

# LARGE-CAP SUSTAINABLE GROWTH REVIEW AND OUTLOOK

## Second Quarter 2021

The strategy recorded strong gains during the quarter and beat its benchmark, the Russell 1000® Growth Index. The strategy also finished ahead of its benchmark for the first six months of 2021.

Encouraging economic momentum pushed the market higher in the second quarter. The effectiveness of the COVID-19 vaccines resulted in strong demand resurgence, bolstering commodity prices and spurring inflation. After abandoning high-quality, large-cap growth stocks in the first quarter, investors regained their appetite for some of the “COVID winners” and faded the rotation toward cyclicals. We were pleased to see the market react positively to strong results from many of our companies.

Turning to the quarter’s results, strong performance within health care and information technology contributed to the gains over the period. Within technology, many of our software and semiconductor names performed well, including Adobe, NVIDIA and Dynatrace. Digital transformation across numerous end markets and applications is driving strong demand for many of our software companies. Similarly, many of our semiconductor companies are benefitting from demand for productivity tools including artificial intelligence, 5G, and industrial automation.

Consistent with recent quarters, we continued to perform well within health care. IDEXX Laboratories and West Pharmaceutical Services were top performers but most of our companies within the sector performed well. During the period, Danaher acquired privately-held Aldevron, a manufacturer of plasmid DNA and proteins for biopharma customers. This is the second example of one of our portfolio companies within health care redeploying proceeds from COVID-19 testing into mergers and acquisitions. Recall that Thermo Fisher acquired PPD earlier this year to enter the contract research organization (CRO) space. We view both transactions as excellent uses of capital that should bolster both organizations over the long term.

Another portfolio holding, Etsy, redeployed excess capital generated during the pandemic by acquiring Depop, an online fashion marketplace, and Elo7, a top ecommerce site in Brazil. Both transactions serve to diversify Etsy geographically and bolster its apparel offering. These acquisitions are among many made by our portfolio companies over the past eighteen months that we view favorably. Others include Intuit’s acquisition of Credit Karma to broaden its value-add for consumers beyond tax preparation, Marvell’s acquisition of Inphi’s optical networking assets to enhance its datacenter franchise and Analog Devices’ acquisition of Maxim to expand its automotive offering.

We took advantage of temporary weakness over the quarter to add to some positions including Ecolab, MSCI, and Square. At the same time, we trimmed a number of large position sizes to manage risk, including Dynatrace, West Pharmaceutical Services and Analog Devices. We are extremely cognizant of managing position sizes to mitigate risk. As a reminder, we have a maximum position size threshold of 5% for individual names. Similarly, we will periodically trim outsized positions of holdings whose business models are relatively more cyclical or less durable. The trims of West and Analog Devices are good examples of adhering to this discipline.

We added one new name to the portfolio, NVIDIA, and eliminated Ball Corporation. This is consistent with our practice of seeking to upgrade the portfolio with new holdings. While Ball has been a strong performer during our holding period, we believe that NVIDIA has a more durable business model, higher barriers to entry and a stronger growth rate. NVIDIA is a digital semiconductor company focused on graphic processing units (GPUs) for gaming and datacenter applications. Recently, NVIDIA expanded its offering within the datacenter beyond the GPU, which increases its competitive position. Furthermore, the stock’s valuation compressed to a level which, we believe, offered us far more upside potential versus downside risk. NVIDIA’s compute language, Cuda, has become the de facto parallel standard compute software for programmers to utilize GPU in artificial intelligence (AI) and machine learning applications. NVIDIA’s sustainable business advantage (SBA) is that for both AI and high-performance computing, the company’s accelerated computing platform greatly increases the performance and power efficiency of high-performance computers and data centers.

We remain fully invested and disciplined in our process of finding investment opportunities at the intersection of strong fundamentals, sustainable business advantages and attractive valuations. This philosophy has served us well over the last 11 and a half years, and we believe it will continue to do so in the years ahead.

