

GLOBAL LEADERS REVIEW AND OUTLOOK

First Quarter 2022

The Global Leaders strategy is focused on delivering attractive long-term performance by investing in a concentrated portfolio of companies that can uniquely solve a problem for their customer and generate attractive economics for shareholders. Given its concentrated nature the Global Leaders strategy's performance is primarily an output of our stock-picking.

Looking back to the beginning of March and the turbulence in capital markets when Russia started military actions against Ukraine, we saw absolute performance of the strategy coming temporarily under pressure. Our valuation conscious, long-term approach of investing globally in quality companies with high and durable returns on invested capital (ROIC) did help us to navigate this environment for our investors. The portfolio itself had no direct exposure to Russian or Ukrainian companies with overall revenue exposure of less than 2%. We therefore quickly leveraged our investment process that helped us to focus on the investment opportunities that became apparent when the markets were driven by fear. The team spends a significant amount of time on analyzing companies on our ready-to-buy list which serves as a valuable source of ideas in such times. We ultimately added two high quality companies to the portfolio in March, the semiconductor company ASML and the rating and data analytics company Moody's Corporation. Earlier this year, in January, we had already made one new investment in the U.S. industrial company Allegion which became available following market rotation.

With the situation in Ukraine being broadly unchanged as we are writing this commentary – a number of potential headwinds for economic growth intensified. Against this backdrop, the strategy already recovered meaningfully from this year's drawdown and closed the quarter at -7.76% net of fees, underperforming the benchmark the FTSE All-World Net Index, that ended the quarter down -5.24%. Underperformance during the quarter came from a number of sources. For example, macroeconomic weakness and renewed lockdowns in China, market rotation, and from not having any exposure to the energy sector. The main positive performance contributor was the Financials sector after being the largest negative contributor in 2021. We hold Financials with secular growth trends such as life insurance or micro lending in emerging markets and essential financial infrastructure such as securities exchanges. These business models can come temporarily under pressure when the market favours interest rate sensitive Financials which is what we saw in 2021.

As mentioned, over the quarter we added three investments. Allegion in January and ASML and Moody's Corporation in March. Conversely we exited Ecolab and Electronic Arts.

ASML is the global market leader in the supply of the most innovative lithography technology for the semiconductor industry – extreme ultraviolet lithography (EUV). ASML's machines can be used to pattern the finest details on the most advanced microchips while delivering more processing power, using less energy and delivering higher performance compared to earlier technologies such as deep ultraviolet lithography systems (DUV). ASML's technology leadership makes its machines and technologies essential to the leading global node producers such as TSMC, Intel and Samsung while at the same time owning almost the entire lithography market which makes it the provider for the most critical part of the semiconductor manufacturing process. When we did our teardown review, we could see a 75% probability of getting our base case 5-year double-digit internal rate of return (IRR). We trimmed a number of positions including TSMC in order to invest in this high IRR investment.

We added Moody's Corporation during March. Similar to ASML, the company had been on our ready-to-buy list for a number of years as we waited patiently for an attractive entry point. We repurchased Moody's after we sold the company in 2017 due to valuation reasons. We included this decision in our communication to our investors as "a lesson learnt" that high quality compounders can periodically become temporarily overvalued and should not always be sold purely on valuation. Specifically for Moody's, we were overly focused on short-term bond issuance and are now more comfortable that issuance is mean reverting. We were excited when we had the opportunity to bring Moody's back into the portfolio at a double digit IRR and with a business model that had evolved from a predominant reliance on its leading rating business (Moody's Investor Services) to incorporate a meaningful contribution from its data and analytics business (Moody's Analytics). We expect Moody's Analytics with its fast growing products and services in areas, such as compliance and ESG, to become an even more relevant value driver and to contribute to what is already a high share of recurring revenue today.

