

GLOBAL LEADERS REVIEW AND OUTLOOK

The Global Leaders Strategy marginally underperformed its benchmark, the FTSE All-World Net Index, in the second quarter of 2020.

The Global Leaders Strategy seeks to deliver attractive long-term performance by investing in a concentrated portfolio of companies that we believe uniquely satisfy their customers and generate attractive economics for shareholders. Given its concentrated nature, the Global Leaders strategy's performance is primarily an output of our stock-picking. Relative performance in the quarter was driven by our holdings in the information technology and communication services sectors in particular.

In April, we sold out of Flowserve in favour of Aspen Technology, a provider of software to the process industries. Aspen functions as the outsourced research and development (R&D) department for many of its customers. In businesses where small improvements in design and operation optimization can mean millions of dollars of savings, Aspen's software to design and manage plants as well as facilitate the supply chain is valuable. We believe Aspen's leadership position and continued innovation drives consistent growth over time and high free cash flow (FCF) generation. While its business is not immune to declining oil prices, Aspen is more resilient than the operations of its customers due to the mission-critical nature of its software. Flowserve is facing a prolonged downturn with energy prices significantly lower as a result of the global pandemic and a supply war between Saudi Arabia and Russia. With the prospect of lower revenue and Return on Invested Capital (RoIC) for a prolonged period of time our thesis had been undermined and we felt the investment dollars were better allocated to higher RoIC Aspen. We viewed both Aspen's business model and the risk-reward as more attractive than Flowserve.

We also completed our exit of Hiscox in early April, driven by our drawdown review process discipline. Hiscox reported higher than expected claims in their 2019 results with the third consecutive year of elevated natural catastrophe losses impacting the reinsurance business as well as higher attritional losses in the wholesale London Market business. These coincided with restructuring of their US retail business, which has been a key growth engine in the last few years. Improving pricing and premium growth in the London Market and certain parts of the reinsurance business did not offset concerns on slowing growth in the US and higher claims across the board. The

crux issue for us however came in March with our concern around quantifying their exposure to claims arising from COVID-19 in their SME business interruption insurance book. Clearly the distribution of outcomes widened as a layman's reading of the policy suggested to us that Hiscox was morally obligated to pay in the spirit of the policy albeit perhaps not technically in the wording. An exceptional customer outcome is paramount to us and we feared an unsightly technical courtroom battle would put at risk what we view as one of Hiscox's key competitive advantages: a great brand with speedy claims payments. Since our initial investment, the reinsurance business has become a structurally worse business with greater competition from alternate capital.

In May, we sold out of two stocks, JP Morgan and Trip.com. JPMorgan is a leading global bank and the leading US bank. The firm leverages its' premier global brand, vast economies of scale and funding advantage to deliver a unique value proposition to its clients, generally in the form of higher prestige, lower price and better services. We believe the business outcomes are simple: attractive loan growth, deposit growth, credit performance, expense structure and returns. However, JPMorgan began flagging on one of our behavioral process checkpoints – the Vulnerable Position Nudge list – which helped us to reanalyze our capital in the business. Having recalibrated our model to a COVID-19 global pandemic base case with consequent lower US interest rates and higher loan losses we decided to fund a capital switch into Bank Rakyat in Indonesia, HDFC Bank in India and AIA Group in Hong Kong by exiting JPMorgan. We saw double digit internal rates of return (IRRs) in both Emerging Market banks and AIA but not JPMorgan, so we switched our capital in favor of the higher IRRs.

With respect to Trip.com, whilst the thesis delay on RoIC improvement back to 20% was triggered first by protests in Hong Kong in the 4th quarter of 2019, it was when COVID-19 hit that we felt the stock was unlikely to reach 20% RoIC in our investment horizon. We always knew that CTrip (Trip.com was acquired by CTrip in October 2017) needed to improve as our specific thesis was about the margin going to 20-30% operating margin (OPM) but it has now become apparent that it might never reach the 20% RoIC sustainably. Initially we hoped that Trip.com could improve its RoIC to +20% levels within 5 years but this has been pushed out due to various reasons beyond management's control.

