Mid-Cap Growth

QUARTERLY STRATEGY UPDATE

First Quarter 2019

COMPOSITE PERFORMANCE (%)

	COMPOSITE GROSS OF FEES	COMPOSITE NET OF FEES	RUSSELL MIDCAP® GROWTH INDEX®
3 MOS.	21.45	21.32	19.62
1 YR.	15.18	14.62	11.51
3 YR.	17.42	16.73	15.06
5 YR.	13.58	12.84	10.89
ITD (02/29/2012)	15.98	15.23	13.16

The composite performance shown above reflects the Brown Advisory Mid-Cap Growth Equity 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 end of this for a GIPS compliant presentation.

REP. ACCOUNT CHARACTERISTICS

	MID-CAP GROWTH REP. ACCT.	RUSSELL MIDCAP® GROWTH INDEX
Weighted Avg. Market Cap.	$17.10B	$17.44B
Weighted Median Market Cap.	$12.41B	$15.97B
Earnings Growth (3-5 Yr. Est.)	14.30%	16.41%
P/E Ratio (FY2 Est.)	22.9x	19.4x

REP. ACCOUNT TOP 10 PORTFOLIO HOLDINGS

SECURITY	% PORTFOLIO
Waste Connections Inc	3.9
Ball Corp.	3.2
Catalent, Inc.	3.1
Mimecast, Ltd.	2.7
Genpact Ltd.	2.6
Electronic Arts, Inc.	2.5
Teleflex, Inc.	2.4
TransUnion	2.3
Edwards Lifesciences Corp.	2.3
Marriott International, Inc.	2.2
TOTAL	**27.2**


CHRISTOPHER A. BERRIER
Portfolio Manager

GEORGE SAKELLARIS, CFA
Portfolio Manager

Review & Outlook

The Mid-Cap Growth strategy outperformed its benchmark, the Russell Midcap® Growth Index, during the first quarter thanks to solid selection effects in every sector.

After sliding 16% in the fourth quarter, our benchmark soared nearly 20% in the first three months of 2019, its best quarterly showing since "green shoots" appeared in the spring of 2009. One could attribute the snapback to several factors—low valuations exiting the fourth quarter, continued economic strength, improvement in U.S./China trade negotiations and/or a pause in the Fed's rate hikes. Management teams generally noted stability/strength from a macro perspective on earnings calls the past two months, only citing swings in industries highlighted in our last letter—semiconductors, transportation and residential housing.

Our stock selection trumped two notable headwinds in the first quarter. First, the tech sector outperformed the broader index. It outpaced the benchmark on the way down in the fourth quarter and then on the way up in the first quarter. Recall, we are underweight technology, and our holdings have a mildly lower volatility profile in aggregate than the benchmark sector. That tilt did not result from a "top-down" view or major portfolio adjustments. The composition of our benchmark changed due to technology's meteoric rise and Russell's mid-2018 Index reconstitution. Since December 2017, technology's exposure in the Russell Midcap Growth Index has climbed from 20% to over 27%, as we measure it internally. With software valuations back to their highs, we are not finding as many new investments that fit our philosophy at reasonable prices in technology.

Second, the Russell Midcap Growth Index beat its small- and large-cap counterparts by 2.5% and 3.5%, respectively, in the quarter. In fact, the Russell Midcap Growth Index is nearly 9% ahead of the Russell 2000® Growth Index the past six months and almost 3% ahead of the Russell 1000® Growth Index. While it has only minor explanatory power over short periods, our strategy expresses a small-cap tilt.

While that environment likely provided a headwind, last year's laggards turned into the first quarter's darlings, and stock selection pushed us ahead of the benchmark. **Catalent**, **Welbilt**, **Ctrip**, **BWX Technologies** and **EA**—many of the fourth quarter's biggest detractors to relative performance—each outperformed in the quarter, chipping in over 100 basis points of our relative gains. Software-as-a-service email security provider **Mimecast** snapped back with the sector and then posted particularly strong fourth-quarter results. We also benefited from merger and acquisition activity in the first quarter with the take-outs of **Worldpay** and **Loxo Oncology**.