(Continued on the following page)

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The third addition, Allegion, is the U.S. leader of mechanical and electronic security products with a number two position globally.¹ Allegion's product portfolio, with highly recognisable brands such as Schlage in the U.S., stands for superior quality which is a core competitive advantage, particularly in the non-residential markets of education and healthcare which are the company's core strength. Currently ~50% of revenue is derived from aftermarket activities.² It is this mix of defensive non-residential end markets with strong pricing power and high ROIC combined with its exposure to the more cyclical residential market, with structural growth trends of increasing housing stock and electro-mechanical lock system upgrades, that we believe puts Allegion in a position to outgrow GDP and its peers. In the mid-term, we expect the non-residential market in particular to recover as it is exiting a two year weakness that was caused by Covid's impact on its end markets. From a sustainability perspective, Allegion is offering products which hold environmental benefits, such as electronic access systems that lead to greater energy efficiency and reduced waste in a house or building. Allegion also helps their customers move towards Green Building Standards by offering environmentally friendly products that contribute to a project's LEED certification through recycled content and regional material with potentially meaningful cost benefits for its clients. We bought Allegion in January at a projected 12% IRR.

We exited two long-term holdings during the quarter – Ecolab and Electronic Arts. We have held Ecolab in the portfolio since the inception of the strategy in 2015 and while we continue to like Ecolab's business model with a differentiated service model and global scale, we weighted the defensiveness of the asset against its valuation as well as other competing opportunities in the market. We saw more opportunity elsewhere and used the position to fund our purchase of Allegion.

We invested in video games publisher Electronic Arts back in 2017. Similar to Ecolab we did not believe that the unique positioning and the moats around the company's core assets were weakening. However, to see our base case for EA materialize, we would have needed the company to materially accelerate free cash flow growth with either new content or delivery mechanisms and business models, such as mobile and subscriptions. Particularly areas such as mobile gaming, a fairly new segment for EA, have however become more material to the success of our investment thesis – a business model that has inherently wider probabilities. These changing dynamics around the business

case led us to look for more opportunity elsewhere and we used the position to fund the new addition of Moody's Corporation as well as the full build out of our position in Allegion.

As we enter a new quarter we continue to have a fully built out pipeline of research ideas and continue to work on the ongoing diligence for our holdings. In this context we are happy to see further growth in the Brown Advisory research team with two more members added to the investigative research team during this quarter. This team is not only on top of material regulatory developments within U.S. technology but continuously supports our fundamental and ESG research with project specific industry research. This quarter has once again reminded us that volatility is not risk – for us we define risk as the permanent destruction of our clients' capital which primarily comes from competitive disruption or overpaying for great businesses. We are thankful that our investment process and ownership structure allows us to continue to focus on the long-term and on striving to have the fullest possible understanding of our companies' business models.

¹ Source: Allegion's 2021 Annual Report

² Source: Allegion's 2019 Investor Day

Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Commentary on company information is as of each company's fiscal year. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. Past performance is not indicative of future results and you may not get back the amount invested.

SECTOR DIVERSIFICATION

First Quarter 2022

- Global Leaders is a concentrated global equity strategy that focuses on investing in a small number of franchises that we believe can deliver exceptional outcomes for their customers and outstanding economics for shareholders. Accordingly, sector and country diversification is an output of stock-picking with the team more focused on business models and end-market economics than in which sector a company is classified.
- At the same time, the strategy seeks differentiated exposures but will not compromise philosophically. The portfolio managers are happy to have no exposure in certain areas, such as energy, real estate or utilities, that do not satisfy their investment criteria.
- The strategy's overweight position in Information Technology—its largest—is a function of a number of attractive high-quality franchises, such as Microsoft, Alphabet and Intuit, located in that sector as well as large payment providers categorized as technology firms.
- The strategy's underweight position in Health Care is the result of many attractive companies currently not passing the strategy's valuation test.

