FLEXIBLE EQUITY REVIEW AND OUTLOOK

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Fourth Quarter 2020

U.S. equity markets posted double-digit gains during the fourth quarter and for the full year. The Flexible Equity strategy was ahead of the S&P 500® Index for the year but was modestly behind for the fourth quarter. We are pleased to report that the returns of the Flexible Equity strategy compare favorably to our benchmark for the commonly reported periods: one year, three years, five years and 10 years.

How the events of this year unfolded is beyond imagination. COVID-19 brought the world to its knees quite rapidly. The fear and hardship people and businesses endured were extreme. The world was blindsided by the pace of the spread of the virus, the initial lack of understanding of the disease and its treatment, the voluntary halt of the global economy, the inconsistency and incompetency of handling the health crisis, the politicization of "wearing a mask" in the U.S.—and the list goes on. For most equity market participants, even more blinding was the sharp equity market correction in the first quarter that lasted a "whopping" five weeks followed by the steepest ever "v-shaped" recovery in the markets. From the peak on February 19, at an all-time high, the market corrected nearly 34%, but since hitting the bottom on March 23, we have now had three consecutive quarters of strong market appreciation and new record levels in major U.S. indices to end 2020.

The economy declined steeply but was progressively less bad through the year due to the "all-in" monetary actions by the Federal Reserve and the fiscal response from the government earlier in the year. The equity markets responded sharply to this as well and more recently to the hopes of ending the spread of the disease from the recent launches of two highly innovative messenger RNA vaccines from Pfizer and Moderna. The speed and size of the liquidity injection by the Fed as well as the fiscal response nearing $3 trillion (including the one recently passed) have dwarfed actions taken during past crises, including the ones during the Great Recession (2007–2009), which were at that time considered unconventional and extraordinary.

In the same vein, the speed at which these vaccines have been discovered blows away the conventional development cycle of 10–12 years for past vaccines. The world would not be at its current stage of optimism had we not made such quick progress on these vaccines' development. This has been possible only due to decades of advancements and contributions made by the scientific community. One of the more inspiring stories we learned this year is the tale of personal perseverance of Professor Katalin Kariko, a Hungarian-born immigrant and a less-known scientist at the University of Pennsylvania. She has contributed immensely to this field by making a key discovery that allows the injected synthetic mRNA to evade an attack by our immune system. Kariko persisted despite reaching several dead ends, lack of adequate funding, and years of past disappointments.

Notwithstanding the tumultuous "bookends" of the last decade—the great financial crisis of 2009 at one end and the pandemic of 2020 at the other—this period has been very favorable for U.S. equity investors. The 10-year compounded average total returns for the S&P 500® Index is 13.88%. Of the last 10 calendar years, seven posted double-digit total returns, and only one where investors experienced a negative total return (-4.38%). This compounded average return of 13.88% is well ahead of the dividend plus the growth in earnings per share of approximately 7% to 8% for the Index during the same period. The difference is due to multiple expansion. As of the end of the year, the S&P 500® Index's forward P/E multiple was 22x to 23x versus a 20-year average of 16x to 17x. This expansion in multiples seems justified against an extraordinary backdrop of a 0.9% yield on 10-year U.S. Treasury bonds. Indeed, with inflation running at approximately twice the yield on bonds, the 10-year risk-free rate is negative in real terms.

(Continued on the following page)

It would not be unreasonable to assume that a portion of future return from equities has potentially been pulled forward given the current optimism and elevated multiples. Our expectation of long-term contribution to returns of 7% to 8% from a combination of the current dividend yield and growth in company earnings is no different from the last cycle. In fact, in the shorter term, we are expecting even more robust earnings growth in 2021 as an economic recovery takes hold and pent-up demand comes into play. However, total returns for equities from this point are dependent on how multiples shake out in the future, which in turn may be influenced by the outlook of long-term interest rates. Equity returns could be suppressed if long-term interest rates were to rise materially in the future.

There is a sense of relief to see 2020 in the rearview mirror. Despite several uncertainties and challenges that still need to be overcome, it is remarkable to end 2020 on a high note, especially relative to where we were in April this year. It is reassuring to see the new vaccines exceed all expectations both from an efficacy and a safety profile point of view. We are optimistic about 2021 and are expecting continued progress toward normalization, which should result in robust growth in corporate profitability over the year. A word of caution related to markets is warranted, however, as euphoria creeps up in portions of the market, as money is raised in new IPOs and “blank check” companies (SPACs) and as a resurgence of retail investors hit a new record.

