FLEXIBLE EQUITY REVIEW AND OUTLOOK

Second Quarter 2021

The S&P 500® Index was up 8.5% for the quarter ending June 30, 2021. It was the 5th consecutive quarter of positive gains for the Index. The returns of the Flexible Equity strategy outpaced its benchmark, the S&P 500 Index, for the last quarter and also for the first half of the year. The strategy is also ahead of its benchmark for the last 12-month and most multi-year time periods, ending June 30, 2021.

The U.S. equity market returns for the first half of the year are nothing short of impressive with the S&P 500 Index up 15.3% and Nasdaq Index up 12.9%. The double-digit returns are significant as they are on the heels of a nearly 20% return in 2020 for the Index against a backdrop of a worldwide pandemic. The bet investors made in April 2020 after the historic March sell-off about a quick economic recovery is largely playing out.

When we wrote our commentary this time last year, we were still under the dark clouds of the pandemic. Despite tremendous uncertainty due to the unknown nature of the pandemic and a world-wide lockdown, we had confidence in the recovery of the economy and the U.S. equity markets and believed that we would ultimately witness higher highs. Our belief was rooted in human ingenuity and faith in our democratic institutions. We, however, had no idea of how long it would take for the full recovery and the path it would take. At that time, we were certainly not forecasting a GDP growth of 8%, earnings growth of nearly 40% and that inflation would become a hotly debated topic in 2021. We are pleased that our process, which is based on bottom-up stock picking focused on investing in well-managed businesses that can weather uncertain economic environment, has played out reasonably well during the last 18 months, a period that has witnessed extreme macro volatility.

We, however, do not wish to undermine the fact that there are periods when the macro environment overwhelms the equity markets. 2008 was one such period when many equity investors, including our strategy, suffered immense losses, especially in stocks in the financial services sector that were exposed to credit and housing. After having been burned from the macro environment of 2008, many equity investors tilted towards factoring in more macro conditions in their decision making. We would hypothesize that such investors would have missed a great opportunity to be fully invested in U.S. equities as they would have likely had a negative macro overlay. After all, several macro worries of seemingly great proportions continued to crop up in succession for many years post the Great Financial Crisis—for example, the painfully slow economic recovery followed by Europe's financial problems, Brexit, U.S. elections etc.

The primary reason we do not overly rely on anyone's ability to predict the macro correctly is that we consider this exercise as incredibly challenging given the complexity of the global economy and the number of factors that can influence its ultimate outcome. In addition, economic forecasting models are unreliable in predicting turns. This is especially true in the current environment of unprecedented monetary policy, fiscal stimulus and change in the political climate. For our predictions to really matter, we would need to not only have a non-consensus view on the macro, but also have one that is correct. Given the complexity and uncertainty, we refrain from overlaying a top-down macro view on our strategy. That's not to say that we ignore every evolving macro condition and its potential impact on individual holdings. With the recent surge in inflationary data, we undertook the exercise of combing through our portfolio to better understand its impact on the various business models. It was imperative given that consumer prices have continued to rise rapidly in the U.S. in recent months, reflecting a surge in demand along with shortages of labor and material with the continued opening of the U.S. economy. Some of the inflation numbers being reported are the highest since 2008 and are running meaningfully above the Federal Reserve's longer run goal of 2%. The Federal Reserve has continued to downplay inflationary risk and maintained that the current inflation numbers are 'transitory.' According to the Fed, the numbers are being impacted due to easy comparison with 2020 when inflation was particularly weak and also due to temporary disruptions in supply chains, which it expects to adjust in short order. However, there is a contrarian view amongst many economists and investors who believe that inflation is likely to be more persistent. After all, money has never been cheaper and in such abundance with ultra-easy monetary policy and a series of trillion-dollar fiscal stimuli with talks in the Capitol of more to come.

(Continued on the following page)

FLEXIBLE EQUITY REVIEW AND OUTLOOK

Second Quarter 2021

With unprecedented growth in money supply since the beginning of the pandemic, the odds of higher inflation have moved up meaningfully. The exercise of combing through the portfolio with the lens of an inflationary risk led us to eliminate Dollar Tree and deploy capital in more promising areas. Dollar Tree is a retailer that sells most of its goods at a $1.00 price point. The current inflationary pressures are beginning to impact its financial results. In the company's last quarterly results, Dollar Tree's management cited higher freight costs and intensifying wage pressures, that led to a meaningful compression in operating margins. Dollar Tree lacks true pricing power due to its business model. The company's margins could remain under pressure as it has limited ability to pass on the increase in the cost of goods sold (COGS) to their customers.

