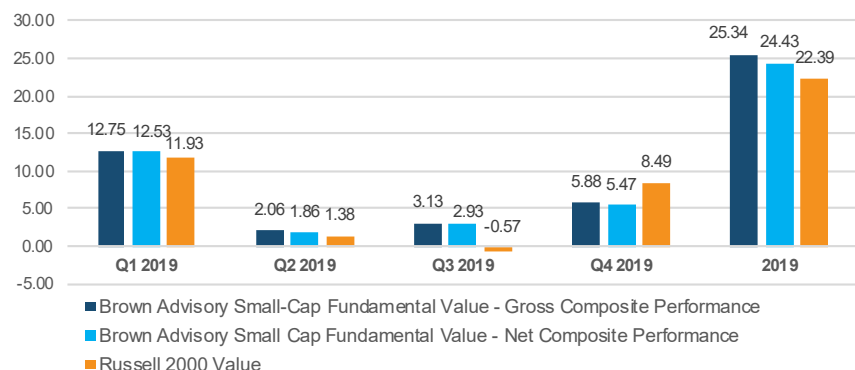


SMALL-CAP FUNDAMENTAL VALUE REVIEW AND OUTLOOK

The equity markets were very strong during the fourth quarter, capping off an impressive 2019. Large, small, growth and value all posted gains north of 22% during the year. An about-face by the Fed, coupled with optimism surrounding economic conditions, offset broader concerns about the trade war, geopolitical events and more troubling flat to declining earnings. This was a year that no one expected. Growth returns continued to outpace value, and despite a late in the year rally, large outperformed small. Despite challenging earnings results for 2019, the rally was marked by broad-based multiple expansion. Valuations in the small-value space have expanded but continue to trade at noteworthy discounts to small growth as well as large-cap companies.

The Brown Advisory Small-Cap Fundamental Value strategy posted a solid year both on an absolute and relative basis to the Russell 2000® Value Index. The bulk of our absolute return was generated during the first and, to a lesser extent, fourth quarters. However, our positive relative returns for the period were driven primarily during the turbulent third quarter (the only negative quarter during year for our index) and offset partially during the fourth quarter.

SCFV 2019 Quarterly Performance



Returns across every sector in the index were strong for the year. IT, real estate and industrials all posted returns north of 25%. The only negative-returning sector for the year was energy. While our IT investments posted strong results, they did not keep pace with the 53% overall return for the small-value IT index. Our lack of exposure to the semi and semi-cap equipment space was a drag, and consequently, IT was our largest negative relative detractor. Challenging results in a number of our consumer investments also hurt our relative performance within that segment. Communication services (driven by our investment in Nexstar) was the largest relative contributor for our strategy, followed by the strong relative performance of our financial and industrial investments.

The fourth-quarter gain in the index was driven by particularly strong stock performance in the IT and health care sectors. Our investments in both sectors trailed, although the relative impact was more pronounced in the IT sector. Utilities, where we are significantly underweight, was the largest source of fourth-quarter relative performance, followed by real estate, where despite being underweight, our holdings had solid performance.

During the year, our top five contributors were all up 50% or more. Nexstar was the largest contributor for the year, following the close of its acquisition of Tribune. Assurant also benefited from a sizable acquisition it closed last year. Essential Properties continued to deploy its equity capital in attractive investments, while Virtus Investment Partners and GCI Liberty posted solid operating results, which combined with significant buybacks, helped drive their share price. Our detractors were generally characterized by poor operating performance. Two of our energy investments, Riviera and Roan Resources, were caught in the downdraft of energy share prices but were also significantly impacted by operational issues in their exploration programs. Hudson Ltd. and Designer Brands were both impacted by tariff and trade tensions, although Designer Brands is also working through an acquisition that has been poorly received by the market. Tile Shop Holdings failed to execute on its retailing strategy. During the year, we sold both energy investments as well as our Tile Shop Holdings investment.

Murphy USA was the largest contributor for the quarter. The company was boosted by very solid operating margins and a consistent and meaningful buyback. Magellan Health concluded its strategic review this year with a decision not to sell, but its operating performance improved markedly, which increased its share price. Finally, both Kadant and TriState continued to generate solid operating results. Albany International Corp. was the largest detractor for the quarter in reaction to concerns relating to the production schedule of the 737 MAX. Regis Corporation and KAR Auction Services both struggled operationally.

The only announced acquisition for the year was Continental Building Products, which is being sold in a cash transaction to Saint-Gobain, a European building products conglomerate. Also within our materials investments, Eagle Materials has announced that it is spinning off its wallboard division and separating it from its cement aggregates businesses. We expect both of these actions to occur during the middle of 2020.

Fourth Quarter 2019

SMALL-CAP FUNDAMENTAL VALUE REVIEW AND OUTLOOK



For the quarter, we made four new investments and sold three. Two of these new investments were in the IT sector, including Cardtronics, the largest ATM independent processor in the country, and PC Connections, a value-added technology reseller. These additions were funded partially with the sale of SMART Global Holdings and Loral Space & Communications, which we sold due to capital allocation and cash flow concerns. We made an investment in Texas-based bank Veritex using the partial proceeds of a National Bank Holdings sale (sale completed during the first quarter of 2020) based on relative valuations. We also made a small investment in Solaris, an oil field services company.