Despite lower volatility and higher prices, we found several opportunities to build positions in the first quarter, including portfolio newbies **Match.com** and **KAR Auction Services**. Match.com owns over 40 online dating sites, including Tinder, which is driving the firm's double-digit percentage revenue and EBITDA growth. The online dating market is large, underpenetrated and growing. Match estimates that there are over 600 million singles globally (ex. China), with a small portion currently using an app. In fact, while usage has grown rapidly in the U.S., still only 39% of singles try to pair over the internet, up from 29% in 2012. Usage outside the U.S. varies, but generally remains about five years behind that in the U.S.; less than one-third of international singles have ever even tried a dating app. That is changing and Tinder is the only online dating site to truly gain global scale.

While the addressable opportunity is smaller, the dynamics of the online dating market remind us of online travel 10 years ago, shortly after Priceline bought Booking.com and ActiveHotels.com. Priceline (now Booking Holdings) went on to drive surprisingly durable growth for years thanks to that market construct. We think Match, which commands over 50% market share, could drive the same over the next several years. In addition to increasing subscribers, we think Match can further monetize its Tinder users by adding features that ease the path to a match and by pushing price. We took advantage of investor concerns regarding a temporary lull growth following the introduction of a higher-priced subscription tier ("Tinder Gold") one year ago to accumulate shares in the first quarter.

KAR Auction Services competes in two different domestic oligopolies—whole-car and salvage auctions. Both businesses enjoy secular growth drivers, and KAR has been a compounder since 2011. We took advantage of weakness in the first quarter following the firm's earnings report to build a position. We think investors fear fading growth in off-lease vehicles, investment in a new online platform and a delayed spin-off of the salvage auction business. Based on numerous primary- and secondary-source conversations, we think all three concerns could prove transient. If we are right, we think upside in the share price ranges from 50% to 100% over three years.

As always, we remain committed to achieving attractive risk-adjusted returns over a full market cycle by owning a diversified portfolio of companies that we believe could one day grow much larger. We are grateful for your support and look forward to updating you at the conclusion of the second quarter.

Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Sector Diversification

- Note that effective March 31, 2019, Brown Advisory replaced Russell Global sector classifications with ICB sector classifications.
- Our only investment in basic materials is Ecolab, and we are approximately equal-weight the sector.
- The strategy is modestly underweight consumer goods after the sale of Welbilt and approximately equal-weight consumer services.
- The strategy is underweight financial services. Within the sector, we tilt away from investment banks and insurance companies. We do not believe that the portfolio expresses a major bet for or against rising interest rates.
- We are overweight health care, with broad exposure to services, devices and pharma/biotech.
- We are materially overweight industrials according to the ICB sector classification system. However, over 10 percentage points of our exposure is in companies that we would classify in technology and financials rather than industrials. We also believe our remaining industrial holdings are less cyclical than those of our benchmark.
- While we have no direct investments in oil and gas, the strategy is exposed to oil price fluctuations through fuel card operator **WEX** in industrials.
- Technology remains a material underweight after Russell reconstituted our benchmark in June 2018. Within technology, we have a tilt away from high-multiple stocks. We believe the ICB sector classification system mildly exaggerates our underweight, since it classifies tech-outsourcer **Genpact** in "industrials."
- **Covetrus**, an animal health company spun off from Henry Schein, is currently classified as unassigned.

ICB SECTORS	MID-CAP GROWTH REP. ACCOUNT (%)	RUSSELL MIDCAP® GROWTH INDEX (%)	DIFFERENCE (%)	MID-CAP GROWTH REP. ACCOUNT (%)	
	Q1'19	Q1'19	Q1'19	Q4'18	Q1'18
Basic Materials	1.80	1.98	-0.18	1.80	3.58
Consumer Goods	7.11	8.66	-1.55	7.81	9.93
Consumer Services	15.91	14.98	0.93	15.10	10.66
Financials	6.37	8.94	-2.56	6.50	7.48
Health Care	15.73	11.90	3.83	18.05	12.91
Industrials	34.90	26.07	8.84	34.07	39.78
Oil & Gas	--	1.47	-1.47	--	--
Technology	18.17	25.80	-7.63	16.67	15.65
Telecommunications	--	0.21	-0.21	--	--

Quarterly Attribution Detail by Sector

- Positive stock selection, particularly in the health care and consumer sectors, drove our performance during the first quarter. Selection effects also buoyed relative returns in technology, as we performed in line with the sector despite our underweight and generally lower-beta holdings.
- **Henry Schein** spin-off Covetrus was the only unassigned security in the quarter. Following its spin-off from Schein and merger with Vets First Choice, Covetrus' share price fell on weak animal health results (the legacy Henry Schein distribution business).

