FLEXIBLE EQUITY REVIEW AND OUTLOOK

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First Quarter 2022

The Flexible Equity team has always maintained a long-term perspective in our investment thinking. Yet we continue to be in awe of how unexpected events can swiftly impact the investment world. None of us expected a war in Europe, nor the higher global inflation that resulted, nor what now appears to be central banks who seem massively behind the curve in fighting "transitory" inflation. And let's not forget that in the midst of all this, the 2-year COVID pandemic, that had engulfed all aspects of our lives, has seemed to vanish from the media's radar and from human spread in the West. These exogenous events have caused increased volatility in global markets for stocks, bonds and commodities.
Amid the news flow and investor worry over rising inflation, rising rates and slowing growth, the S&P 500® Index, the strategy's benchmark, declined 12.5% before the late quarter rally of 9% off the bottom, resulting in a 4.6% decline for the quarter. Interest rates moved strongly higher with the 10-year US Treasury bond yield at 2.4% vs. 1.7% a month ago. Oil prices soared as WTI rose from $75/barrel to $130/barrel before settling at $100 at quarter end.

The Flexible Equity strategy was not spared from the market volatility, with the portfolio off by 6.7% during the quarter. No individual sector or holding was the culprit of the under-performance; rather, under-performance was spread across most sectors, all by small amounts. One area that was especially hard hit, owing mostly to the anticipated rise in interest rates, were new-age internet/digital companies. Spread across the Communications and IT sectors, PayPal, Pinterest, Meta, and Intuit declined by more than 20%. Consumer Discretionary companies Lowe's and CarMax also declined in excess of 20% as investors anticipate a slowdown in consumer durable spending after a torrid pace of the past two years.

The portfolio's energy holdings generally performed well though our underweight in the sector caused some slippage versus the benchmark. Berkshire Hathaway was another notable standout with Warren Buffett trying to take advantage of the market's weakness in buying $5.5 billion of Occidental Petroleum and acquiring insurance carrier, Allegheny, for $11.6 billion. A starting low valuation and strong insurance underwriting cycle also helped.

The strategy added two new names to the portfolio, Baker Hughes and Avantor. Baker Hughes is a leading energy services company serving oil, gas, and Liquid Natural Gas (LNG) markets across the globe. Our investment thesis is based on three pillars. First, in the near term, we expect a meaningful ramp up in capital expenditure by the oil and gas industry after several years of declining spending, most recently due to COVID-driven supply reductions. We believe a strong capital spending cycle will persist for the next 2-4 years given the strong rebound in oil prices. Second, Baker Hughes is a dominant provider of turbines and compressors to the LNG industry with over 90% market share. As an energy transition evolves around the world, demand for cleaner fuels such as LNG continues to grow. And with long, 4-5 year lead times for a LNG plant completion, Baker Hughes has visible growth for the next few years in this division. The Ukraine war will likely enhance this growth as Europe seeks alternative sources to Russia for natural gas. With every new installation, Baker Hughes is able to grow its services portfolio, which has high margins and is recurring in nature. Third, Baker Hughes is positioning itself in new frontiers of energy transition by building a portfolio of offerings in carbon capture and hydrogen. While this segment is small relative to the overall size of the company, Baker Hughes appears ahead of its competitors and its potential growth seems meaningful. We think about this segment as a real option, and one not baked into current valuation. Worth noting, Baker Hughes was purchased before the war broke out and no consideration was given to the war's impact on the energy industry at time of purchase.

(Continued on the following page)

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Avantor is a Life Science tools company that provides products essential for discovery and manufacturing of bio-pharmaceuticals. Its growing portfolio of products include ultra-high purity chemicals and reagents, highly specialized silicone materials, customized excipients and single-use assemblies. We find Avantor to be compelling for three primary reasons. First, Avantor has a sticky customer base. It develops strong relationships with its customers by working closely with them in identifying products that go into the manufacturing of complex biologics. Since these products often get spec'd in the final manufacturing of the drugs, customers have little incentive to switch suppliers as that would entail going back for regulatory approvals, which can be costly and time consuming. Second, it has solid organic growth that has been further enhanced by strategic acquisitions. A few years ago, it made a transformative acquisition of VWR International, which propelled it to being one of the three largest distributors of Life Science tools worldwide. And third, it has an attractive financial profile. Approximately, 85% of its products sold are consumables that have a recurring element to them. Such revenue streams can prove to be more stable in a volatile macro environment. With limited capital expenditure needs, the company has an attractive free cash flow margin profile as well as high ROIC (return on invested capital).