As a reminder, we usually close our commentaries with a statement of our investment approach. Despite the very real challenges in 2020, and of course others we have encountered in the past and no doubt will occur in the future, we expect the following to continue to be a sound basis for an investment program:

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 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.

Best wishes for a healthy, happy and prosperous 2021.

SECTOR DIVERSIFICATION

Fourth Quarter 2020

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- We base our investment approach on individual company selection and seek to 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.
- Strong returns for the holdings in the communication services sector increased the weighting.
- We added to CarMax and Dollar Tree and trimmed Lowe's Companies in the consumer discretionary sector. The decline in Alibaba's share price impacted the weighting.
- In consumer staples, we added to Nomad Foods Ltd. and trimmed Hain Celestial Group Inc.
- In financials, we added to Blackstone Group Inc. and JP Morgan Chase & Co., and trimmed Ameriprise Financial Inc. Strong returns for the holdings in the sector increased the weighting.
- Real estate investment trust (REIT) holdings Crown Castle International and SBA Communications Corp., both wireless communications infrastructure companies, declined in the quarter, reducing the weighting in the real estate sector.

SECTOR	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	S&P 500® INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	
	Q4'20	Q4'20	Q4'20	Q3'20	Q4'19
Communication Services	11.68	10.77	0.91	11.18	10.20
Consumer Discretionary	17.47	12.72	4.75	18.68	14.70
Consumer Staples	4.79	6.51	-1.72	5.05	4.43
Energy	2.10	2.28	-0.18	1.95	4.08
Financials	14.07	10.44	3.59	12.85	18.88
Health Care	10.10	13.46	-3.36	10.08	10.22
Industrials	7.13	8.40	-1.27	7.05	7.99
Information Technology	30.24	27.61	2.64	30.15	26.92
Materials	--	2.63	-2.63	--	--
Real Estate	2.45	2.42	0.03	2.99	2.59
Utilities	--	2.76	-2.76	--	--

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

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	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	11.70	16.45	10.90	13.84	1.92	1.52	0.40
Consumer Discretionary	18.15	3.33	11.90	10.55	0.63	1.24	-0.61
Consumer Staples	4.85	5.52	6.81	6.36	0.24	0.44	-0.20
Energy	2.07	21.58	2.19	27.77	0.42	0.57	-0.16
Financials	13.55	21.80	10.09	23.23	2.85	2.26	0.59
Health Care	10.11	13.66	13.84	8.03	1.39	1.15	0.24
Industrials	7.36	16.10	8.50	15.72	1.23	1.35	-0.13
Information Technology	29.52	12.48	27.59	11.80	3.57	3.16	0.41
Materials	--	--	2.65	14.47	0.00	0.39	-0.39
Real Estate	2.68	-8.36	2.56	4.89	-0.26	0.14	-0.40
Utilities	--	--	2.98	6.54	0.00	0.22	-0.22
Total	**100.00**	**11.99**	**100.00**	**12.46**	**11.99**	**12.46**	**-0.47**

- 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.
- Communication services, financials and information technology—among the largest sectors—contributed the most to the strategy's returns in the quarter.
- The real estate sector—one of the smallest sectors—detracted modestly 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. Past performance is not indicative of future results. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

YEAR-TO-DATE CONTRIBUTION DETAIL BY SECTOR

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Fourth 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	11.33	31.69	10.84	23.73	4.06	2.67	1.39
Consumer Discretionary	17.22	24.90	10.86	36.32	5.57	4.30	1.27
Consumer Staples	4.71	22.57	7.13	10.73	1.47	0.54	0.94
Energy	2.56	-43.94	2.78	-33.65	-2.61	-1.88	-0.73
Financials	14.49	3.04	10.65	-1.64	-2.32	-1.51	-0.81
Health Care	10.21	16.32	14.42	13.67	1.69	2.20	-0.51
Industrials	6.99	11.27	8.35	10.73	-0.37	0.41	-0.78
Information Technology	29.50	41.85	26.45	43.88	13.14	12.07	1.06
Materials	--	--	2.56	20.73	0.00	0.57	-0.57
Real Estate	3.00	16.86	2.80	-2.06	0.49	-0.35	0.85
Utilities	--	--	3.18	0.49	0.00	0.22	0.28
Total	**100.00**	**21.12**	**100.00**	**18.73**	**21.12**	**18.73**	**2.39**

- Communication services, consumer discretionary and information technology – among the largest sectors - contributed the most to returns for the year. The holdings in information technology - the largest sector - had double-digit increases except for Broadcom, which declined.
- The energy sector detracted the most from the overall return. Its weighting was the smallest, and it was the only sector in the portfolio that declined for the year.

