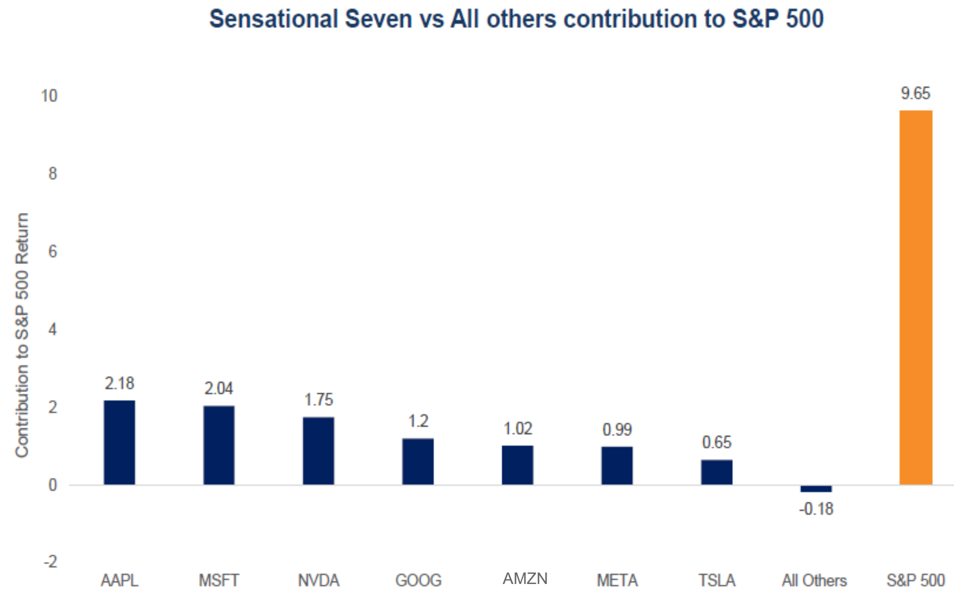
FLEXIBLE EQUITY REVIEW AND OUTLOOK

Second Quarter 2023

The Flexible Equity strategy's returns exceeded that of S&P 500® Index, which was up 8.7% during the second quarter. For the first six months of this calendar year, the strategy's return was nearly 20%, net of fees, ahead of the Index's return of 16.9%. We are pleased with this relative outperformance, especially since the strategy hit a soft patch last year. It is important though to emphasize that we do not overly focus on short-term outperformance or underperformance. Our focus instead is on longer time horizons. And on that basis, we are pleased that Flexible Equity has largely delivered returns ahead of the broader market.

The U.S. equity markets have demonstrated remarkable resilience in the face of various concerns looming over the economy. Investors thus far have successfully overcome worries regarding a slowing economy, prominent bank failures, a weaker than expected China recovery, the possibility of a policy error by the Fed, and the risk of a sovereign default due to a political stalemate earlier in the year. As we stand today, the outlook remains uncertain, as is often the case. On one hand, a pessimistic view perceives the glass as half empty as the money supply dwindles, consumers exhaust their excess savings, and potential commercial real estate losses pose a contagion risk. On the other hand, an optimistic investor recognizes the glass as half full with full employment, a strong consumer with a decent balance sheet, and companies reporting robust quarterly results. Furthermore, the Fed's hiking cycle is nearing an end, and there is a possibility of rate cuts in the near future.

It is interesting to note that the strong market performance has been primarily driven by some of the largest companies within the S&P 500 Index. These companies now have more sway on the returns as the Index has become top heavy with the ten largest companies accounting for nearly 30% of the market value. At the end of May, the seven top performing companies within the Index accounted for all of the Index's return. In fact "All Others", the remaining 493 companies, on a combined basis, actually detracted from the return. This lopsided picture did improve in the month of June where the breadth turned much more positive with overwhelming majority of companies posting positive returns.



Source: FactSet, data as of 05/31/2023

You will notice that the tickers in the chart above represent either technology or tech enabled companies. Part of the investor excitement this year has been due to the emergence of Generative AI as a transformation technology and a belief that these companies' business models will benefit tremendously from AI. We do not disagree!