For the last two years, we have had to tune in online for the Berkshire Hathaway Annual Meeting due to restrictions on travel and the change in format. We do miss our annual visit to Omaha and attending the meeting in person. The physical event provided a unique atmosphere that gave us an opportunity to immerse ourselves and reflect on many sound principles of investing that Buffett has taught to the world. However, we are pleased that we were still able to attend the meeting virtually and learn from the insightful discussions. We will make our notes from the meeting available shortly.

We thank you for trusting us with your investment capital and we reiterate our approach as follows.

> *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.*

SECTOR DIVERSIFICATION

Second Quarter 2021

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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 several of the holdings in the communication services sector increased the weighting.
- We eliminated Dollar Tree and trimmed Lowe's Companies reducing the weighting in the consumer discretionary sector.
- We eliminated Hain Celestial Group and trimmed Conagra Brands reducing the weighting in the consumer staples sector.
- We added to Suncor Energy increasing the weighting in the energy sector.
- Edwards Lifesciences was a top contributor to return in the quarter and as a result, increased the health care weighting. Merck spun out Organon, a pharmaceutical business focused on women's health, biosimilars and established brands. We eliminated the shares in favor of adding to our Merck holding. We view Merck as having greater appreciation potential than the Organon businesses.

SECTOR	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	S&P 500® INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	
	Q2'21	Q2'21	Q2'21	Q1'21	Q2'20
Communication Services	15.44	11.14	4.30	13.07	11.27
Consumer Discretionary	14.85	12.28	2.57	16.68	17.61
Consumer Staples	2.39	5.86	-3.46	4.08	4.83
Energy	1.35	2.85	-1.50	1.03	2.33
Financials	17.19	11.28	5.91	16.99	13.30
Health Care	10.24	12.99	-2.74	9.77	9.88
Industrials	7.37	8.57	-1.20	7.60	6.71
Information Technology	28.75	27.39	1.36	28.48	30.90
Materials	--	2.6	-2.60	--	--
Real Estate	2.41	2.58	-0.16	2.29	3.17
Utilities	--	2.45	-2.45	--	--

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

Second Quarter 2021

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GICS SECTOR	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT		S&P 500® INDEX		CONTRIBUTION TO RETURN ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT(%)	S&P 500 INDEX (%)	DIFFERENCE (%)
Communication Services	14.22	17.99	11.06	10.72	2.47	1.18	1.29
Consumer Discretionary	15.91	1.53	12.30	6.95	0.12	0.86	-0.74
Consumer Staples	3.02	-0.49	6.00	3.83	0.03	0.24	-0.20
Energy	1.18	15.28	2.81	11.30	0.17	0.31	-0.14
Financials	17.48	9.29	11.55	8.36	1.61	0.96	0.65
Health Care	9.99	12.74	12.94	8.41	1.23	1.07	0.16
Industrials	7.46	5.51	8.79	4.54	0.40	0.41	-0.01
Information Technology	28.39	11.32	26.68	11.54	3.26	3.08	0.19
Materials	--	--	2.74	4.97	--	0.14	-0.14
Real Estate	2.35	14.65	2.54	13.09	0.33	0.32	0.01
Utilities	--	--	2.59	-0.41	--	-0.01	0.01
Total	**100.00**	**9.62**	**100.00**	**8.55**	**9.62**	**8.55**	**1.07**

- 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 consumer staples sector—one of the smaller sectors—declined slightly but no sector 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