The strategy eliminated three holdings during the first quarter. Bed, Bath and Beyond continued to struggle operationally amid inventory shortages, marketing snafus, and intense competition. Despite early successful efforts and a competent management team, we believed it would be difficult for the company to reach its financial goals and recovery. Crown Castle was sold, owing to rich valuation amid rising rates. CIT Group was merged into First Citizens BancShares, Inc.

As a reminder, 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 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

First Quarter 2022

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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.
- The communication services sector weighting declined as the share prices of several of the holdings fell in the quarter.
- We eliminated Bed, Bath and Beyond and trimmed Lowe's Co. in the consumer discretionary sector. We added to Amazon.com.
- We initiated a position in Baker Hughes Company increasing the weighting in the energy sector.
- We added to First Citizens BancShares and KKR & Co. in the financials sector. We trimmed Ameriprise Financial.
- New holding Avantor, Inc. in the materials sector was added to the portfolio.
- We eliminated Crown Castle International in the real estate sector reducing the weighting.

SECTOR	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	S&P 500® INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	
	Q1'22	Q1'22	Q1'22	Q4'21	Q1'21
Communication Services	12.36	9.36	3.00	13.21	13.07
Consumer Discretionary	13.89	12.02	1.87	15.28	16.68
Consumer Staples	1.75	6.08	-4.32	1.64	4.08
Energy	3.00	3.87	-0.87	1.60	1.03
Financials	18.38	11.11	7.27	17.77	16.99
Health Care	12.14	13.61	-1.48	11.58	9.77
Industrials	6.94	7.95	-1.00	6.71	7.60
Information Technology	29.04	27.93	1.11	29.58	28.48
Materials	0.96	2.62	-1.65	--	--
Real Estate	1.54	2.72	-1.19	2.63	2.29
Utilities	--	2.74	-2.74	--	--

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.

CONTRIBUTION DETAIL BY SECTOR

First Quarter 2022

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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	12.52	-12.71	9.73	-11.92	-1.68	-1.28	-0.40
Consumer Discretionary	14.64	-11.03	12.00	-9.03	-1.68	-1.17	-0.50
Consumer Staples	1.86	-11.08	6.13	-1.01	-0.29	-0.09	-0.19
Energy	2.52	37.07	3.54	39.03	0.76	1.07	-0.31
Financials	18.83	-4.59	11.44	-1.48	-0.95	-0.20	-0.74
Health Care	11.57	-1.94	13.33	-2.58	-0.17	-0.24	0.07
Industrials	6.78	-3.32	8.01	-2.29	-0.19	-0.19	--
Information Technology	29.11	-8.20	28.01	-8.39	-2.39	-2.41	0.01
Materials	0.61	-9.41	2.57	-2.37	-0.09	-0.06	-0.03
Real Estate	1.56	-10.00	2.67	-6.22	-0.24	-0.16	-0.08
Utilities	--	--	2.58	4.75	--	0.14	-0.14
Total	**100.00**	**-6.91**	**100.00**	**-4.60**	**-6.91**	**-4.60**	**-2.31**

- Contribution analysis is a tool that shows the combined effect of weighting and return to the total return earned.
- As part of our risk management process, we focus our efforts on individual company selection and incorporate a reasonable balance of sector exposure.
- The energy sector contributed the most to the portfolio return and was the only sector in the portfolio with positive results in the quarter.
- Communication services, consumer discretionary and information technology—among the largest sectors in the portfolio—detracted the most from overall returns.

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.

