0.95	0.06
Information Technology	30.34	11.23	27.62	11.97	3.48	3.28	0.19
Materials	--	--	2.59	13.31	0.00	0.32	-0.32
Real Estate	2.97	4.35	2.71	1.93	0.14	0.06	0.08
Utilities	--	--	3.00	6.14	0.00	0.20	-0.20
Total	**100.00**	**10.60**	**100.00**	**8.93**	**10.60**	**8.93**	**1.67**

- Contribution analysis is a tool that shows the combined effect of weighting and return to the total return earned.
- We focus our efforts on individual company selection and incorporate a reasonable balance of sector exposure as part of our risk management process.
- All sectors, with the exception of energy, rose in the quarter. Consumer discretionary and information technology—the largest sectors in the portfolio—contributed the most to return.
- Energy detracted from the overall return.

Source: FactSet. 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 Flexible Equity account and is provided as supplemental information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Sector contribution excludes 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 ATTRIBUTION DETAIL BY SECTOR

Third Quarter 2020

SECTOR	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT AVERAGE WEIGHT (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT RETURN (%)	S&P 500® INDEX AVERAGE WEIGHT (%)	S&P 500® INDEX RETURN (%)	ATTRIBUTION ANALYSIS ALLOCATION EFFECT (%)	ATTRIBUTION ANALYSIS SELECTION & INTERACTION EFFECT (%)	ATTRIBUTION ANALYSIS TOTAL EFFECT (%)
Communication Services	11.52	9.47	10.96	8.94	--	0.08	0.08
Consumer Discretionary	18.37	17.12	11.30	14.97	0.42	0.32	0.74
Consumer Staples	4.85	10.85	7.00	10.37	-0.02	0.03	--
Energy	2.15	-20.82	2.47	-19.72	0.10	-0.02	0.07
Financials	13.14	7.21	9.87	4.47	-0.13	0.35	0.22
Health Care	9.99	9.45	14.35	5.83	0.13	0.33	0.46
Industrials	6.67	15.54	8.11	12.49	-0.04	0.21	0.17
Information Technology	30.34	11.23	27.62	11.97	0.12	-0.25	-0.13
Materials	--	--	2.59	13.31	-0.09	--	-0.09
Real Estate	2.97	4.35	2.71	1.93	-0.02	0.07	0.06
Utilities	--	--	3.00	6.14	0.09	--	0.09
Total	**100.00**	**10.60**	**100.00**	**8.93**	**0.55**	**1.11**	**1.67**

- Attribution is a tool that calculates the effect of sector allocation and stock selection relative to market and sector benchmarks of performance. This tool does not reflect how we manage investments, and we believe it has significant limitations. However, it is frequently requested, so we share it for that reason.
- The portfolio outperformed the S&P 500 Index. Sector allocation and stock selection contributed to the return. Our stock selection was a more meaningful contributor to the return than our sector allocation relative to the Index.
- Consumer discretionary, financials and health care contributed the most to the portfolio's return relative to the Index. The consumer discretionary and financials sectors had a higher weighting and a higher return than the Index. The health care sector had a lower weighting but a higher return than the Index.
- Information technology detracted from the return relative to the Index. The portfolio return was slightly lower than the Index, but the weighting was higher.

Source: FactSet. 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 Flexible Equity account and is provided as supplemental information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Sector attribution excludes 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 TOP FIVE CONTRIBUTORS TO RETURN

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Representative Flexible Equity Account Top 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	4.11	27.19	1.10
BABA	Alibaba Group Holding Ltd. Sponsored ADR	Operates as an online and mobile commerce company	3.26	36.28	1.05
LOW	Lowe's Companies Inc.	Engages in the retail sale of home improvement products	4.24	23.22	0.93
MA	Mastercard Incorporated Class A	Offers payment solutions	5.61	14.50	0.79
FB	Facebook Inc. Class A	Operates as a social networking service and website	4.86	15.34	0.71

