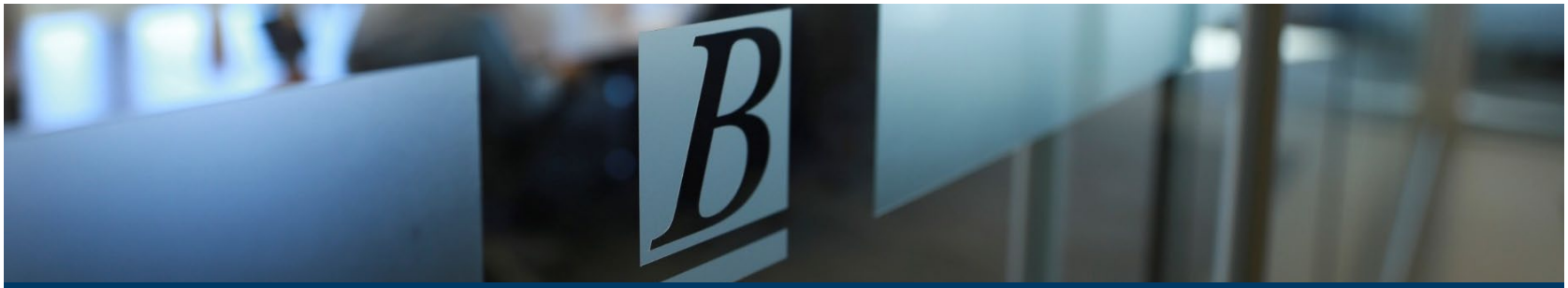
BROWN ADVISORY GLOBAL LEADERS STRATEGY

Q2 2020

For Institutional Investors Only

Brown ADVISORY
Thoughtful Investing.

BROWN ADVISORY: FIRM OVERVIEW



Independent, fundamentally driven investment management firm

FIRM

1993
Launched as an investment management arm of Alex. Brown & Sons

1998
Investment team and management-led buyout enables independence, focus and expansion

2008
Brown Advisory International Business was established with an office in London

2019
Launched Singapore Office

100%
Of our colleagues collectively own 70% of the firm's equity

INVESTMENT ASSETS

48 equity professionals

16 years
Average years of investment experience for our equity research team

$86 billion
In total assets under management for institutions, private clients and charities

$42 billion
Institutionally marketed strategy assets under management

$12 billion non-U.S. assets under management

GLOBAL LEADERS

2015
1st May Brown Advisory Global Leaders Strategy launched and UCITS Fund incepted

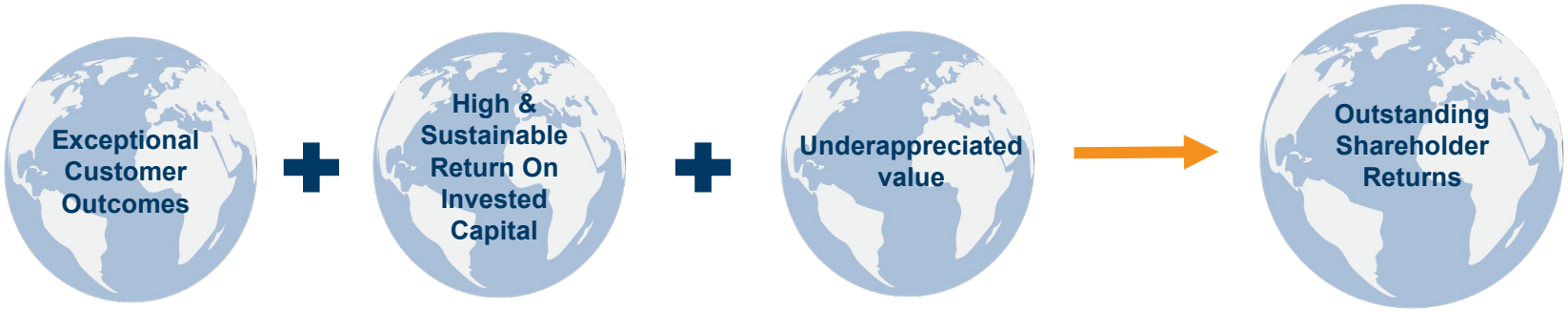
$1.8 billion
Brown Advisory Global Leaders strategy assets under management

$893 million
Brown Advisory Global Leaders UCITS Fund assets under management

2019
1st November 2019 Global Leaders Sustainable UCITS Fund incepted

Source: Brown Advisory. Data as of June 30, 2020. Please see the end of the presentation for important disclosures and information regarding assets.

THE OPPORTUNITY



We believe that 30-40 companies that combine exceptional outcomes for their customers with strong leadership can generate high and sustainable returns on invested capital (ROIC), which can lead to outstanding shareholder returns for our investors.

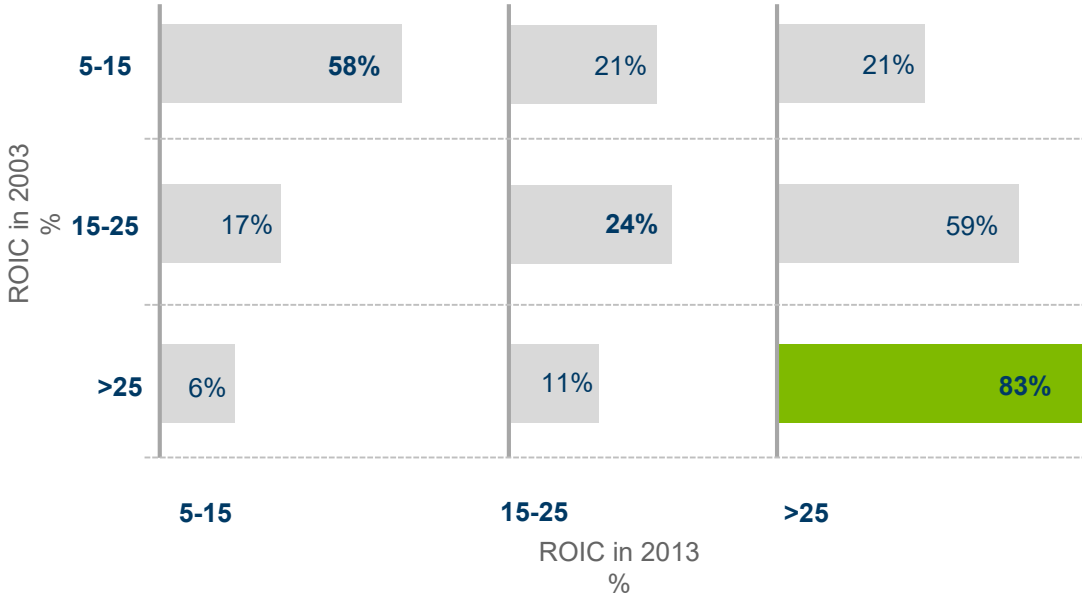
How we are different:

Philosophy	We focus on the customer and Sustainable Business Advantages
People	We believe in self-improvement and pure primary research
Process	We employ distinct investment selection and capital allocation processes
Performance	We are global investors and deliver differentiated performance (eg. financials)

THE PERSISTENCE OF RETURN ON INVESTED CAPITAL

Brown ADVISORY
Thoughtful Investing.

Global leaders tend to stay leaders



Leaders tend to stay leaders.
83% of companies with a ROIC of greater than 25% in 2003 had a 25% or higher ROIC a decade later

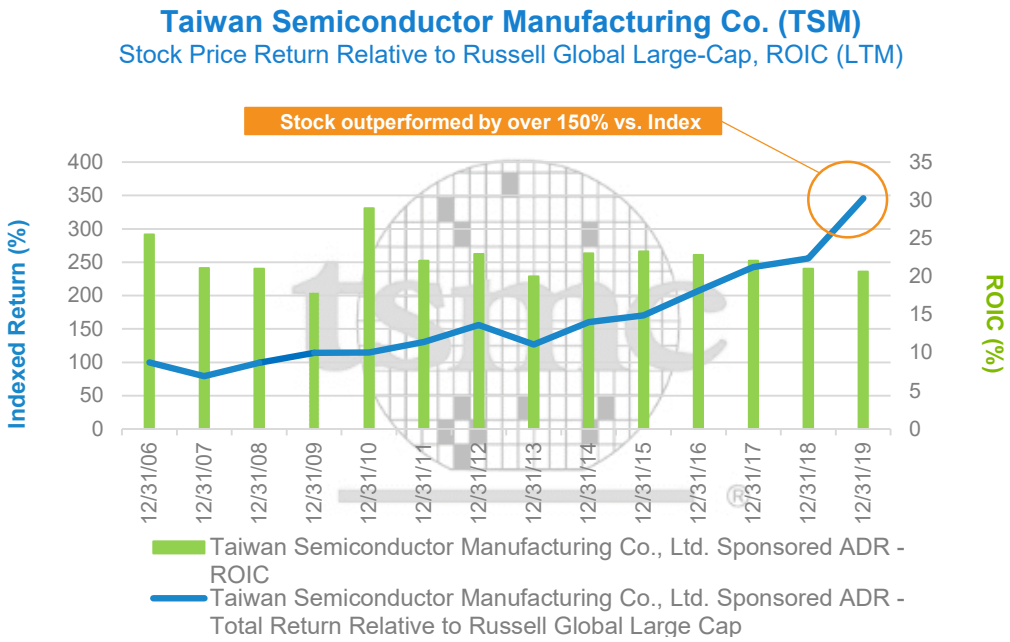
Chart reproduced with permission from McKinsey & Company Inc. as featured in the book, "Valuation: Measuring and Managing the Value of Companies, University Edition." 6th Edition, 2015. ROIC is calculated as *% without goodwill*. Please see the end of the presentation for important information. The selected sample is the S&P 500® Index.

Please see the end of the presentation for important disclosures and information regarding assets.

Case Study:

ROIC AND RELATIVE RETURN

As of 12/31/2019



Exceptional customer outcomes can create a virtuous circle of customer and shareholder goodwill,
high and sustainable return on invested capital (ROIC)
and excess economic profit at above-market growth rates for extended periods.

Source: FactSet®. Logo has been used with exclusive permission. The ROIC for TSM reflects the most recent available data point, reported from 12/31/19. From 1st May, 2015 to 31st December, 2019 the benchmark was the Russell Global Large-Cap Net Index. 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. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

EQUITY RESEARCH TEAM

Brown ADVISORY
Thoughtful Investing.