# SECTOR DIVERSIFICATION

Second Quarter 2021

- Sector allocation in both absolute and relative terms did not change meaningfully during the quarter.
- Consistent with prior quarters, the portfolio is overweight health care and materials and underweight consumer staples, energy and communication services. We do not use sector rotation as a driver of return. Our sector weightings are primarily determined by where we find opportunities in our bottom-up stock selection process.
- As we have previously noted, some of our industrial and information technology holdings could be categorized within other sectors. One of our industrial companies primarily serves the insurance sector while several technology holdings are involved in financial services.

| SECTOR                 | REPRESENTATIVE<br>LARGE-CAP<br>SUSTAINABLE<br>GROWTH ACCOUNT<br>(%) | RUSSELL<br>1000®<br>GROWTH<br>INDEX<br>(%) | DIFFERENCE<br>(%) | REPRESENTATIVE<br>LARGE-CAP<br>SUSTAINABLE<br>GROWTH ACCOUNT<br>(%) |        |
|------------------------|---|--|-------------------|---|--------|
|                        | Q2 '21  | Q2 '21                                     | Q2 '21            | Q1 '21  | Q2 '20 |
| Communication Services | 4.31  | 12.40                                      | -8.09             | 4.24  | 3.93   |
| Consumer Discretionary | 15.09   | 18.67                                      | -3.58             | 15.80   | 15.39  |
| Consumer Staples       | --  | 3.88                                       | -3.88             | --  | --     |
| Energy                 | --  | 0.28                                       | -0.28             | --  | --     |
| Financials             | 2.69  | 2.36                                       | 0.33              | 2.30  | --     |
| Health Care            | 23.33   | 8.92                                       | 14.42             | 23.43   | 25.20  |
| Industrials            | 5.27  | 6.00                                       | -0.73             | 5.90  | 8.72   |
| Information Technology | 43.65   | 44.61                                      | -0.96             | 41.57   | 37.31  |
| Materials              | 1.76  | 1.13                                       | 0.63              | 2.85  | 4.81   |
| Real Estate            | 3.89  | 1.73                                       | 2.16              | 3.91  | 4.63   |
| Utilities              | --  | 0.03                                       | -0.03             | --  | --     |

# QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

Second Quarter 2021



| SECTOR                 | REPRESENTATIVE LARGE-CAP SUSTAINABLE GROWTH ACCOUNT |              | RUSSELL 1000® GROWTH INDEX |              | ATTRIBUTION ANALYSIS  |                                    |                  |
|------------------------|---|--------------|----------------------------|--------------|-----------------------|------------------------------------|------------------|
|                        | AVERAGE WEIGHT (%)                                  | RETURN (%)   | AVERAGE WEIGHT (%)         | RETURN (%)   | ALLOCATION EFFECT (%) | SELECTION & INTERACTION EFFECT (%) | TOTAL EFFECT (%) |
| Communication Services | 4.43  | 18.44        | 12.09                      | 15.80        | -0.28                 | 0.12                               | -0.17            |
| Consumer Discretionary | 15.26   | 7.49         | 16.56                      | 7.90         | 0.05                  | -0.11                              | -0.06            |
| Consumer Staples       | --  | --           | 4.33                       | 4.05         | 0.35                  | --                                 | 0.35             |
| Energy                 | --  | --           | 0.11                       | 18.94        | 0.01                  | --                                 | 0.01             |
| Financials             | 2.50  | 27.34        | 1.92                       | 11.87        | 0.02                  | 0.35                               | 0.37             |
| Health Care            | 23.77   | 18.42        | 13.18                      | 10.89        | -0.09                 | 1.62                               | 1.53             |
| Industrials            | 5.74  | -1.02        | 4.51                       | 9.90         | 0.01                  | -0.65                              | -0.64            |
| Information Technology | 42.20   | 14.75        | 44.63                      | 13.75        | 0.01                  | 0.48                               | 0.49             |
| Materials              | 2.18  | -3.56        | 0.90                       | 5.08         | --                    | -0.21                              | -0.21            |
| Real Estate            | 3.93  | 13.58        | 1.76                       | 16.03        | 0.09                  | -0.09                              | 0.01             |
| Utilities              | --  | --           | 0.02                       | 7.61         | 0.01                  | --                                 | 0.01             |
| <b>Total</b>           | <b>100</b>  | <b>13.62</b> | <b>100</b>                 | <b>11.94</b> | <b>0.18</b>           | <b>1.51</b>                        | <b>1.69</b>      |

