

Brown Advisory Large-Cap Growth Strategy

We believe that our strategy can produce excess risk-adjusted returns over a full market cycle by investing in a concentrated portfolio of diversified companies with 14% or higher earnings growth purchased at attractive valuations.

February 2023 Monthly Report

Performance Contributors

TOP FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
NVDA	NVIDIA Corporation	Information Technology	3.63	18.83	0.59
ALGN	Align Technology, Inc.	Health Care	2.56	14.74	0.27
EW	Edwards Lifesciences Corporation	Health Care	3.15	4.83	0.16
DXCM	DexCom, Inc.	Health Care	2.20	3.66	0.07
ROP	Roper Technologies, Inc.	Industrials	3.66	0.81	0.03

BOTTOM FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
MTCH	Match Group, Inc.	Communication Services	2.11	-23.41	-0.54
EL	Estee Lauder Companies Inc. Class A	Consumer Staples	4.00	-12.28	-0.50
GOOG	Alphabet Inc. Class C	Communication Services	3.80	-9.58	-0.37
ADBE	Adobe Incorporated	Information Technology	2.90	-12.53	-0.37
SHOP	Shopify, Inc. Class A	Information Technology	2.01	-16.43	-0.35

Monthly Portfolio Activity

NEW INVESTMENT

TICKER	NAME	REASON FOR DECISION
	None	

DELETION

TICKER	NAME	REASON FOR DECISION
BF.B	Brown-Forman Corporation Class B	

Top 10 Equity Holdings (%)

Cash and equivalents: 3.2%

1. ServiceNow, Inc.	4.8	6. Intuit Inc.	4.0
2. Microsoft Corporation	4.4	7. Cintas Corporation	3.9
3. Mastercard Incorporated Class A	4.3	8. NVIDIA Corporation	3.9
4. Thermo Fisher Scientific Inc.	4.2	9. Estee Lauder Companies Inc. Class A	3.8
5. Intuitive Surgical, Inc.	4.2	10. Costco Wholesale Corporation	3.8



KENNETH STUZIN, CFA
Portfolio Manager

INSIDE THE STRATEGY: FACTS & TYPICAL PORTFOLIO FIGURES

Inception: 05/31/1996	Top 10 Weight: 35%–50%
Benchmark: Russell 1000® Growth Index	Position Size: 1.5%–5%
Concentrated Portfolio: 30–35 Holdings	Cash Position: 1%–3.5%

Portfolio Comments

The Brown Advisory Large-Cap Growth composite was down 4.0%, net of fees, for the month of February, underperforming the Russell 1000® Growth Index, which was down 1.2% during the same period.

For the month of February, we believe the strategy benefited from its stock selection in health care and from the lack of exposure to the energy sector. The sectors with the largest underperformance, compared to the Russell 1000® Growth Index, were information technology and consumer staples.

The top contributors to absolute returns in the portfolio were NVIDIA (NVDA), Align Technology (ALGN), Edwards Lifesciences (EW) DexCom (DXCM), and Roper Technologies (ROP).

NVIDIA, a market leader in advanced graphic processing units, reported better-than-expected financial results during the month. Management's commentary regarding forward outlook was also positive- they expect all key segments to grow sequentially in the second quarter. The ramp of the H100 is projected to benefit data center revenue for the remainder of the year. We believe Align Technology surprised positively in its most recent quarterly results, with the company reporting a modest sequential increase in case starts. While the company commented on the uncertain macroeconomic environment, we believe management remains confident in the large market opportunities for both digital orthodontics and dentistry. Edwards Lifesciences reported financial results following the close of the market on January 31st. Results were modestly above consensus expectations and in our view, easing COVID-restrictions globally and improving hospital staffing trends should continue to benefit the company. DexCom reported strong financial results during the month, mostly reaffirming their preannouncement in January. Strong volume growth and new customer additions contributed to the company's 20% increase in revenues during the period. We continue to believe the rollout of the new G7 monitor provides ample opportunity, domestically and abroad. We believe Roper Technologies continues to be rewarded for their ability to execute across segments, even in a challenging macroeconomic environment. (contd.)



*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. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. The security returns listed represent the period of when the security was held during the month. Top five and bottom five contributors exclude cash and cash equivalents. Contribution to return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return for the reporting period. The top 10 equity holdings include cash and equivalents. Portfolio information provided is based on a representative Large-Cap Growth account and is provided as supplemental information. The composite performance shown above reflects the Large-Cap Growth 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 Large-Cap Growth disclosure statement at the end of this presentation for a GIPS compliant presentation.

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Portfolio Comments (contd.)

The top 5 detractors to performance for the month of February were Match Group (MTCH), Estee Lauder (EL), Alphabet (GOOG), Adobe (ADBE), and Shopify (SHOP).