Multiple expansion and valuations combined with increasing levels of corporate debt make for a risky investment climate. As we enter 2020, we are mindful of the duration of the current economic recovery, as we continue to make investments using our cash flow-based philosophy and methodical and deliberate investment process.

SECTOR DIVERSIFICATION

- The weighting within consumer discretionary increased as we added to our investments in Core-Mark, Dick's Sporting Goods and Kontoor Brands. The positive performance of Murphy USA also increased our consumer discretionary weighting.
- Our energy weighting decreased as we sold our remaining position of Riviera Resources during the quarter.
- Our weighting within information technology increased during the period as we made investments in Cardtronics and PC Connection.

SECTOR	REPRESENTATIVE SMALL-CAP FUNDAMENTAL VALUE ACCOUNT (%)	RUSSELL 2000® VALUE INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE SMALL-CAP FUNDAMENTAL VALUE ACCOUNT (%)	
	Q4'19	Q4'19	Q4'19	Q3'19	Q4'18
Communication Services	5.60	2.21	3.39	6.49	6.88
Consumer Discretionary	15.88	9.71	6.16	14.02	16.81
Consumer Staples	1.45	2.65	-1.20	1.25	1.80
Energy	1.52	5.81	-4.29	2.72	4.58
Financials	32.79	30.37	2.42	33.69	30.77
Health Care	3.88	5.38	-1.50	3.62	3.18
Industrials	20.38	13.07	7.31	21.10	18.62
Information Technology	9.33	9.26	0.07	7.70	8.29
Materials	3.41	4.70	-1.29	3.54	2.29
Real Estate	5.01	10.93	-5.91	5.09	5.88
Utilities	0.74	5.90	-5.16	0.78	0.90

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 Small-Cap Fundamental Value 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.

QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

SECTOR	REPRESENTATIVE SMALL-CAP FUNDAMENTAL VALUE ACCOUNT		RUSSELL 2000® VALUE INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	5.91	11.12	2.32	2.57	-0.20	0.46	0.26
Consumer Discretionary	14.94	5.78	9.85	7.73	-0.03	-0.31	-0.34
Consumer Staples	1.31	22.77	2.55	9.35	--	0.15	0.15
Energy	2.37	-4.33	5.63	7.77	-0.05	-0.19	-0.24
Financials	33.40	5.76	30.65	7.35	-0.02	-0.54	-0.56
Health Care	3.81	13.01	5.17	17.51	-0.11	-0.17	-0.28
Industrials	20.94	4.74	13.08	9.86	0.13	-1.07	-0.94
Information Technology	7.84	5.07	8.80	20.93	-0.12	-1.11	-1.23
Materials	3.54	1.78	4.61	13.20	-0.04	-0.38	-0.43
Real Estate	5.18	5.00	11.23	3.16	0.31	0.10	0.42
Utilities	0.76	1.24	6.12	-1.66	0.56	0.02	0.58
Total	100.00	5.88	100.00	8.49	0.43	-3.04	-2.61

Source: FactSet. 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. 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. The portfolio information provided is based on a representative Small-Cap Fundamental Value account and is provided as supplemental information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Sector attribution excludes cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

Representative Small-Cap Fundamental Value Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
MUSA	Murphy USA Inc.	Markets and distributes retail motor fuel and gasoline products	1.82	37.18	0.59
MGLN	Magellan Health Inc.	Provides health care management services	2.03	26.01	0.48
NXST	Nexstar Media Group Inc. Class A	Provides television broadcasting services	2.77	15.09	0.40
KAI	Kadant Inc.	Develops, manufactures and markets equipment and products for the papermaking and paper recycling industries	2.06	20.27	0.39
TSC	TriState Capital Holdings Inc.	Operates as a bank holding company	1.71	24.14	0.38

- Murphy USA's shares rose 20% post the third-quarter earnings report as the company continued to produce strong fuel margins and tobacco sales, in part due a successful loyalty program launch.
- Magellan Health rose after the company announced it had been awarded a contract with California's Medicaid program to provide statewide pharmacy benefit administration services. Margins in the company's all-important Virginia market continued to improve as medical costs moderated from the elevated levels seen in 2018. Additionally, management's visibility into costs and ability to more effectively manage them have increased and appear stable.
- Nexstar Media Group's first-quarter post-Tribune merger tracked ahead of their \$160 million target in synergies, with the company being on pace to reach ~\$185 million in 2020. Nexstar Media was able to de-lever faster than investors expected, resulting in share buyback estimates to be pulled forward to the second half of 2020. Over the next three years, Nexstar Media is expected to return \$650 million to shareholders (~9% of shares outstanding).
- Kadant was a solid contributor during the period after the company reported strong third-quarter results against record results from the year before. Cash flow from operations was up over 50%, and the company used its robust free cash flow (FCF) to pay down more debt from the Syntron deal in 2018. Kadant absorbed a number of large headwinds in 2019 (record comps, FX and tariffs) that tampered earnings, but we believe these should begin to abate in 2020 as comps ease.
- TriState Capital Holdings outperformed the index following a strong earnings release that showed loan growth accelerating to its highest level in at least four years. The company also benefited from both a broader bank rally and easing concerns over short-term interest rates continuing to decline, which has an outsized impact on TriState Capital, given its large exposure to floating rate and indexed loans.