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QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

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	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT		S&P 500® INDEX		ATTRIBUTION ANALYSIS		
SECTOR	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	11.69	16.45	10.90	13.84	--	0.31	0.31
Consumer Discretionary	18.14	3.33	11.91	10.55	-0.14	-1.26	-1.41
Consumer Staples	4.85	5.52	6.81	6.36	0.11	-0.06	0.05
Energy	2.07	21.58	2.19	27.77	-0.02	-0.12	-0.14
Financials	13.55	21.62	10.09	23.23	0.34	-0.21	0.14
Health Care	10.11	13.66	13.83	8.04	0.15	0.56	0.72
Industrials	7.36	16.10	8.50	15.69	-0.03	0.04	0.01
Information Technology	29.53	12.48	27.59	11.81	--	0.16	0.16
Materials	--	--	2.65	14.47	-0.06	--	-0.06
Real Estate	2.68	-8.36	2.56	4.89	--	-0.42	-0.42
Utilities	--	--	2.98	6.54	0.15	--	0.15
Total	**100.00**	**11.97**	**100.00**	**12.46**	**0.50**	**-1.00**	**-0.49**

- 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. We share attribution since it is frequently requested.
- The portfolio did not increase as much as the S&P 500® Index. Sector allocation appeared to be a more meaningful contributor to the return than our stock selection relative to the Index.
- Communication services and health care contributed the most to the portfolio's return relative to the Index. The communication services sector 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.
- The consumer discretionary and real estate sectors detracted from the return relative to the Index. The consumer discretionary sector had a higher weighting but a lower return than the Index. The real estate sector declined in the portfolio but it increased in the Index.

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. Past performance is not indicative of future results. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

YEAR-TO-DATE ATTRIBUTION DETAIL BY SECTOR

Fourth Quarter 2020

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	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT		S&P 500® INDEX		ATTRIBUTION ANALYSIS		
SECTOR	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	11.33	31.69	10.84	23.73	-0.07	1.14	1.07
Consumer Discretionary	17.21	24.90	10.86	36.32	1.21	-1.68	-0.47
Consumer Staples	4.71	22.57	7.13	10.74	0.12	0.89	1.01
Energy	2.56	-43.94	2.78	-33.65	0.02	-0.58	-0.56
Financials	14.49	2.88	10.64	-1.64	-1.28	0.86	-0.41
Health Care	10.21	16.32	14.41	13.68	0.22	0.20	0.42
Industrials	6.99	11.27	8.35	10.89	0.07	-0.22	-0.15
Information Technology	29.51	41.85	26.45	43.89	0.98	-0.76	0.22
Materials	--	--	2.56	20.73	-0.10	--	-0.10
Real Estate	3.00	16.86	2.79	-2.06	-0.18	0.83	0.65
Utilities	--	--	3.18	0.49	0.70	--	0.70
Unassigned	--	--	--	--	-0.04	--	-0.04
Total	**100.00**	**21.10**	**100.00**	**18.75**	**1.67**	**0.68**	**2.35**

- The portfolio outperformed the S&P 500® Index. Sector allocation appeared to be a more meaningful contributor to the return than our stock selection relative to the Index.
- Communication services and consumer staples contributed the most to the portfolio's return relative to the Index. The communication services sector had a higher weighting and a higher return than the Index. The consumer staples sector had a lower weighting but a higher return than the Index.
- Consumer discretionary and energy detracted the most from the return relative to the Index. Consumer discretionary had a higher weighting than the Index, but its holdings rose less than those in the Index. The energy weighting was roughly the same as the Index but, the sector declined more than the Index.