Global Leaders Working Group

U.K. Based Employees

PORTFOLIO MANAGERS

MICK DILLON, CFA

BERTIE THOMSON, CFA

HEAD OF INTERNATIONAL EQUITY RESEARCH & FINANCIALS ANALYST

PRIYANKA AGNIHOTRI, CFA

BUSINESS SERVICES

THOMAS FITZALAN HOWARD

INDUSTRIALS

RODDY SEYMOUR-WILLIAMS

GENERALIST

RAN CHANG

U.S. Based Employees

CONSUMER

DAN MOONEY, CFA

FINANCIALS

CAMERON MATHIS

TECHNOLOGY

JOHN CANNING, CFA

HEALTH CARE

SANJEEV JOSHI, CFA

DIRECTOR OF RESEARCH

ERIC GORDON, CFA

INVESTIGATIVE

LAUREN CAHALAN

ESG

EMILY DWYER

KATHERINE KROLL

VICTORIA AVARA

BUSINESS SERVICES

ROBERT FURLONG, CFA

CONSUMER

ERIC CHA, CFA

PATRICK MAHONEY

ALEX TREVINO

GENERALIST

MICHAEL POGGI, CFA

BRANDON WOODLAND, CFA

FINANCIALS

KENNETH COE, CFA

SHA HUANG

HEALTH CARE

MARK KELLY

SUNG PARK, CFA

RISK

ERIN CAWLEY

INDUSTRIALS

JONATHAN CHOU, CFA

ADI PADVA

JAMIE WYATT

TECHNOLOGY

JOHN BOND, CFA

DREW FRANCK

EMILY WACHTMEISTER, CFA

Global Leaders

INVESTMENT PROCESS

Brown ADVISORY
Thoughtful Investing.

Investment Selection	Capital Allocation
Idea Generation	Payoff vs Probability
Fundamental Analysis	Risk Factor Analysis
Stock Approved/Dismissed	Behavioural Analysis

Investment Selection:

FOUR KEY IDENTIFIERS

Brown ADVISORY
Thoughtful Investing.

Franchise Quality

- Customer Outcome
- Business Model
- Moats / Barriers to Entry
- Sustainable Business Advantage

Quantitative Measures

- We have to see it in the numbers
- Look for ROIC >20% or a pathway to 20%
- Reinvestment rate / ROIIC
- Profits turned into cash

Investability

- ~ 9 out of 10 companies fail here
- Probability weighted expected return
- Absolute cash flow value – not relative valuation

Management Quality

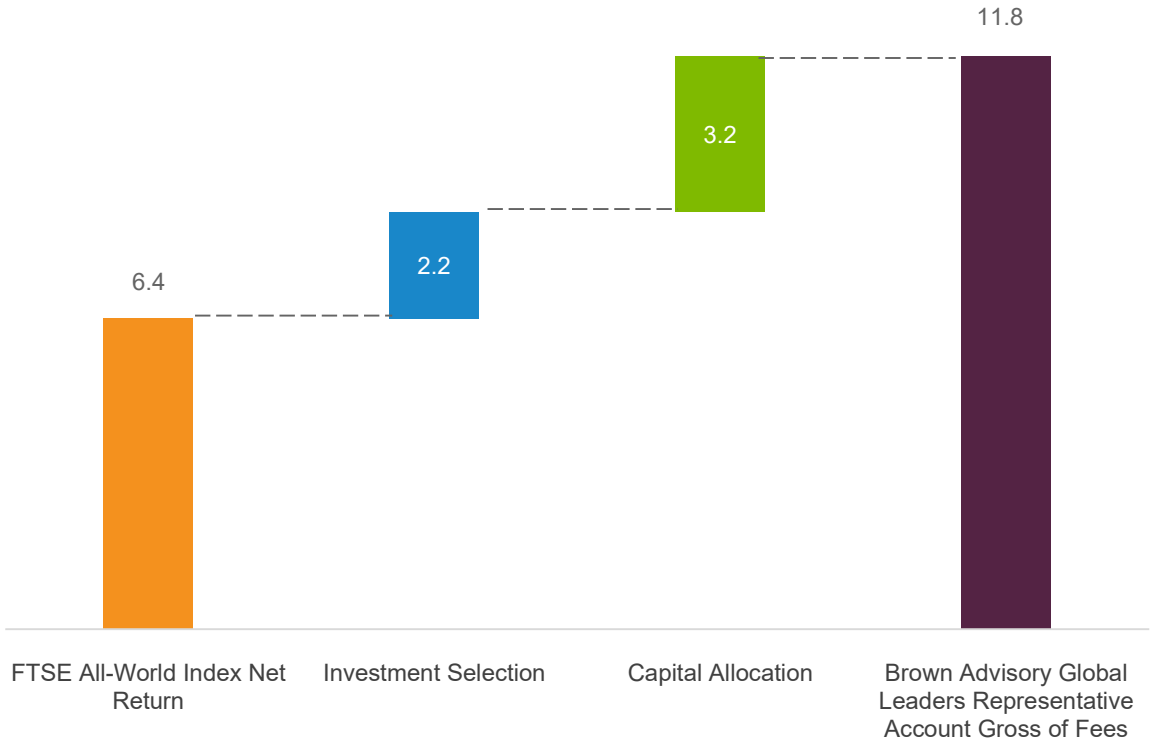
- Ability to allocate capital
- Management incentives are aligned
- >75% of the portfolio has founder or family at the helm, or managers with >10 year tenures

Capital Allocation:

ADDING TO EXCESS RETURN

5 Year Annualized Performance as of June 30, 2020

Global Leaders Representative Account (% gross of fees)



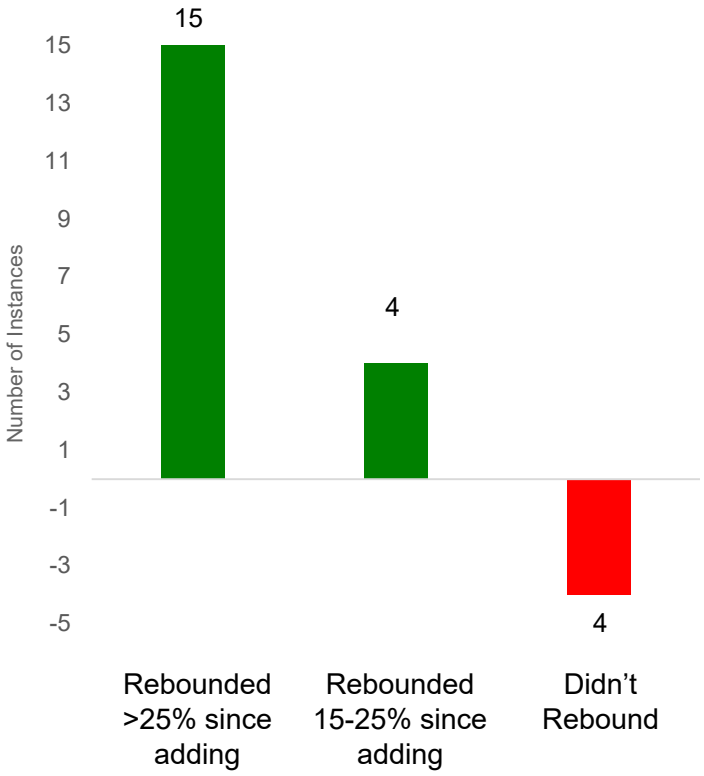
Adding value through investment selection AND capital allocation.

Source: FactSet. All returns greater than one year are annualized. Inception Date: May 1, 2015. Past performance is not indicative of future results and you may not get back the amount invested. The performance shown above reflects a representative Brown Advisory Global Leaders Account. Please see the end of this presentation for additional information and terms and definitions.

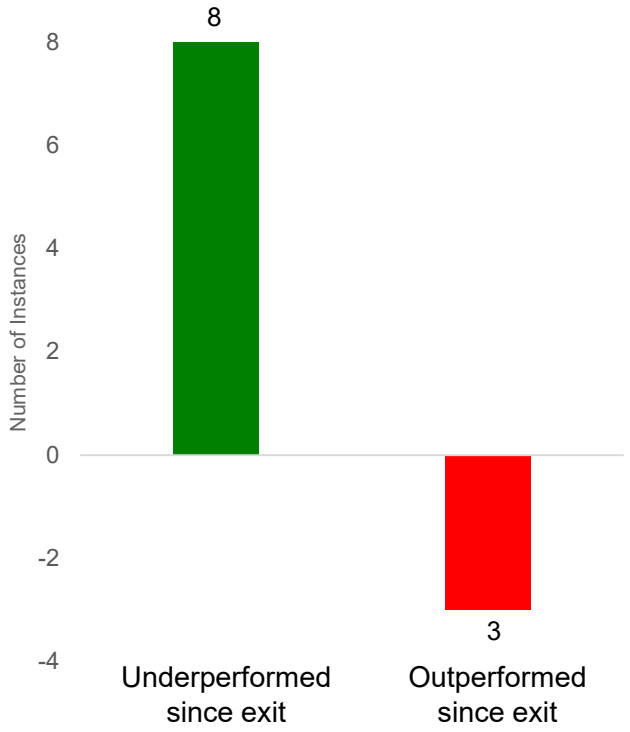
RESULTS FROM -20% DRAWDOWN REVIEWS

From 04/01/2016 – 03/31/2020

Addition Hit Rate



Exit Hit Rate



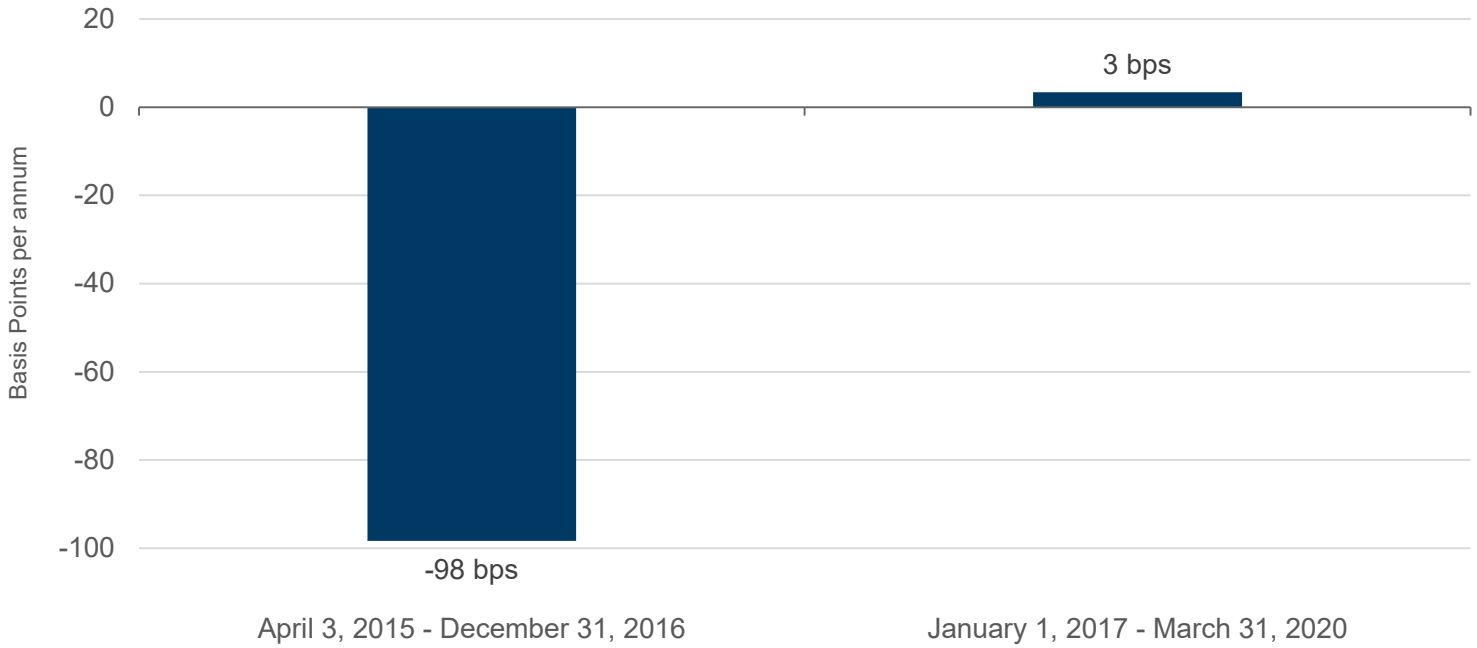
Our drawdown review process adds value

Source: Brown Advisory Calculations. Past performance is not indicative of future results.
The portfolio information provided is based on a representative Brown Advisory Global Leaders account using pricing within 6 months post the trade date and is provided as 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. Please see the Brown Advisory Global Leaders disclosure statement at the end of this presentation for a GIPS compliant presentation.