The stocks that have contributed the most to Flexible Equity returns during the quarter were Microsoft, Meta, Apple, Amazon and First Citizens. Meta is particularly interesting as it illustrates stock prices getting disconnected from the underlying business value. Meta's stock is the best performing stock in the portfolio as it has more than doubled this year, which is in stark contrast from the previous year when it had lost nearly 2/3rd's of its value. It takes fortitude to stick with a stock while the market is driving it down by that much! Fortunately, we had strong conviction that Meta's business would recover from some of the challenges that had led to a situation of a 'perfect storm' for them in 2022. In fact, we had added to our position when the stock was lower and when Mark Zuckerberg proclaimed this year as the 'year of efficiency' and brought in more expense discipline to the company.

(Continued on the following page)

FLEXIBLE EQUITY REVIEW AND OUTLOOK

Second Quarter 2023

The largest detractors from return were SBA Communications, Agilent, Nomad, Suncor and T-Mobile. Generally speaking, investors have shied away from businesses that are economically sensitive (e.g., Suncor) as well as from businesses that are more levered (e.g., SBA Communications) due to higher interest rate costs. We see nothing wrong with most of these businesses and plan to continue to hold them, especially at these prices, viewing them as attractive outside of the short-term cyclical concerns.

The Flexible Equity team searches for investment bargains among long-term attractive businesses with shareholder-oriented managers – those with productive assets and productive managers. These businesses should have or develop competitive advantages that result in good business economics, managers who allocate capital well, capacity to adjust to changes in the world and the ability to grow business value over time. Bargains in these types of stocks can arise for various reasons, but are often due to short-term investor perceptions, temporary business challenges that will improve, company or industry changes for the better or as-yet-unrecognized potential for long-term growth and development. Despite the occasional investment that will go awry, and stretches when the general stock market, or our investment selection, is unrewarding, we are optimistic about the long-term outlook for equities of good businesses purchased at reasonable prices and our ability to find them.

SECTOR DIVERSIFICATION

Second Quarter 2023

- We base our investment approach on individual company selection and seek to incorporate a reasonable balance of sector exposure as part of our risk management process. We believe that companies in the same sectors can vary as greatly in their business economics and profiles as companies in completely different sectors.
- The communications services sector was the top-performing sector in the quarter. We trimmed Meta and Netflix.
- The consumer discretionary sector was the second-best performing sector. The portfolio holdings in the sector all rose in the quarter.
- In the financials sector, we added to Fiserv, Inc. We trimmed First Citizens BancShares, Inc. CL A and Charles Schwab.
- We added to Agilent Technologies in health care. The share price declined in the quarter. We added to Canadian National Railway and Uber Technologies in the industrials sector.
- Information technology increased in the quarter with Adobe, Apple and Microsoft among the best performers in the portfolio.
- Real estate holding SBAC Communications declined in the quarter and we added to the holding.

SECTOR	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	S&P 500® INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	
	Q2'23	Q2'23	Q2'23	Q1'23	Q2'22
Communication Services	12.85	8.39	4.46	12.61	12.02
Consumer Discretionary	12.00	10.66	1.34	11.40	13.08
Consumer Staples	1.42	6.67	-5.25	1.67	1.86
Energy	3.32	4.11	-0.79	3.63	3.71
Financials	26.42	12.42	14.00	27.38	27.88
Health Care	13.63	13.42	0.21	14.21	15.13
Industrials	7.50	8.49	-0.99	6.92	6.36
Information Technology	21.60	28.26	-6.66	20.92	18.25
Materials	--	2.50	-2.50	--	--
Real Estate	1.25	2.49	-1.24	1.26	1.71
Utilities	--	2.58	-2.58	--	--

ATTRIBUTION DETAIL BY SECTOR

Second Quarter 2023

Brown ADVISORY Thoughtful Investing.