SECTOR	REP. BROWN ADVISORY GLOBAL LEADERS ACCOUNT (%)	FTSE ALL- WORLD INDEX (%)	DIFFERENCE (%)	REP. BROWN ADVISORY GLOBAL LEADERS ACCOUNT (%)	
	Q1'22	Q1'22	Q1'22	Q4'21	Q1'21
Communication Services	11.77	8.03	3.74	14.85	13.81
Consumer Discretionary	4.49	11.35	-6.86	4.63	4.60
Consumer Staples	5.02	6.92	-1.90	6.10	8.28
Energy	--	4.33	-4.33	--	--
Financials	19.83	14.83	4.99	15.02	14.94
Health Care	6.90	11.80	-4.90	6.80	5.88
Industrials	9.67	9.49	0.17	7.62	8.24
Information Technology	39.55	22.37	17.18	39.83	38.88
Materials	2.23	5.15	-2.92	4.71	4.59
Real Estate	--	2.88	-2.88	--	--
Utilities	--	2.85	-2.85	--	--

ATTRIBUTION DETAIL BY SECTOR

First Quarter 2022

SECTOR	REPRESENTATIVE GLOBAL LEADERS ACCOUNT		FTSE ALL-WORLD INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	13.92	-6.65	8.31	-10.82	-0.33	0.69	0.35
Consumer Discretionary	4.69	-10.80	11.54	-10.97	0.41	0.01	0.42
Consumer Staples	5.60	-20.14	6.97	-3.75	--	-1.00	-1.00
Energy	--	--	4.10	19.73	-0.85	--	-0.85
Financials	17.60	11.51	15.03	0.22	0.03	1.78	1.81
Health Care	6.54	-5.85	11.50	-3.79	-0.08	-0.13	-0.21
Industrials	8.89	-13.37	9.60	-5.44	-0.01	-0.71	-0.72
Information Technology	39.25	-10.17	22.40	-10.62	-0.89	0.19	-0.71
Materials	2.87	-29.17	4.99	2.15	-0.11	-1.15	-1.26
Real Estate	--	--	2.80	-4.88	-0.01	--	-0.01
Utilities	--	--	2.75	1.27	-0.17	--	-0.17
Total	100.00	-7.60	100.00	-5.28	-2.00	-0.32	-2.33

- Financials delivered the largest positive attribution this quarter which was led by emerging market financials such as B3 in Brazil and PT Bank Rakyat in Indonesia followed by Deutsche Boerse. This was a meaningful turnaround from the 2021 underperformance when more interest rate sensitive companies were in favour.
- Materials, Information Technology and Consumer Staples were the largest detractors as individual, high-quality companies, such as Adobe, Intuit or Sherwin-Williams underperformed. Within Consumer Staples, Estee Lauder reacted negatively to new Covid lockdowns in China, a growth market for the company.
- We have not had any investments in either Energy, Real Estate or Utilities since inception.

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. 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. Performance figures may vary from actual portfolio performance, as calculations are based on end-of-day security prices and do not incorporate the actual cost basis or sale price of individual securities. Past performance is not indicative of future results. The portfolio information provided is based on a representative Global Leaders 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

First Quarter 2022 Representative Global Leaders Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
BG36ZK1	B3 SA - Brasil, Bolsa, Balcao	Provides exchange trading, clearing and other trade services	2.53	65.93	1.21
6709099	PT Bank Rakyat Indonesia (Persero) Tbk Class B	Operates national and international banking institutions	3.11	12.51	0.35
7021963	Deutsche Boerse AG	Operates securities and commodity exchanges	3.60	8.42	0.32
V	Visa Inc. Class A	Operates as a global payments technology	6.37	2.74	0.19
ASML	ASML Holding NV ADR	Engages in the development, production, marketing, selling and servicing of semiconductor equipment	0.34	13.29	0.15

- B3 rallied into the first quarter, compensating for the weakness in Q4. This Brazilian exchange benefits from long-term tailwinds of financial deepening in the region and significant potential from product development.
- PT Bank Rakyat benefitted from the abiding Covid induced mobility limitations that have been putting pressure on emerging markets Financials in general. It further continued to integrate micro lenders Pegadaian and PNM, strengthening its leadership in the Indonesian micro lending market.
- Deutsche Boerse's derivatives and interest rate volumes at its derivative exchange Eurex provided cyclical tailwinds to the business while its Clearstream custody assets started to see benefits from rising interest rates. EEX the company's energy exchange further benefited from commodity price volatility.
- Visa saw a strong share price recovery in January following its earnings announcements. The markets reacted to the positive message around a cross border travel recovery as well as the meaningful growth opportunities for the company. Concerns about Visa's exposure to Russia and the impact of it closing business operations in Russia were only short lived.
- ASML was added to the portfolio in the midst of the market turmoil caused by military action in the Ukraine in early March. It recovered strongly from those early March trough levels.

