

EQUITY INCOME REVIEW AND OUTLOOK

Second Quarter 2022

The strategy declined during the second quarter, but to a lesser extent than its benchmark, the S&P 500® Index.

Following a weak first quarter, U.S. stocks declined further in the second quarter. Consumer price inflation remained at comparatively high levels, and most notably resulted in higher food and energy prices. The Federal Reserve increased interest rates during the quarter to counter inflation, but that action also increased investor anxiety about a potential economic slowdown.

As a result, U.S. stock prices were volatile throughout the period. Weakness was widespread—all eleven sectors within the benchmark declined during the quarter. The strategy's best performing stocks were concentrated within the health care and real estate sectors. Like the first quarter, the strategy's pharmaceutical holdings were a bright spot for the portfolio in the second quarter, as holdings Merck and Gilead Sciences both reported consistent earnings results. In real estate, commercial and industrial REIT W.P. Carey benefited from the inflation protection embedded in many of its leases, while cell tower owner American Tower benefited from the continued rollout of 5G services by wireless carriers.

The consumer discretionary sector was especially weak during the quarter; the strategy's holdings in that sector fared somewhat better than those within the broader benchmark. A notable exception was mass retailer Target, which reported weaker-than-expected margins and earnings and ultimately reduced its near-term guidance twice during the quarter. The company had anticipated strong sales in categories such as home furnishings and appliances during the quarter, which did not materialize as consumer demand for those categories rapidly weakened. As a result, Target plans to use markdowns and promotions to clear its excess inventory, which is expected to negatively impact near-term earnings.

The strategy took advantage of the stock price volatility during the quarter to make several changes to the portfolio. Consumer staples company Reynolds Consumer Products was eliminated as the company struggled to manage higher input costs for key commodities such as aluminum. In contrast, energy services company Baker Hughes was added as it is poised to benefit from rising demand for commodities such as natural gas. The company has a large market share in providing and maintaining the equipment necessary for processing and shipping liquefied natural gas, and we expect to see near-term demand for those services as a result of geopolitical events including the ongoing war in Ukraine.

Within financials, property and casualty insurer Erie Indemnity was eliminated in favor of a small investment in financial REIT Hannon Armstrong Sustainable Infrastructure Capital. Higher accident and repair costs are negatively impacting Erie's margins and limiting its near-term earnings and dividend growth. We think the growth outlook looks comparably better for Hannon Armstrong, which has an established and growing presence as a financing partner for a range of renewable energy and efficiency projects for various commercial and government customers.

Consistent with past periods of market weakness, the Equity Income strategy has performed well on a relative basis so far during a very challenging first half of 2022. In a change from recent years, investor attitudes have shifted in favor of dividend-paying stocks and those stocks have generally fared better than non-dividend paying stocks during the market selloff. However, our approach to managing the portfolio has not changed. The focus remains on investing in fundamentally strong businesses with demonstrated pricing power that are run by management teams who are committed to paying consistent dividends to shareholders. Our goal is to build what we view as the best possible portfolio of investments that offer above-average yields with a strong potential for future growth at reasonable valuations.

SECTOR DIVERSIFICATION

Second Quarter 2022

- Our consumer staples weighting declined because of the elimination of Reynolds Consumer Products. The strategy remains underweight in the sector.
- Our financials weighting declined because of the elimination of Erie Indemnity. The strategy remains overweight in the sector.
- Our information technology weighting declined because of trims to multiple holdings during the quarter. The strategy remains underweight in the sector.
- Our energy sector weighting increased because of the addition of Baker Hughes during the quarter. The strategy remains underweight in the sector.
- The strategy is overweight health care, and the weighting meaningfully increased during the period because of stock price appreciation.