	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT	S&P 500® INDEX	ATTRIBUTION ANALYSIS		
SECTOR	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	13.07	8.42	0.21	0.63	0.84
Consumer Discretionary	11.70	10.15	0.10	0.10	0.20
Consumer Staples	1.58	7.11	0.48	-0.13	0.35
Energy	3.47	4.43	0.11	0.07	0.17
Financials	27.00	12.77	-0.48	1.05	0.57
Health Care	14.02	14.12	0.01	--	0.01
Industrials	6.84	8.42	0.06	0.28	0.33
Information Technology	21.07	26.70	-0.47	-0.74	-1.21
Materials	--	2.54	0.14	--	0.14
Real Estate	1.24	2.56	0.09	-0.19	-0.10
Utilities	--	2.79	0.33	--	0.33
Total	**100.00**	**100.00**	**0.57**	**1.08**	**1.64**

- Attribution is a tool that calculates the effect of sector allocation and stock selection relative to market and sector benchmarks of performance. This tool does not reflect how we manage investments, and we believe it has meaningful limitations. However, it is frequently requested, so we share it for that reason.
- The portfolio outperformed the S&P 500® Index in the quarter, on a net basis. Stock selection effects produced the bulk of this outperformance, while sector allocation effects were also positive.
- Communication services and financials contributed most to relative return. Both had a higher weighting and higher return than the Index.
- Information technology was the biggest detractor to the results as compared to the Index. While the return was strongly positive, both the return and the weighting were lower than the Index.

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 Flexible Equity account and is provided as Supplemental Information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Attribution Analysis shown is calculated on a gross of fees basis. Sector attribution is gross of fees and excludes cash and cash equivalents. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

TOP FIVE CONTRIBUTORS TO RETURN

Second Quarter 2023 Representative Flexible Equity Account Top Five Contributors

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	NAME	DESCRIPTION	AVERAGE WEIGHT (%)
MSFT	Microsoft Corporation	Develops, manufactures and distributes software products	7.45
META	Meta Platforms Inc. Class A	Operates as a social networking service and website	3.46
AMZN	Amazon.com, Inc.	Provides online retail shopping services	3.16
AAPL	Apple Inc.	Designs, manufactures and markets mobile communication, media devices, personal computers, and portable digital music players	4.31
FCNCA	First Citizens BancShares, Inc. Class A	Operates as a bank holding company whose subsidiary provides banking services	2.17

- Microsoft (MSFT) benefited from the excitement around Generative AI and its leading capabilities across Azure, Office 365 and the rest of its product suite. It appears increasingly likely Microsoft will drive meaningful incremental revenue next year from these products, and we believe it has the potential to gain market share, given its OpenAI relationship and first-mover advantage in Generative AI.
- Following several quarters of cost control, Meta (META) is now seeing its top line reaccelerate. New products such as Advantage+ and Reels are beginning to meaningfully impact revenue growth while FX rates are also improving. While street earnings estimates have steadily risen, the stock still trades at a below-market multiple.
- Amazon (AMZN) reported good quarterly results that beat consensus expectations both on revenue and margin. Its retail business held up well despite headwinds due to a weaker consumer. In addition, investors are excited about an AI wave that could structurally lead to faster public cloud growth.
- Apple (AAPL) traded up with large-cap technology stocks on optimism for macro recovery and a stronger iPhone cycle in the second half of 2023.
- First Citizens' (FCNCA) stock price responded positively to its purchase of Silicon Valley Bridge Bank. The deal boasts strong accretion to both tangible book value and earnings per share.