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BOTTOM FIVE CONTRIBUTORS TO RETURN

First Quarter 2022 Representative Global Leaders Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
SHW	Sherwin-Williams Company	Engages in the development, manufacture, distribution and sale of paint, coatings and related products	2.45	-28.96	-0.86
BMMV2K8	Tencent Holdings Ltd.	Operates investment holding company with interest in internet, mobile, and telecommunications value-added services	4.04	-16.33	-0.83
EL	Estee Lauder Companies Inc. Class A	Offers skin care, makeup, fragrance and hair care products	2.65	-26.28	-0.83
INTU	Intuit Inc.	Provides software products for businesses	2.92	-25.26	-0.80
TSM	Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Manufactures, distributes and tests integrated circuits, silicon wafers, diodes and related semiconductor components	4.51	-13.20	-0.71

- Sherwin-Williams' sales volumes disappointed due to a lack of raw material supply availability. The company has strong pricing power which was however not sufficient to fully compensate the meaningful raw material inflation this quarter.
- Tencent came under pressure as the tech sector has again come under regulatory scrutiny. Tencent has implemented a number of new policies in its payment business to align with government regulation in this area.
- Estee Lauder's share price reacted to renewed lockdowns in China as China continues to pursue a zero Covid policy. Growth in China and particularly the Hainan province is a meaningful driver for Estee Lauder which it was only partially able to compensate with a recovery in its U.S. cosmetics business.
- Intuit joined the group of high quality businesses that came under pressure in the beginning of the quarter. We believe the fundamentals continue to be very attractive with a meaningful growth path as the company expands its product portfolio and intensifies its sales activities with larger customers.
- Taiwan Semiconductor came under pressure when Russia's military action in Ukraine prompted renewed fear about a potential conflict between China and Taiwan.

ADDITIONS/DELETIONS

First Quarter 2022 Representative Global Leaders Account Portfolio Activity

- ASML is the global market leader in the supply of the most innovative lithography technology for the semiconductor industry. Its machines can be used to pattern the finest details on the most advanced microchips while delivering more processing power, using less energy and delivering higher performance compared to earlier technologies. ASML's technology leadership makes its machines and technologies essential to the leading global node producers. When we did a teardown review, we could see a 75% probability of getting our base case 5-year double-digit internal rate of return (IRR).
- We repurchased Moody's Corporation after we sold the company in 2017 due to valuation reasons. We included this decision in our communication to our investors as "a lesson learnt" that high quality compounders can periodically become temporarily overvalued and should not always be sold purely on valuation. For Moody's specifically we were in the past overly focused on short-term bond issuance. We were excited when we had the opportunity to bring Moody's back into the portfolio at a double digit IRR and with a business model that had evolved from a predominant reliance on its leading rating business to incorporate a meaningful contribution from its data and analytics business.
- Allegion is the U.S. leader of mechanical and electronic security products with a number two position globally. Allegion's brands stand for superior quality which we believe is a core competitive advantage, particularly in the non-residential markets of education and healthcare which are the company's core strength. Currently approx. 50% of revenue is derived from aftermarket activities. It is this mix of defensive non-residential end markets with strong pricing power and high ROIC combined with its exposure to the more cyclical residential market that we believe puts Allegion in a in a position to outgrow GDP and its peers.
- We have held Ecolab in the portfolio since inception of the strategy in 2015 and while we continue to like Ecolab's business model with a differentiated service model and global scale, we weighted the defensiveness of the assets against its valuation as well as other competing opportunities in the market and saw more opportunity elsewhere. We used the position to fund our purchase of Allegion

SYMBOL	ADDITIONS	SECTOR
ALLE	Allegion PLC	Industrials
ASML	ASML Holding NV ADR	Information Technology
MCO	Moody's Corporation	Financials

SYMBOL	DELETION	SECTOR
ECL	Ecolab Inc.	Materials
EA	Electronic Arts Inc.	Communication Services