The online dating provider, Match Group, reported quarterly results following the market's close on January 31. Results missed our expectations as macroeconomic and currency headwinds impacted revenues, but we expect the improved execution at Tinder to positively impact the financial results in the second half of 2023. Estee Lauder reported financial results that beat consensus expectations, but we believe guidance for the fiscal year was revised lower on choppiness in the pace of the China reopening and other inventory clean-up post COVID. We believe that once Chinese consumers fully emerge from COVID (including a return to travel retail), the company should regain its sales momentum and these related issues will prove transitory. We believe Google's most recent financial results were impacted by the challenging macroeconomic environment, particularly within the company's advertising business. Our expectations are for the company to exhibit continued resilience within Search and successfully implement cost cutting initiatives, over the next several quarters. In our view, news released in February concerning an upcoming antitrust lawsuit from the Justice Department regarding Adobe's proposed acquisition of Figma, negatively impacted the stock during the month. We will continue to monitor the probable lawsuit closely, but still believe in long-term growth opportunity for Adobe, in particular, within their creative cloud business. Shopify reported quarterly results in February that were better than we expected, with notable beats in Gross Merchandise Value and profitability. The company's guidance, however, came in below consensus expectations, negatively impacting the stock during the period.

During the month of February, we fully exited one company, Brown-Forman. We believe that while Brown-Forman generally performed well and the stock showed its defensive characteristics through recent market volatility, the stock fully reflects the market's expectation of continued growth and improvement in gross margins. Additionally, we see potential weakness ahead as the significant benefit from a post-COVID restocking across the industry (distributors, retails, bars/restaurants) has now played out.



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Brown Advisory Large-Cap Growth Institutional 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)*
2021	20.0	19.5	27.6	17.8	18.2	88	0.3	16,148	79,715
2020	33.8	33.2	38.5	18.6	19.6	95	0.5	16,467	59,683
2019	41.9	41.4	36.4	13.4	13.1	92	0.3	13,175	42,426
2018	5.9	5.5	-1.5	13.0	12.1	88	0.3	9,285	30,529
2017	31.7	31.2	30.2	11.5	10.5	119	0.3	10,005	33,155
2016	-2.3	-2.7	7.1	11.2	11.2	148	0.1	9,786	30,417
2015	7.8	7.4	5.7	10.2	10.7	168	0.3	12,583	43,746
2014	7.1	6.6	13.1	11	9.6	181	0.2	14,674	44,772
2013	30.3	29.7	33.5	15.5	12.2	212	0.3	15,740	40,739
2012	16.7	16.2	15.3	18.7	15.7	148	0.4	8,525	26,794

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, 2021. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

- *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
- The Large-Cap Growth Institutional Composite (the Composite) includes all discretionary institutional portfolios invested in U.S. equities with strong earnings growth characteristics and large market capitalizations. The minimum account market value required for Composite inclusion is \$1.5 million.

- The Composite was created in 1997. The Composite inception date is June 1, 1996.
- The benchmark is the Russell 1000® Growth Index. The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. The Russell 1000® Growth Index and Russell® are trademarks/service marks 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.
- The composite dispersion presented is an equal-weighted standard deviation of portfolio gross returns calculated for the accounts in the Composite for the entire calendar year period.
- 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. Certain accounts in the Composite pay asset-based custody fees that include commissions. For these accounts, gross and net returns are also net of custody fees. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: For accounts below \$150 million, 0.70% on the first \$25 million; 0.50% on the next \$25 million; and 0.40% on the next \$100 million. For accounts over \$150 million, 0.465% on the first \$150 million; 0.30% on the next \$100 million; 0.25% on the next \$250 million; and 0.20% on the balance over \$500 million. Further information regarding investment advisory fees is described in Part II A of the firm's form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- The investment management fee for the Investor Shares of the Brown Advisory Growth Equity Fund (the Fund), which is included in the Composite, is 0.60%, and represents the highest fee charged excluding Advisor Shares. The total expense ratio for the Investor Shares of the Fund as of the most recent fiscal year end (June 30, 2021) was 0.82%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- The investment management fee for the Dollar Class B Acc Shares of the Brown Advisory US Equity Growth Fund (the UCITS), which is included in the composite, is 0.75%. The total expense ratio for the Dollar Class B Acc Shares of the UCITS as of the most recent fiscal year end (October 31, 2021) was 0.84%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31.
- Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
- A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
- Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- Past performance is not indicative of future results.
- This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subsription documents.
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Terms and Definitions for Representative Account Calculations

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. **Contribution to Return** is calculated by multiplying a security's beginning portfolio weight by its daily return and geometrically linking the security's daily contribution to return over the entire reporting period.