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 Flexible Equity account and is provided as Supplemental Information. Top five contributors exclude cash and cash equivalents. Commentary regarding an investment's contribution to return and relative performance has been assessed on a gross performance basis. Contributors are sorted in order of their contribution to return on a gross basis. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

BOTTOM FIVE CONTRIBUTORS TO RETURN

Second Quarter 2023 Representative Flexible Equity Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)
SBAC	SBA Communications Corp. Class A	Functions as real estate investment trust	1.24
A	Agilent Technologies, Inc.	Designs, manufactures and markets measurement and monitoring instruments	0.80
NOMD	Nomad Foods Ltd.	Operates as a holding company which produces frozen foods	1.58
SU	Suncor Energy Inc.	Explores and refines oil and gas	2.05
TMUS	T-Mobile US, Inc.	Provides wireless voice, messaging and data services	1.47

- SBA Communications (SBAC) lagged as interest rates weighed on the stock and higher interest costs flowed through the income statement.
- Agilent's (A) stock was weak after the company signaled a sharp decline in instrumentation demand from pharmaceutical customers in April and May, resulting in the company cutting its FY23 revenue growth guidance and implying a decline in revenues in 2H23. It also suggested that instrumentation demand headwinds may last for 12-18 months, a period longer than analysts' expectations.
- Nomad Foods (NOMD) continues to be impacted by price gaps between Nomad's branded products and private label. Nomad is losing market share as the company raised price in order to offset input cost inflation, while private label competitors have kept prices relatively lower.
- Suncor's (SU) stock pulled back in the quarter along with broader global oil prices as concerns about recessionary curbs on demand weighed on prices. The company is midway through an operational overhaul that continued recently with the appointment of a new CEO - formerly of Imperial Oil and Exxon.
- T-Mobile U.S. (TMUS) traded down on very little news in the quarter; management continues to execute against plan for the 5G build and the Sprint integration is nearly complete.

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 Flexible Equity account and is provided as Supplemental Information. Bottom five contributors exclude cash and cash equivalents. Commentary regarding an investment's contribution to return and relative performance has been assessed on a gross performance basis. Contributors are sorted in order of their contribution to return on a gross basis. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

ADDITIONS/DELETIONS

Second Quarter 2023 Representative Flexible Equity Account Portfolio Activity

- During the quarter, there were no new holdings added to the portfolio and no deletions.

SYMBOL	ADDITIONS	SECTOR

SYMBOL	DELETIONS	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. The portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