ATTRIBUTION DETAIL BY SECTOR

First Quarter 2022

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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	12.52	-12.71	9.73	-11.92	-0.21	-0.12	-0.33
Consumer Discretionary	14.64	-11.03	12.00	-9.03	-0.11	-0.26	-0.37
Consumer Staples	1.86	-11.08	6.13	-1.01	-0.13	-0.21	-0.35
Energy	2.52	37.07	3.54	39.03	-0.41	0.03	-0.38
Financials	18.83	-4.59	11.44	-1.48	0.23	-0.58	-0.35
Health Care	11.57	-1.94	13.33	-2.58	-0.03	0.07	0.04
Industrials	6.78	-3.32	8.01	-2.29	-0.03	-0.07	-0.10
Information Technology	29.11	-8.20	28.01	-8.39	--	0.06	0.05
Materials	0.61	-9.41	2.57	-2.37	-0.02	-0.13	-0.16
Real Estate	1.56	-10.00	2.67	-6.22	-0.02	-0.12	-0.14
Utilities	--	--	2.58	4.75	-0.23	--	-0.23
Total	**100.00**	**-6.91**	**100.00**	**-4.60**	**-0.98**	**-1.33**	**-2.31**

- 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 meaningful limitations. However, it is frequently requested, so we share it for that reason.
- The portfolio underperformed the S&P 500® Index in the quarter. Both individual stock holdings and sector allocation detracted from the return relative to the Index.
- Health care and information technology contributed the most to the portfolio's return relative to the Index. Health care had both a smaller decline and weighting than the Index. Information technology had a higher weighting but a slightly lower decline than the Index.
- The consumer discretionary and energy sectors were the biggest detractors to the results as compared to the Index. Consumer discretionary had a higher weighting and a lower return than the Index. The energy sector in the portfolio had a strong positive return but both its return and weighting were lower 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.

TOP FIVE CONTRIBUTORS TO RETURN

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First Quarter 2022 Representative Flexible Equity Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
BRK.B	Berkshire Hathaway Inc. Class B	Operates as a holding company which offers insurance, rail transportation and energy generation & distribution services	4.14	18.03	0.69
SU	Suncor Energy Inc.	Develops and upgrades oil sands	1.59	31.12	0.39
BKR	Baker Hughes Company Class A	Provides oilfield services	0.93	35.04	0.37
ANTM	Anthem, Inc.	Provides life, hospital and medical insurance plans	2.41	6.25	0.16
URI	United Rentals, Inc.	Operates as a holding company whose subsidiaries engage in the equipment rental business	1.68	6.88	0.15

- Berkshire Hathaway has been buying back shares and it has repurchased 9% of shares outstanding from year-end 2019 through year-end 2021 for a cost of nearly $52 billion.
- Energy holdings Suncor Energy and Baker Hughes Company posted the highest returns in the portfolio. Both stocks benefitted from a strong recovery in the price of oil.
- Anthem reported good quarterly results and investors viewed the outlook for 2022 as favorable. The company expects to achieve long-term earnings per share growth in the range of 12% - 15% as they execute on their key initiatives to drive membership growth and improve profitability.
- United Rentals reported quarterly results ahead of consensus estimates. The company provided guidance for 2022 based on continued favorable industry trends such as strong equipment rental demand and higher prices for used equipment sales.

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.

BOTTOM FIVE CONTRIBUTORS TO RETURN

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First Quarter 2022 Representative Flexible Equity Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
FB	Meta Platforms Inc. Class A	Operates as a social networking service and website	2.52	-33.91	-1.09
KMX	CarMax, Inc.	Operates as a holding company whose subsidiaries sell and finance used motor vehicles	2.37	-25.92	-0.69
PYPL	PayPal Holdings, Inc.	Provides digital and mobile payments on behalf of consumers and merchants	1.32	-38.68	-0.67
LOW	Lowe's Companies, Inc.	Engages in the retail sale of home improvement products	2.90	-21.45	-0.63
KKR	KKR & Co. Inc.	Provides investment management services to investors	2.28	-21.23	-0.52