SELLING STRATEGY: EXIT DECISIVELY

As of 03/31/2020

Cumulative Loss From First Sale to Exit (basis points per annum)
Global Leaders Representative Account



Managers often lose alpha when selling; we did too until January 2017.

Source: Brown Advisory Calculations. Past performance is not indicative of future results.
The loss is calculated based on the price return of each stock from initial sell to exit date. The portfolio information provided is based on a representative Brown Advisory Global Leaders account and is provided as 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. Please see the Brown Advisory Global Leaders disclosure statement at the end of this presentation for a GIPS compliant presentation.

Brown ADVISORY
Thoughtful Investing.

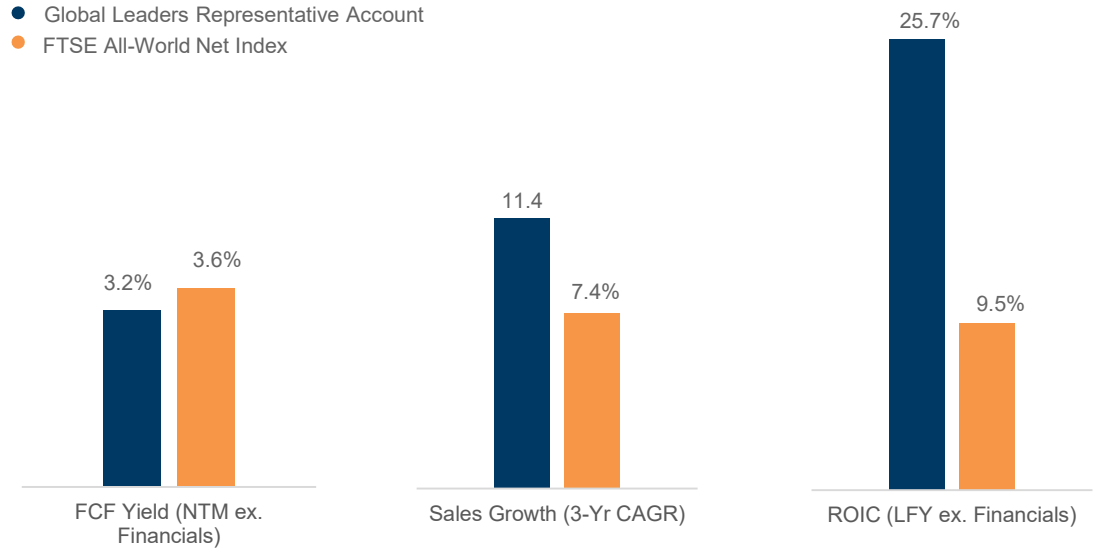
PORTFOLIO ATTRIBUTES

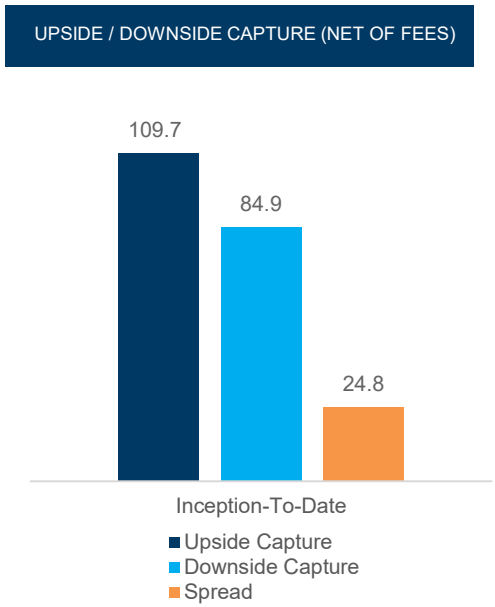
As of 06/30/2020

PORTFOLIO ATTRIBUTES

Global Leaders Representative Account As of 06/30/2020

Portfolio Attributes





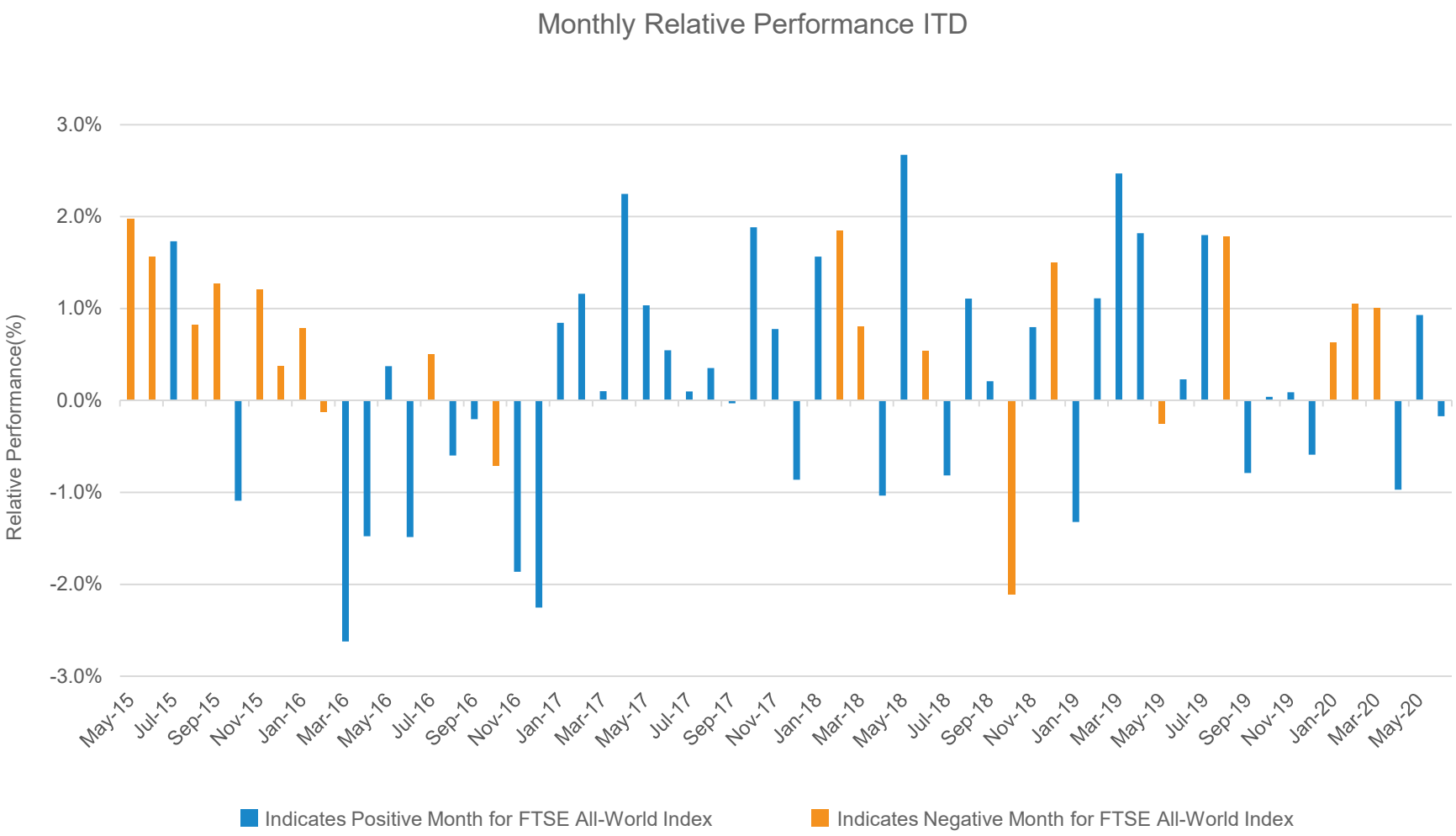
PERFORMANCE CHARACTERISTICS	GLOBAL LEADERS REP. ACCOUNT	FTSE ALL-WORLD INDEX
Volatility	13.8%	14.3%
Sharpe Ratio	0.7	0.3
Sortino Ratio	0.9	0.4
Beta	0.93	1.00
Alpha	4.9%	--
Annualized Tracking Error (1 Yr.)	4.2	--
Active Share	92%	--
Net Debt to EBITDA (ex. Financials)	0.1	1.4

Source: FactSet®. Inception-to-date period is May 1, 2015 to June 30, 2020. Annualized Upside / Downside Capture is based on a representative Global Leaders account (net of fees) and is provided as supplemental information. Upside capture ratio is defined as how well a portfolio performs in time periods where the benchmark's returns are greater than zero. For example, if the benchmark's upside capture is 100% and the portfolio's is 109.7%, then when the benchmark is up 10% your portfolio is up 10.97%. This portfolio did better than the benchmark in up markets. The downside capture ratio is defined as how well a portfolio performs in time periods where the benchmark's returns are less than zero. For example, if the benchmark downside capture is 100% and the portfolio's is 84.9%, then when the benchmark is down 10% your portfolio is down 8.49%. This portfolio did better than the benchmark in down periods. The portfolio outperformed in 26 of the 42 up months and 15 of the 20 down months since inception.

Source: FactSet® and Brown Advisory calculations. Past performance is not indicative of future results. Portfolio information is based on a representative Global Leaders account and is provided as supplemental information. Performance statistics are monthly, based on the Global Leaders Composite net of fees since inception on 1st May 2015. Portfolio attributes and performance characteristics exclude cash and cash equivalents which was 3.1% and are subject to change. Portfolio attributes show the median returns. Numbers may not total 100% due to rounding. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

MEANINGFUL RELATIVE OUTPERFORMANCE IN UP AND DOWN MARKETS

Representative Global Leaders Account As of 06/30/2020



Source: Brown Brothers Harriman. Inception of the Global Leaders Representative Account was 1st May 2015. 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 performance shown above reflects a representative Global Leaders account, net of fees since inception and is shown 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.