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QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

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Fourth Quarter 2020 Representative Flexible Equity Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
BKNG	Booking Holdings Inc.	Provides online travel and related services	2.76	30.20	0.78
JPM	JPMorgan Chase & Co.	Provides investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity	2.43	31.99	0.71
AMP	Ameriprise Financial Inc.	Provides financial planning, brokerage, asset management and insurance services to individuals, businesses and institutions	2.66	26.81	0.69
DIS	Walt Disney Company	Owns and operates television and radio production, distribution and broadcasting stations, direct-to-consumer services, amusement parks and hotels	1.59	46.02	0.65
GOOG	Alphabet Inc. Class C	Operates as a holding company with interests in software, health care, transportation and other technologies	3.02	19.21	0.59

- Booking Holdings reported better-than-expected third quarter results, driven by an increase in domestic travel after the lockdowns earlier in the year. Profitability was also better than expected, as the company was able to reduce its advertising expense. We expect that the company will gain market share when travel recovers.
- JP Morgan's third quarter earnings exceeded analysts' estimates, as the company was executing well in the challenging economic environment. The positive announcements in November on the availability of COVID-19 vaccines drove the stock higher as investors anticipated improved economic activity in 2021. Following the conclusion of the Fed's second bank stress test in 2020, the company announced that it would buy back its stock in 2021.
- Ameriprise Financial grew its advice and wealth management and asset management businesses, which drove the company's core operating results, beating investors' expectations in the quarter. The company has strategically repositioned itself by selling non-core insurance assets and investing in the core advice and wealth management business, improving profitability and returns for its shareholders.
- Walt Disney Company reported strong growth in the number of subscribers for its Disney+ streaming service on the one-year anniversary of its launch. The announcements about the COVID-19 vaccines improved the outlook for theme park attendance, positively impacting the share price.
- Alphabet Inc. grew revenues 15% in the third quarter as advertising spending increased and online digital growth benefited all business segments (Search, YouTube, Cloud and Play). The company controlled expenses, thereby demonstrating operating margin leverage.

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. Past performance is not indicative of future results. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

YEAR-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

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Fourth Quarter 2020 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	3.85	82.32	2.82
MSFT	Microsoft Corporation	Develops, manufactures and distributes software products	5.60	42.68	2.74
PYPL	PayPal Holdings Inc.	Provides digital and mobile payments on behalf of consumers and merchants	2.52	116.96	2.48
FB	Facebook Inc. Class A	Operates as a social networking service and website	4.53	33.26	1.98
LOW	Lowe's Companies Inc.	Engages in the retail sale of home improvement products	3.88	36.37	1.70

- It is interesting to note that Apple, Microsoft and Facebook were also top contributors to the portfolio's return in 2019.
- Apple's results in 2020 for each quarter were better than expectations, as the company continued to execute well. In the latest quarter, iPad and Mac sales were strong, and both appear to be benefiting from the extended remote work and schooling environments. iPhones sales fell short, as the new models were released several weeks later than usual. The higher valuation for the stock reflects its status as a premium branded consumer products company.
- PayPal, a beneficiary of the acceleration in e-commerce, posted strong results across all metrics.
- Microsoft also reported strong quarterly results throughout the year. Business momentum remains strong, and the company continues to execute well.
- Facebook delivered significant revenue acceleration in the recent quarter. This acceleration is expected to continue in the next quarter as the shift to online commerce continues to power growth. Overall, user engagement continues to be strong.
- Lowe's posted strong sales and earnings growth and profitability. As consumers spent more time at home, Lowe's benefited from their willingness to spend more on DIY projects.

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. Past performance is not indicative of future results. 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

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Fourth Quarter 2020 Representative Flexible Equity Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
BABA	Alibaba Group Holding Ltd. Sponsored ADR	Operates as an online and mobile commerce company	3.17	-20.83	-0.73
SBAC	SBA Communications Corp. Class A	Functions as real estate investment trust	1.63	-11.27	-0.22
LOW	Lowe's Companies Inc.	Engages in the retail sale of home improvement products	3.93	-2.84	-0.12
CCI	Crown Castle International Corp	Acts as a real estate investment trust	1.05	-3.59	-0.04
NOMD	Nomad Foods Ltd.	Operates as a holding company that produces frozen foods	1.92	-0.27	-0.01

- Alibaba reported strong earnings with better-than-expected profit growth amid a continued recovery in consumer spending. However, the shares fell sharply in late December upon the announcement that China's State Administration for Market Regulation (SAMR) was investigating Alibaba with respect to potentially violating the Anti-Monopoly Law. The company is specifically reviewing its alleged practice of forcing sellers to "Choose One of Two" platforms. Earlier in the quarter, the stock suffered when regulators halted the IPO of Ant Group, an affiliate company. While Chinese government intervention is a risk, we believe that the fundamental business impact may be limited. Following the earnings report, the Chinese government set forth draft rules targeting monopolistic practices by internet companies.
- Lowe's reported same-store sales growth of 30% in the quarter, but due to investments in its stores, operating margin expansion fell short, disappointing investors, and the stock declined modestly.
- Crown Castle International and SBAC Communications, both wireless communications tower companies, provided a conservative outlook for 2021 in advance of the carriers' (AT&T, T-Mobile, Verizon) fifth-generation mobile network, or 5G, build plans.
- Nomad's share price was flat. The company continues to be well-run and growing through market share gains and innovation.