(Continued on the following page)

Second Quarter 2020

GLOBAL LEADERS REVIEW AND OUTLOOK



We still think Trip.com could reach the RoIC target eventually but the additional time it needs, significantly increasing debt load to twice gross sales to provide liquidity in the near-term as well as the widened dispersion of outcomes post-coronavirus, makes it not the most attractive idea and we think there are better opportunities elsewhere. We had already used some capital from Trip.com to fund our initial investment into Autodesk in March.

The Global Leaders' team remains focused on executing on our investment process and scouring the globe for high quality companies at a good price. We remain very active on the research front and maintain extensive ready-to-review and ready-to-buy lists. Patience is an underrated virtue in investing and we remain disciplined on entry points for attractive assets. Nonetheless we have invested in three new companies so far in 2020, up from only one in 2019, and we are optimistic about finding more. We feel that overpaying for good businesses is an ever present risk for quality focused investors.

SECTOR DIVERSIFICATION

- Global Leaders is a concentrated global equity strategy that focuses on investing in a small number of franchises that we believe 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 Intuit, Microsoft and Autodesk, located in that sector.

SECTOR	REP. BROWN ADVISORY GLOBAL LEADERS ACCOUNT (%)	FTSE ALL- WORLD INDEX (%)	DIFFERENCE (%)	REP. BROWN ADVISORY GLOBAL LEADERS ACCOUNT (%)	
	Q2'20	Q2'20	Q2'20	Q1'20	Q2'19
Communication Services	14.90	9.65	5.25	14.29	13.45
Consumer Discretionary	4.66	11.64	-6.98	7.59	8.17
Consumer Staples	9.22	8.10	1.12	9.41	11.28
Energy	--	3.69	-3.69	--	--
Financials	15.71	13.74	1.97	15.74	19.89
Health Care	5.80	12.68	-6.88	5.95	2.81
Industrials	10.89	9.63	1.26	13.78	14.97
Information Technology	33.64	20.07	13.57	28.53	24.33
Materials	5.18	4.69	0.49	4.71	5.12
Real Estate	--	2.91	-2.91	--	--
Utilities	--	3.18	-3.18	--	--

Second Quarter 2020

QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

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	14.64	20.31	9.57	20.92	0.10	-0.14	-0.04
Consumer Discretionary	6.17	8.93	11.21	28.86	-0.35	-1.00	-1.36
Consumer Staples	9.57	13.50	8.43	9.38	-0.10	0.44	0.35
Energy	--	--	3.86	18.03	-0.01	--	-0.01
Financials	15.37	20.84	14.06	11.72	-0.10	1.20	1.10
Health Care	6.27	7.72	13.17	15.08	0.24	-0.41	-0.17
Industrials	11.25	16.09	9.58	17.52	-0.09	-0.29	-0.37
Information Technology	31.51	29.00	19.16	29.33	1.07	0.08	1.16
Materials	5.22	26.91	4.63	25.38	0.05	0.12	0.17
Real Estate	--	--	2.99	11.56	0.22	--	0.22
Utilities	--	--	3.34	6.62	0.42	--	0.42
Total	100.00	20.63	100.00	19.15	1.47	0.01	1.48

- Information technology was the top-performing sector in the quarter, driven by our investments in Microsoft, Visa and Marvell Technology. Some of Microsoft's services benefit from helping professionals work at home and Marvell announced a new customer for its 5G chipsets to be launched into cellular base-stations in 2020.
- We have not had any investments in either energy, real estate or utilities since inception.
- Consumer Discretionary was our worst performing sector as companies have been heavily impacted by the crushing hit to demand of COVID-19. We have conducted a number of -20% drawdown reviews in this sector and aside from exiting Trip.com in May, we have added more capital on a five year view.

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.