PORTFOLIO CHARACTERISTICS

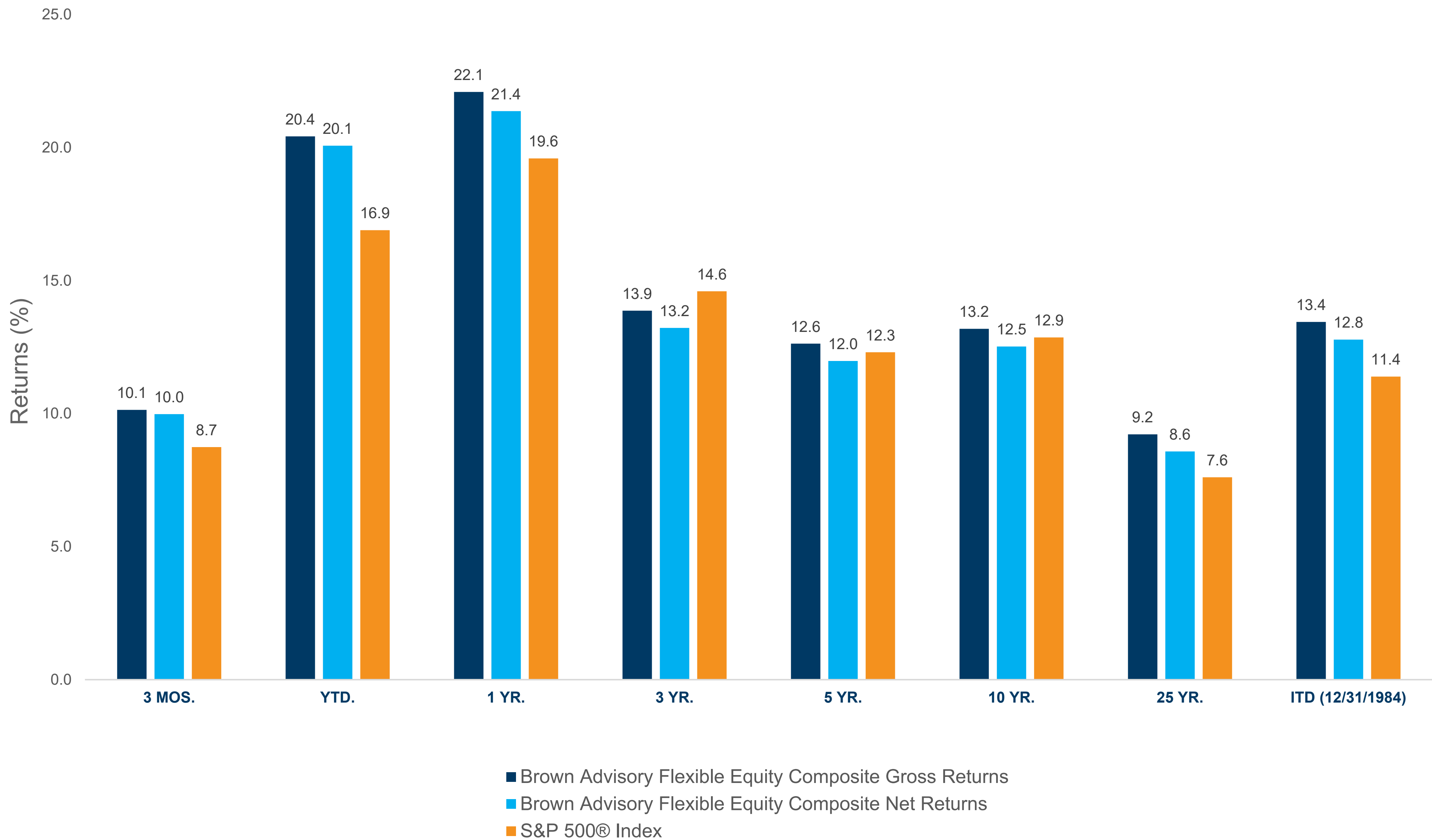
Second Quarter 2023

	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT	S&P 500 INDEX
Number of Holdings	45	503
Market Capitalization ($ B)		
Weighted Average	644.6	680.8
Weighted Median	223.0	189.6
Maximum	3049.9	3049.9
Minimum	3.1	3.6
P/E Ratio FY1 Est. (x)	20.5	20.4
P/E Ratio FY2 Est. (x)	17.9	18.4
Earnings Growth 3-5 Yr. Consensus Est. (%)	15.3	12.3
Dividend Yield (%)	0.8	1.5
Top 10 Equity Holdings (%)	43.4	30.5
Three-Year Annualized Portfolio Turnover (%)	11.0	--

Source: FactSet. The portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Portfolio characteristics and holdings exclude cash and cash equivalents. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions. Holdings exclude cash and cash equivalents.

COMPOSITE PERFORMANCE

Second Quarter 2023 as of 06/30/2023



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 Institutional Flexible Equity 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 Institutional Flexible Equity Composite GIPS Report at the end of this presentation.