GLOBAL LEADERS HOLDINGS

Representative Global Leaders Account as of 06/30/2020

SECTOR	NORTH AMERICA		EUROPE		REST OF WORLD		TOTAL
	Company Name	54%	Company Name	25%	Company Name	17%	%
Communication Services	Alphabet Inc. Cl. C	4.4	CTS Eventim	2.3	Tencent Holdings Ltd.	3.8	**14.4**
	Electronic Arts Inc.	3.9					
Consumer Discretionary	TJX Companies Inc.	1.9	Booking Holdings Inc.	2.6		0.0	**4.5**
Consumer Staples	Estee Lauder Inc. Cl. A	3.3	Unilever PLC	3.0			**8.9**
	Brown-Forman Cl. B	2.7				0.0	
Energy		0.0		0.0		0.0	**0.0**
Financials	Charles Schwab	2.0	Deutsche Boerse AG	3.7	AIA Group Limited	2.8	**15.4**
					HDFC Bank Limited	3.6	
					PT Bank Rakyat Indonesia	3.2	
Health Care	Edwards Lifesciences	2.4	Roche Holding AG	3.2		0.0	**5.6**
Industrials			Wolters Kluwer NV	3.2			**10.6**
			Schindler Holding AG	2.4			
			Safran S.A.	2.2			
		0.0	Atlas Copco AB Cl. B	2.8		0.0	
Information Technology	Microsoft	9.0			Taiwan Semiconductor	3.9	**32.5**
	Visa Inc. Cl. A	5.5					
	Mastercard Inc. Cl. A	4.4					
	Marvell Technology Group	3.1					
	Autodesk	2.7					
	Intuit	2.2					
	Aspen Technology, Inc.	1.6		0.0			
Materials	Ecolab Inc.	2.3					**5.0**
	Sherwin-Williams Company	2.7		0.0		0.0	
Real Estate		0.0		0.0		0.0	**0.0**
Utilities		0.0		0.0		0.0	**0.0**
Cash							**3.1**

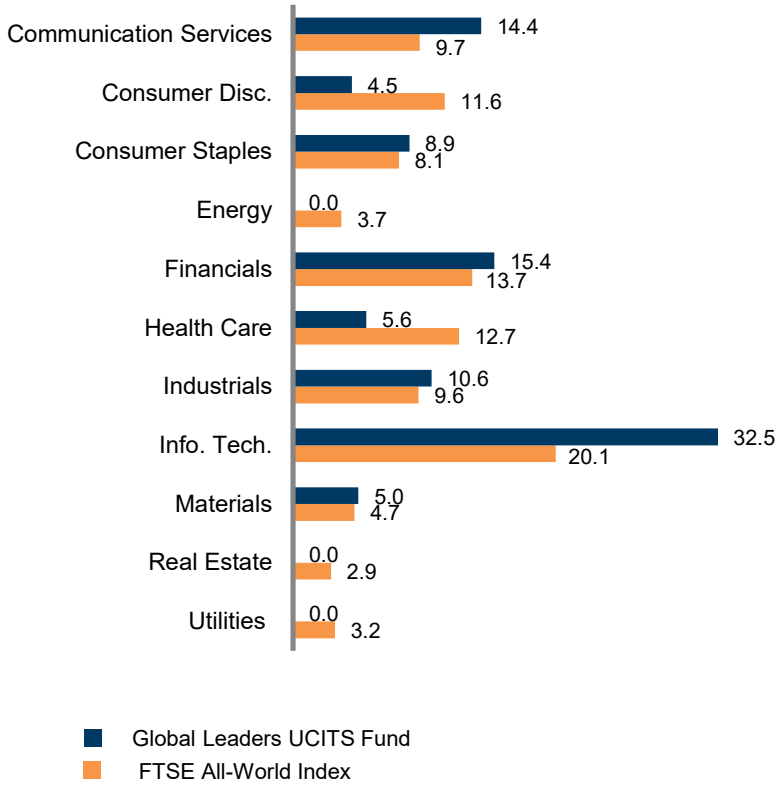
Source: FactSet®. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including 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. 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. Sectors based on the (GICS®) classification system. The geographic composition is by country of domicile. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. Portfolio information is based on a representative Global Leaders account, includes cash and is provided as supplemental information. Please see the Brown Advisory Global Leaders Composite disclosure at the end of this presentation. Numbers may not total due to rounding.

PORTFOLIO ATTRIBUTES

Global Leaders Representative Account As of 06/30/2020

Diversification – An Outcome Of Our Process

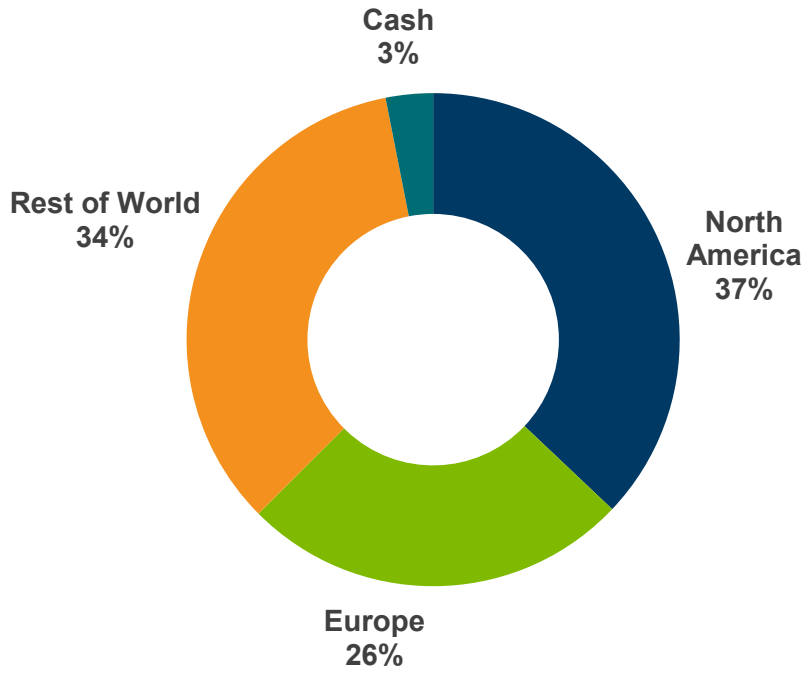
Sector Composition (%)



Source: FactSet®. Portfolio information is based on a representative Global Leaders account. Sector breakdown includes cash and cash equivalents which was 3.1% and is subject to change. Sectors are based on the Global Industry Classification Standard (GICS®) classification system (GICS®).

Compelling Opportunities Across the Globe

Geographic Composition by Country of Revenue



Source: Brown Brothers Harriman and Brown Advisory calculations. Portfolio information is based on a representative Global Leaders account, includes cash and is provided as supplemental information.

Numbers may not total 100% due to rounding. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

PERFORMANCE SINCE INCEPTION

As of 06/30/2020

Annualized Performance

Global Leaders Composite (% net of fees)

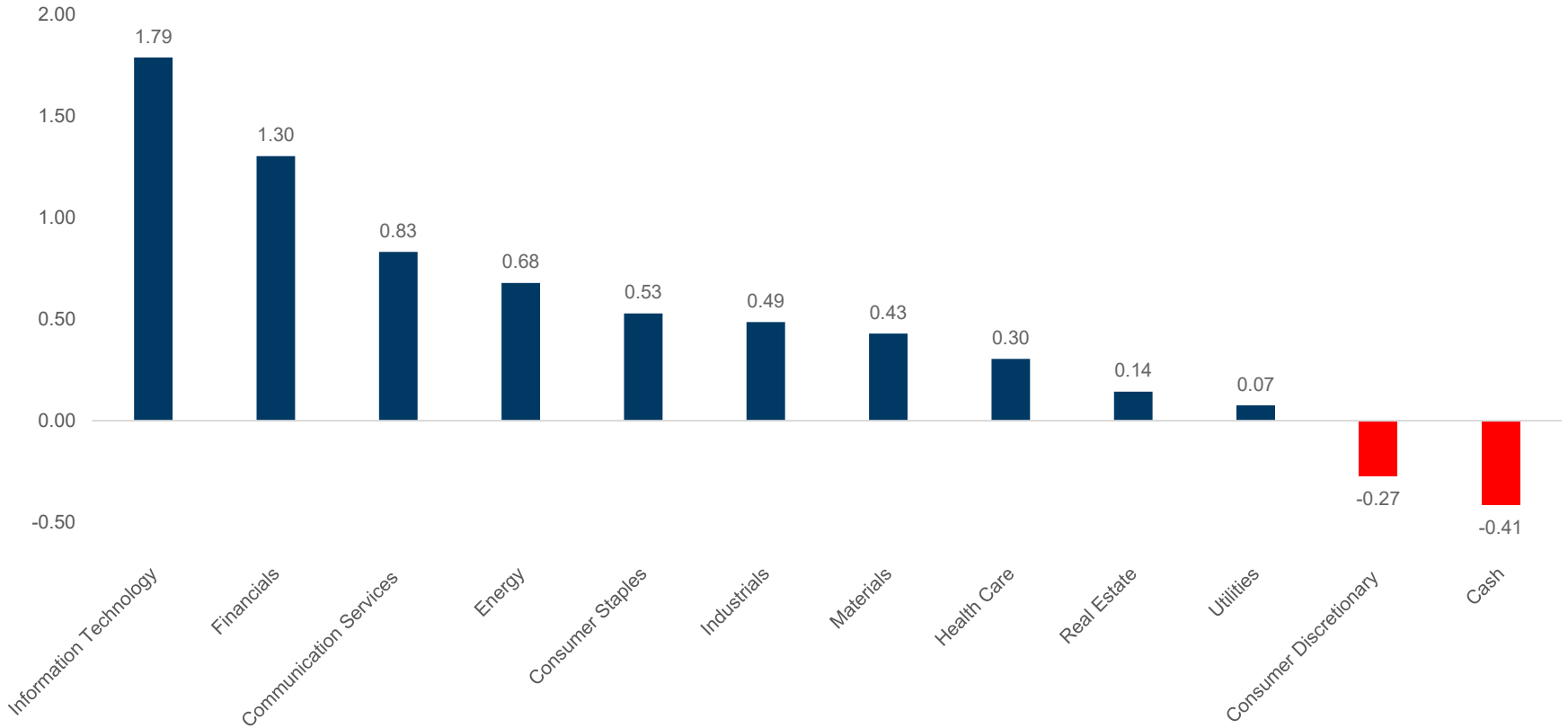
Source: FactSet®. All returns greater than one year are annualized. Past performance is not indicative of future results and you may not get back the amount invested. The primary benchmark is the FTSE All-World Net Index. The MSCI ACWI Index is for illustrative purposes only. The composite performance 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.

EXCESS SECTOR RETURN SINCE INCEPTION

As of 06/30/2020

ITD Annualized Attribution: Total Effect by Sector

Global Leaders Representative Account (% gross of fees)



Source: FactSet®. Total Effect figures provided above reflect the combination of allocation, selection and interaction effects and this is based on the Brown Advisory Global Leaders Representative Account, and includes cash. Numbers may not total due to rounding. 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. The portfolio information provided is based on the Brown Advisory Global Leaders Representative Account and is provided as supplemental information. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. Sector attribution includes 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.