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YEAR-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

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Fourth Quarter 2020 Representative Flexible Equity Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
DAL	Delta Air Lines Inc.	Provides scheduled air transportation for passengers, freight and mail services	0.33	-59.95	-1.78
SCHW	Charles Schwab Corporation	Provides securities brokerage and other financial services	0.50	-27.90	-1.14
BAC	Bank of America Corp.	Operates as a bank holding company whose subsidiaries provide banking and nonbank financial services	2.65	-11.38	-1.03
WFC	Wells Fargo & Company	Operates as a diversified, community-based financial services and bank holding company	0.27	-49.10	-1.02
SU	Suncor Energy Inc.	Develops and upgrades oil sands	0.94	-46.05	-0.96

- We eliminated three of the five biggest detractors to return.
- Delta Air Lines declined sharply with the severe disruptions in travel due to the pandemic. We exited the holding in the first quarter.
- We sold Charles Schwab in the second quarter, as its earnings were under pressure due to the low interest rate environment.
- Financials holding Bank of America declined as interest rates reached historic lows and economic activity was negatively impacted by the pandemic.
- We eliminated Wells Fargo in the first quarter, as its growth has been limited by consent decrees that stemmed from the fraudulent opening of new accounts.
- The decline in energy demand and crude oil prices negatively impacted Suncor Energy. We believe management is thoughtfully navigating the environment, maintaining liquidity, lowering costs and improving efficiency in the company's operations. The company reduced its dividend and capital expenditures.

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. Past performance is not indicative of future results. 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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Fourth Quarter 2020 Representative Flexible Equity Account Portfolio Activity

- We added to and trimmed several existing holdings, but there were no new additions or eliminations in the quarter.

SYMBOL	ADDITIONS	SECTOR
	None	

SYMBOL	DELETIONS	SECTOR
	None	

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. 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.

YEAR-TO-DATE ADDITIONS/DELETIONS

Fourth Quarter 2020 Representative Flexible Equity Account Portfolio Activity

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SYMBOL	ADDITIONS	SECTOR
ADI	Analog Devices Inc.	Information Technology
BX	Blackstone Group Inc. Class A	Financials
BFAM	Bright Horizons Family Solutions Inc.	Consumer Discretionary
CARR	Carrier Global Corp.	Industrials
DLTR	Dollar Tree Inc.	Consumer Discretionary
INTU	Intuit Inc.	Information Technology
OTIS	Otis Worldwide Corporation	Industrials

SYMBOL	DELETIONS	SECTOR
AVGO	Broadcom Inc.	Information Technology
SCHW	Charles Schwab Corporation	Financials
XEC	Cimarex Energy Co.	Energy
DAL	Delta Air Lines Inc.	Industrials
RTX	Raytheon Technologies Corporation	Industrials
WFC	Wells Fargo & Company	Financials

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. 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.

PORTFOLIO CHARACTERISTICS

Fourth Quarter 2020

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	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT	S&P 500 INDEX
Number of Holdings	45	505
Market Capitalization ($ B)		
Weighted Average	471.4	489.3
Weighted Median	262.5	166.9
Maximum	2,252.7	2,252.7
Minimum	4.0	4.2
P/E Ratio FY1 Est. (x)	27.7	24.9
P/E Ratio FY2 Est. (x)	23.4	21.9
Earnings Growth 3-5 Yr. Consensus Est. (%)	13.5	12.3
Dividend Yield (%)	0.9	1.5
Top 10 Equity Holdings (%)	42.8	27.4
Three-Year Annualized Portfolio Turnover (%)	11.8	3.5