- Stock selection was decidedly positive during the quarter. Our performance in health care, information technology and financials was particularly strong.
- Weak stock selection in industrials and materials resulted in relative underperformance within these sectors. Ecolab suffered from COVID-related shutdowns while Verisk Analytics missed expectations due to weakness in its financial services and energy units.
- Our overweight in health care negatively impacted our results as the sector did not keep pace with the benchmark during the quarter. However, our strong stock selection more than offset this headwind. During the quarter, Danaher announced the acquisition of Aldevron, a provider of critical genomic compounds, further bolstering its genomic medicine footprint.
- Our underweight in communication services negatively impacted results given this sector's outperformance versus the benchmark. In contrast, our underweight to consumer staples helped as it was the worst performing sector during the quarter.
- MSCI is our only holding within financials. Its strong performance led to an outsized, positive contribution for the sector.

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. The portfolio information provided is based on a representative Large-Cap Sustainable Growth 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.

# QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

Second Quarter 2021 Representative Large-Cap Sustainable Growth Account Top Five Contributors

|      | NAME                               | DESCRIPTION  | AVERAGE WEIGHT (%) | RETURN (%) | CONTRIBUTION TO RETURN (%) |
|------|------------------------------------|--|--------------------|------------|----------------------------|
| INTU | Intuit Inc.                        | Provides software products for businesses  | 4.04               | 28.09      | 1.13                       |
| IDXX | IDEXX Laboratories, Inc.           | Manufactures animal health products  | 3.93               | 29.08      | 1.07                       |
| NVDA | NVIDIA Corporation                 | Designs and manufactures computer graphics processors, chipsets, and related multimedia software | 1.39               | 39.54      | 0.90                       |
| WST  | West Pharmaceutical Services, Inc. | Manufactures and markets pharmaceuticals, biologics, vaccines and consumer healthcare products   | 3.43               | 27.45      | 0.87                       |
| ADBE | Adobe Inc.                         | Develops software solutions for web and print publishing   | 3.57               | 23.19      | 0.81                       |

- Intuit posted strong results in the most recent quarter led by small business and consumer tax segments. The company's rollout of online tools to simplify small business accounting and consumer tax has been extremely successful in our view. Investors cheered the earlier-than-expected revenue synergies at Credit Karma. Intuit's products empower consumers, self-employed individuals and small businesses to improve their financial lives. We maintained our position during the quarter.
- IDEXX Laboratories reported strong first quarter results and raised its guidance for 2021. IDEXX has benefited from a higher number of pets following a boom in adoption during the pandemic. We are encouraged by management's strategy of providing tools and services to increase the efficacy of wellness check-ups in the veterinary practice. IDEXX's water business posted strong results, excluding pre-pandemic stocking orders, reflecting improvement in non-compliance testing. We maintained our position.
- NVIDIA posted outstanding results and raised guidance for upcoming quarter. During the quarter, the company released a number of new products targeting all aspects of the datacenter including networking, compute and inference. Gaming demand remains strong and NVIDIA should benefit from a new product cycle. We established a new position during the period.
- West Pharmaceutical Services reported a strong set of results for the quarter and raised guidance substantially for the year. The company's leading role in manufacturing containment solution for COVID vaccines is clearly helping in the near term. But equally impressive is the substantial margin lift from high value products. The company is also winning a dominant share of new biologics which should benefit growth going forward. We trimmed our position during the quarter given the stock's recent strong run.
- Adobe beat the most recent quarter and raised guidance for the year. Revenue growth for Creative Cloud was strong while Experience Cloud surprised to the upside. The shift to digital is a multiyear trend impacting nearly every facet of society. Adobe's tools are uniquely positioned to help facilitate this transition. We maintained our position during the period.