- Apple’s quarterly earnings report was better than expected, driven by strong demand for the 11 and SE iPhone models and by working-from-home trends, which benefited many of the other business segments, including the iPad and iMac. The stock rose and valuation expanded in anticipation of pent-up demand for the upcoming 5G capable iPhone 12 and the 4-for-1 stock split. Late in the quarter, however, the stock price fell from its all-time high.
- Alibaba, a provider of online and mobile marketplaces in retail and wholesale trade, benefited from accelerated e-commerce penetration due to COVID-19, especially in fast-moving consumer goods, the next core category for e-commerce, given its leading position and strong ecosystem. The company also benefits from strength in its cloud business.
- Lowe’s posted strong sales in the quarter. Lowe’s continues to benefit from increased consumer spending on home improvement projects.
- Mastercard reported earnings results that exceeded expectations.
- Facebook reported second-quarter earnings higher than anticipated due to increased user engagement and advertising revenues. There are now more than 3.1 billion people using FB’s services every month to stay connected and more than 180 million businesses who use its tools to connect with customers. FB also had more than 9 million active advertisers across its services as many shifted their businesses online.

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. Security returns listed represent the period when the security was held during the period. The portfolio information provided is based on a representative Flexible Equity 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

Representative Flexible Equity Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
KMI	Kinder Morgan Inc. Class P	Provides pipeline transportation of natural gas	1.29	-17.27	-0.25
SU	Suncor Energy Inc.	Develops and upgrades oil sands	0.86	-26.55	-0.24
BX	Blackstone Group Inc. Class A	Provides investment and fund management services	0.93	-7.22	-0.08
ADI	Analog Devices Inc.	Designs, manufactures and markets integrated circuits used in analog and digital signal process	1.40	-4.30	-0.07
GD	General Dynamics Corporation	Operates as an aerospace and defense company that offers a broad portfolio of products and services	0.83	-6.71	-0.06

- Energy demand and crude oil prices remained low in the quarter, and our two energy holdings, Kinder Morgan and Suncor Energy, declined.
- Blackstone Group also declined modestly in the quarter, likely due to concerns over the real estate business in the COVID-19 environment.
- Analog Devices declined modestly in the quarter as its book-to-bill ratio indicated the possibility of slowing demand in the fourth quarter.
- General Dynamics' second-quarter report missed analysts' profit estimates, and the company lowered its guidance for 2020. COVID-19 continues to impact both its aerospace and defense-related businesses.

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. Security returns listed represent the period when the security was held during the period. The portfolio information provided is based on a representative Flexible Equity account and is provided as supplemental information. Bottom 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 ADDITIONS/DELETIONS

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Representative Flexible Equity Account Portfolio Activity

- One new holding was added in the quarter. Bright Horizons Family Solutions, a child care services company that is the largest provider of employer-sponsored child care, has centers nationwide for child care and early education. We like its business model with recurring revenue, high retention rates, strong free cash flow and the opportunity to reinvest capital. We invested after the stock fell 35% from its peak related to centers closing due to COVID-19. We believe that the company will be well-positioned post-COVID-19 and the demand for child care services returns.

- Raytheon Technologies entered the portfolio as the result of a merger with United Technologies and a subsequent spin-off. We eliminated the position because of the negative impact of the pandemic on the commercial aerospace business, which is likely to remain challenged in the foreseeable future.

SYMBOL	ADDITIONS	SECTOR
BFAM	Bright Horizons Family Solutions Inc.	Consumer Discretionary