Second Quarter 2021

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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	14.21	17.99	11.06	10.72	0.06	0.97	1.03
Consumer Discretionary	15.92	1.53	12.30	6.95	-0.12	-0.92	-1.04
Consumer Staples	3.02	-0.49	6.00	3.83	0.14	-0.11	0.03
Energy	1.17	15.28	2.81	11.30	-0.03	0.04	--
Financials	17.48	9.29	11.55	8.36	-0.01	0.15	0.15
Health Care	9.99	12.74	12.94	8.40	0.01	0.41	0.42
Industrials	7.46	5.51	8.79	4.54	0.05	0.06	0.11
Information Technology	28.40	11.32	26.69	11.54	0.05	-0.05	0.01
Materials	--	--	2.74	4.97	0.09	--	0.09
Real Estate	2.35	14.65	2.54	13.09	-0.01	0.04	0.03
Utilities	--	--	2.59	-0.41	0.23	--	0.23
Total	**100.00**	**9.62**	**100.00**	**8.55**	**0.47**	**0.60**	**1.07**

- 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. Our stock selection was a more meaningful contributor to the return than our sector allocation relative to the Index.
- Communication services and health care contributed the most to the portfolio’s return relative to the Index. Communication services had a higher weighting and a higher return than the Index while health care had a lower weighting and a higher return than the Index.
- Relative to the S&P 500® Index, the portfolio benefitted from not owning utilities since the sector declined in the Index.
- Consumer discretionary detracted from the return relative to the Index. The sector had a higher weighting and a lower return than 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. 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

Second Quarter 2021 Representative Flexible Equity Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
MSFT	Microsoft Corporation	Develops, manufactures and distributes software products	5.88	15.15	0.88
FB	Facebook, Inc. Class A	Operates as a social networking service and website	4.61	18.06	0.80
GOOG	Alphabet Inc. Class C	Operates as a holding company with interests in software, health care, transportation and other technologies	3.50	21.16	0.69
EW	Edwards Lifesciences Corporation	Designs, develops, manufactures and markets products to treat late-stage cardiovascular disease	2.85	23.83	0.64
V	Visa Inc. Class A	Operates as a global payments technology	5.09	10.59	0.54

- Microsoft reported impressive quarterly results with revenue increasing almost 17% and earnings per share growing 34%. The company executed well across its various business lines.
- Facebook reported attractive quarterly results well ahead of investors' expectations. Advertising revenue grew 42%. Engagement may reach more normalized levels as compared to the period of COVID-19; however, the number of users continues to grow.
- Alphabet Inc. CL C shares rose as Google reported strong advertising revenue growth. Google search grew 30%. Advertising revenues continue to grow as consumers do more online.
- Edwards Lifesciences second quarter results exceeded analysts' expectations and prior guidance as surgical heart valve therapy and transcatheter heart valve procedures recovered more than anticipated due to increased capacity at hospitals as COVID-19-related hospitalizations declined.
- Visa reported better-than-expected EPS growth driven by higher transaction volumes in the U.S. and also from the shift from cash to electronic payments. We expect international volumes to continue to improve with the normalization of cross border travel. Travel now represents only a third of total cross border revenues (vs. two-thirds pre-COVID-19), which would indicate a meaningful recovery runway once borders eventually reopen and leisure travel begins to rebound.

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

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Second Quarter 2021 Representative Flexible Equity Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
BFAM	Bright Horizons Family Solutions, Inc.	Provides child care and educational services	1.00	-14.18	-0.15
BKNG	Booking Holdings Inc.	Provides online travel and related services	2.76	-6.08	-0.15
DLTR	Dollar Tree, Inc.	Owns and operates discount variety stores	0.99	-12.08	-0.13
KMX	CarMax, Inc.	Operates as a holding company whose subsidiaries sell and finance used motor vehicles	3.02	-2.65	-0.13
CNI	Canadian National Railway Company	Provides railroad transportation services	1.00	-8.70	-0.10

- Bright Horizons Family Solutions fell due to concerns that extended work from home could negatively impact the company's employer-sponsored centers that are usually onsite. We believe the importance of childcare has only increased during COVID-19 and that Bright Horizons Family Solutions' services will continue to be a preferred solution for employers and their employees.
- Booking Holdings' second quarter results missed revenue and profit expectations. While it may be several quarters or even years to achieve a full recovery in travel following the pandemic, we believe that the company is well-positioned within the industry.
- Dollar Tree disappointed investors with its reduced earnings outlook for 2021 citing higher costs, specifically freight expenses. We exited the shares in the quarter.
- CarMax was the largest contributor to results last quarter increasing 40.5%. The stock declined modestly as a result of decelerating near-term business trends and tougher comparisons for its next earnings report.
- Canadian National Railway (CNI) offered a higher price than its rival Canadian Pacific to acquire Kansas City Southern (KSU). KSU accepted CNI's higher offer and CNI's share price fell as CNI's investors questioned the benefits of the merger at the higher price along with a $700 million break-up fee owed to Canadian Pacific. In addition, CNI reported higher operating expenses that impacted its quarterly results.