TOP 10 EQUITY HOLDINGS

Representative Flexible Equity Account as of 06/30/2023

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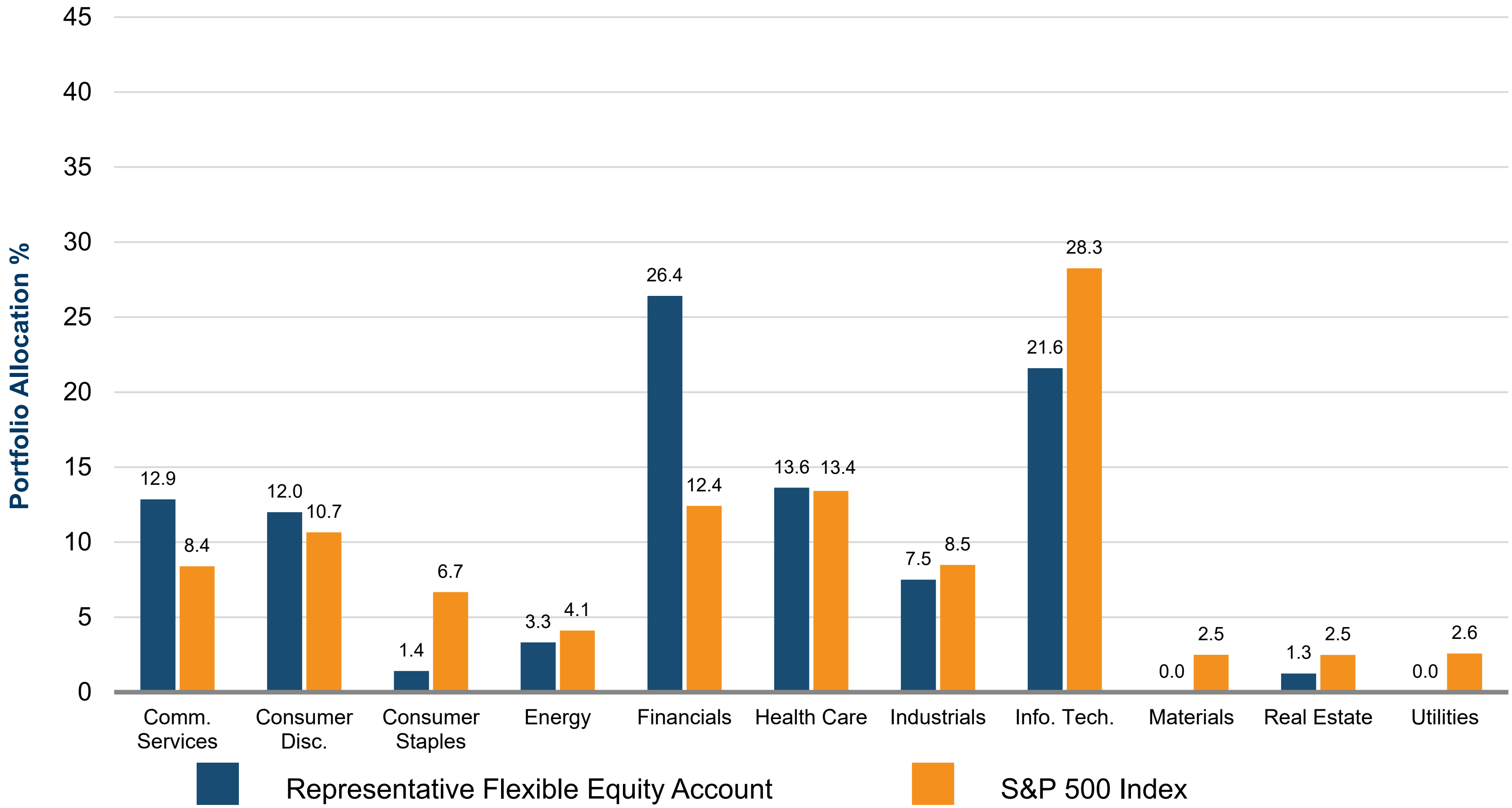
Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Microsoft Corp.	7.4
Alphabet, Inc. (A&C)*	5.8
Visa, Inc.	5.0
Mastercard, Inc.	4.9
Apple, Inc.	4.4
Berkshire Hathaway, Inc. Cl B	4.2
Meta Platforms, Inc.	3.6
UnitedHealth Group, Inc.	3.5
Amazon.com, Inc.	3.3
Booking Holdings, Inc.	2.8
Total	**44.6**

Source: FactSet. *Alphabet Inc. represents a 2.5% holding position in class A and 3.3% in class C shares of the stock. 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 Flexible Equity account and is provided as Supplemental Information. Figures in chart may not total due to rounding. Holdings include cash and cash equivalents which was 3.0% as of 06/30/2023. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

SECTOR DIVERSIFICATION

Second Quarter 2023 Global Industry Classification Standard (GICS) as of 06/30/2023



Source: FactSet. The portfolio information provided is based on a representative Flexible Equity 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 the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

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.