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

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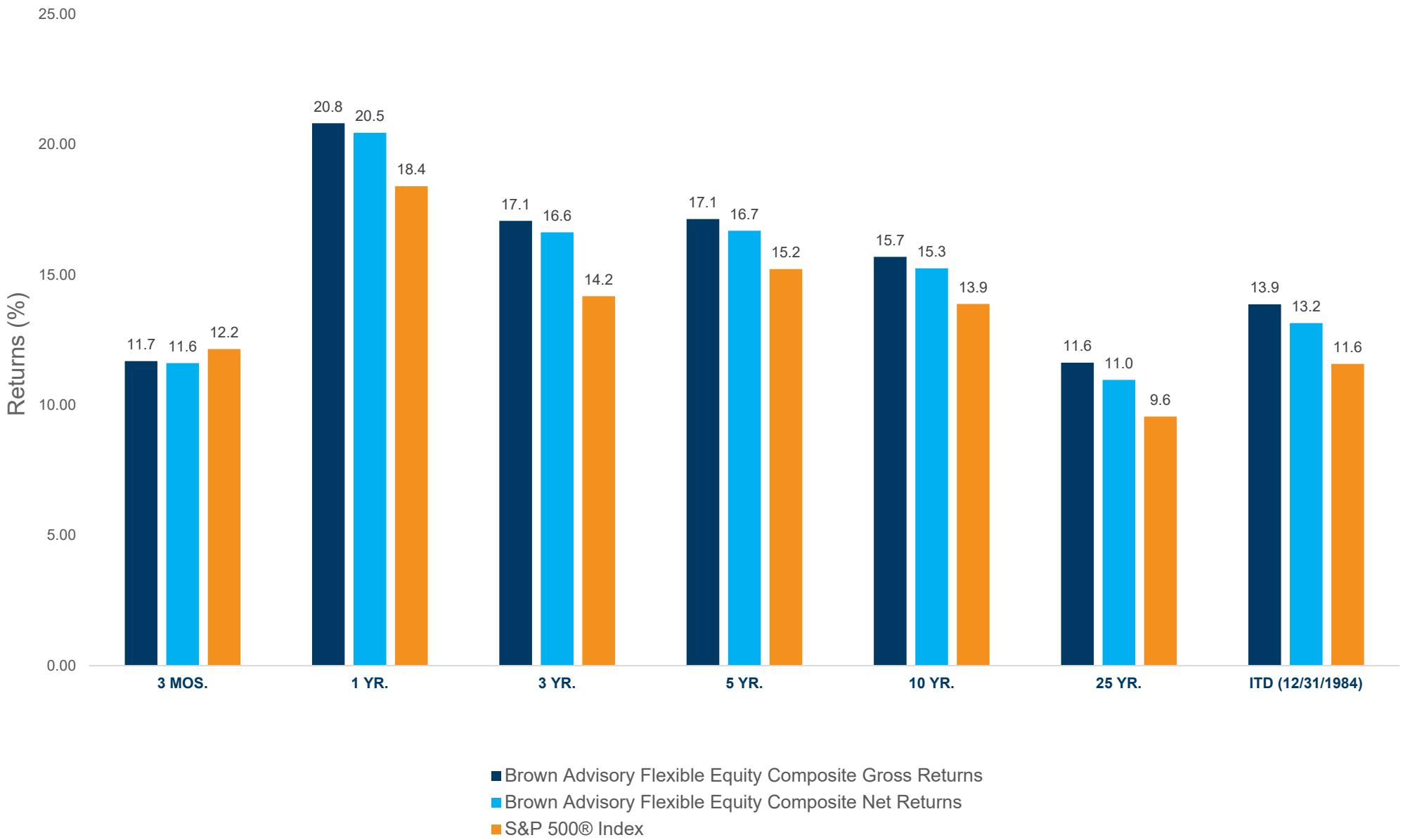
Fourth Quarter 2020 as of 12/31/2020



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 EQUITY HOLDINGS

Representative Flexible Equity Account as of 12/31/2020

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Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Visa Inc.	5.4
Mastercard Inc.	5.3
Microsoft Corp.	5.3
Alphabet (Class A & C)*	5.1
Facebook Inc.	4.4
Apple Inc.	4.0
Lowe's Companies Inc.	3.5
Berkshire Hathaway Inc. Cl B	3.4
UnitedHealth Group Inc.	3.1
Edwards Lifesciences Corp.	3.1
Total	**42.6%**

Source: FactSet. *Alphabet Inc. represents a 2.2% holding position in class A and 2.9% 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