SECTOR	REPRESENTATIVE EQUITY INCOME ACCOUNT (%)	S&P 500® INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE EQUITY INCOME ACCOUNT (%)	
	Q2 '22	Q2 '22	Q2 '22	Q1 '22	Q2 '21
Communication Services	2.64	8.89	-6.24	1.95	2.53
Consumer Discretionary	11.07	10.56	0.51	11.78	14.18
Consumer Staples	4.39	7.00	-2.61	5.45	6.49
Energy	3.54	4.20	-0.66	2.07	2.14
Financials	16.32	10.86	5.46	18.32	18.91
Health Care	21.59	15.17	6.43	19.48	16.31
Industrials	6.87	8.04	-1.17	6.18	6.54
Information Technology	21.98	26.66	-4.68	24.14	22.40
Materials	4.13	2.60	1.53	4.46	4.19
Real Estate	4.56	2.93	1.64	3.95	4.25
Utilities	2.91	3.11	-0.20	2.22	2.05

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. The portfolio information provided is based on a representative Equity Income 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.

ATTRIBUTION DETAIL BY SECTOR

Second Quarter 2022

SECTOR	REPRESENTATIVE EQUITY INCOME ACCOUNT		S&P 500® INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	2.22	-16.29	8.95	-20.71	0.34	0.07	0.41
Consumer Discretionary	11.90	-16.71	11.18	-26.16	-0.09	1.26	1.18
Consumer Staples	5.46	-4.81	6.62	-4.62	-0.11	-0.02	-0.13
Energy	3.12	-10.43	4.48	-5.17	-0.17	-0.19	-0.37
Financials	17.06	-18.80	11.03	-17.50	-0.08	-0.25	-0.33
Health Care	20.52	-1.74	14.33	-5.91	0.62	0.75	1.38
Industrials	6.13	-9.15	8.00	-14.89	-0.03	0.37	0.34
Information Technology	22.51	-17.67	26.90	-20.24	0.14	0.62	0.77
Materials	4.46	-12.12	2.73	-15.90	0.01	0.18	0.18
Real Estate	4.22	2.98	2.84	-14.72	0.03	0.68	0.71
Utilities	2.39	-6.18	2.93	-5.09	-0.05	-0.02	-0.07
Total	100.00	-12.04	100.00	-16.10	0.62	3.45	4.07

- The health care sector was our best relative performer during the quarter because of favorable stock-specific performance and the strategy's overweight positioning to the sector.
- Consumer discretionary was the worst-performing sector for the Index during the quarter; it was a relative positive for the strategy due to relative outperformance of some of our holdings. The sector contributed to relative performance because of favorable stock selection. Information technology and real estate also contributed positively to relative performance during the period.
- Energy was the largest detractor from relative performance because of unfavorable stock selection. Financials also detracted from relative performance during the period.

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TOP FIVE CONTRIBUTORS TO RETURN

Second Quarter 2022 Representative Equity Income Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
MRK	Merck & Co., Inc.	Discovers, develops and markets human and animal health products	3.93	12.00	0.41
HASI	Hannon Armstrong Sustainable Infrastructure Capital, Inc.	Functions as a real estate investment trust which provides equity and debt investment services to the climate solutions markets	0.20	8.42	0.08
WPC	W. P. Carey Inc.	Provides corporate real estate financing solutions	1.88	3.80	0.07
AMT	American Tower Corporation	Operates as a real estate investment trust which owns, operates, and develops wireless and broadcast communications real estate	2.34	2.33	0.06
GILD	Gilead Sciences, Inc.	Discovers, develops and commercializes therapeutic products and treatments for life threatening diseases	1.12	5.18	0.05

- Merck rose after reporting quarterly results that were ahead of expectations. In particular, the company noted strength in its important Keytruda and Gardasil drug franchises. The company also increased its full-year earnings guidance.
- Hannon Armstrong Infrastructure Capital is a specialty financing company in a growing area. Structured as a REIT, the company finances and invests in a range of renewable energy and efficiency projects for various commercial and government customers. We like the company's well-established market presence, its disciplined approach to growth and using its balance sheet, and the stock's attractive current dividend yield.
- Commercial and industrial REIT W.P. Carey gained after reporting quarterly results that were ahead of expectations. The company also maintained its full-year growth guidance. Many of the company's corporate leases include some form of inflation protection, which we view as a valuable and differentiating feature in the current economic environment.
- American Tower rose after reporting quarterly results that were ahead of expectations. The company also raised its growth guidance for the full year based on increased tower spending from wireless carriers as they deploy 5G services across their networks.
- Gilead Sciences gained after reporting quarterly results that were in-line with expectations. The company also reiterated its full-year growth guidance based on the post-COVID recovery of its important HIV treatment business.

