

Brown Advisory Large-Cap Sustainable Growth Strategy

We seek competitive risk-adjusted returns over a full market cycle through a concentrated portfolio of companies that we believe offer durable fundamental strengths, sustainable competitive advantages and compelling valuations.

February 2021 Monthly Report

Performance Contributors

TOP FIVE CONTRIBUTORS*

| TICKER | NAME | SECTOR | AVG. WEIGHT (%) | MONTHLY RETURN (%) | CONTRIBUTION TO RETURN (%) |
|--------|--------------------------|------------------------|-----------------|--------------------|----------------------------|
| DT | Dynatrace, Inc. | Information Technology | 3.33 | 19.93 | 0.50 |
| GOOGL | Alphabet Inc. Class A | Communication Services | 4.14 | 10.65 | 0.39 |
| V | Visa Inc. Class A | Information Technology | 4.00 | 9.90 | 0.37 |
| IDXX | IDEXX Laboratories, Inc. | Health Care | 3.85 | 8.67 | 0.29 |
| INTU | Intuit Inc. | Information Technology | 4.08 | 8.00 | 0.28 |

BOTTOM FIVE CONTRIBUTORS*

| TICKER | NAME | SECTOR | AVG. WEIGHT (%) | MONTHLY RETURN (%) | CONTRIBUTION TO RETURN (%) |
|--------|------------------------------------|------------------------|-----------------|--------------------|----------------------------|
| TMO | Thermo Fisher Scientific Inc. | Health Care | 3.73 | -11.70 | -0.44 |
| VRSK | Verisk Analytics Inc | Industrials | 3.29 | -10.70 | -0.36 |
| DHR | Danaher Corporation | Health Care | 3.88 | -7.64 | -0.29 |
| WST | West Pharmaceutical Services, Inc. | Health Care | 3.28 | -6.24 | -0.20 |
| MRVL | Marvell Technology Group Ltd. | Information Technology | 3.06 | -6.18 | -0.19 |

Monthly Portfolio Activity

NEW INVESTMENTS

| TICKER | NAME | REASON FOR DECISION |
|--------|------|---------------------|
| | None | |

DELETION

| TICKER | NAME | REASON FOR DECISION |
|--------|---------------------|--|
| NDSN | Nordson Corporation | We built a position in MSCI during January to eventually take the place of Nordson, which was just completely eliminated from the portfolio. We believe MSCI's faster growth rate and superior business model will provide more upside moving forward. |

Top 10 Equity Holdings (%)

Cash and equivalents: 1.2%

| | | | |
|---------------------------|-----|------------------------------------|-----|
| 1. Microsoft Corp. | 4.8 | 6. IDEXX Laboratories, Inc. | 3.9 |
| 2. Amazon.com, Inc. | 4.2 | 7. UnitedHealth Group, Inc. | 3.9 |
| 3. Visa, Inc. | 4.2 | 8. Analog Devices, Inc. | 3.8 |
| 4. Alphabet, Inc. Class A | 4.2 | 9. Danaher Corp. | 3.7 |
| 5. Intuit, Inc. | 4.1 | 10. Thermo Fisher Scientific, Inc. | 3.5 |



KARINA FUNK, CFA
Portfolio Manager



DAVID POWELL, CFA
Portfolio Manager

INSIDE THE STRATEGY: FACTS & TYPICAL PORTFOLIO FIGURES

| | |
|---------------------------------------|------------------------|
| Inception: 12/31/2009 | Top 10 Weight: 35%–50% |
| Benchmark: Russell 1000® Growth Index | Position Size: 1%–5% |
| Portfolio: 30–40 Holdings | Cash Position: 1%–5% |

Portfolio Comments

The Brown Advisory Large-Cap Sustainable Growth Composite gained 1.4% (net of fees) during February, outperforming its benchmark, the Russell 1000® Growth Index, which was flat on the month.

Strong performance from Dynatrace, Alphabet, Visa, IDEXX Laboratories and Intuit led to the positive portfolio results. Dynatrace was up 20% during the month after it reported another strong quarter, beating revenue and earnings estimates, and raising future guidance. Dynatrace has a leading position in the Application Performance Monitoring (APM) market, and we expect sustained strong revenue growth and scaling profitability.