ICB SECTORS	MID-CAP GROWTH REP. ACCOUNT		RUSSELL MIDCAP® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION AND INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Basic Materials	1.77	20.12	2.04	17.84	0.02	0.03	0.06
Consumer Goods	7.64	25.73	8.64	16.74	0.03	0.73	0.76
Consumer Services	16.11	15.80	15.18	13.89	-0.04	0.33	0.29
Financials	6.51	17.92	9.07	17.66	0.06	0.04	0.11
Health Care	15.94	25.00	12.07	17.30	-0.03	1.05	1.02
Industrials	34.40	22.24	25.77	21.84	0.19	0.06	0.25
Oil & Gas	--	--	1.49	18.71	0.02	--	0.02
Technology	17.63	23.06	25.37	24.20	-0.32	-0.15	-0.47
Telecommunications	--	--	0.20	24.43	0.01	--	0.01
Unassigned	--	--	0.17	3.13	0.06	--	0.06
Total	**100.00**	**21.72**	**100.00**	**19.62**	**--**	**2.10**	**2.10**

Quarterly Contribution to Return

- Like in most periods, our largest contributors during the first quarter were five of our largest positions in the portfolio.
- Mimecast was particularly strong leading up to a solid earnings report, as many software-as-a-service names recovered from their December lows.
- Catalent recovered after underperformance in the fourth quarter. Earnings were better than feared in the face of negative investor sentiment.
- **Ball** continued to rise on accelerating can demand in North America and continued strength in Europe.
- After hitting a one-year low in December, **Waste Connections** recovered and rose on a strong earnings report, approximately pacing the benchmark in the first quarter.
- **Worldpay** posted solid results in the face of cyclical fears; then it climbed higher after FIS announced it would acquire the company at an enterprise value of $43 billion in cash and shares, or a 13.6% premium to the prior day's close.
- Following its spin-off from Henry Schein and merger with Vets First Choice, Covetrus' share price fell on weak animal health (the legacy Henry Schein distribution business) results and lack of disclosure on the new combined business. 2019 will be a transition year as Covetrus adjusts to being a stand-alone company, but revenue growth should accelerate in 2020. We suspect the information void left by the timing of the spin-off (after December 31) may start to ebb after the company reports its first fiscal quarter and files its first 10-Q.
- Related to the Covetrus spin, Henry Schein also underperformed this quarter.
- **Six Flags'** shares were weak this quarter due to the delay of two new international projects. Strong growth in per-capita spending and in the membership base were bright spots in the quarter and are core to our thesis.
- Continued Chinese market weakness drove **A. O. Smith's** underperformance in the quarter. We started to build a position in A.O. Smith mid-quarter during that weakness.
- **Church & Dwight** underperformed the benchmark in the first quarter mostly because investors rotated out of consumer staples and into higher-growth sectors, such as technology. Nonetheless, while sales growth remains strong, input cost inflation mildly pressured the firm's gross margin during the most recent quarter.

MID-CAP GROWTH REP. ACCOUNT TOP FIVE CONTRIBUTORS

TICKER	NAME	AVG. WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
MIME	Mimecast Limited	2.71	40.80	0.99
CTLT	Catalent Inc	3.28	30.18	0.93
BLL	Ball Corporation	3.17	26.07	0.80
WCN	Waste Connections, Inc.	3.97	19.54	0.79
WP	Worldpay, Inc. Class A	1.81	48.50	0.76
MID-CAP GROWTH REP. ACCOUNT BOTTOM FIVE CONTRIBUTORS				
CVET	Covetrus, Inc.	0.68	-26.02	-0.36
SIX	Six Flags Entertainment Corporation	1.45	-9.96	-0.05
HSIC	Henry Schein, Inc.	1.05	-1.16	-0.03
AOS	A. O. Smith Corporation	0.28	7.35	0.04
CHD	Church & Dwight Co., Inc.	0.47	8.70	0.04