Second Quarter 2020

QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

Representative Global Leaders Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
MSFT	Microsoft Corporation	Develops, manufacture ad distributes software products	8.78	29.40	2.46
MRVL	Marvell Technology Group Ltd.	Engages in the business of providing semiconductors to high-performance application-specific standard products	3.30	55.34	1.67
V	Visa Inc. Class A	Operates as a global payments technology	5.76	20.10	1.23
EA	Electronic Arts Inc.	American video game company	3.86	31.83	1.18
MA	Mastercard Incorporated Class A	Offers payment solutions	4.63	22.59	1.13

- Microsoft's cloud service Azure and online education and work tools such as Teams and OneNote are in high demand as we all migrate to working from home. There is meaningful revenue growth across the entire product portfolio, although risk in some areas too. Gross margin is up despite increasing cloud mix, and operating expenses continue to grow more slowly than revenues. Taken together, Microsoft is driving meaningful earnings and cash flow growth at scale.
- Marvell announced in the second quarter that another tier 1 telecom OEM will take their propriety 5G semiconductors into the next generation of 5G base stations which are just starting to be deployed across the globe. This now means Nokia, Ericsson, Samsung and ZTE should all have Marvell semis within their 5G base stations. The only tier 1 company they don't supply is Huawei. On a 3-5 year view Marvell's competitive position in 5G is stronger than ever.
- Visa and MasterCard rebounded in the second quarter as we saw the saw re-opening of economies across the globe. While cross-border travel is still in the doldrums and expected to remain there for some time, some of the other domestic oriented parts of their businesses were back to pre-COVID levels.
- Electronic Arts has been a beneficiary of people looking for cheap entertainment whilst cooped up at home. The surprise launch of a new Star Wars game titled Squadrons late in the second quarter was a boost for future sales and the share price.

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. Security returns listed represent the period when the security was held during the quarter. 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. Top five and bottom five contributors exclude cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Second Quarter 2020

QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

Representative Global Leaders Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
EVD	CTS Eventim AG & Co. KGaA	Engages in ticketing and live entertainment event management	2.62	-8.03	-0.27
HSX-GB	Hiscox Ltd	Offers property and casualty insurance aimed at companies and high net worth individuals	0.02	-6.88	-0.06
SCHW	Charles Schwab Corporation	Offers investment advice, products and services	2.38	0.87	0.08
JPM	JPMorgan Chase & Co.	Provides investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity	1.48	1.54	0.09
1299	AIA Group Limited	Offers insurance and financial services, writing life insurance for individuals and businesses, as well as accident and health insurance, retirement planning and wealth management.	2.84	4.43	0.11

- We added to CTS Eventim on the back of a drawdown review as we have not seen its competitive position changing due to COVID-19. In the near-term its business is one of the most impacted in our portfolio with concerts, festivals and large sporting events all either temporarily banned or resuming without selling tickets to live spectators. On a 3-5 year view most artists will still need to sell concerts as 90% of their income comes from touring.
- We completed exiting our investment in Hiscox very early in 2Q due to our concern around quantifying exposure to claims arising from COVID-19 in their SME business interruption insurance book. An exceptional customer outcome is paramount to us and we feared an unsightly technical courtroom battle would put at risk what we view as one of Hiscox's key competitive advantages: a great brand with speedy claims payments.
- Charles Schwab took a big step forward to its acquisition of TD Ameritrade during the second quarter as the DoJ and shareholders both approved the deal. Whilst lower interest rates no doubt hinder near-term results the robust trading environment and large synergies from the TD acquisition should bear fruit over many years.
- JPMorgan flagged on one of our behavioral process checkpoints—the Vulnerable Position Nudge list—which prompted us to reanalyze our investment. Having recalibrated our model to a COVID-19 global pandemic base case with consequent lower US interest rates and higher loan losses we decided to fund a capital switch into Bank Rakyat in Indonesia, HDFC Bank in India and AIA Group in Hong Kong by exiting JPMorgan. We saw double digit IRRs in both Emerging Market banks and AIA but not JPMorgan so switched our capital to the higher IRRs. In our view JPMorgan remains one of the best banks in America.
- We added to our investment in AIA during the quarter, funding this from our exit of JPMorgan. Whilst we still like both companies and management teams we saw double digit IRR at AIA but not at JPMorgan.