Fourth Quarter 2020 Global Industry Classification Standard (GICS) as of 12/31/2020

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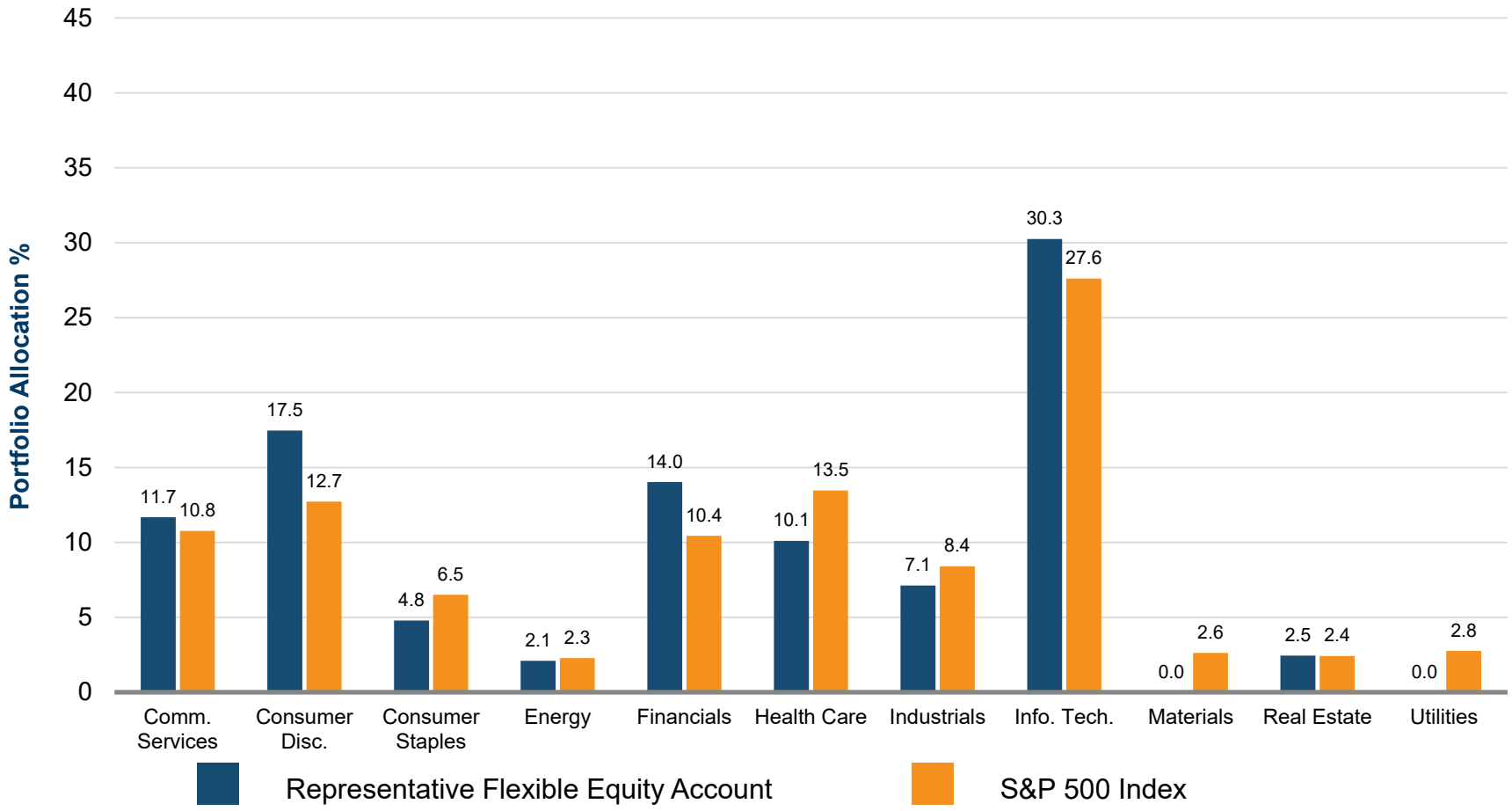

Source: FactSet. The portfolio information provided is based on a representative Flexible Equity account and is provided as supplemental information. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS) classification system. 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.

FactSet® is a registered trademark of FactSet Research Systems, Inc.

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

DISCLOSURES

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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.

Forward Price-Earnings Ratio (P/E Ratio) is a ratio that divides the current share price of a company by the estimated future earnings per share (EPS).

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

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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.