WHAT YOU CAN EXPECT FROM US

Brown ADVISORY
Thoughtful Investing.

We believe in:

▪ Being concentrated	Max 40 positions / Top 10 holding weight ~ 40% of portfolio
▪ Being collaborative	28 equity research analysts, 10 working group members
▪ Active management / long-term	Typically ~ 95% active share / name turnover ~ 20% per annum
▪ Alignment	The Portfolio Managers of the Global Leaders strategy invest alongside their clients*
▪ Self-improvement	We use third party analytics to minimise behavioural pitfalls

We do not believe in:

▪ Mirroring the benchmark	Currently zero weight in 3 sectors and zero weight in 4 out of the largest 10 countries
▪ Opaque business models	No companies with impenetrable accounts or persistent profit-to-cash flow imbalances
▪ Macro-thematic investing	No short-term tactical allocation – we invest in businesses not macro factors
▪ Relative valuation	We use cash flow driven by ROIC/ growth/ fade to find value not relative multiples
▪ Excessive leverage	Approximately half of the companies in the portfolio have net cash balance sheets

*All investments are voluntary and we do not track the level of investment by Portfolio Manager.
Please see the Brown Advisory Global Leaders disclosure statement at the end of this presentation for additional information and a complete list of terms and definitions.

Brown ADVISORY
Thoughtful Investing.

GLOBAL FOCUS STRATEGY

THE GLOBAL FOCUS STRATEGY OPPORTUNITY

Brown ADVISORY
Thoughtful Investing.

The Global Focus strategy is a concentrated (10-15 companies) long-only global equity strategy.

We believe that investing in a handful of dominant business models with improving economics that are undervalued on free cash flow should generate attractive returns for our investors.

Sources of Investment Edge:

Perspective	Long-term with a 5 year investment horizon and a business owner mind-set.
People	Experienced global investors supported by sector specific analysts.
Process	We employ distinct investment selection and capital allocation processes.
Positioning	A highly selective strategy with meaningful mid-cap exposure.

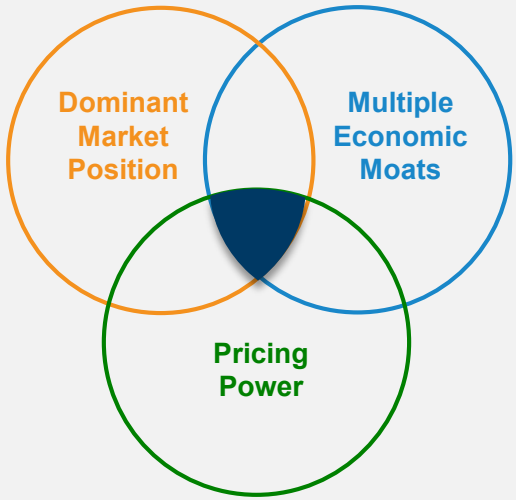
Although not unique in isolation we feel that this combination is differentiated.

Please see the end of this presentation for important disclosures.

THE GLOBAL FOCUS STRATEGY INVESTMENT SELECTION PROCESS

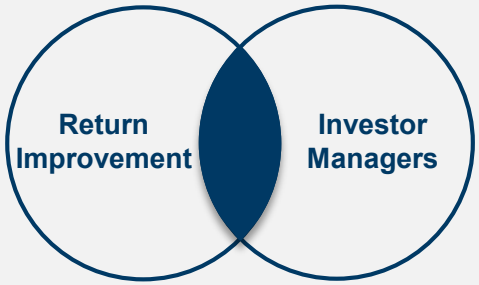
POTENTIAL GLOBAL FOCUS STRATEGY INVESTMENTS HAVE TO PASS EACH TEST

1. Dominant Business Models



- Market position signifies competitive advantage.
- Moats provide new entrant protection.
- Pricing power provides inflation insulation.
- Most companies fail here.

2. Return Improvement



- ROIIC>ROIC.
- Growing Free Cash Flow (FCF) streams.
- Freedom from the capital treadmill.
- Investor managers are rare.

3. Cash Flow Based Payoff

- FCF over accounting profits.
- 5+ year investment horizon.
- Absolute over relative returns.
- Probability brings likelihood into the equation.

Please see the end of this presentation for important disclosures.

Brown Advisory

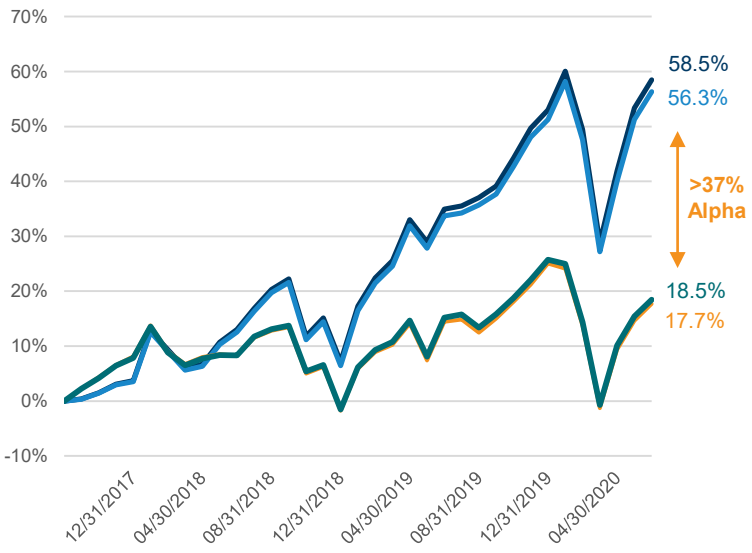
GLOBAL FOCUS STRATEGY

As of 06/30/2020

Strategy AUM: $20m

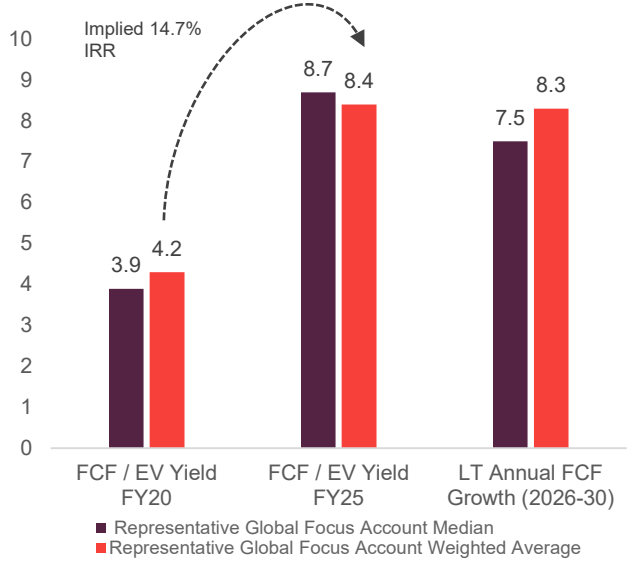
- Brown Advisory Global Focus Composite Gross of Fees
- Brown Advisory Global Focus Composite Net of Fees
- FTSE All-World Developed Index Net Return
- MSCI World Index Net Return

CUMULATIVE RETURNS SINCE INCEPTION



ANNUALISED RETURNS (%)

FCF-BASED UPSIDE*



PORTFOLIO HOLDINGS*

1.	Microsoft Corporation	14.9%
2.	Charter Communications, Inc. Class A	13.9%
3.	Autodesk, Inc.	10.1%
4.	Electronic Arts Inc.	8.9%
5.	Visa Inc. Class A	7.9%
6.	Alphabet Inc. Class C	7.6%
7.	Deutsche Boerse AG	7.5%
8.	Woodward, Inc.	7.0%
9.	Wolters Kluwer NV	6.8%
10.	Waste Connections, Inc.	5.3%
11.	CTS Eventim AG & Co. KGaA	5.1%
12.	Safran S.A.	4.2%

ROLLING RETURNS	06/30/19 – 06/30/20	06/30/18 – 06/30/19
Global Focus Composite Gross of Fees	17.4	19.4
Global Focus Composite Net of Fees	16.8	18.8
FTSE All World Developed Net Index	2.8	5.7
Difference (Net Returns)	+14.0	+13.1

REGION LISTING	GEOGRAPHIC BREAKDOWN BY COMPANY REVENUE*
North America	51.0
Europe	31.4
Rest of World (ROW)	16.8

Source: FactSet, Brown Brothers Harriman and Brown Advisory calculations. *Data as of 1st July 2020 due to a large cash inflow on 30th June 2020. All returns greater than one year are annualized. Past performance is not indicative of future results. The composite performance shown above reflects the Global Focus Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS Compliant firm and is a division of Brown Advisory LLC. Portfolio information is based on a representative Global Focus account and is provided as supplemental information. This information includes forward-looking statements, including projections of future profitability of investee companies. These statements are not guarantees of future performance and undue reliance should not be placed on them. Actual performance may differ materially from the projections given. The primary benchmark is the FTSE All-World Developed Net Index. The MSCI World Index is for illustrative purposes only. The implied 14.7% IRR is gross of fees. Characteristics and portfolio holdings include cash. 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. Numbers may not total 100% due to rounding. Please see the Brown Advisory Global Focus disclosure statement at the end of this presentation for a GIPS compliant presentation.

APPENDIX

INVESTMENT SELECTION

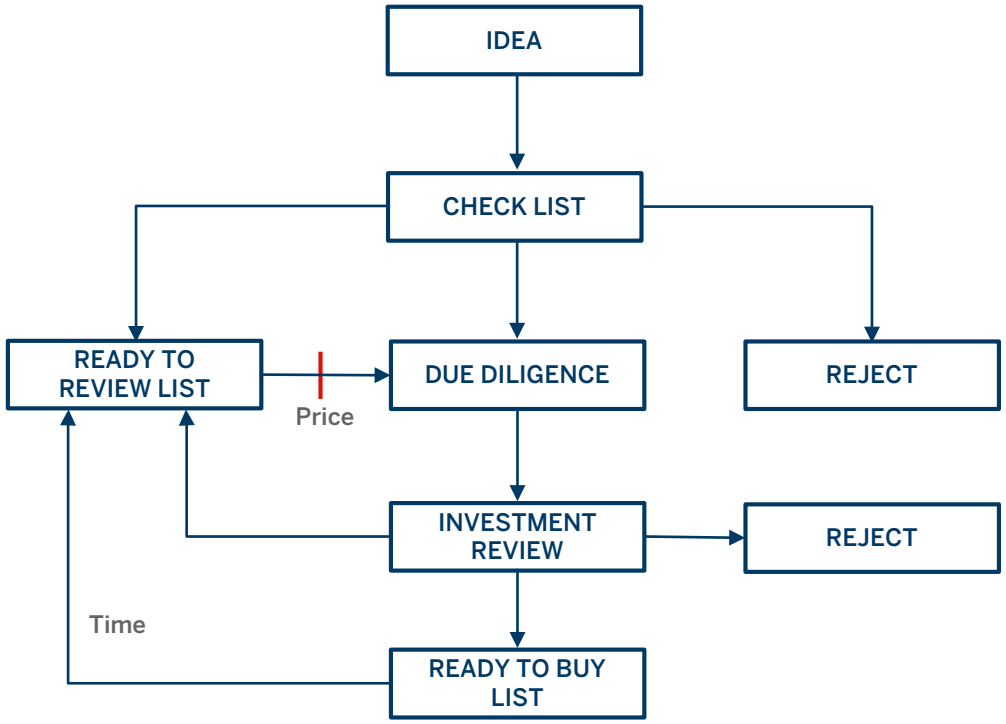
Fundamental Research Factor Inputs

Idea Generation
- Analysts
- Screens
- Portfolio Managers
- Network

Checklist
- Core Global Leaders process assessment
- Moat analysis
- Industry analysis: Porter's 5 forces

Due Diligence
- In-depth fundamental analysis
- ESG – sustainable business advantages
- Pure primary research

Buy Decision
- Weekly working group meeting
- 2:1 base case upside/downside
- Devil's advocate
- Tear down analysis
- Pre-mortem debate



Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

CAPITAL ALLOCATION

Brown ADVISORY
Thoughtful Investing.