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. Security returns listed represent the period when the security was held during the quarter. 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. Top five and bottom five contributors exclude cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

QUARTER-TO-DATE ADDITIONS/DELETIONS

Representative Global Leaders Account Portfolio Activity

- Flowserve was sold to fund our investment in Aspen Technology. Flowserve is facing a prolonged downturn with energy prices meaningfully lower as a result of the global pandemic and a supply war between Saudi Arabia and Russia. With the prospect of lower revenue and RoIC for a prolonged period of time, our thesis had been undermined and we felt the investment dollars were better allocated to higher RoIC Aspen. We believe Aspen's leadership position and continued innovation drives consistent growth over time and high FCF generation. While its business is not immune to declining oil prices, Aspen is more resilient than the operations of its customers due to the mission-critical nature of its software.
- We completed our exit of Hiscox in early April which was driven by our drawdown review process discipline. Hiscox reported higher than expected claims in their 2019 results with the third consecutive year of elevated natural catastrophe losses impacting the reinsurance business as well as higher attritional losses in the wholesale London Market business. These coincided with restructuring of their US retail business, which has been a key growth engine in the last few years. Improving pricing and premium growth in the London Market and certain parts of the reinsurance business did not offset concerns on slowing growth in the US and higher claims across the board. The crux issue for us however came in March with our concern around quantifying their exposure to claims arising from COVID-19 in their SME business interruption insurance book. An exceptional customer outcome is paramount to us and we feared an unsightly technical courtroom battle would put at risk what we view as one of Hiscox's key competitive advantages: a great brand with speedy claims payments.

SYMBOL	ADDITIONS	SECTOR
AZPN	Aspen Technology, Inc.	Information Technology

SYMBOL	DELETIONS	SECTOR
FLS	Flowserve Corporation	Industrials
HSX-GB	Hiscox Ltd	Financials
JPM	JPMorgan Chase & Co.	Financials
TCOM	Trip.com Group Ltd. Sponsored ADR	Consumer Discretionary

- The main reasons for Trip.com's elimination from the portfolio is due to the impact of COVID-19 on global travel further pushing out its RoIC improvement to beyond our Global Leaders investment horizon and Trip.com increasing debt to provide liquidity in the near-term. Initially we hoped that Trip.com could improve its RoIC to +20% levels within 5 years but this has been pushed out due to various reasons beyond its control. We still think Trip.com can reach the RoIC target eventually but the additional time it needs as well as the widened dispersion of outcomes post-coronavirus, does not make it the most attractive idea. After the market sell-off, we are finding many more attractive investment ideas with +20% RoIC and higher levels of conviction that provide the same level if not higher potential return than Trip.com.