SYMBOL	ADD & DELETES	SECTOR
BKPQZT	JD.com, Inc. Class A	Consumer Discretionary

- We invested in video games publisher Electronic Arts back in 2017. Similar to Ecolab we did not believe that the unique positioning and the moats around the company's core assets were weakening. For EA, areas such as mobile gaming, a fairly new segment for the company, have however become more material to the success of our investment thesis – a business model that has inherently wider probabilities. This led us to look for more opportunity elsewhere and we used the position to fund the new addition of Moody's Corporation as well as the full build out of our position in Allegion.
- The addition of JD.com was the result of a special interim dividend distribution from Tencent. We did analyse the standalone company's business model but struggled to find the competitive strength and profitability level to underwrite the investment thesis. The position has been sold at the end of the lock up period.

Source: Public. The information provided in the materials is not intended to 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. Sectors are based on the Global Industry Classification Standard (GICS) classification system. The portfolio information provided is based on a representative Global Leaders account and is provided as supplemental information. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

PORTFOLIO CHARACTERISTICS

First Quarter 2022 Global Leaders Representative Account as of 03/31/2022

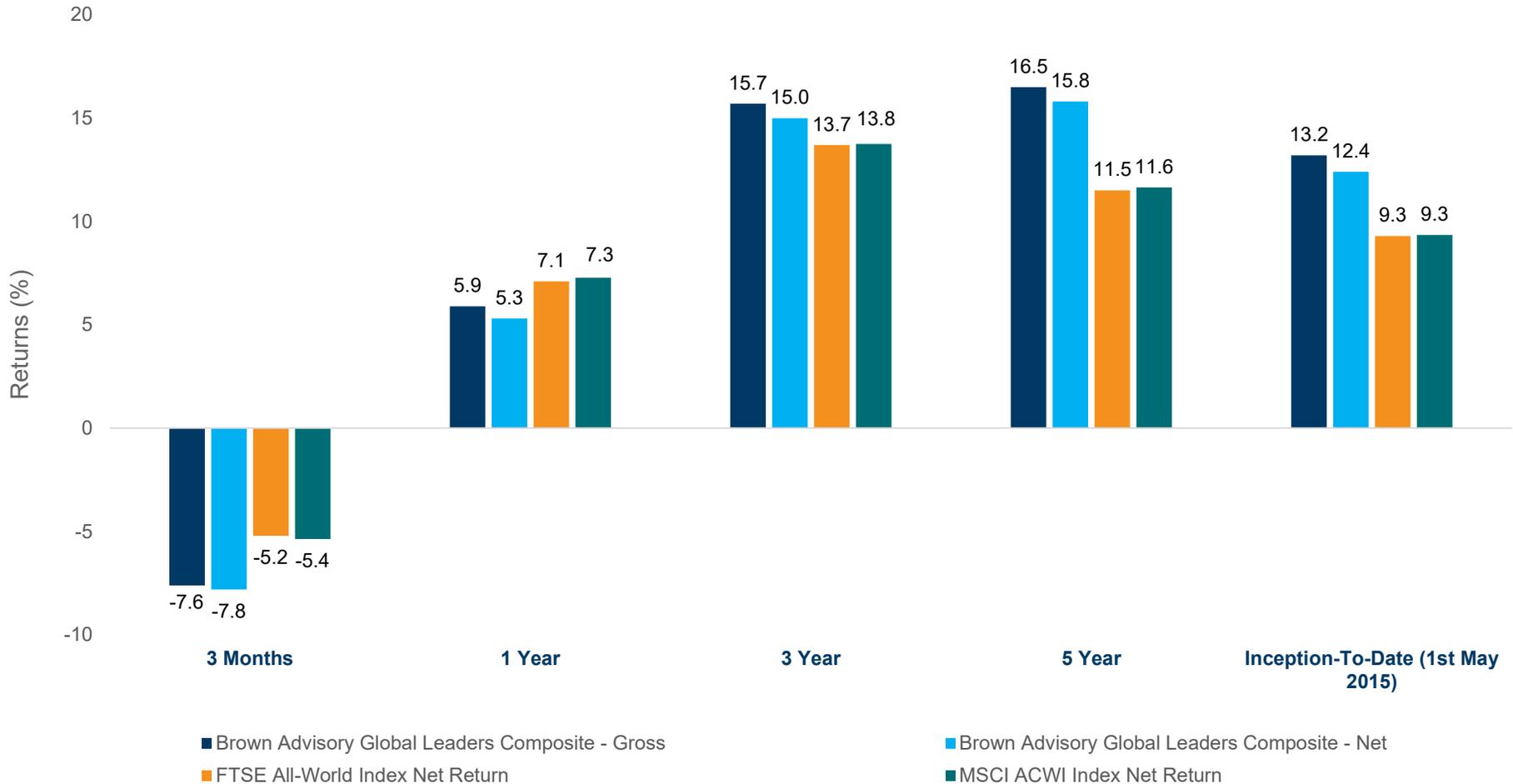


	GLOBAL LEADERS REPRESENTATIVE ACCOUNT	FTSE ALL WORLD NET INDEX
ROIC (LFY ex. financials) Median (%)	25.3	8.7
Sales Growth (% , 3 Year Median)	9.8	5.4
FCF Yield ex. financials (NTM Median) (%)	3.6	4.2
Volatility	14.5	14.3
Sharpe Ratio	0.8	0.6
Sortino Ratio	1.1	0.8
Beta	1.0	
Alpha	3.2	
Net Debt to EBITDA ex. Financials (Weighted Average)	0.4	1.6

Source: FactSet. Past performance is not indicative of future results. The portfolio information provided is based on a representative Global Leaders account and is provided as supplemental information. Portfolio characteristics include 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

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 and you may not get back the amount invested. The primary benchmark is the FTSE All-World Net Index. The MSCI ACWI Index is for illustrative purposes only. The composite performance shown above reflects the Global Leaders 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 Global Leaders disclosure statement at the end of this presentation for a GIPS compliant presentation.

TOP 10 PORTFOLIO HOLDINGS

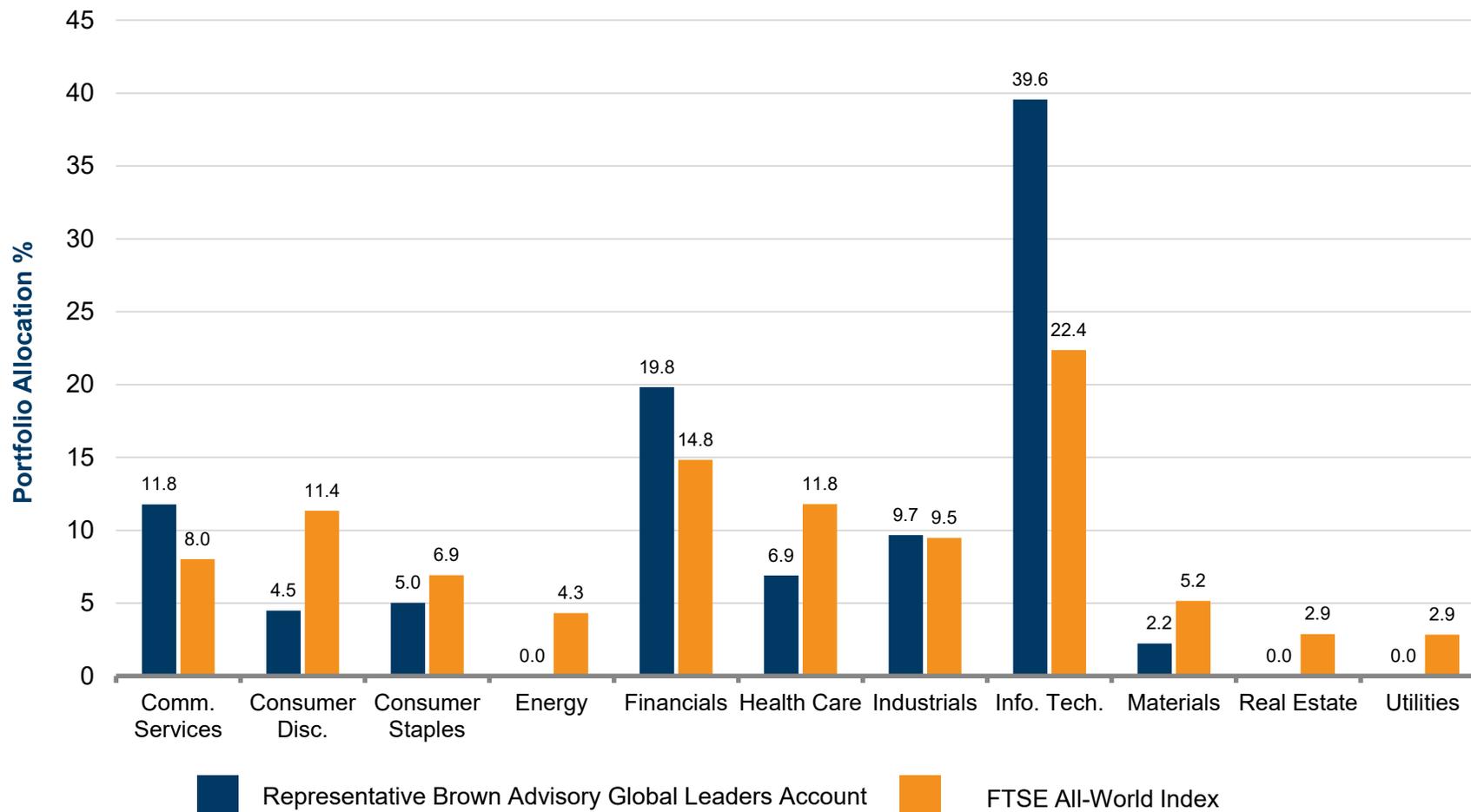
Global Leaders Representative Account as of 03/31/2022