QUARTER-TO-DATE ADDITIONS/DELETIONS

Second Quarter 2021 Representative Flexible Equity Account Portfolio Activity

- We initiated a position in retailer Bed Bath and Beyond (BBBY). BBBY is in the midst of a significant turnaround, touching on nearly all aspects of its operations, creating an opportunity to invest in a company with meaningful upside.
- We initiated a position in Pinterest (PINS) during the quarter. Its stock pulled back in along with some of its other growth-oriented counterparts, which created an attractive entry point. We believe that Pinterest is well positioned to capture a larger share of the growing global digital advertising spend related to e-commerce.
- We eliminated Dollar Tree (DLTR) as we believe that its business model of selling items for a dollar or a low price will be challenged to maintain profits in an inflationary environment.
- During the month, we exited our position in Hain Celestial Group (HAIN). The company's CEO, Mark Schiller, has done a terrific job of turning around the business, which has led to meaningful stock price appreciation. After having realized the gains, we deployed the capital to more attractive opportunities.

SYMBOL	ADDITIONS	SECTOR
BBBY	Bed Bath & Beyond Inc.	Consumer Discretionary
PINS	Pinterest, Inc. Class A	Communication Services

SYMBOL	DELETIONS	SECTOR
DLTR	Dollar Tree, Inc.	Consumer Discretionary
HAIN	Hain Celestial Group, Inc.	Consumer Staples

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

Second Quarter 2021

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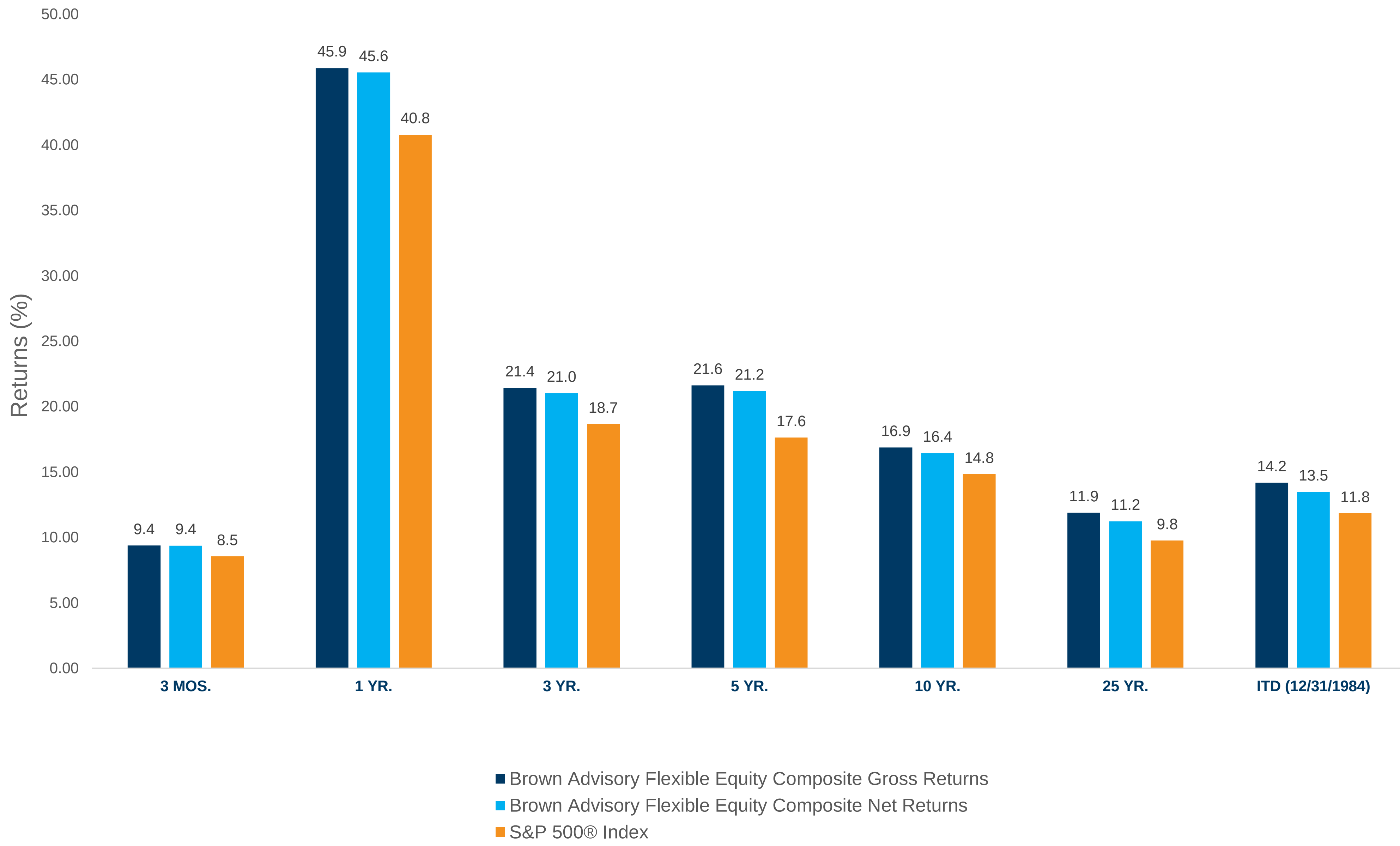
	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT	S&P 500 INDEX
Number of Holdings	47	505
Market Capitalization ($ B)		
Weighted Average	561.7	542.8
Weighted Median	342.2	187.6
Maximum	2285.4	2285.4
Minimum	3.5	5.8
P/E Ratio FY1 Est. (x)	24.9	22.3
P/E Ratio FY2 Est. (x)	21.9	20.5
Earnings Growth 3-5 Yr. Consensus Est. (%)	22.1	17.3
Dividend Yield (%)	0.7	1.4
Top 10 Equity Holdings (%)	42.1	27.4
Three-Year Annualized Portfolio Turnover (%)	13.6	--