Second Quarter 2020

PORTFOLIO CHARACTERISTICS

Global Leaders Representative Account As of 06/30/2020



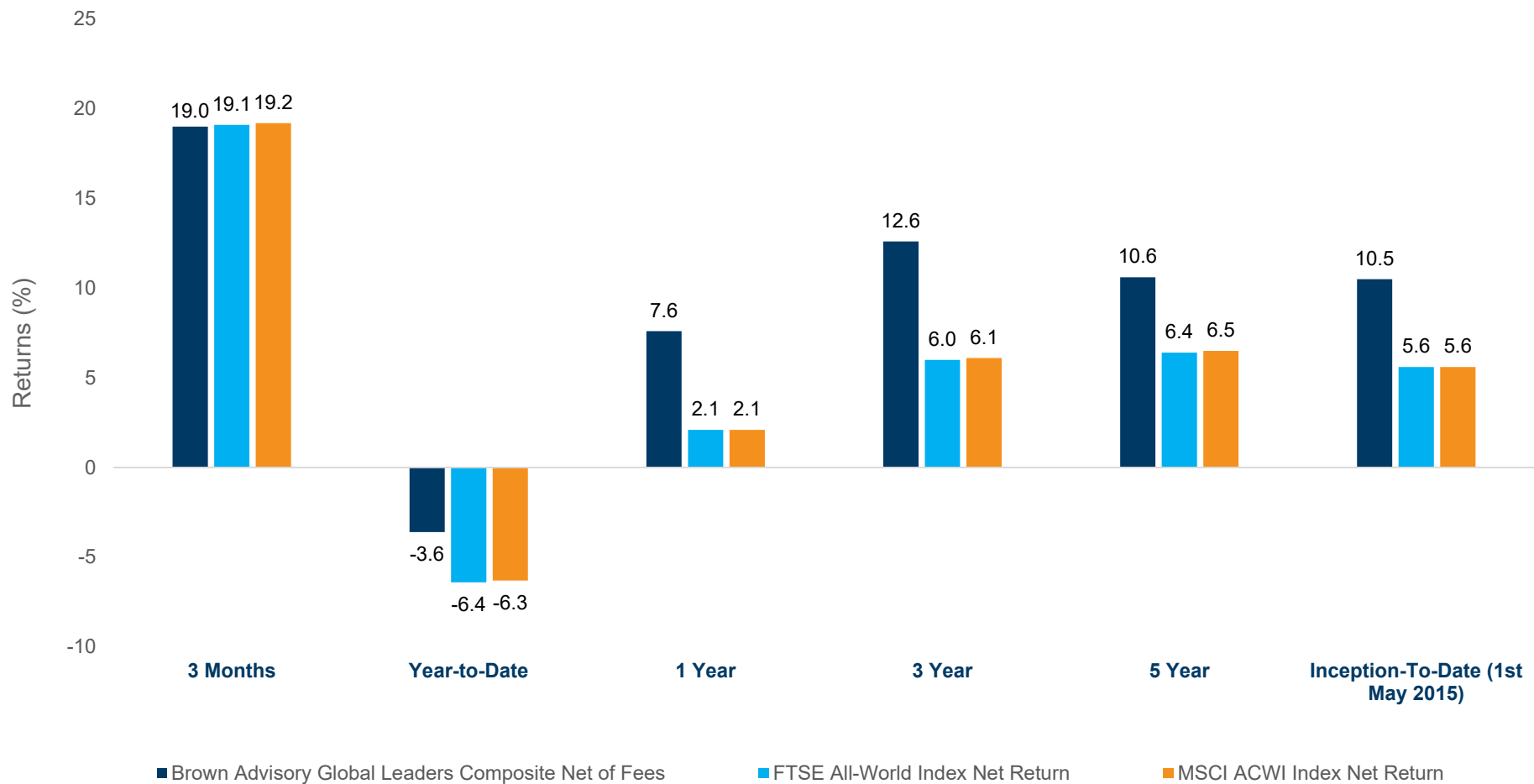
	GLOBAL LEADERS REPRESENTATIVE ACCOUNT	FTSE ALL WORLD NET INDEX
ROIC (LFY ex. financials) Median (%)	25.7	9.5
Sales Growth (% , 3 Year Median)	11.4	7.4
FCF ex. financials (NTM Median) (%)	3.2	3.6
Volatility	13.8	14.3
Sharpe Ratio	0.7	0.3
Sortino Ratio	0.9	0.4
Beta	0.9	1.0
Alpha	4.9	--
Net Debt to EBITDA ex. Financials (Weighted Average)	0.1	1.4

Source: FactSet. 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.

Second Quarter 2020

COMPOSITE PERFORMANCE

As of 06/30/2020



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.