Portfolio Activity

- We took advantage of volatility to initiate a position in A. O. Smith. While China (approximately one-third of the company's revenue) has been weak, we have confidence in continued growth in the company's U.S. business. We sold our remaining stake in Welbilt to fund the position.
- In February, Henry Schein spun off its animal health segment (distribution) and merged it with Vets First Choice (prescription management software), forming Covetrus. We built a small position during the quarter.
- We purchased KAR Auction Services in the quarter. We think KAR's whole-car auction segment (ADESSA) will grow thanks to KAR's online presence and share gains from competitors for higher-value off-lease/commercial vehicles at its facilities. We also think secular trends favor continued profitable growth in its salvage auction segment (IAA) and that value could be unlocked with a potential spin-off of that division later this year.
- We built a new position in Match.com. We believe Tinder can drive sustained revenue growth and margin expansion over a multiyear period as subscriptions and monetization continue to increase.
- We exited **Cogent** as growth in the NetCentric business has not recovered (a major part of our thesis), and we feared it might be hindered permanently as customers shift to the public cloud.
- Eli Lilly acquired Loxo in the quarter.
- We sold **Sensata** to fund our purchase of **Littelfuse**. Most of ST's recently accelerated organic growth hailed from China auto production (content gains from new regulation). We worry that could slow given deteriorating data on Chinese car sales.
- We participated in the **Lyft** IPO but sold our shares shortly thereafter when it reached our price target. This tiny position lifted the strategy's performance by a few basis points on the last day of the quarter.

MID-CAP GROWTH REP. ACCOUNT PORTFOLIO ACTIVITY

ADDITIONS		GICS SECTOR
AOS	A. O. Smith Corporation	Industrials
CVET	Covetrus, Inc.	Health Care
KAR	KAR Auction Services, Inc.	Industrials
LFUS	Littelfuse, Inc.	Information Technology
MTCH	Match Group, Inc.	Communication Services
LYFT	Lyft Inc.	Industrials
DELETIONS		**GICS SECTOR**
CCOI	Cogent Communications Holdings Inc	Communication Services
LOXO	Loxo Oncology Inc	Health Care
ST	Sensata Technologies Holding PLC	Industrials
WBT	Welbilt Inc	Industrials
LYFT	Lyft Inc.	Industrials

GICS Sector Diversification

SECTOR	MID-CAP GROWTH REP. ACCOUNT (%)	RUSSELL MIDCAP® GROWTH INDEX (%)	DIFFERENCE (%)	MID-CAP GROWTH REP. ACCOUNT (%)	
	Q1 '19	Q1 '19	Q1 '19	Q4 '18	Q1 '18
Communication Services	5.68	3.76	1.92	5.95	7.83
Consumer Discretionary	13.77	16.12	-2.35	14.72	12.30
Consumer Staples	2.68	3.03	-0.35	2.14	5.01
Energy	--	1.47	-1.47	--	--
Financials	2.30	6.44	-4.14	2.50	3.48
Health Care	17.63	14.42	3.20	18.05	14.70
Industrials	20.14	15.72	4.43	21.63	21.44
Information Technology	30.55	33.20	-2.66	27.96	28.21
Materials	5.03	3.55	1.48	4.88	5.08
Real Estate	2.22	2.28	-0.06	2.16	1.95
Utilities	--	--	--	--	--

GICS Quarterly Attribution Detail by Sector

SECTOR	MID-CAP GROWTH REP. ACCOUNT		RUSSELL MIDCAP® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION AND INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	5.77	20.41	3.93	10.17	-0.14	0.62	0.47
Consumer Discretionary	14.40	18.39	16.23	17.51	0.04	0.15	0.19
Consumer Staples	2.37	10.72	3.06	7.43	0.15	0.09	0.25
Energy	--	--	1.51	18.65	0.02	--	0.02
Financials	2.52	10.98	6.59	17.22	0.10	-0.10	--
Health Care	17.66	20.12	14.56	18.06	-0.02	0.30	0.28
Industrials	20.71	20.12	15.79	18.88	-0.04	0.26	0.22
Information Technology	29.47	26.90	32.48	25.05	-0.13	0.44	0.31
Materials	4.94	23.87	3.61	17.85	--	0.26	0.25
Real Estate	2.15	23.33	2.25	19.65	0.02	0.08	0.10
Total	**100.00**	**21.72**	**100.00**	**19.62**	**--**	**2.10**	**2.10**

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Mid-Cap Growth Equity 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)
2017	23.9	23.1	25.3	9.8	10.9	Five or fewer	N/A	48	33,155
2016	9.3	8.6	7.3	11.0	12.2	Five or fewer	N/A	2	30,417
2015	7.1	6.3	-0.2	10.7	11.3	Five or fewer	N/A	1	43,746
2014	8.8	8	11.9	N/A	N/A	Five or fewer	N/A	2	44,772
2013	38.3	37.3	35.7	N/A	N/A	Five or fewer	N/A	1	40,739
2012*	8.5	8	3.4	N/A	N/A	Five or fewer	N/A	1	26,794

*Return is for period March 1, 2012 through December 31, 2012.