Ongoing Monitoring & Continuous Learning

Portfolio Construction

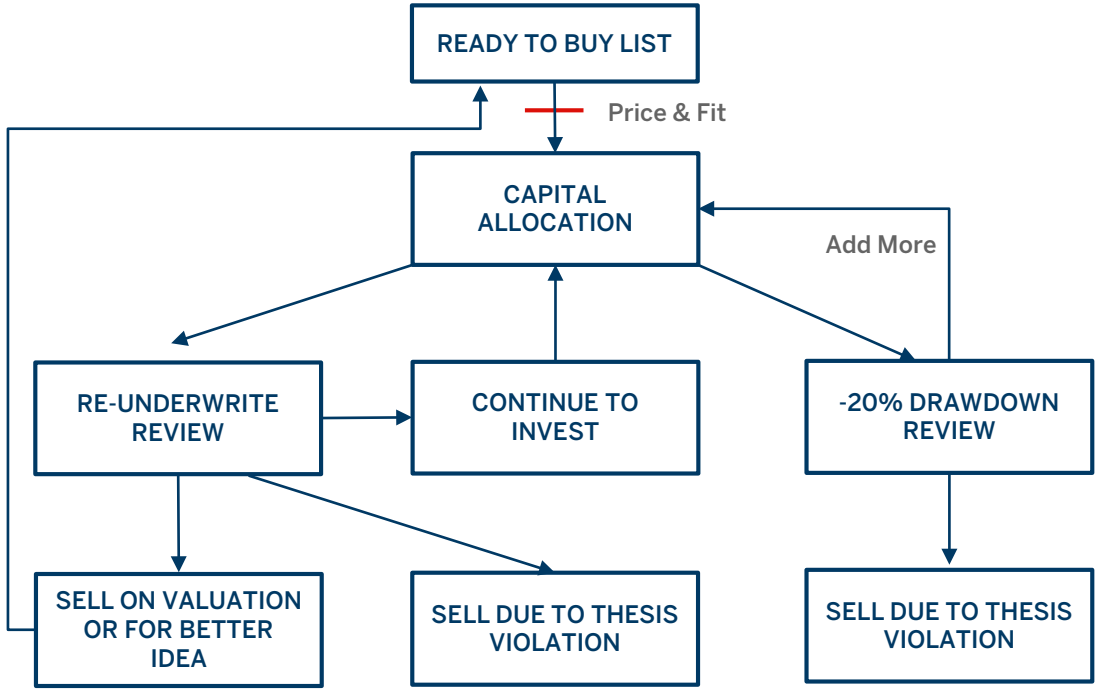
- Weekly capital allocation meeting
- Pay off and probability
- Factor Analysis
- Third-party analytics provider
- Quarterly "Blank Sheet" Reviews

5

Behavioural Checks & Balances

- Loss aversion: 20% drawdown review
- Regret aversion: full position size within 2 months of purchase
- Endowment effect: "Blank Sheet" Reviews

6



Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

SUSTAINABLE BUSINESS ADVANTAGE

Brown ADVISORY
Thoughtful Investing.

Potential Risks	Sectors
Data Center Energy Use, Power Quality and Cost	Information Technology, Financials
Commodity price volatility, cyclicality	Industrials, Basic Materials
Brand reputation, changing customer preferences	Consumer, Health Care

Investment Challenge

Finding fundamentally strong companies that capitalize on these types of opportunities

Sustainable Business Advantage	Shareholder Value
Optimize hardware, software & energy = Reduced capex & opex	*Cost reduction*
Reduce energy, water, labor, resource use for customers = persistent and compelling customer value proposition	*Revenue growth*
Ethical, healthy, clean-label products = customer trust, loyalty	*Enhanced franchise value*

The SBA of a company has to be material AND meaningful.

Sectors are based on the GICS Classification system. Please see the end of the presentation for important disclosures.

MULTIPLE SOURCES OF COMPETITIVE ADVANTAGE

As of 06/30/2020

We look for businesses with multiple durable economic moats.

BRAND / IP	27 COMPANIES	
AIA Group	Intuit	
Alphabet Inc.	Mastercard	
Atlas Copco AB	Microsoft	
Aspen Technology	Roche	
Autodesk	Safran	
Booking Holdings	Schindler	
Brown-Forman	Sherwin-Williams	
Charles Schwab	Taiwan Semiconductor	
CTS Eventim AG	Tencent Holdings	
Ecolab	TJX	
Edwards Lifesciences	Unilever	
Electronic Arts	Visa	
Estee Lauder	Wolters Kluwer	
HDFC Bank		

EFFICIENT SCALE	0 COMPANIES

NETWORK EFFECTS	24 COMPANIES	
AIA Group	Estee Lauder	
Alphabet Inc.	Intuit	
Atlas Copco AB	Mastercard	
Aspen Technology	Microsoft	
Autodesk	PT Bank Rakyat Indonesia	
Booking Holdings	Safran	
Brown-Forman	Schindler	
CTS Eventim AG	Sherwin-Williams	
Deutsche Boerse	Tencent Holdings	
Ecolab	TJX	
Edwards Lifesciences	Unilever	
Electronic Arts	Visa	

INVESTED CAPITAL / R&D	11 COMPANIES	
Alphabet Inc.	Roche	
Aspen Technology	Safran	
Electronic Arts	Taiwan Semiconductor	
Intuit	Tencent Holdings	
Mastercard	Visa	
Microsoft		

ECONOMIES OF SCALE	16 COMPANIES	
Alphabet Inc.	Marvell	
Booking Holdings	PT Bank Rakyat Indonesia	
Charles Schwab	Roche	
Deutsche Boerse	Taiwan Semiconductor	
Ecolab	Tencent Holdings	
Estee Lauder	TJX	
HDFC Bank	Unilever	
Mastercard	Visa	

SWITCHING COST	15 COMPANIES	
Alphabet Inc.	Marvell	
Atlas Copco AB	Microsoft	
Autodesk	Roche	
Charles Schwab	Safran	
CTS Eventim AG	Taiwan Semiconductor	
Ecolab	Tencent Holdings	
Edwards Lifesciences	Wolters Kluwer	
Intuit		

Source: Brown Advisory Calculations. The categories above are not based on GICS sectors, but on the 'source of competitive advantage', as determined by Brown Advisory. The views expressed are those of Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. 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. Past performance is not a guarantee of future performance. Portfolio information is based on a representative Global Leaders account that includes cash and equivalents, and is provided as supplemental information. Please see disclosure statement at the end of this presentation for additional information.

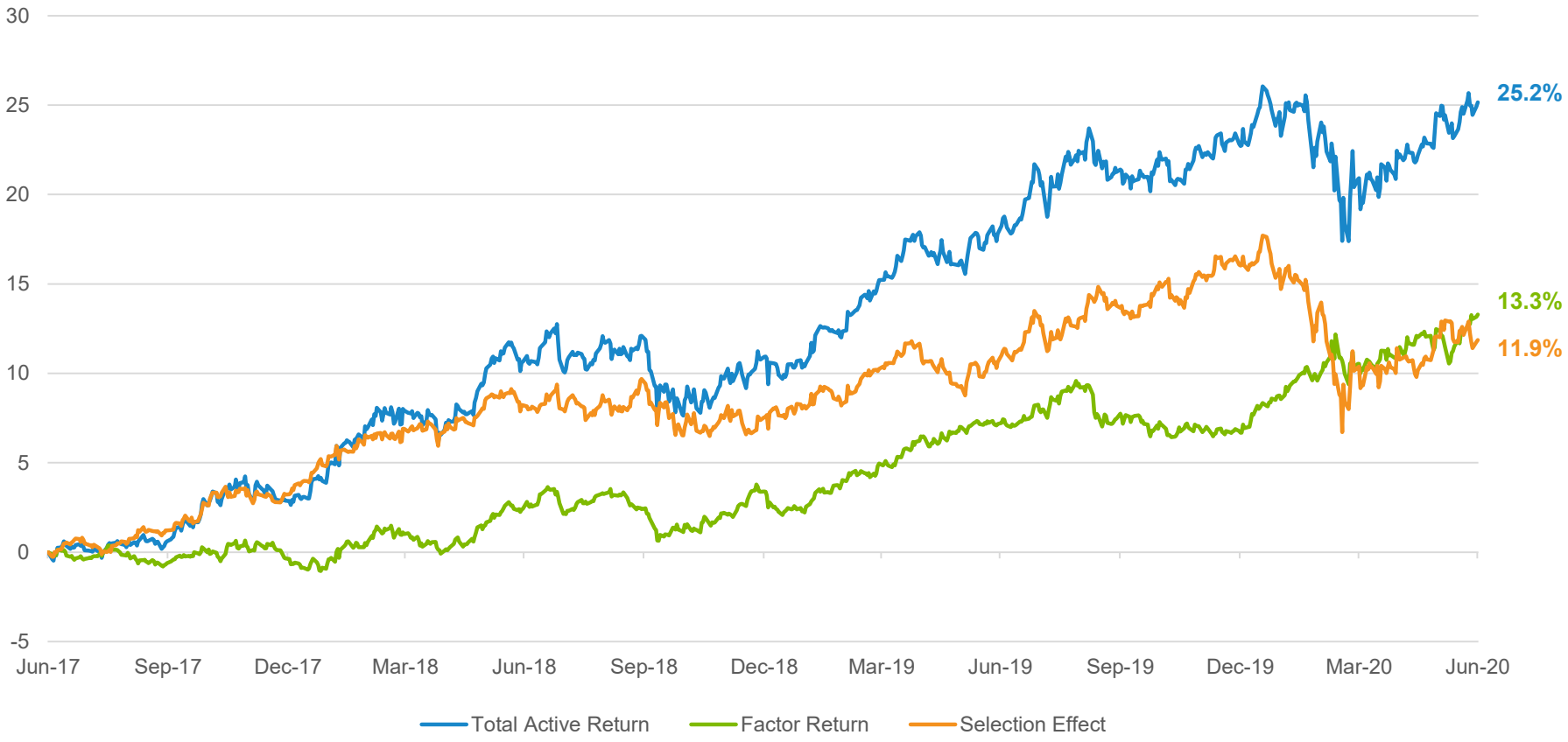
FACTOR & STOCK SELECTION CONTRIBUTION TO RELATIVE RETURN

Global Leaders Representative Account As of 06/30/2020

Factor & Selection Effect

Cumulative Rolling Relative Performance (% net of fees)

Trailing 3 Years, 06/30/2017 – 06/30/2020



Source: Bloomberg. Past performance is not indicative of future results and you may not get back the amount invested.