TOP 10 HOLDINGS	% OF PORTFOLIO
Microsoft Corp.	9.9
Alphabet, Inc. Cl C	6.6
Visa, Inc.	6.6
Mastercard, Inc.	5.4
Deutsche Boerse Ag	3.9
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	3.9
Roche Holding AG	3.7
Tencent Holdings Ltd	3.7
Marvell Technology, Inc.	3.6
PT Bank Rakyat Indonesia (Persero) Tbk Class B	3.5
Total	50.6

Source: FactSet. Top 10 holdings excludes cash and cash equivalents which was 1.0% as of 03/31/2022 and is provided as a supplemental information. 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 Global Leaders Representative 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

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



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

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The **FTSE All-World Index** is a free float market cap weighted index representing the performance of the large-and-mid-cap stocks from the FTSE Global Equity Index Series. The Index covers Developed and Emerging Markets FTSE® and other service marks and trademarks related to the FTSE indexes are trademarks of the London Stock Exchange Group Companies. One cannot invest directly in an index. Figures shown on sector diversification and quarterly attribution by detail slides may not total due to rounding.

The **MSCI ACWI® Index** captures large and mid cap representation across 23 Developed Markets (DM) countries and 23 Emerging Markets (EM) countries. With 2,758 constituents, the index covers approximately 85% of the global investable equity opportunity set. All MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries.

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

TERMS AND DEFINITIONS

Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a portfolio and compares its risk-adjusted performance to a benchmark.

Beta is a measure of portfolio volatility. It is equal to the ratio of a portfolio's volatility relative to its benchmark index's volatility over time. It is equal to the excess return of a portfolio over a risk-free investment, minus that portfolio's expected return given its volatility relative to its benchmark index.

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.

RoIC is a measure of determining a company's financial performance. It is calculated as NOPAT/IC; where NOPAT (net operating profit after tax) is (EBIT + Operating Leases Due 1-Yr)*(1-Cash Tax Rate) and IC (invested capital) is Total Debt + Total Equity + Total Unfunded Pension + (Operating Leases Due 1-Yr * 8) – Excess Cash. ROIC calculations presented use LFY (last fiscal year) and exclude financial services.

Free Cash Flow (FCF) yield is a measure of financial performance calculated as operating cash flow minus capital expenditures. FCF yield calculations presented use the median NTM (Next Twelve Months) and exclude financial services.