The **S&P 500® Index** represents the large-cap segment of the U.S. equity markets and consists of approximately 500 leading companies in leading industries of the U.S. economy. Criteria evaluated include market capitalization, financial viability, liquidity, public float, sector representation and corporate structure. An index constituent must also be considered a U.S. company. Standard & Poor's, S&P, and S&P 500® are trademarks/service marks of MSCI and Standard & Poor's.

Sensational Seven: Apple Inc (AAPL), Amazon.com, Inc. (AMZN), Alphabet Inc (GOOG), Meta Platforms Inc (META), Tesla Inc (TSLA), NVIDIA Corp (NVDA), Microsoft Corp (MSFT)

An investor cannot invest directly into an index.

Global Industry Classification Standard (GICS®) and "GICS" are service makers/trademarks of MSCI and Standard & Poor's.

FactSet® is a registered trademark of FactSet Research Systems, Inc.

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

DISCLOSURES

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.

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.

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.

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. Calculated as a weighted harmonic average.

Earnings Growth 3-5 Year Est. is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokerage firms, calculated according to each broker's methodology. Calculated as weighted average.

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. Calculated as weighted average.

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.

Free cash flow (FCF) represents the cash a company generates after cash outflows to support operations and maintain its capital assets. Unlike earnings or net income, free cash flow is a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital.

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.

Brown Advisory

INSTITUTIONAL FLEXIBLE 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)*
2022	-20.8	-21.3	-18.1	22.1	20.9	40	0.2	2,476	58,575
2021	25.7	25.0	28.7	18.8	17.2	41	0.3	3,198	79,715
2020	20.8	20.1	18.4	20.1	18.5	41	0.3	2,550	59,683
2019	37.3	36.5	31.5	12.8	11.9	42	0.4	2,196	42,426
2018	-3.3	-3.9	-4.4	12.3	10.8	41	0.3	2,263	30.529
2017	25.1	24.3	21.8	11.4	9.9	50	0.3	2,912	33,155
2016	9.9	9.4	12.0	12.1	10.6	52	0.2	2,883	30,417
2015	-2.0	-2.6	1.4	11.1	10.5	56	0.2	2,686	43,746
2014	14.0	13.3	13.7	9.2	9.0	49	0.2	3,195	44,772
2013	37.5	36.7	32.4	11.9	11.9	44	0.4	2,247	40,739

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, 2022. 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.

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 Institutional Flexible Equity Composite (the Composite) includes all actual, discretionary, institutional accounts with a flexible value equity objective of 100%. The strategy seeks bargains in "value" as well as "growth" stocks and invests primarily in the common stock of domestic companies with market capitalizations greater than $2 billion at the time of purchase. As of January 1, 2013, the minimum account market value required for Composite inclusion is $1.5 million.
3. 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.
4. The Composite was created in 1985. The Composite inception date is January 1, 1985.
5. 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.
6. 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.
7. 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-fees performance returns are calculated by adjusting the gross-of-fees performance return by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis. Certain accounts in the Composite may pay asset-based custody fees that include commissions. For these accounts, gross returns are also net of custody fees. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: For accounts below $150 million, 0.60% on the first $25 million; 0.50% on the next $25 million; and 0.45% on the next $25 million, and 0.35% on the next $50 million. For accounts over $150 million, 0.45% on the first $150 million; 0.275% on the next $100 million; 0.25% on the next $250 million; and 0.20% on the balance over $500 million. Further information regarding investment advisory fees is described in Part 2A of the firm's Form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
8. Effective July 1, 2023, the firm transitioned from using actual account fees in the calculation of net performance returns to applying the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV. The net performance track record was revised back to Composite inception.
9. The investment management fee for the Investor Shares of the Brown Advisory Flexible Equity Fund (the Fund), which is included in the composite, is 0.43%, 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, 2022) was 0.68%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
10. The investment management fee for the Dollar Class B Acc Shares of the Brown Advisory US Flexible Equity 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, 2022) was 0.89%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
11. 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.
12. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
13. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
14. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
15. Past performance is not indicative of future results.
16. This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subscription documents.
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