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. 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. Returns listed represent the period when the security was held during the quarter. 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 Equity Income account and is provided as Supplemental Information. Top five contributors 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.

BOTTOM FIVE CONTRIBUTORS TO RETURN

Second Quarter 2022 Representative Equity Income Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
AAPL	Apple Inc.	Designs, manufactures, and markets mobile communication, media devices, personal computers, and portable digital music players	6.02	-21.50	-1.36
TGT	Target Corporation	Operates department and discount stores	2.93	-33.05	-1.08
MSFT	Microsoft Corporation	Develops, manufactures and distributes software products	6.29	-16.47	-1.06
BX	Blackstone Inc.	Provides investment and fund management services	3.23	-27.15	-0.95
CSCO	Cisco Systems, Inc.	Designs, manufactures, and sells Internet protocol based networking products and services related to the communications and information technology industry	2.98	-23.07	-0.82

- Apple fell as investors grew concerned over potentially weaker consumer demand for the company's products and foreign exchange headwinds that could negatively impact the company's future financial results. We trimmed our position in Apple during the quarter.
- Target dropped after reporting quarterly earnings that were below consensus estimates because of higher supply chain costs and product mix challenges. Later in the quarter, the company further reduced its near-term guidance as it accelerated efforts to correct the unfavorable product mix through higher promotions and markdowns. On a positive note, Target increased its dividend 20% during the quarter.
- Microsoft dropped during the quarter. Despite reporting financial results that were ahead of expectations, investors worried that demand for the company's products could slow in coming quarters. Nonetheless, the company forecasted solid revenue and earnings growth for the upcoming quarter. We trimmed our Microsoft position during the quarter.
- Blackstone fell on concerns that rising interest rates and potentially slower economic growth could pressure the company's future results. Despite the worries, the company reported quarterly financial results that were ahead of estimates and management forecasted a bright outlook for fundraising and returns from its various investment funds.
- Cisco Systems dropped after reporting lower than expected revenues and order rates for its products. During the quarter, the firm's results were negatively impact by COVID-related lockdowns in China and the company's decision to exit the Russia and Belarus markets. We trimmed our position in the company during the quarter.

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ADDITIONS/DELETIONS

Second Quarter 2022 Representative Equity Income Account Portfolio Activity

- Energy services provider Baker Hughes was added to the portfolio during the quarter. We believe it is poised to benefit from the projected recovery in global oilfield services spending and a favorable demand environment for LNG-related equipment and services, where Baker Hughes has a high market share.
- Hannon Armstrong Sustainable Infrastructure Capital has an established and growing presence as a financing partner for a range of renewable energy and efficiency projects for various commercial and government customers. Based on its structure as a REIT, the company also pays out an attractive dividend yield to its shareholders.
- We eliminated auto and home insurer Erie Indemnity during the quarter. The company has been seeing rising rates of accidents and higher repair costs, which have negatively impacted its margins and limited its near-term earnings and dividend growth.
- Food storage products and trash bag maker Reynolds Consumer Products was eliminated during the quarter. Sustained commodity price pressure for key inputs have negatively impacted the company's margins and reduced its near-term earnings growth outlook.

symbol	Additions	Sector
BKR	Baker Hughes Company Class A	Energy
HASI	Hannon Armstrong Sustainable Infrastructure Capital, Inc.	Financials

symbol	Deletions	Sector
ERIE	Erie Indemnity Company Class A	Financials
REYN	Reynolds Consumer Products Inc	Consumer Staples