IRR (internal rate of return) is a measurement used to estimate the profitability of a project or investment. It is used when companies need to decide between different ways of using their money. The **IRR** of the investment is determined by anticipating the profit a project will produce in the future and finding out its value today.

Sales growth rate is based on reported company revenue for the past three years at the end of the current quarter, provided as a historical average.

Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index.

Sharpe Ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Subtracting the risk-free rate from the mean return, the performance associated with risk-taking activities can be isolated. Generally, the greater the value of the Sharpe ratio, the more attractive the risk-adjusted return.

Sortino Ratio measures the risk-adjusted return of an investment asset, portfolio, or strategy. It is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally.

Net debt-to-EBITDA (earnings before interest depreciation and amortization) ratio is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The calculation presented excludes financial services.

GLOBAL LEADERS COMPOSITE

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Composite 3-Yr Annualized Standard Deviation (%)	Benchmark 3-Yr Annualized Standard Deviation (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$USD Millions)*	GIPS Firm Assets (\$USD Millions)*
2020	21.0	20.2	16.0	16.9	18.1	Five or fewer	N/A	2,428	59,683
2019	35.1	34.2	26.5	11.6	11.2	Five or fewer	N/A	731	42,426
2018	-2.2	-2.8	-9.6	11.0	10.5	Five or fewer	N/A	303	30,529
2017	35.1	34.0	24.0	N/A	N/A	Five or fewer	N/A	77	33,155
2016	-0.6	-1.4	8.0	N/A	N/A	Five or fewer	N/A	38	30,417
2015**	1.2	0.7	-4.4	N/A	N/A	Five or fewer	N/A	24	43,746

**Return is for period May 1, 2015 through December 31, 2015

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.

- *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
- The Global Leaders Composite (the Composite) aims to achieve capital appreciation by investing primarily in global equities. The strategy will invest in equity securities of companies that the portfolio manager believes are leaders within their industry or country, as demonstrated by an ability to deliver high relative return on invested capital over time. The minimum account market value required for Composite inclusion is \$1.5 million.
- The Composite creation date is August 26, 2015. The Composite inception date is May 1, 2015.
- The benchmark is the FTSE All-World Net Index. This index is a free float market cap weighted index representing the performance of the large & mid cap stocks from the FTSE Global Equity Index Series. The Index covers Developed & Emerging Markets. Base Value 100 as at December 31, 1986. "FTSE®", "Russell®", "MTS®", "FTSE TMX®" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trademarks of the London Stock Exchange Group companies. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
- As of January 1, 2019, the Composite benchmark was changed from Russell Global Large-Cap Net Index to the FTSE All-World Net Index. The change was applied retroactively from the Composite inception date. The Russell Global Large-Cap Net Index was decommissioned as of December 31, 2018 and is no longer published.
- Composite dispersion is an equal-weighted standard deviation of portfolio gross returns calculated for the accounts in the Composite for the entire calendar year period. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the Composite for the entire period.
- Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 0.80% on the first \$50 million; 0.55% on the next \$50 million; 0.45% on the next \$50 million; and 0.40% on the balance over \$150 million. Further information regarding investment advisory fees is described in Part II A of the firm's form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- The investment management fee for the Investor Shares of the Brown Advisory Global Leaders Fund (the Fund), which is included in the Composite, is 0.65%, 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 0.90%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- The investment management fee for the Sterling Class B Acc Shares of the Brown Advisory Global Leaders Fund (the UCITS), which is included in the composite, is 0.75%. The total expense ratio for the Sterling Class B Acc Shares of the UCITS as of the most recent fiscal year end (October 31, 2020) was 0.92%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31. The 3 year annualized standard deviation is not presented as of December 31, 2015, December 31, 2016 and December 31, 2017 because 36 month returns for the Composite were not available (N/A) and the Composite did not exist.
- Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
- A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
- Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- Past performance is not indicative of future results.
- This piece is provided for informational purposes only and should not be construed as a research report, a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell or hold any of the securities mentioned, including any mutual fund managed by Brown Advisory.