SYMBOL	DELETIONS	SECTOR
RTX	Raytheon Technologies Corporation	Industrials

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PORTFOLIO CHARACTERISTICS

Third Quarter 2020

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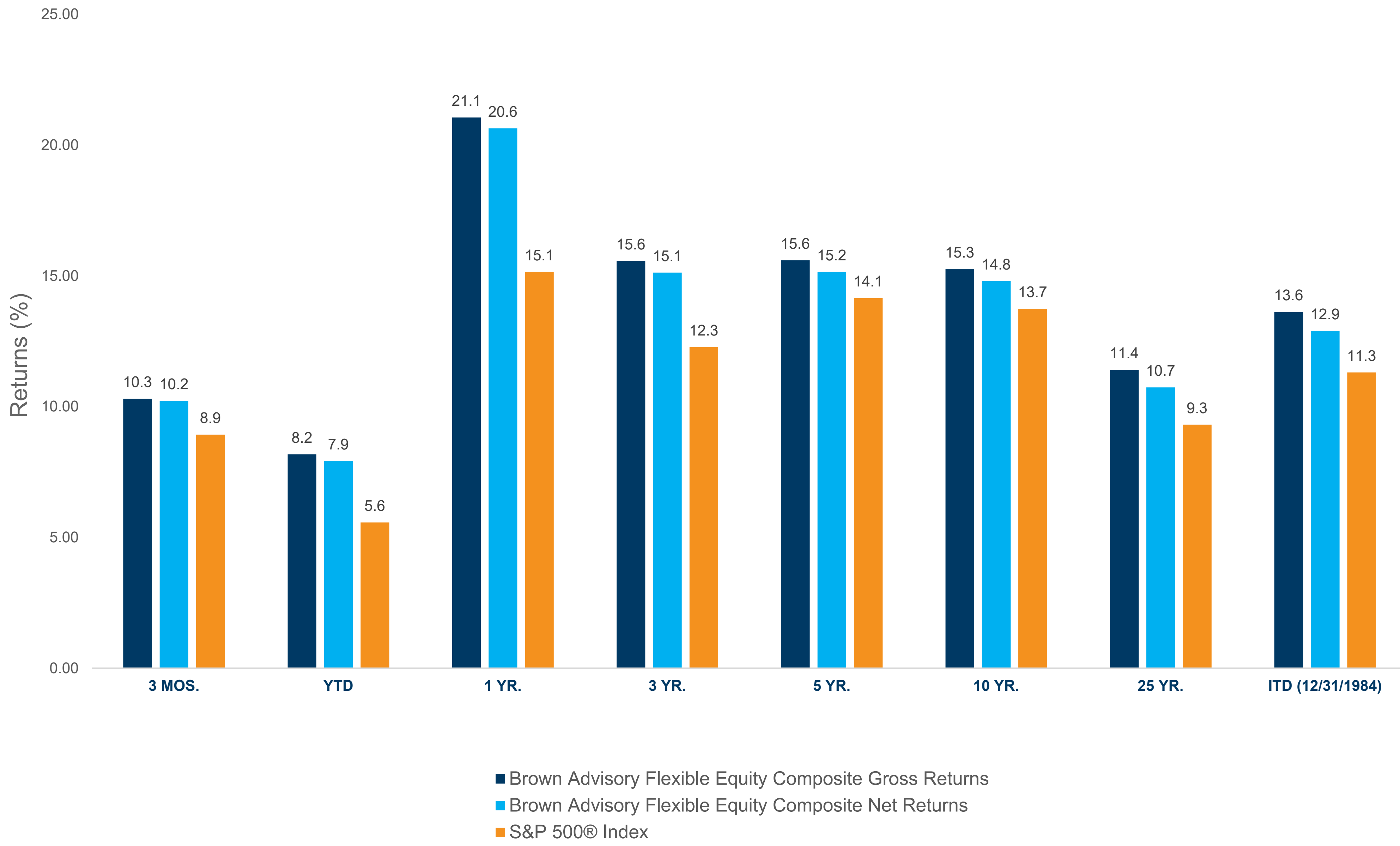
	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT	S&P 500 INDEX
Number of Holdings	45	505
Market Capitalization ($ B)		
Weighted Average	440.9	453.0
Weighted Median	221.0	149.0
Maximum	1,984.5	1,984.5
Minimum	3.5	2.8
P/E Ratio FY1 Est. (x)	26.5	23.8
P/E Ratio FY2 Est. (x)	21.8	20.3
Earnings Growth 3-5 Yr. Consensus Est. (%)	13.9	12.1
Dividend Yield (%)	1.0	1.8
Top 10 Equity Holdings (%)	43.8	28.0
Three-Year Annualized Portfolio Turnover (%)	12.5	--

Source: FactSet. The portfolio information provided is based on a representative Flexible Equity account and is provided as supplemental information. Portfolio characteristics 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.

COMPOSITE PERFORMANCE

As of 09/30/2020



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 Institutional Flexible Equity 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 Advisory Institutional Flexible Equity Composite disclosure statement at the end of this presentation for a GIPS compliant presentation.

