

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.



KENNETH STUZIN, CFA
Portfolio Manager

November 2022 Monthly Report

Performance Contributors

TOP FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
EL	Estee Lauder Companies Inc. Class A	Consumer Staples	3.63	17.61	0.64
NVDA	NVIDIA Corporation	Information Technology	2.48	25.38	0.61
NXPI	NXP Semiconductors NV	Information Technology	2.81	20.37	0.55
ISRG	Intuitive Surgical, Inc.	Health Care	5.13	9.77	0.50
LULU	Lululemon Athletica Inc	Consumer Discretionary	3.13	15.58	0.49

BOTTOM FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
TEAM	Atlassian Corp Class A	Information Technology	1.14	-34.71	-0.59
INTU	Intuit Inc.	Information Technology	4.11	-4.66	-0.25
ADSK	Autodesk, Inc.	Information Technology	3.85	-5.76	-0.23
LHX	L3Harris Technologies Inc	Industrials	2.38	-7.87	-0.21
AMZN	Amazon.com, Inc.	Consumer Discretionary	2.69	-5.76	-0.20

Monthly Portfolio Activity

NEW INVESTMENT

TICKER	NAME	REASON FOR DECISION
	None	

DELETION

TICKER	NAME	REASON FOR DECISION
SHW	Sherwin-Williams Company	Sherwin-Williams was eliminated from the portfolio to fund our new position in Generac, a leading provider of home standby generators. Generac was a new addition to the portfolio in October 2022.

Top 10 Equity Holdings (%)

Cash and equivalents: 3.4%

1. Intuitive Surgical, Inc.	4.8	6. Cintas Corporation	4.1
2. Microsoft Corporation	4.4	7. Intuit Inc.	4.0
3. ServiceNow, Inc.	4.3	8. Alphabet Inc. Class C	3.9
4. Mastercard Incorporated Class A	4.2	9. Costco Wholesale Corporation	3.8
5. Thermo Fisher Scientific Inc.	4.2	10. Roper Technologies, Inc.	3.7

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 gained 5.9% (net of fees) during the month of November, while its benchmark, the Russell 1000® Growth Index, gained 4.6% during same period.

From a sector perspective, the strategy benefited from its stock selection in consumer discretionary and consumer staples. The sectors with the largest underperformance compared to the Russell 1000® Growth Index were industrials and information technology.

The top 5 contributors to performance were Estee Lauder, NVIDIA, NXP Semiconductors, Intuitive Surgical and Lululemon.

Estee Lauder reported quarterly results during the month that were better than we expected, which we believe were driven by gross margin improvement. The company did reduce outlook as it continues to deal with China's Zero-COVID policy. NVIDIA reported their quarterly results during the month of November with revenue coming in ahead of our expectations. NXP Semiconductors reported the last day of October and modestly beat our expectations on both revenue and earnings. While we believe management's outlook was slightly soft, the automotive business continues to be resilient. In our view, Intuitive Surgical continues to benefit from the company's strong earnings results in October. The company beat on all key metrics including procedure growth coming in at +20%, ahead of our expectations of 14-15%. Lululemon was up ~15% during the month of November, ahead of quarterly results to-be-reported in early December.

The bottom 5 contributors to performance were Atlassian, Intuit, Autodesk, L3 Harris Technologies and Amazon.com.

Atlassian reported mixed quarterly results during the period. While we believe that the company is well positioned to gain market share even in a choppy environment, we believe guidance was pulled back due to the ongoing macroeconomic challenges leading to fewer customers upgrading from free to paid plans. Intuit reported better results than we expected, driven by the strength from their small-business segment. The company lowered guidance, however, due to weakness within Credit Karma. Autodesk traded down during the month of November following the company's quarterly earnings results. While revenue was in-line with our expectations, billings came in below expectations due to the ongoing macroeconomic challenges, especially abroad. (cont.)



*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 (cont.)

L3 Harris Technologies reported quarterly results in October that came in below our expectations due to supply chain constraints. While it is unclear when supply chain pressures will ease, we believe the company continues to benefit from increased military spending. Amazon.com traded down in November on the heels of a disappointing 3rd earning's report and lowered 4th quarter guidance issued at the end of October. Despite margin contraction and decelerated growth across Amazon Web Services and e-commerce, we believe the long-term growth thesis remains intact and the renewed focus on improving operating efficiencies should enhance profitability.

During the month of November, we eliminated one holding from the portfolio.



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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. **Free Cash Flow** represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets. 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.