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# QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

## Second Quarter 2021 Representative Large-Cap Sustainable Growth Account Bottom Five Contributors

|      | NAME                         | DESCRIPTION   | AVERAGE WEIGHT (%) | RETURN (%) | CONTRIBUTION TO RETURN (%) |
|------|------------------------------|---|--------------------|------------|----------------------------|
| CHGG | Chegg, Inc.                  | Operates learning platform for students   | 1.43               | -2.94      | -0.09                      |
| ECL  | Ecolab Inc.                  | Develops and markets cleaning, sanitizing, pest control, maintenance and repair products and services | 1.91               | -3.66      | -0.07                      |
| VRSK | Verisk Analytics Inc         | Provides decision analytics and risk assessment services  | 3.09               | -0.95      | -0.04                      |
| FTV  | Fortive Corp.                | Owns and operates industrial units that manufacture testing and measurement equipment                 | 2.65               | -1.16      | -0.03                      |
| CDNS | Cadence Design Systems, Inc. | Provides software services for semiconductor and electronics systems industries                       | 2.90               | -0.20      | 0.00                       |

- Chegg delivered attractive results and raised guidance for the year. Investors are concerned that some students will abandon Chegg's online study aids once they return to campus in the fall. We believe Chegg's value add to STEM students is very high irrespective of physical location. The company also has a high cash balance which we believe it will effectively deploy going forward. We maintained our position.
- Ecolab's results were negatively affected by the ice storm in Texas and lingering COVID-related shutdowns. While the last twelve months have been extremely difficult for Ecolab's Institutional business, we expect the next few quarters to show renewed growth given reopenings. Throughout the pandemic, Ecolab has continued to invest and serve its customers which, we believe, should translate into market share gains going forward. We took advantage of the stock's relative weakness and added to our position.
- Verisk Analytics' results were hurt by disappointing performance in financial services and energy. Within financial services, management seeks to eliminate the nonrecurring, project-based business and transition the segment toward higher recurring revenue. This transition will likely conclude by the end of the year. We continue to be bullish on the company's core insurance segment which makes up the vast majority of profits. We maintained our position during the quarter.
- Fortive reported strong results in the most recent quarter and raised guidance for the year. Given management's strong appetite for acquisitions, investors are worried that the company will overpay to improve the profile of the company. We are confident that management will remain disciplined and redeploy capital sensibly. We also anticipate a strong rebound in the core business over the next few quarters. We maintained our position.
- Cadence Design reported upside to revenue and earnings in its most recent quarter and raised guidance for the year. As expected, growth from Chinese customers slowed after two strong quarters. We are encouraged by management's recent move into system analysis (via acquisitions) to build out its intelligent system design offering. We believe that the underlying fundamentals of the electronic design analysis (EDA) industry remain extremely strong. We maintained our position during the quarter.

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# QUARTER-TO-DATE ADDITIONS/DELETIONS

## Second Quarter 2021 Representative Large-Cap Sustainable Growth Account Portfolio Activity

- We added NVIDIA during the quarter. NVIDIA is a provider of visual computing technologies and the inventor of the graphics processing unit (GPU). Initially focusing on PC graphics, today NVIDIA develops both GPUs and single-chip integrated GPUs with multi-core central processing units (CPUs). Its products span across several end markets such as gaming, professional visualization, the datacenter and automotive with applications including high-performance computing, virtual reality and artificial intelligence (AI). The company has a strong business model given its first mover advantage in GPUs, software ecosystem which creates a high barrier to entry and leadership position in AI. NVIDIA's sustainable business advantage (SBA) is that for both AI and high performance computing, the company's accelerated computing platform greatly increases the performance and power efficiency of high-performance computers and data centers. We swapped out of Ball to make room for NVIDIA given NVIDIA's superior value-add to the customer and faster growth rate.

| SYMBOL | ADDITIONS          | SECTOR                 |
|--------|--------------------|------------------------|
| NVDA   | NVIDIA Corporation | Information Technology |

| SYMBOL | DELETIONS        | SECTOR    |
|--------|------------------|-----------|
| BLL    | Ball Corporation | Materials |