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. Holdings exclude cash and cash equivalents.

COMPOSITE PERFORMANCE

Second Quarter 2021 as of 06/30/2021



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 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 06/30/2021

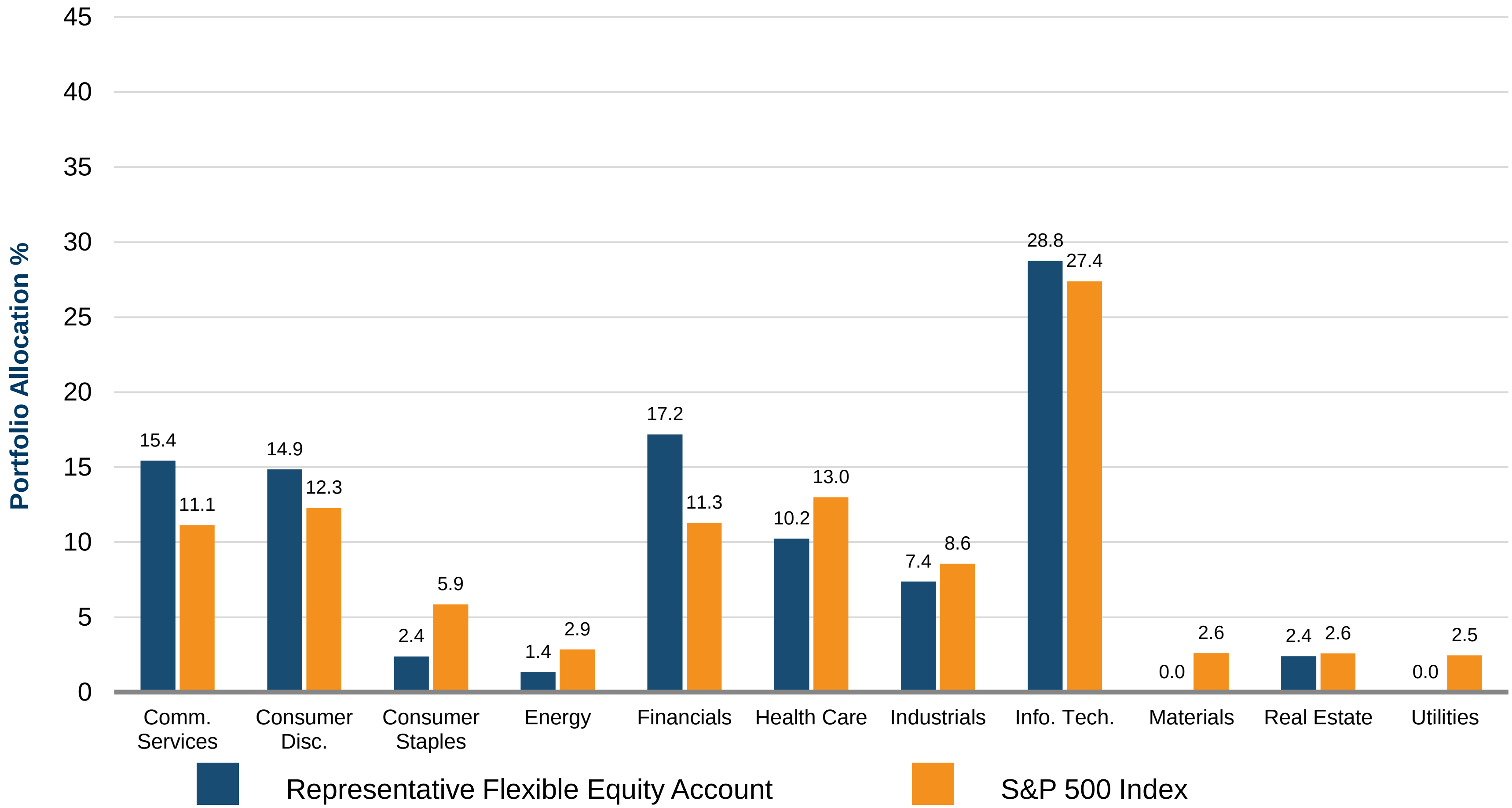
Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Alphabet (Class A & C)*	6.0
Microsoft Corp.	5.9
Visa, Inc.	4.9
Facebook, Inc.	4.7
Mastercard, Inc.	4.6
Apple, Inc.	3.5
Berkshire Hathaway, Inc. Cl B	3.4
UnitedHealth Group, Inc.	3.0
CarMax, Inc.	3.0
Edwards Lifesciences Corp.	3.0
Total	42.1%

Source: FactSet. *Alphabet Inc. represents a 2.6% holding position in class A and 3.5% 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. Holdings exclude cash and cash equivalents.

SECTOR DIVERSIFICATION

Second Quarter 2021 Global Industry Classification Standard (GICS) as of 06/30/2021



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

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

The **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.

The **Nasdaq Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the Nasdaq stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

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.

DISCLOSURES

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

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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)*
2020	20.8	20.3	18.4	20.1	18.5	41	0.3	2,550	59,683
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

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, 2020. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

1. *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
2. The 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.