The portfolio information provided is based on a representative Brown Advisory Global Leaders account and is provided as 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. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

DESPITE NEAR-TERM VOLATILITY, TAKE THE LONG PERSPECTIVE TO YOUR INVESTMENT PROGRAM

Brown ADVISORY
Thoughtful Investing.

While near-term volatility may force investors to react, we highlight the difficulties of market timing below, especially after considering transaction costs and tax considerations.

The Folly of Market Timing

The figures in this chart are based on an aggregation of the major S&P 500 Index downturns since 1968; the average downturn produced a decline of 33.6%. Each figure represents a different market timing scenario—how close an investor came to calling the peak and the bottom, and hence how much of that 33.6% they avoided (***a negative number means the investor was better off remaining invested as opposed to timing the market***). As to trying to time the market the chart shows, a slight miss on either end of a timing call usually translated to disappointing results.

Exit Timing, Relative to Market's Peak

Re-Entry Timing, Relative to Market's Bottom

	12 Months Early	6 Months Early	At Peak	6 Months Late	12 Months Late
12 Months Early	-6.6%	-1.0%	11.5%	4.4%	-2.1%
6 Months Early	-9.0%	-3.5%	9.1%	1.9%	-4.5%
At Trough	12.0%	17.6%	33.6%	23.0%	16.6%
6 Months Late	-10.5%	-5.0%	7.6%	0.4%	-6.0%
12 Months Late	-15.7%	-10.2%	2.4%	-4.8%	-11.2%

With perfect timing, an investor could avoid the entire 33.6% downturn…

…but if that investor is just six months late in exiting and re-entering, he or she gains virtually nothing from the attempt (while still generating transaction costs and possible tax consequences).

Source: Brown Advisory Analysis, using S&P 500 Index Return data sourced from Bloomberg.

Note: All commentary is as of 12/31/2018 unless otherwise noted. The information is for illustrative purposes only and is the most recent available data.

GLOBAL LEADERS WORKING GROUP

Mick Dillon, CFA*
Portfolio Manager

Mick is a portfolio manager of the Global Leaders strategy. He joined Brown Advisory in 2014 from HSBC Global Asset Management in Hong Kong where he was the co-head of Asian equities. While at HSBC, he was responsible for managing a range of strategies: quality/dividend, large-cap and small-cap focused pan-Asian equity, as well as a number of country-specific strategies. Previously, he managed a global equity long/short fund for HSBC in London and was a global technology equity analyst at Arete Research early in his career.

Bertie Thomson, CFA*
Portfolio Manager

Bertie is a portfolio manager of the Global Leaders strategy. Prior to joining Brown Advisory in October 2015, Bertie spent 13 years at Aberdeen Asset Management where he was most recently a Senior Investment Manager in the Pan European equity team who was responsible for £6bn of client assets.

Dan Mooney, CFA
Consumer Equity Research Analyst

Dan is an equity research analyst focusing on the consumer discretionary and consumer staples sectors and is based in our Baltimore office. Prior to joining the firm in 2011, Dan was a senior REIT analyst at CB Richard Ellis Investors and an investment banker at Barclays Capital, having begun his career in 2001.

Priyanka Agnihotri, CFA*
Financials Equity Research Analyst

Priyanka is an equity research analyst focusing on the financials sector. Priyanka joined Brown Advisory in June 2015 having formerly worked for Bernstein Research on the sell-side covering European financials. Prior to this, she began her career in 2009 as a buy-side analyst for Phoenix Asset Management Partners focusing on U.K. equities.

Cam Mathis, CFA
Financials Equity Research Analyst

Cam is an equity research analyst focusing on the financials sector and is based in our Baltimore office. Prior to joining Brown Advisory in 2018, he was an associate for the financial institutions mergers and acquisition advisory group and an equity research associate for the financial institutions group with Evercore, having begun his career in 2013.

Tom Fitzalan Howard*
Business Services Equity Research Analyst

Tom is an equity research analyst primarily focusing on the business services sector for the Global Leaders Strategy. He joined Brown Advisory in April 2016 having graduated from the University of Edinburgh with First-Class Honors in Economics, MA (Hons).

Ran Chang*
Generalist Equity Research Analyst

Ran is an equity research analyst primarily supporting the Global Leaders Strategy. He joined Brown Advisory in November 2019 having formerly worked at Zhengnian Capital, a Venture Capital firm in Beijing. He earned his masters in Financial Analysis from London Business School in 2019.

Sanjeev Joshi, CFA
Health Care Equity Research Analyst

Sanjeev is an equity research analyst focusing on the healthcare sector and is based in our Baltimore office. Prior to joining the firm, Sanjeev worked as an Investment Analyst at UBS Asset Management, covering Healthcare and Industrial sectors in their US and Asia Emerging Market teams. He earned his MBA at University of Chicago with a major in Finance in 2003.

Roddy Seymour-Williams*
Industrials Equity Research Analyst

Roddy is an industrials equity research analyst primarily supporting the Global Leaders Strategy. He joined Brown Advisory in January 2018 having graduated from The University of Bristol in 2017 with a degree in Economics and Management, BSc.

John Canning, CFA
Technology Equity Research Analyst

John is an equity research analyst focusing primarily on the software and service companies in the Technology sector and is based in our Baltimore office. He graduated from Dartmouth College in 2014.

*London based employees

RESEARCH & INVESTMENT TEAM

Brown ADVISORY
Thoughtful Investing.

VICTORIA AVARA, CPA
ESG Equity Research Analyst
- James Madison University, B.B.A.
- Senior Audit Accountant, SC&H Group Inc.; Senior Equity Compensation Specialist, Brown Advisory
- Investment experience since 2019; Joined Brown Advisory 2016

MANEESH BAJAJ, CFA
Flexible Equity Portfolio Manager
- University of Pennsylvania, The Wharton School, M.B.A.; University of Kentucky, M.S.
- Senior Associate, McKinsey & Company; Senior Associate, Standard & Poor's
- Investment experience since 2003; Joined Brown Advisory 2005

CHRISTOPHER BERRIER
Small-Cap Growth Portfolio Manager; Mid-Cap Growth Portfolio Manager
- Princeton University, A.B.
- Vice President, T. Rowe Price Group
- Investment experience since 2000; Joined Brown Advisory 2005

JOHN BOND, CFA
Technology Equity Research Analyst
- Harvard University, A.B.; Columbia Business School, M.B.A.
- Senior Analyst and Assistant Portfolio Manager, Nicusa Capital
- Investment experience since 1999; Joined Brown Advisory 2012

RUPERT BRANDT, CFA
Latin American Portfolio Manager
- University of Manchester, BSc, University of Exeter, M.A.
- Portfolio Manager, Findlay Park Latin American Fund. Merged into Brown Advisory Latin American Fund on 30th April 2018. Analyst, Foreign and Colonial Investment Trust.
- Investment experience since 1994; Joined Brown Advisory 2018

LAUREN CAHALAN
General Equity Research Analyst
- Towson University, B.S.
- Investment experience since 2018; Joined Brown Advisory 2018

ERIN CAWLEY
Risk Equity Research Analyst
- Loyola University, B.S.
- Investment experience since 2017; Joined Brown Advisory 2012

PETER CAWSTON
Latin American Portfolio Manager
- University of Cambridge, M.A., MPhil.
- Portfolio Manager, Findlay Park Latin American Fund. Merged into Brown Advisory Latin American Fund on 30th April 2018. Analyst and Fund Manager, Baillie Gifford.
- Investment experience since 2001; Joined Brown Advisory 2018

ERIC CHA, CFA
Consumer Equity Research Analyst
- University of Virginia, B.A.; New York University, M.B.A.
- Equity Analyst, Bethlehem Steel Pension Fund; Equity Analyst, Oppenheimer Funds
- Investment experience since 2000; Joined Brown Advisory 2007

PAUL CHEW, CFA
Chief Investment Officer
- Mount St. Mary's, B.A.; Duke University, Fuqua School of Business, M.B.A.
- International Asset Management Department, J.P. Morgan & Co.
- Investment experience since 1989; Joined Brown Advisory 1995

JONATHAN CHOU, CFA
Industrials Equity Research Analyst
- University of Virginia, B.S.; University of Virginia, M.B.A.
- Portfolio Manager & Analyst, The Hartford; Analyst, T. Rowe Price; Principal, Gladstone Companies; Analyst, Citigroup
- Investment experience since 2002; Joined Brown Advisory 2020

KENNETH COE, CFA
Financial Services Equity Research Analyst
- Wake Forest University, B.A.
- Analyst, First Annapolis Consulting; Research, Independent Financial Econometrics Study
- Investment experience since 2010; Joined Brown Advisory 2013

EMILY DWYER
Senior ESG Equity Research Analyst
- Smith College, B.A.
- Investment experience since 2014; Joined Brown Advisory 2014

DREW FRANCK
Technology Equity Research Analyst
- Iowa State University, B.S.
- Investment experience since 2019; Joined Brown Advisory 2019

MICHAEL FOSS, CFA
Flexible Equity Research Analyst
- Virginia Tech, B.A.; University of Pennsylvania, The Wharton School, M.B.A.
- Equity Research, Alex. Brown Investment Management; Managing Director & Portfolio Manager, JP Morgan Fleming; Equity Analyst, Gabelli & Co.; Retail Broker, Tucker Anthony
- Investment experience since 1987; Joined Brown Advisory 2004

KARINA FUNK, CFA
Chair of Sustainable Investing; Large-Cap Sustainable Growth Portfolio Manager
- Purdue University, B.S.; MIT, Masters in Civil & Environmental Engineering; MIT, Masters in Technology & Policy; École Polytechnique - France, Post-Graduate Diploma in Management of Technology
- Manager, Massachusetts Renewable Energy Trust; Principal, Charles River Ventures
- Investment experience since 2003; Joined Brown Advisory 2009

ROBERT FURLONG, CFA
Business Services Equity Research Analyst
- York College of Pennsylvania, B.S.; University of Baltimore, Merrick School of Business, M.S.F.
- Portfolio Manager, Carson Group; Director of Research, GARP Research & Securities
- Investment experience since 2000; Joined Brown Advisory 2018

ERIC GORDON, CFA
Director of Equity Research
- University of North Carolina, Chapel Hill, B.A.
- Equity Research, Alex. Brown Investment Management; Investment Banking Analyst, Deutsche Bank Alex. Brown, Merrill Lynch & Co.; Equity Research, Citigroup
- Investment experience since 1998; Joined Brown Advisory 2008

BRIAN GRANEY, CFA
Equity Income Portfolio Manager
- George Washington University, B.A.
- Portfolio Manager, Equity Research, Alex. Brown Investment Management; Writer/Analyst, The Motley Fool
- Investment experience since 1996; Joined Brown Advisory 2001

RESEARCH & INVESTMENT TEAM

Brown ADVISORY
Thoughtful Investing.