- Meta Platforms, formerly known as Facebook Inc., provided a weaker than expected outlook. Management cited continued headwinds associated with Apple's IDFA changes, increased competition from TikTok, as well as a mix shift of time spent to the Reels format, which Meta is only just beginning to monetize.
- CarMax's share price has declined due to expectations that the company will report weaker fourth quarter results. Sales likely slowed in the quarter due to the spread of the COVID-19 variant Omicron, inclement weather and inventory issues.
- PayPal missed expectations and guided down top-line growth for 2022. In addition, a bigger surprise for the investment community was the change in philosophy of how growth will be managed going forward. The company now intends to emphasize user engagement and profitability from existing users over purely attracting new users to the platform.
- Lowe's Companies reported strong financial results for the year and while the outlook remained positive, the shares declined amid broader concern about the business environment for the year ahead.
- KKR & Co. posted strong quarterly results but investors are concerned that rising interest rates will negatively impact their portfolio companies and their ability to raise funds for investment.

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.

ADDITIONS/DELETIONS

First Quarter 2022 Representative Flexible Equity Account Portfolio Activity

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- Avantor, Inc. is a leading provider of mission-critical products (e.g., materials, equipment, instrumentation) to the biopharma and health care industries. They made a transformative acquisition of VWR International, a distributor of life science tools products, a few years ago, which we believe has positioned them well to continue to grow both organically and inorganically.

- Baker Hughes Co. is a global oilfield services company with an entrenched position in the liquid natural gas (LNG) infrastructure and has a growing presence in the new energy economy. Globally, oil producing companies were forced to dramatically cut their capital expenditures over the last 5 years because of low oil prices. The current rebound in oil prices and the expected recovery in spending should benefit Baker Hughes in the future. We like their mix of businesses (e.g., LNG, recurring services), improving operating performance and capital return to shareholders.

- First Citizens BancShares, Inc. completed their acquisition of portfolio holding CIT Group. We added to First Citizens BancShares, Inc. as we see higher earnings potential for the bank.

- We eliminated Bed, Bath and Beyond and Crown Castle International, to raise capital to invest in more attractive opportunities.

SYMBOL	ADDITIONS	SECTOR
AVTR	Avantor, Inc.	Materials
BKR	Baker Hughes Company Class A	Energy
SYMBOL	**DELETIONS**	**SECTOR**
BBBY	Bed Bath & Beyond Inc.	Consumer Discretionary
CIT	CIT Group Inc.	Financials
CCI	Crown Castle International Corp	Real Estate

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PORTFOLIO CHARACTERISTICS

First Quarter 2022

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	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT	S&P 500 INDEX
Number of Holdings	44	505
Market Capitalization ($ B)		
Weighted Average	663.4	647.0
Weighted Median	333.0	207.4
Maximum	2853.3	2853.3
Minimum	4.0	5.4
P/E Ratio FY1 Est. (x)	21.0	20.1
P/E Ratio FY2 Est. (x)	18.2	18.5
Earnings Growth 3-5 Yr. Consensus Est. (%)	18.1	14.0
Dividend Yield (%)	0.8	1.4
Top 10 Equity Holdings (%)	43.9	29.5
Three-Year Annualized Portfolio Turnover (%)	11.4	--