TOP 10 PORTFOLIO HOLDINGS

Representative Flexible Equity Account As of 09/30/2020

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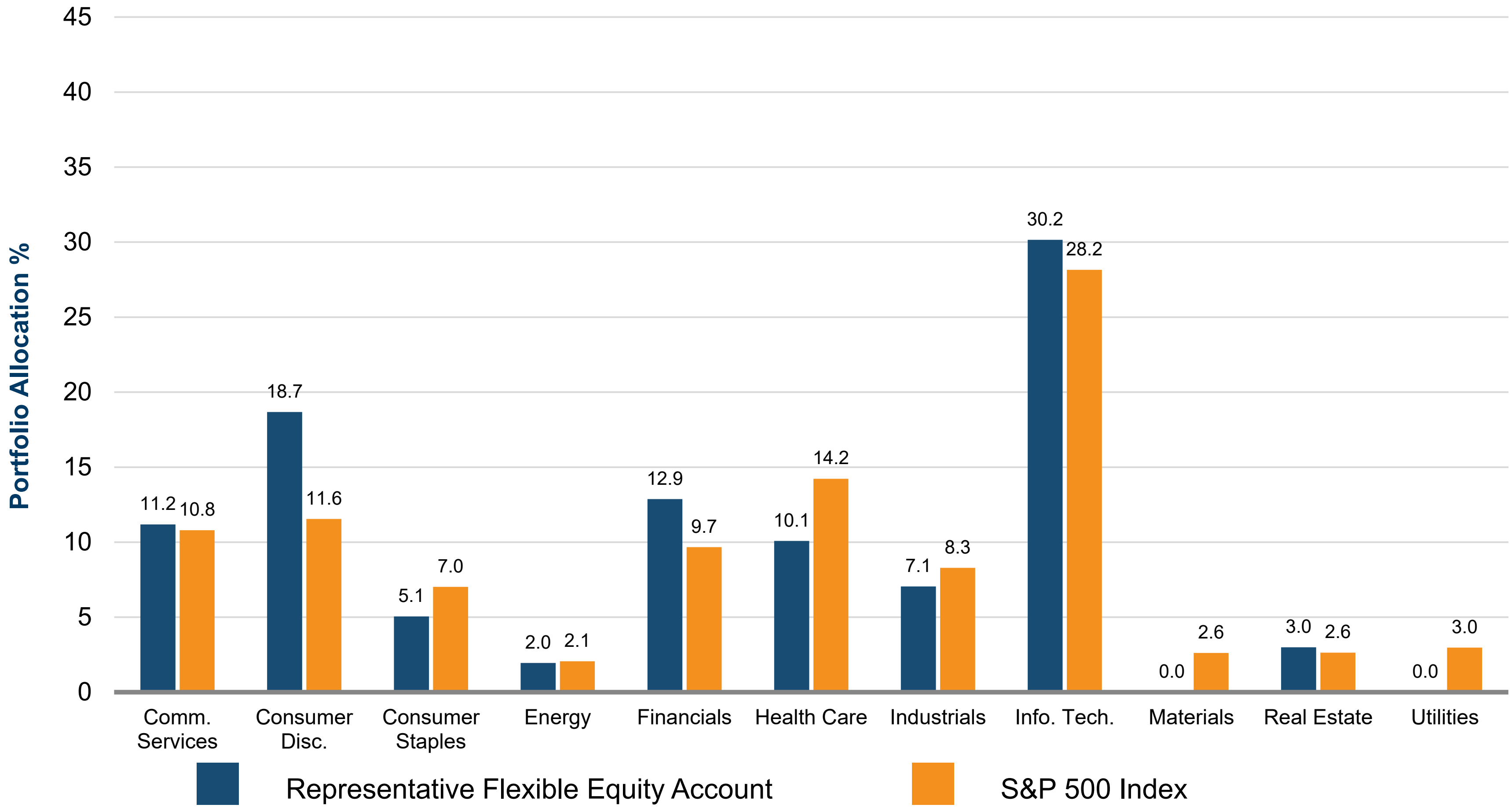
Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Mastercard Inc.	5.6
Visa Inc.	5.6
Microsoft Corp.	5.6
Facebook Inc.	4.7
Alphabet (Class A & C)*	4.7
Lowe's Companies Inc.	4.3
Apple Inc.	3.9
Berkshire Hathaway Inc. Cl B	3.5
Alibaba Group Holding Ltd. - Spons ADR	3.4
UnitedHealth Group Inc.	3.1
Total	**44.3%**