Second Quarter 2020

TOP 10 PORTFOLIO HOLDINGS

Global Leaders Representative Account As of 06/30/2020

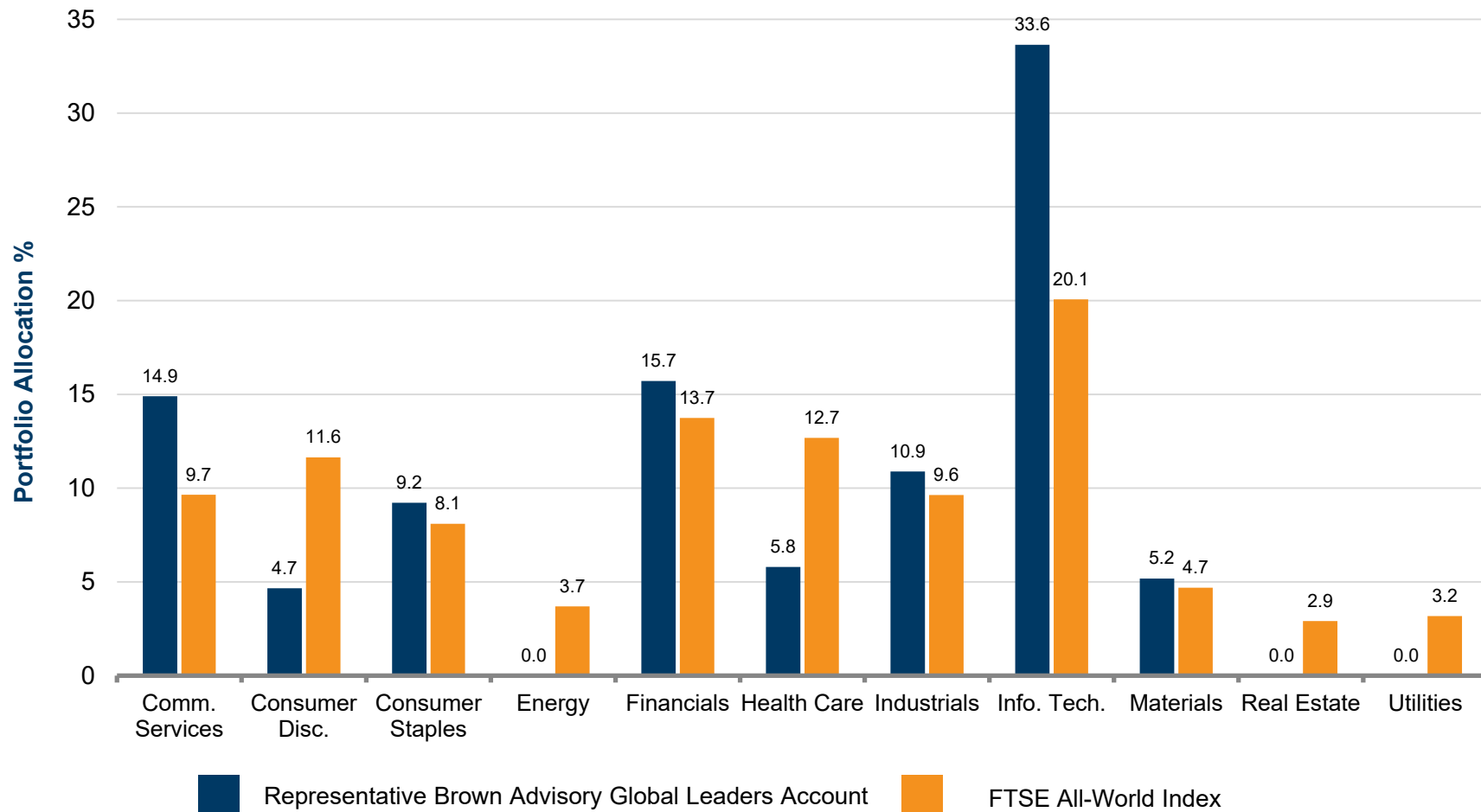
TOP 10 HOLDINGS	% OF PORTFOLIO
Microsoft Corporation	9.0
Visa Inc. Class A	5.5
Alphabet Inc. Class C	4.4
Mastercard Incorporated Class A	4.4
Electronic Arts Inc.	3.9
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	3.9
Tencent Holdings Ltd.	3.8
Deutsche Boerse AG	3.7
HDFC Bank Limited	3.6
Estee Lauder Companies Inc. Class A	3.3
Total	45.5

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. 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.

Second Quarter 2020

SECTOR DIVERSIFICATION

Global Industry Classification Standard (GICS) as of 06/30/2020



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.

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

The **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.

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

Global Industry Classification Standard (GICS®) and “GICS” are service makers/trademarks of MSCI and Standard & Poor's.

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)*
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.

- *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 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 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, policies for valuing portfolios, calculating performance, and preparing compliant presentations 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.