# PORTFOLIO CHARACTERISTICS

Second Quarter 2021

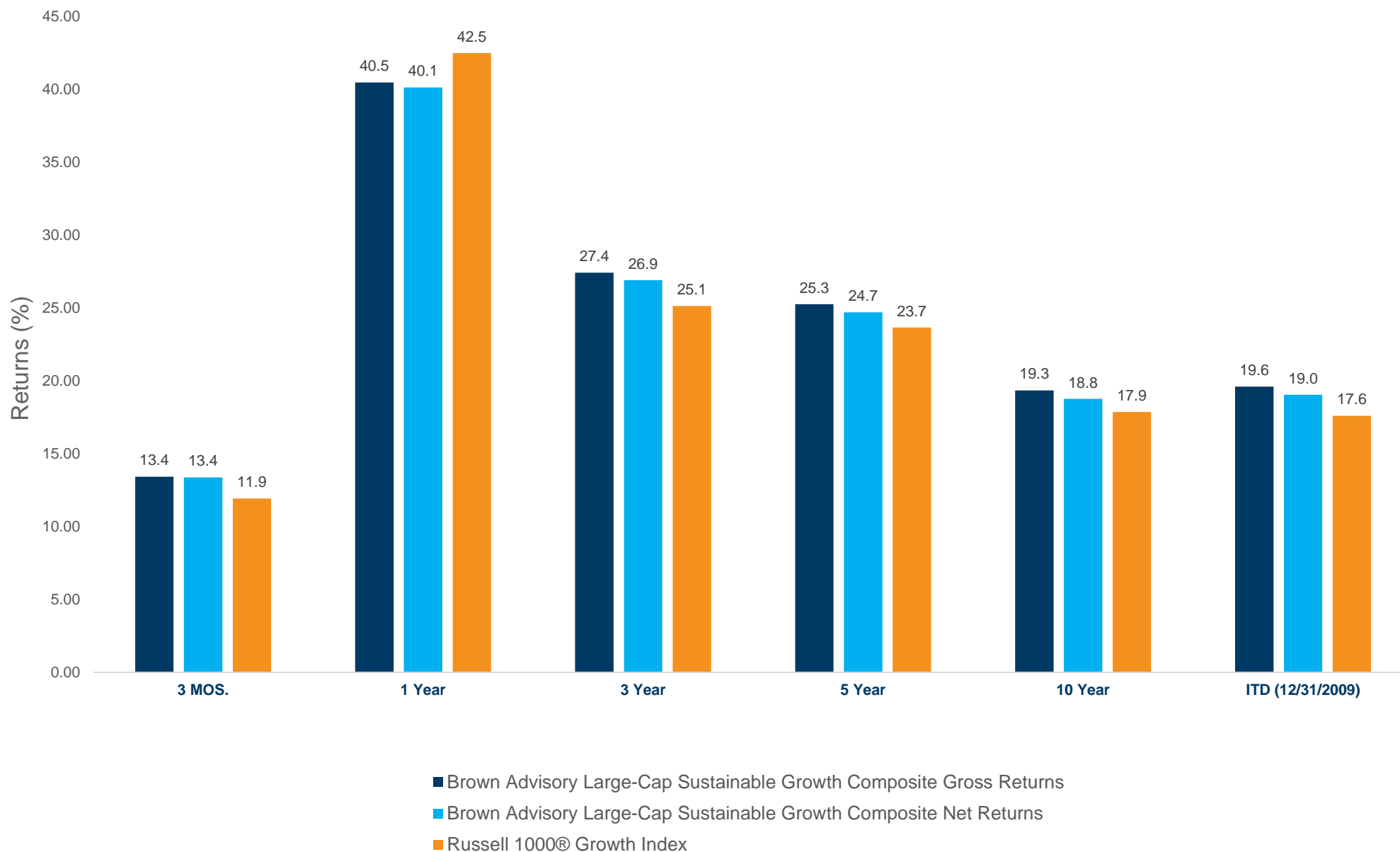


|   | REPRESENTATIVE LARGE-CAP<br>SUSTAINABLE GROWTH<br>ACCOUNT | RUSSELL 1000® GROWTH INDEX |
|---|---|----------------------------|
| Number of Holdings                      | 33  | 499                        |
| Market Capitalization (\$ B)            |   |                            |
| Weighted Average                        | 373.1   | 795.1                      |
| Weighted Median                         | 120.2   | 243.9                      |
| Maximum                                 | 2041.0  | 2285.4                     |
| Minimum                                 | 11.7  | 0.7                        |
| EV/FCF (FY2 Est) (x)                    | 36.9  | 127.5                      |
| Dividend Yield (%)                      | 0.5   | 0.7                        |
| Top 10 Equity Holdings (%)              | 41.6  | 45.1                       |
| Three-Year Annualized Name Turnover (%) | 15.4  | --                         |

Source: FactSet. The portfolio information provided is based on a representative Large-Cap Sustainable Growth account and is provided as supplemental information. Portfolio characteristics 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.