Some of our other technology and health care names did not fare as well, such as Thermo Fisher and Verisk Analytics. Sector performance was mixed, with communications services and financials up, and health care and real estate down.

While Etsy and Starbucks are among the portfolio's smaller positions at 2.5% and 2.3% respectively, their double-digit performance (up 11% and 12% respectively) helped our absolute and relative returns. Not owning Tesla and Apple both were positive for relative performance this month, as Tesla fell 15% and Apple was down 8%.

At the beginning of the month we completed our elimination of Nordson, which we swapped for MSCI in January. Nordson has been a great holding for the strategy, but we like MSCI's faster growth rate and what we believe is a superior business model. The strategy remains concentrated, with 33 equity positions, and 40% in the top ten holdings. **B**

*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. Numbers may not total due to rounding. The portfolio information provided is based on a representative Large-Cap Sustainable Growth account and is provided as supplemental information. This representative account may differ from specific client portfolios. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. Past performance is not indicative of future results. The composite performance shown above reflects the Large-Cap Sustainable 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 Sustainable Growth disclosure statement at the end of this presentation for a GIPS compliant presentation.

Brown Advisory Large-Cap Sustainable Growth 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 | 36.2 | 35.5 | 36.4 | 12.4 | 13.1 | 53 | 0.3 | 2,379 | 42,426 |
| 2018 | 5.4 | 4.8 | -1.5 | 11.6 | 12.1 | 41 | 0.2 | 1,049 | 30,529 |
| 2017 | 29.1 | 28.4 | 30.2 | 10.6 | 10.5 | 32 | 0.2 | 762 | 33,155 |
| 2016 | 6.6 | 6.0 | 7.1 | 11.5 | 11.2 | 32 | 0.1 | 503 | 30,417 |
| 2015 | 13.7 | 13.1 | 5.7 | 11.1 | 10.7 | 23 | 0.3 | 405 | 43,746 |
| 2014 | 7.1 | 6.5 | 13.1 | 9.9 | 9.6 | 25 | 0.1 | 303 | 44,772 |
| 2013 | 34.5 | 33.7 | 33.5 | 12.1 | 15.5 | 24 | 0.2 | 288 | 40,739 |
| 2012 | 16.5 | 15.9 | 15.3 | 15.7 | 15.7 | 22 | 0.3 | 211 | 26,794 |
| 2011 | 5.4 | 5.0 | 2.6 | NA | NA | 21 | 0.3 | 37 | 19,962 |
| 2010 | 23.5 | 23.1 | 16.7 | NA | NA | 18 | N/A | 13 | 16,859 |

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 Large-Cap Sustainable Growth Composite (the Composite) includes all discretionary portfolios invested in the Sustainable Large Cap Strategy. The strategy invests primarily in large market capitalization companies with financially and environmentally sustainable business models. The minimum account market value required for Composite inclusion is \$1.5 million. Prior to 2012, the minimum was \$100,000.
 - ESG considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify companies that it believes may have desirable ESG outcomes, but investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, the strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The strategy may also invest in companies that would otherwise be screened out of other ESG oriented funds. Security selection will be impacted by the combined focus on ESG assessments and forecasts of return and risk. The strategy intends to invest in companies with measurable ESG outcomes, as determined by Brown Advisory, and seeks to screen out particular companies and industries. Brown Advisory relies on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.
- Prior to March 31, 2013, the strategy was named Large-Cap Sustainability. Prior to December 31, 2011, the strategy was named Winslow Green Large Cap. No changes have been made to the strategy since inception.
 - The Composite was created in 2010. The Composite inception date is January 1, 2010.
 - 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 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. 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: 0.80% on the first \$10 million; 0.65% on the next \$15 million; 0.50% on the next \$25 million; and 0.40% on the balance over \$50 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, 2010 and December 31, 2011 because 36 month returns for the Composite were not available (N/A).
 - 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.

Disclosures

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. Please see composite disclosure statements for additional information.

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barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure that new and growing equities are included and that the represented companies continue to reflect growth characteristics. Russell® when related to the Russell indexes is a trademark of the London Stock Exchange Group of companies. An investor cannot invest directly into an index. FactSet® is a registered trademark of FactSet Research Systems, Inc. GICS® is a registered trademark of MSCI and Standard & Poor's Financial Services LLC.

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.