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, 2017. 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 Mid Cap Growth Composite is comprised of all discretionary accounts with no material investment restrictions, which invest primarily in the common stock of U.S. medium market capitalization companies. The strategy seeks capital appreciation by managing a concentrated portfolio of companies that offer long-term growth potential. There is not a minimum account market value required for composite inclusion.
3. Effective 1/1/17, a significant cash flow policy was implemented for the Mid Cap Growth composite. Accounts with greater than or equal to 15% external cash flows will be removed from the composite for the entire month that the external cash flow occurred. The account will be added back to the composite the following month, if it meets the composite inclusion requirements. The external cash flow percentage is calculated using beginning market value.
4. Prior to September 1 2016 the composite was named Mid Cap Composite, there was no change in investment strategy.
5. This composite was created in 2014.
6. The benchmark is the Russell Mid Cap Growth – Total Return Index. The Russell Midcap Growth – Total Return Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Growth – Total Return Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market. The Russell Mid Cap Growth – Total Return 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.
7. The dispersion of annual returns is measured by the equal weighted standard deviation of portfolio returns. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the composite for the entire period.
8. 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: 0.90% on the first $25 million; 0.80% on the next $25 million; 0.70% on the next $50 million; and 0.60% on the balance over $100 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.
9. 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, 2014, and prior, because 36 month returns for the composite were not available (NA.)
10. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
11. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
12. Past performance does not indicate future results.
13. 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.

Composite performance is based on the Brown Advisory Mid-Cap Growth Composite and was obtained through FactSet®. All information and returns shown are as of 3/31/2019 for each period. Returns greater than one year are annualized. Past performance is not indicative of future results. Representative account characteristics and top 10 holdings were obtained through FactSet. This information is based on a representative Mid-Cap Growth account and is provided as supplemental information. Account characteristics exclude cash and cash equivalents; top 10 holdings list includes cash and cash equivalents. FactSet® is a registered trademark of FactSet Research Systems, Inc.

Sector diversification, attribution, top and bottom five contributors and portfolio additions and deletions source: FactSet. The portfolio information provided is based on a representative Mid-Cap Growth account and is provided as supplemental information. The information provided in this material should not be considered a recommendation to buy or sell 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. The security returns listed represent the period of when the security was held during the quarter. Top five and bottom five contributors exclude cash and cash equivalents. Sector diversification excludes cash and cash equivalents. Total portfolio return figures provided 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. Performance figures may vary from actual portfolio performance, as calculations are based on end-of-day security prices and do not incorporate the actual cost basis or sale price of individual securities Sectors are based on the ICB Sectors and the Global Industry Classification Standard (GICS®) classification systems. Russell® is a registered trademark of the London Stock Exchange Group. GICS® is a registered trademark of MSCI and Standard & Poor's Financial Services LLC. The individual amounts shown for top ten holdings, sector diversification and quarterly attribution may not sum to the total amount shown due to rounding.

The Russell Midcap® Growth Index s an unmanaged index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Value Index is an unmanaged index considered representative of includes mid-cap value stocks. The Russell Midcap® Growth Index, the Russell Midcap® Value Index and Russell® are trademark/service marks of the London Stock Exchange Group Companies.

In 2017 FTSE Russell announced they would begin the process of phasing out Russell Global sectors in favor of the Industry Classification Benchmark (ICB) sector classifications. In anticipation of this change, Brown Advisory has elected to use ICB sectors for attribution and classification effective March 31, 2019. More information can be found at
https://www.ftserussell.com/sites/default/files/industry_classification_benchmark_insights.pdf">https://www.ftserussell.com/sites/default/files/industry_classification_benchmark_insights.pdf

Please see composite disclosure statement above for additional information.

Terms and Definitions For Representative Account Calculations

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted. **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. **Earnings Growth 3-5 Year Estimate** is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokers, calculated according to each broker's methodology. **Price-Earnings Ratio (P/E Ratio)** is the ratio of the share of a company's stock compared to its per-share earnings. P/E 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. 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. The portfolio and benchmark returns provided reflect the sum of the returns of the equity holdings in the portfolio and the benchmark, respectively. The returns exclude cash. All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holding, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average. **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 as a percentage of a portfolio by that security's return for the period covered in the report.