# COMPOSITE PERFORMANCE

Second Quarter 2021 as of 06/30/2021



Source FactSet. All returns greater than one year are annualized. 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 Composite disclosure statement at the end of this presentation for a GIPS compliant presentation.



# TOP 10 PORTFOLIO HOLDINGS

Representative Large-Cap Sustainable Growth Account as of 06/30/2021

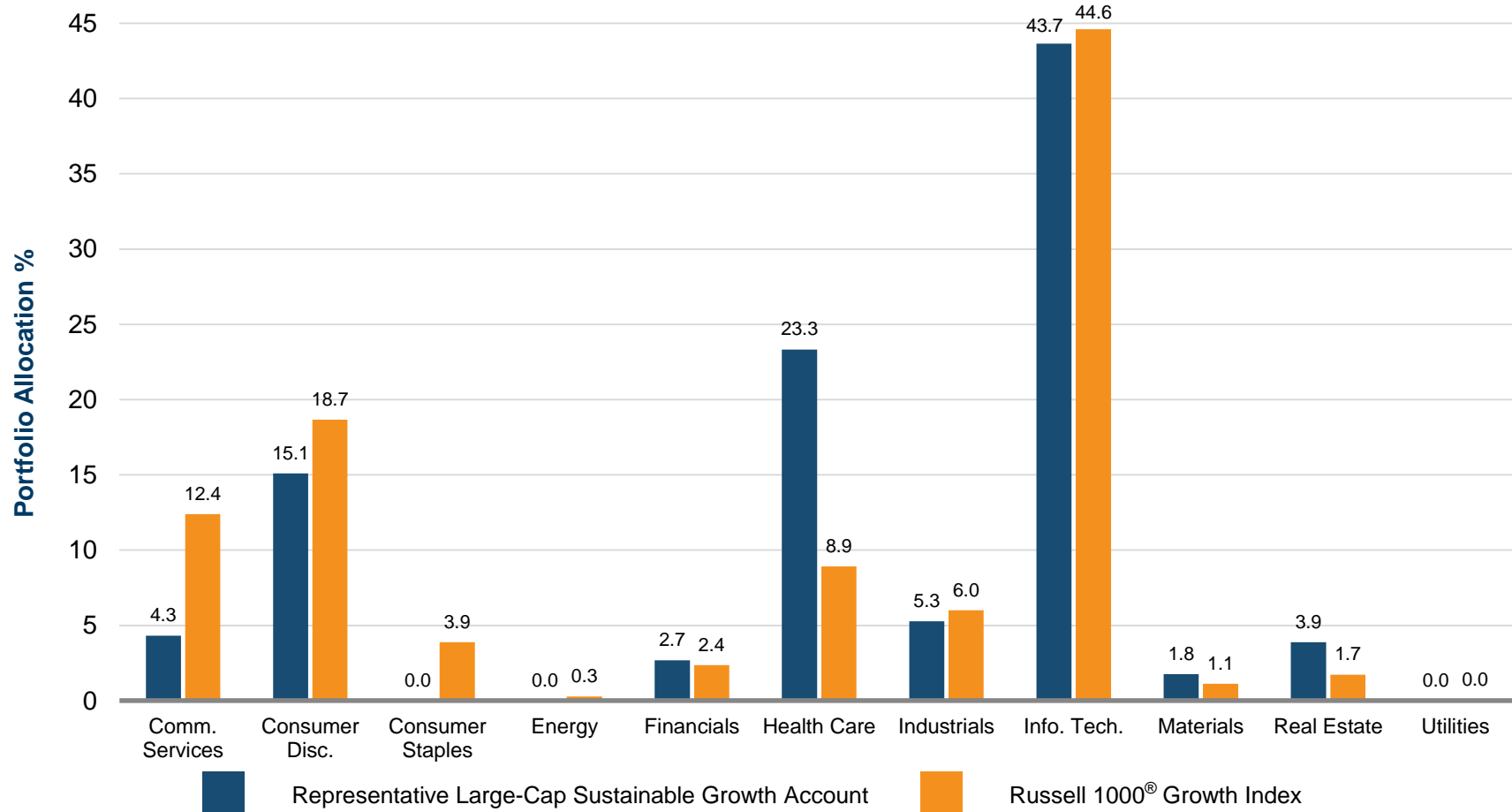
## Top 10 Portfolio Holdings

| TOP 10 HOLDINGS          | % OF PORTFOLIO |
|--------------------------|----------------|
| Microsoft Corp.          | 4.8            |
| Amazon.com, Inc.         | 4.4            |
| Alphabet, Inc. Cl A      | 4.3            |
| IDEXX Laboratories, Inc. | 4.2            |
| Intuit, Inc.             | 4.1            |
| Danaher Corp.            | 3.9            |
| Visa, Inc.               | 3.9            |
| UnitedHealth Group, Inc. | 3.9            |
| American Tower Corp.     | 3.9            |
| Adobe, Inc.              | 3.8            |
| <b>Total</b>             | <b>41.2%</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. Portfolio information is based on a representative Large-Cap Sustainable Growth account and is provided as supplemental information. Please see disclosure statement at the end of this presentation for additional information. Top 10 portfolio holdings include cash and equivalents. Figures in chart may not total due to rounding.

# SECTOR DIVERSIFICATION

Second Quarter 2021 Global Industry Classification Standard (GICS) as of 06/30/2021



Source: FactSet. The portfolio information provided is based on a representative Large-Cap Sustainable Growth 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.

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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 that new and growing equities are included and that the represented companies continue to reflect growth characteristics. Russell® and the Russell 1000® Growth Index are trademark/service marks of The London Exchange Companies. An investor cannot invest directly into an index.

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Figures shown on sector diversification and quarterly attribution by detail slides may not total due to rounding.

The use of third party screening is account specific and not inherent in the strategy’s investment approach, but may be used as requested by clients on a case by case basis.

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.

# TERMS AND DEFINITIONS

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted.

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.

