Limited Duration

STRATEGY FACT SHEET

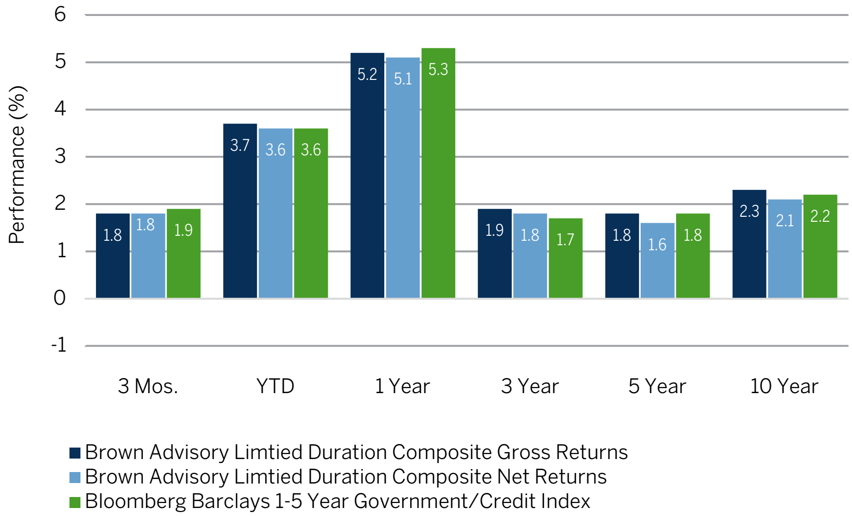
Second Quarter 2019

PHILOSOPHY

The Brown Advisory Limited Duration team believes a portfolio of short-term fixed income securities, identified through fundamental analysis and focused on core stability of principal, has the potential to deliver attractive and stable total returns over time.

STRATEGY INCEPTION DATE: 11/30/1994

PERFORMANCE (AS OF 06/30/2019)[1]



STRATEGY CLASSIFICATION

Strategy Type	Separate Account
Asset Class Focus	Short-term, High-grade Limited Duration
Geographic Focus	United States
Domicile	United States
Objective	Income Generation, Principal Preservation
Benchmark	Bloomberg Barclays 1-5 Year Government/Credit Index

PORTFOLIO CHARACTERISTICS[2]

	REP. ACCOUNT	BLOOMBER BARCLAYS 1-5 YR GOVT/ CREDIT INDEX
Avg. Credit Quality	Aa2	Aa2
Effective Duration (years)	2.6	2.6
Yield to Worst (%)	2.3	2.0
Avg. Life (years)	3.5	2.7

SECTOR BREAKDOWN (%)[2]

	REP. ACCOUNT	BLOOMBERG BARCLAYS 1-5 YR GOVT/ CREDIT INDEX
Cash & Equivalents	--	--
US Government	33.2	67.8
Non-US Government	--	5.9
Corporate	30.6	26.3
ABS	8.8	--
Mortgage	19.9	--
Municipal	7.4	0.1

QUALITY DISTRIBUTION (%)[2]

	REP. ACCOUNT	BLOOMBERG BARCLAYS 1-5 YR GOVT/ CREDIT INDEX
AAA/Aaa	62.9	71.4
AA/Aa	7.5	4.6
A	9.8	11.5
BBB	19.9	11.9
High Yield	--	0.6
Not Rated	--	0.1

DURATION DISTRIBUTION (%)[2]

	REP. ACCOUNT	BLOOMBERG BARCLAYS 1-5 YR GOVT/ CREDIT INDEX
Less than 1 Year	26.4	3.3
1 to 3 Years	23.4	59.8
3 to 5 Years	50.2	36.9

Notes:

1. Source: FactSet®. Returns shown are through 06/30/2019 for each period. All returns greater than one year are annualized. Past performance is not indicative of future results.
2. Source: FactSet®. The portfolio information on the right is based on a representative Limited Duration account and is provided as supplemental information. Portfolio level information includes cash and cash equivalents. Fixed income sectors, quality distribution and duration distribution may not total 100% due to rounding.
3. The composite performance shown above reflects the Limited Duration Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a division of Brown Advisory LLC, and Brown Advisory Institutional is a GIPS compliant firm. Please see the reverse side for a GIPS compliant presentation and complete list of terms and definitions.