TIMOTHY HATHAWAY, CFA
Head of U.S. Institutional Business
- Randolph-Macon College, B.A.; Loyola University, M.B.A.
- Co-Portfolio Manager of Small-Cap Growth Strategy, Brown Advisory; Investor Relations, T. Rowe Price
- Investment experience since 1993; Joined Brown Advisory 1995

SHA HUANG
Financials Equity Research Analyst
- Vassar College, B.A.
- Investment experience since 2016; Joined Brown Advisory 2016

MARK KELLY
Health Care Equity Research Analyst
- Johns Hopkins University B.A.; Johns Hopkins University M.H.S.
- Equity Research, Stifel Nicolaus; Managing Consultant, Navigant
- Investment experience since 2008; Joined Brown Advisory 2017

KATHERINE KROLL
Senior Institutional Sustainable Investing Specialist
- University of Vermont, B.A.
- Shareholder Advocate, Green Century Capital Management; Operations Coordinator, Renewable Energy Vermont
- Investment experience since 2015; Joined Brown Advisory 2018

PATRICK MAHONEY
Consumer Equity Research Analyst
- University of Notre Dame, B.S.
- Associate Analyst, Oppenheimer & Co.
- Investment experience since 2007; Joined Brown Advisory 2013

DAN MOONEY, CFA
Consumer Equity Research Analyst
- Georgetown University, B.S.; University of Virginia, M.B.A.
- Senior REIT Analyst, CB Richard Ellis Investors; Investment Banker, Barclays Capital; Equity Research Senior Associate, Green Street Advisors; Fixed Income Research Associate, Bear Sterns
- Investment experience since 2001; Joined Brown Advisory 2011

KEVIN OSTEN, CFA
Product Specialist
- Parks College of St. Louis University, B.S.; University of Missouri St. Louis, M.B.A.
- Senior Research Analyst, Summit Strategies; Institutional Consulting, Merrill Lynch Pierce, Fenner & Smith
- Investment experience since 1999; Joined Brown Advisory 2012

ADI PADVA
Industrials & Basic Materials Equity Research Analyst
- Harvard Business School, M.B.A.; Open University of Israel, B.A.
- Senior Research Analyst, Neuberger Berman
- Investment experience since 2005; Joined Brown Advisory 2015

SUNG PARK, CFA
Health Care Equity Research Analyst
- Johns Hopkins University, B.A.; University of Maryland, Smith School of Business, M.B.A.
- Associate Portfolio Manager and Research Analyst, Croft Leominster
- Investment experience since 2003; Joined Brown Advisory 2006

MICHAEL POGGI, CFA
Small-Cap Fundamental Value Associate Portfolio Manager
- University of Richmond, B.S.B.A.
- Investment experience since 2003; Joined Brown Advisory 2003

DAVID POWELL, CFA
Large-Cap Sustainable Growth Portfolio Manager
- Bowdoin College, B.A.
- Investor Relations, T. Rowe Price
- Investment experience since 1997; Joined Brown Advisory 1999

GEORGE SAKELLARIS, CFA
Mid-Cap Growth Portfolio Manager; Small-Cap Growth Associate Portfolio Manager
- Robert H. Smith School of Business, M.B.A.; University of Maryland, B.S.
- Portfolio Manager, Credo Capital Management; Director of Research, GARP Research & Securities
- Investment experience since 2001; Joined Brown Advisory 2014

J. DAVID SCHUSTER
Small-Cap Fundamental Value Portfolio Manager
- Georgetown University, B.S.B.A.
- Managing Director, Citigroup; Managing Director, Lazard Freres & Co.; Officer, U.S. Army
- Investment experience since 1995; Joined Brown Advisory 2008

KENNETH STUZIN, CFA
Large-Cap Growth Portfolio Manager
- Columbia University, B.A.; Columbia Business School, M.B.A.
- Senior Portfolio Manager and Quantitative Strategist, J.P. Morgan
- Investment experience since 1986; Joined Brown Advisory 1996

ALEX TREVINO
Consumer Equity Research Analyst
- University of Virginia, B.S.
- Investment experience since 2016; Joined Brown Advisory 2016

R. HUTCHINGS VERNON, CFA
Flexible Equity Adviser
- University of Virginia, B.A.
- Portfolio Manager & Equity Research, Alex. Brown Investment Management; Portfolio Manager & Research Analyst, T. Rowe Price, Legg Mason and Wachovia Bank
- Investment experience since 1982; Joined Brown Advisory 1993

EMILY WACHTMEISTER, CFA
Technology Equity Research Analyst
- Washington & Lee University, B.A.
- Junior Associate, Morgan Stanley
- Investment experience since 2011; Joined Brown Advisory 2013

BRANDON WOODLAND, CFA
Generalist Equity Research Analyst
- Brigham Young University, B.S.; University of Chicago, M.B.A.
- Director, Corporate Development, McGrath Rentcorp; Equity Research, T. Rowe Price; Credit Analyst, Freddie Mac
- Investment experience since 2007; Joined Brown Advisory 2020

JAMIE WYATT
Industrials & Basic Materials Equity Research Analyst
- Johns Hopkins University, B.S.
- Investment experience since 2018; Joined Brown Advisory 2018

NINA YUDELL
Portfolio Manager; Flexible Equity Generalist
- University of Baltimore, B.S., M.B.A.; Johns Hopkins University, M.S.B.
- Portfolio Manager and Investment Analyst, Alex. Brown Investment Management; Investment Assistant, Oppenheimer & Co., Inc.; Investment Assistant, T. Rowe Price
- Investment experience since 1986; Joined Brown Advisory 1992

TERMS AND DEFINITIONS

For Representative Account Calculations

For institutional investors and professional clients only.

Past performance may not be a reliable guide to future performance and investors may not get back the amount invested. All investments involve risk. The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned.

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. 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 **FTSE All-World Index** is a market-capitalisation weighted index representing the performance of the large and mid cap stocks from the FTSE Global Equity Index Series and covers 90-95% of the investable market capitalisation. The index covers Developed and Emerging markets and is suitable as the basis for investment products, such as funds, derivatives and exchange-traded funds. FTSE® is a trade mark of LSEG and is used by FTSE under licence.
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.
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. S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC.
The **Russell Global Large-Cap Net Index** offers investors access to the large-cap segment of the entire global equity universe. The Russell Global Large Cap index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to accurately reflect the changes in the market over time. All Russell indices mentioned above are trademarks/service marks of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company.
An investor cannot invest directly into an index.

All financial statistics and ratios are calculated using information from Factset as of the report date unless otherwise noted. FactSet® is a registered trademark of FactSet Research Systems, Inc. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS), "GICS" and "GICS Direct" are service marks of Standard & Poor's and MSCI . "GICS" is a trademark of MSCI and Standard & Poor's. Bloomberg is a trademark and service mark of Bloomberg Finance L.P., a Delaware limited partnership, or its subsidiaries. Any other trademarks or service marks are property of their respective owners.
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.

TERMS AND DEFINITIONS

For Representative Account Calculations

Continued….

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.
Contribution To Return is calculated by multiplying a security's beginning weight as a percentage of a portfolio by that security's return for the period covered in the report.
EV/EBIT is a financial ratio used to measure a company's return on investment. EV/EBIT calculations presented use NTM (next twelve months) estimates.
FCF yield is a measure of financial performance calculated as operating cash flow minus capital expenditures. FCF yield calculations presented use NTM and exclude financial services.
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.
Tracking Error is the standard deviation of the difference in the portfolio and benchmark returns
Active Share indicates how different the portfolio is from its benchmark. Calculated as the sum of each security's absolute weight difference.
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**.**
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 index.
Annualized Return is the geometric average amount of money earned by an investment each year over a given time period. It is calculated as a geometric average to show what an investor would earn over a period of time if the annual return was compounded.
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.
The 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.
The 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.
The **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.
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).
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.
Factor Return is the return attributable to a particular common factor. We decompose asset returns into common factor components, based on the asset's exposures to common factors times the factor returns, and a specific return.
EV/NOPAT is a measure of a company's total value, adjusted for the impact of taxes. EV/NOPAT calculations presented exclude financial services.
Return on incremental invested capital (ROIIC) is a measure reviewed by management to determine the effectiveness of capital deployed. One-year ROIIC is calculated as a percentage.

Brown Advisory

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)*
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, 2019. The Verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. GIPS® is a registered trademark owned by CFA Institute.

1. *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
2. The 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.
3. The Composite creation date is August 26, 2015. The Composite inception date is May 1, 2015.
4. 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.
5. 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.
6. Composite dispersion is an equal-weighted standard deviation of portfolio 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.
7. Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. 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.
8. The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31. 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.
9. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
10. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
11. Past performance is not indicative of future results.
12. This piece is provided for informational purposes only and should not be construed as a research report, a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell or hold any of the securities mentioned, including any mutual fund managed by Brown Advisory.

Brown Advisory

GLOBAL FOCUS 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)*
2019	42.7	42.1	27.3	N/A	N/A	Five or fewer	N/A	12	42.426
2018	3.4	2.9	-9.1	N/A	N/A	Five or fewer	N/A	4	30,529
YTD 2017**	3.7	3.5	8.1	N/A	N/A	Five or fewer	N/A	2	33,155

**Return is for period September 1, 2017 through December 31, 2017.

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2019. The Verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. GIPS® is a registered trademark owned by CFA Institute.

1. *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
2. The Global Focus Composite (the Composite) includes all discretionary portfolios invested in the Global Focus Strategy. The Global Focus Strategy seeks to invest in a small number of quality franchises the manager believes have the ability to materially improve their cash flows over the long-term. In choosing securities, the strategy seeks to invest in companies with one or more of the following characteristics: an entrenched competitive position, durable economic moats, and/or is priced at a discount to intrinsic value due to investor misconceptions. The minimum account market value required for inclusion in the Composite is $500,000.
3. The Composite creation date is June 1, 2020. The Composite inception date is September 1, 2017.
4. The benchmark is the FTSE All-World Developed Index. This index is a market-capitalization weighted index representing the performance of large and mid cap companies in developed markets. The index is derived from the FTSE Global Equity Index Series (GEIS), which covers 98% of the world's investable market capitalization. "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.
5. The composite dispersion presented is an equal-weighted standard deviation of portfolio returns calculated for the accounts in the Composite for the entire calendar year period. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the Composite for the entire period.
6. 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: 1.00% on all assets with a minimum account size of $25 million. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
7. 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, 2017, December 31, 2018 and December 31, 2019 because 36 month returns for the Composite were not available (N/A).
8. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
9. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
10. Past performance does not indicate future results.
11. 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.