PORTFOLIO CHARACTERISTICS

Second Quarter 2022

	REPRESENTATIVE EQUITY INCOME ACCOUNT	S&P 500 INDEX
Number of Holdings	42	502
Dividend Yield (%)	2.6	1.7
P/E Ratio FY2 Est. (x)	14.2	15.4
Top 10 Equity Holdings (%)	38.7	27.0
Active Share (%)	73.1	--
Market Capitalization (\$ B)		
Weighted Average	377.5	484.3
Maximum	2215.9	2215.9
Minimum	1.3	3.8
Three-Year Annualized Portfolio Turnover (%)	15.4	--

COMPOSITE PERFORMANCE

Second Quarter 2022 as of 06/30/2022



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 Equity Income 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 Equity Income Composite disclosure statement at the end of this presentation for a GIPS compliant presentation.

TOP 10 PORTFOLIO HOLDINGS

Representative Equity Income Account as of 06/30/2022

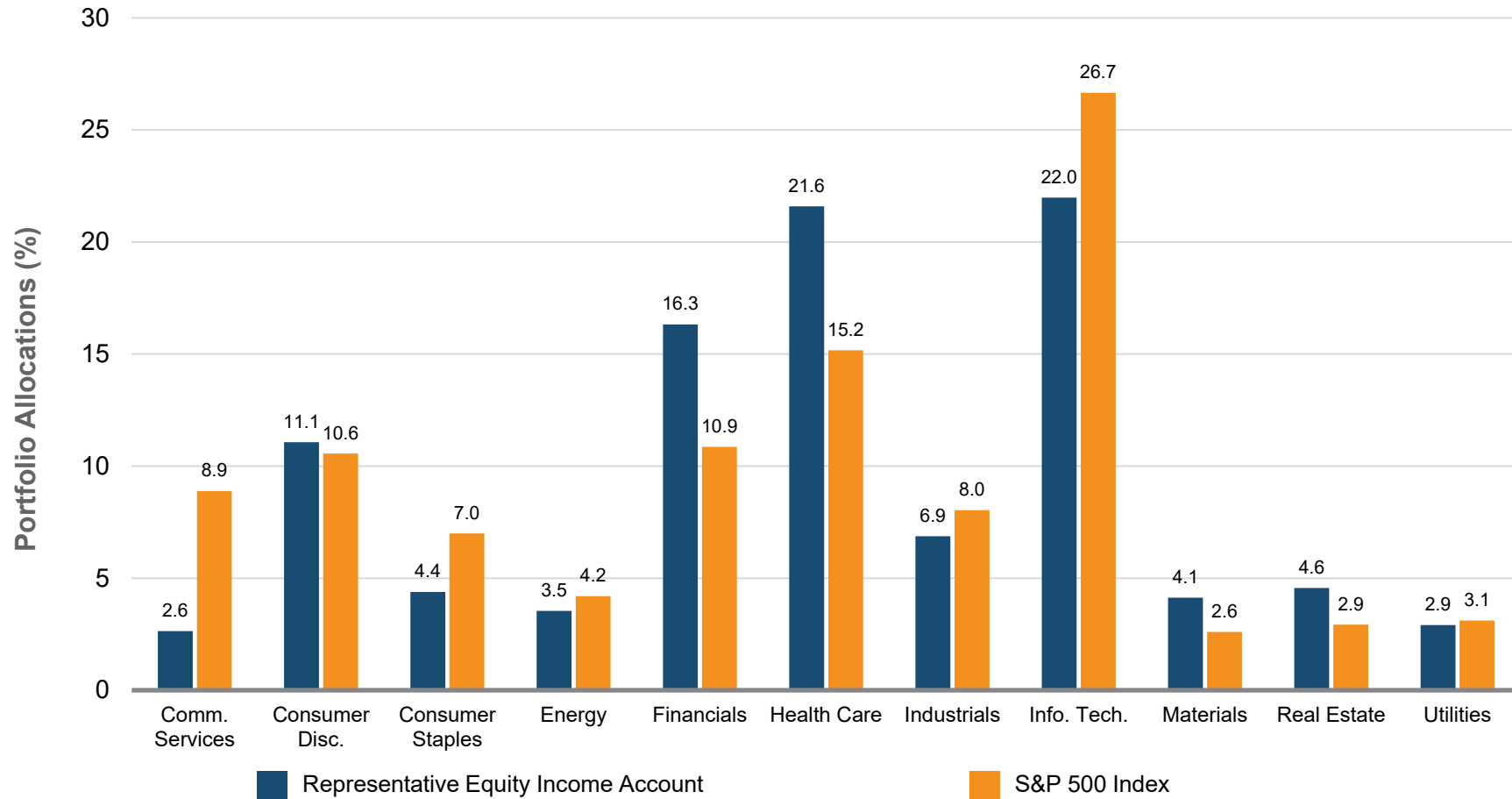
Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Microsoft Corp.	5.8
Apple, Inc.	5.5
Merck & Co, Inc.	4.1
Automatic Data Processing, Inc.	3.6
AbbVie, Inc.	3.4
Ameriprise Financial, Inc.	3.1
Procter & Gamble Co.	3.0
CVS Health Corp.	3.0
McDonald's Corp.	2.9
Dominion Energy, Inc.	2.8
Total	37.2