About Brown Advisory

Brown Advisory is a leading independent investment firm that offers a wide range of solutions to institutions, corporations, nonprofits, families and individuals. Our mission is to make a material and positive difference in the lives of our clients by providing them first-rate investment performance, customized strategic advice and the highest level of personalized service.

We follow a philosophy that fixed income strategies built from a foundation of stability coupled with fundamental credit research can seek to generate alpha and control risk. We have a culture and firm equity ownership structure that attract and retain professionals who share those beliefs, and we follow a repeatable investment process that helps us stay true to our philosophy.

Brown ADVISORY
Thoughtful Investing.

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Brown Advisory Limited Duration

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)
2018	1.2	1.1	1.0	1.3	1.4	16	0.1	211	30,529
2017	1.6	1.5	1.3	1.2	1.3	19	0.1	241	33,155
2016	1.4	1.2	1.6	1.2	1.3	20	0.2	260	30,417
2015	0.7	0.5	1.0	1.2	1.2	22	0.1	260	43,746
2014	1.8	1.6	1.4	1.2	1.1	20	0.2	257	44,772
2013	-0.7	-1.0	0.3	1.3	1.2	23	0.4	285	40,739
2012	3.0	2.8	2.2	1.3	1.3	22	0.3	234	26,794
2011	3.2	3.0	3.1	1.6	1.6	12	2	122	19,962
2010**	5.0	4.8	4.1	2.4	2.5	Five or fewer	N/A	57	16,859
2009	4.6	4.4	4.6	2.3	2.5	Five or fewer	N/A	71	N/A
2008	3.3	3.1	5.1	2.1	2,4	13	0.8	101	N/A

* Returns prior to 2010 were earned at Brown Advisory Cavanaugh, LLC previously named Cavanaugh Capital Management Inc., therefore firm assets are not applicable.

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, 2018. 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.

1. *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.
2. The Limited Duration Composite is comprised of all discretionary accounts with no material investment restrictions, which invest primarily in fixed income securities that have a target duration between one and four years. At least 80% of the securities in each portfolio in this composite will have credit quality ratings of A or better at the time of purchase. The Composite is invested primarily in taxable securities. The minimum account market value required for composite inclusion is $2 million. Prior to 2012 the minimum account market value required for composite inclusion was $1 million.
3. This composite was defined and initially created on March 1, 2006.
4. The benchmark is the Bloomberg Barclays 1 – 5 Year Government/Credit Index. The Bloomberg Barclays 1 – 5 Year Government/Credit Index is an unmanaged, market-value weighted index comprised of taxable U.S. investment grade, fixed rate bond market securities, including government, government agency, and corporate with maturities between 1 and 5 years. An investor cannot invest directly into an index. Bloomberg Barclays Indices are trademarks of Bloomberg or its licensors, including Barclays Bank PLC. Benchmark returns are not covered by the report of the independent verifiers.
5. 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.
6. 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: 0.375% on the first $10 million; 0.25% on the next $15 million and 0.20% on the balance over $25 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.
7. 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.
8. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
9. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
10. Past performance does not indicate future results.
11. 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.
12. Some portfolios may utilize derivative securities. To date, any derivatives used have been CMOs and range accrual notes. Any CMO at the time of purchase must pass the FFIEC volatility tests.
13. Duration is a measure of interest raterisk.

Terms and Definitions for Representative Account Calculations

Effective Duration is a time measure of a bond's interest-rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder. Yield to Worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer. Average Life is the average period of time for all principal dollars to be returned to investors. Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. FactSet® is a registered trademark of FactSet Research Systems, Inc.