3. ESG considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify companies that it believes may have desirable ESG outcomes, but investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, the strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The strategy may also invest in companies that would otherwise be screened out of other ESG oriented funds. Security selection will be impacted by the combined focus on ESG assessments and forecasts of return and risk. The strategy intends to invest in companies with measurable ESG outcomes, as determined by Brown Advisory, and seeks to screen out particular companies and industries. Brown Advisory relies on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.
4. 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 gross 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. 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 investment management fee for the Investor Shares of the Brown Advisory Flexible Equity Fund (the Fund), which is included in the composite, is 0.50% for the first $150 million, 0.45% on $150 million to $250 million, 0.40% on $250 million to $1 billion, and 0.38% over $1 billion, and represents the highest fee charged excluding Advisor Shares. The total expense ratio for the Investor Shares of the Fund as of the most recent fiscal year end (June 30, 2020) was 0.84%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
9. The investment management fee for the Dollar Class B Acc Shares of the Brown Advisory US Flexible Equity Fund (the UCITS), which is included in the composite, is 0.75%. The total expense ratio for the Dollar Class B Acc Shares of the UCITS as of the most recent fiscal year end (October 31, 2020) was 0.91%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
10. The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31.
11. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
12. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
13. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
14. Past performance is not indicative of future results.
15. 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.