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

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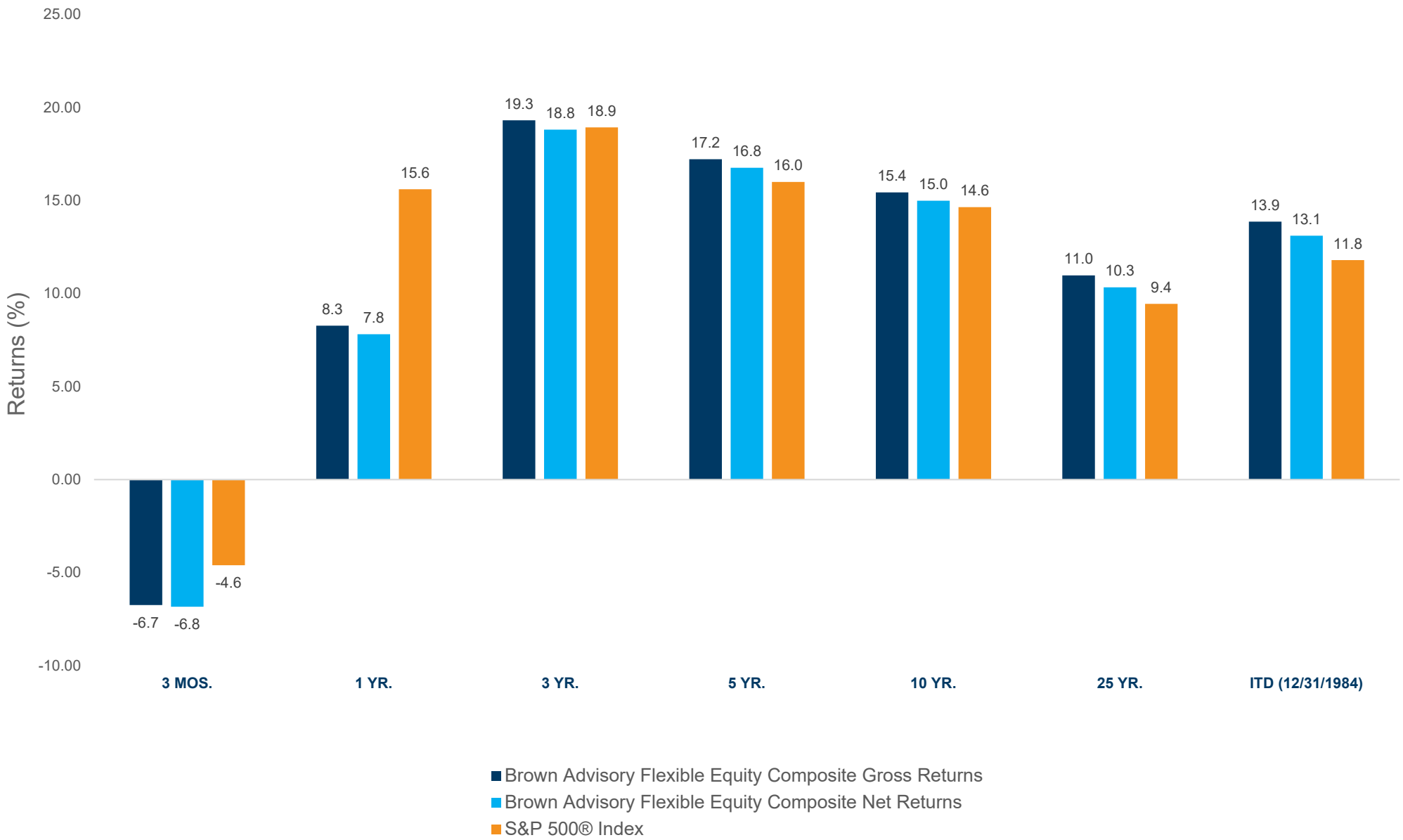
First Quarter 2022 as of 03/31/2022



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 03/31/2022

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Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Alphabet (Class A & C)*	7.1
Microsoft Corp.	7.0
Visa, Inc.	4.9
Apple, Inc.	4.6
Mastercard, Inc.	4.6
Berkshire Hathaway, Inc. Cl B	4.5
UnitedHealth Group, Inc.	4.0
Amazon.com, Inc.	3.5
Edwards Lifesciences Corp.	3.5
Ameriprise Financial, Inc.	3.0
Total	**43.9%**

Source: FactSet. *Alphabet Inc. represents a 3.0% holding position in class A and 4.0% 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 which was 2.8% as of 03/31/2022.