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SECTOR DIVERSIFICATION

Second Quarter 2022 Global Industry Classification Standard (GICS) as of 06/30/2022



Source: FactSet. The portfolio information provided is based on a representative Equity Income 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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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.

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. 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.

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.

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.

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.

Active Share measures the percentage of holdings in a manager's portfolio that differ from those in the benchmark index. An active share of 0% means that the portfolio is identical to the benchmark, while an active share of 100% means that the portfolio has no common holdings with the benchmark.

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); Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

Portfolio 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.

Weighted Average (Weighted Mean) refers to when data points in a sample contribute more to the final mean than others.

All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio's holding, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.

Brown Advisory

EQUITY INCOME COMPOSITE



Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Composite 3-Yr Annualized Standard Deviation (%)	Benchmark 3-Yr Annualized Standard Deviation (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$USD Millions)*	GIPS Firm Assets (\$USD Millions)*
2021	27.8	27.3	28.7	16.5	17.2	30	0.2	196	79,715
2020	7.5	7.1	18.4	16.9	18.5	26	0.1	173	59,683
2019	31.6	31.0	31.5	10.6	11.9	33	0.3	219	42,426
2018	-5.0	-5.5	-4.4	9.4	10.8	28	0.2	171	30,529
2017	21.5	20.8	21.8	8.7	9.9	49	0.3	289	33,155
2016	10.5	9.9	12.0	9.7	10.6	44	0.2	252	30,417
2015	-4.4	-5.0	1.4	10.1	10.5	53	0.2	331	43,746
2014	11.3	10.7	13.7	8.3	9.0	72	0.3	446	44,772
2013	29.2	28.5	32.4	8.6	11.9	84	0.3	450	40,739
2012	12.8	12.0	16.0	N/A	N/A	67	0.2	350	26,794

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2021. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

- *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
- The Equity Income Composite (the Composite) includes all discretionary portfolios invested in the Equity Income Strategy. The strategy invests primarily in U.S. equities that exhibit above-average dividend yields, dividend growth and return on equity. The minimum account market value required for Composite inclusion is \$1.5 million.
- The Composite was created in 2010. The Composite inception date is October 1, 2010.
- The benchmark is the S&P 500® Index. The S&P 500 Index is a capitalization-weighted index of 500 stocks that is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Index returns assume reinvestment of dividends and do not reflect any fees or expenses. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers. Standard & Poor's, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"), a subsidiary of S&P Global Inc.
- 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. 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 Equity Income Fund (the Fund), which is included in the Composite, is 0.60%, and represents the highest fee charged excluding Advisor Shares. The total expense ratio for the Investor Shares of the Fund as of the most recent fiscal year end (June 30, 2021) was 0.92%. 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 three-year annualized standard deviation is not presented as of December 31, 2010, 2011 and 2012 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.
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