**Market Capitalization** refers to the aggregate value of a company's publicly traded stock. Statistics are calculated as follows: Weighted Average: the average of each holding's market cap, weighted by its relative position size in the portfolio (in such a weighting scheme, larger positions have a greater influence on the calculation); Weighted Median: the value at which half the portfolio's market capitalization weight falls above and half falls below; Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

**Enterprise Value/Free Cash Flow (EV/FCF)** is the enterprise value of a company (defined as market value plus debt minus cash and minority interests) divided by its free cash flow (defined as operating cash flow minus net capital expenditure). EV/FCF calculations presented use FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1.

**Dividend Yield** is the ratio of a stock's projected annual dividend payment per share for the fiscal year currently in progress, divided by the stock's price.

**Three-Year Annualized Name Turnover** is the ratio of the lesser of the portfolio's aggregate purchases or sales during a given period, divided by the average value of the portfolio during that period, calculated on a monthly basis. Portfolio turnover is provided for a three-year trailing period.

All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holding.

# 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)* |
|------|-----------------------------------|---------------------------------|-----------------------|--|--|--|--------------------------|------------------------------------|------------------------------------|
| 2020 | 40.2                              | 39.4                            | 38.5                  | 17.5   | 19.6   | 114                                    | 0.7                      | 8,086                              | 59,683                             |
| 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                   | N/A  | N/A  | 21                                     | 0.3                      | 37                                 | 19,962                             |

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, 2020. 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 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.
- 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.
- Prior to 2012, the minimum account market value required for Composite inclusion was \$100,000.
- 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 gross 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 investment management fee for the Investor Shares of the Brown Advisory Sustainable Growth 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, 2020) was 0.85%. 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 Sustainable 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, 2020) was 0.91%. 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. 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 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 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.