SECTOR DIVERSIFICATION

First Quarter 2022 Global Industry Classification Standard (GICS) as of 03/31/2022

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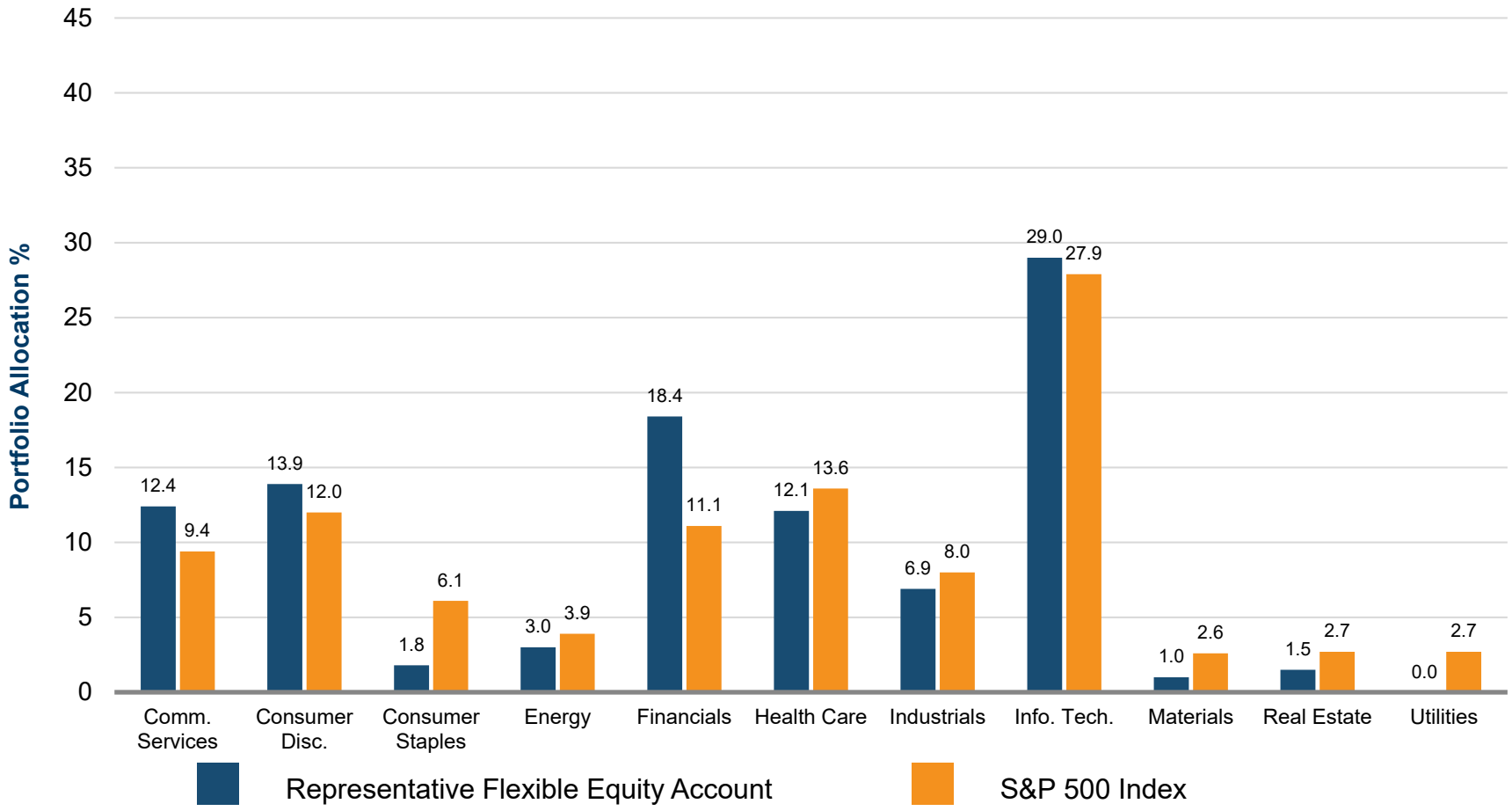

Source: FactSet. The portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS) classification system.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

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

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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.

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.

Return on Invested Capital (ROIC) is a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments.

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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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)*
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 First 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.
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