Source: FactSet. *Alphabet Inc. represents a 2.0% holding position in class A and 2.7% in class C shares of the stock. 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 Flexible Equity account and is provided as supplemental information. Please see disclosure statement at the end of this presentation for additional information. Figures in chart may not total due to rounding.

SECTOR DIVERSIFICATION

Global Industry Classification Standard (GICS) as of 09/30/2020



Source: FactSet. The portfolio information provided is based on a representative Flexible Equity 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.

DISCLOSURES

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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, contribution and 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. Standard benchmark-, sector- and portfolio-level returns are the sums of the weights of each security multiplied by its return, summed and calculated daily and summed over the period covered by the report or by an otherwise-noted period.

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.

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); Weighted Median: the value at which half the portfolio's market capitalization weight falls above and half falls below; Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

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. Calculated as a weighted harmonic average.

Earnings Growth 3-5 Year Est. is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokerage firms, calculated according to each broker's methodology. Calculated as weighted average.

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. Calculated as weighted average.

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.

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

INSTITUTIONAL FLEXIBLE EQUITY COMPOSITE

Brown ADVISORY
Thoughtful Investing.

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	37.3	36.8	31.5	12.8	11.9	42	0.4	2,196	42,426
2018	-3.3	-3.7	-4.4	12.3	10.8	41	0.3	2,263	30.529
2017	25.1	24.6	21.8	11.4	9.9	50	0.3	2,912	33,155
2016	9.9	9.4	12.0	12.1	10.6	52	0.2	2,883	30,417
2015	-2.0	-2.4	1.4	11.1	10.5	56	0.2	2,686	43,746
2014	14.0	13.5	13.7	9.2	9.0	49	0.2	3,195	44,772
2013	37.5	36.9	32.4	11.9	11.9	44	0.4	2,247	40,739
2012	19.9	19.5	16.0	14.6	15.1	40	0.3	1,818	26,794
2011	5.8	5.4	2.1	18.5	18.7	43	1.1	1,714	19,962
2010	11.1	10.3	15.1	22.7	21.9	45	0.7	1,811	16,859
2009	37.1	36.0	26.5	21.3	19.6	48	3.4	1,905	11,058

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.

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 Institutional Flexible Equity Composite (the Composite) includes all actual, discretionary, institutional accounts with a flexible value equity objective of 100%. The strategy seeks bargains in "value" as well as "growth" stocks and invests primarily in the common stock of domestic companies with market capitalizations greater than $2 billion at the time of purchase. As of January 1, 2013, the minimum account market value required for Composite inclusion is $1.5 million. Prior to August 2013, the name of the Composite was Institutional Flexible Value. The strategy remains the same.
3. The Composite was created in 1985. The Composite inception date is January 1, 1985.
4. 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.
5. 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.
6. Between October 2006 and December 2008, a significant cash flow policy was adopted for the Composite. A significant cash flow is defined as a single flow of cash or securities of more than 25% of the portfolio's market value at prior month end. Accounts with significant cash flows are excluded from the Composite for a grace period, defined as the month during which the flow occurred. Additional information regarding significant cash flow policies are available upon request.
7. 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-fee performance returns reflect the deduction of actual management fees and all trading commissions. Certain accounts in the Composite pay asset-based custody fees that include commissions. For these accounts, gross and net returns are also net of custody fees. Other expenses can reduce returns to investors. Prior to 2011, net performance is based on a model fee using the highest fee in effect, 0.75% applied quarterly. For periods after 2011 actual fees are used to calculate net returns. The standard management fee schedule is as follows: 0.60% on the first $25 million; 0.50% on the next $25 million; 0.45% on the next $50 million; and 0.40% on the balance over $100 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.
8. 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.
9. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
10. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
11. Past performance is not indicative of future results.
12. 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.