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. Returns listed represent the period the security was held during the quarter. The portfolio information provided is based on a representative Small-Cap Fundamental Value account and is provided as supplemental information. Top five and bottom 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.

QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

Representative Small-Cap Fundamental Value Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
AIN	Albany International Corp. Class A	Designs, manufactures and markets paper machine clothing	3.14	-15.62	-0.54
RGS	Regis Corporation	Ow ns, franchises and operates beauty salons	1.82	-11.62	-0.23
DENN	Denny's Corporation	Operates as a full-service family restaurant chain	1.43	-12.67	-0.21
RVRA	Riviera Resources Inc.	Operates natural gas and oil wells	1.04	-16.33	-0.18
KAR	KAR Auction Services Inc.	Operates whole car and salvage, financing, remarketing, technology, inspection, repair and auction services	1.26	-10.53	-0.14

- Albany International Corp. was a detractor during the period as investor concerns over further grounding of the Boeing 737 MAX outweighed very strong operational results in the third quarter and an increase in 2019 EBITDA guidance. While the timing of the 737 MAX is very hard to predict, near-term expectations have been lowered significantly over the last few months, and Albany International's falling capex needs should drive strong FCF growth in 2020.
- Regis Corporation's shares declined in the fourth quarter after strong relative performance at the end of the third quarter, as the company continues to transition from a company-owned to asset-light franchise model.
- Denny's Corporation underperformed in the quarter after the company reported soft same-store sales results. The third-quarter report was up against a difficult comparison from the third quarter of 2018, when there was a heavy promotional calendar. We are pleased with the company's progress toward its refranchising goals, which are nearly complete, and the leverage stands well below its targeted level, providing flexibility from a capital allocation perspective.
- During the fourth quarter, Riviera Resources closed on the sale of its remaining Hugoton properties and subsequently announced a sizable cash distribution to shareholders with the proceeds. Despite the outsized capital return, the stock lagged as investors became more concerned about the company's ability to hit its targets for its midstream asset.
- KAR Auction Services shares fell 17% on the third-quarter report after the company reported lower-than-expected TradeRev unit growth and lowered FY EBITDA guidance by \$20 million. Most of the lowered guidance comes from a timing issue related to lower clear rates for auctioned vehicles at physical locations, which we believe should correct itself within several quarters.

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. Returns listed represent the period when the security was held during the quarter. The portfolio information provided is based on a representative Small-Cap Fundamental Value account and is provided as supplemental information. Top five and bottom 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.

QUARTER-TO-DATE ADDITIONS

Representative Small-Cap Fundamental Value Account Portfolio Activity

- Cardtronics operates a network of 295,000 ATMs worldwide, with 75,000 owned by the company and 220,000 managed for financial institutions and retailers. Driven by \$1 billion+ deployed for acquisitions and expanding worldwide, the company grew its topline at a double-digit CAGR in the past decade amid the secular headwind of cash-to-card conversion at the point of sale. We like the value proposition Cardtronics brings to its partners-by joining its Allpoint network, banks can optimize branches while giving customers more convenience to withdraw cash, and retail partners can drive more traffic to their stores and see an increase in average customer spend. Despite its unique story, Cardtronics encountered several business headwinds in 2017-2018 (the 7-Eleven partnership loss, U.K. interchange rate reduction and surcharge removal by large bank competitors in Australia), and along with high financial leverage (>3x net debt/ TTM EBITDA in 2017), the stock pulled back materially. In early 2018, the current management team took over and shifted focus to drive organic growth through its existing network and optimize cost to achieve margin expansion. The company has recently finished a \$50 million repurchase that saw its shares outstanding shrink by nearly 4%. Cardtronics intends to focus on reducing its net leverage to a targeted 2.0x-2.5x range (from 2.6x currently) and has no plan for major M&A or significant refresh cycle in the near term. With the business lapping most of its headwind as of the third quarter and new opportunities, including deposit-taking ATMs, Allpoint network and DCC rollout, we believe the company has a feasible path of meeting its updated medium-term guidance of 3-5% organic revenue growth and 7-9% EBITDA growth.
- PC Connection is a national provider of IT solutions, helping customers design, enable, manage and service their IT environments. The company provides computer systems, data center solutions, networking communications, software and security that it purchases from leading manufacturers, distributors and other suppliers. Like many other distributors, CNXN's business model is incredibly light from a traditional capex perspective, and the company has generated positive FCF in every year of its public existence. Unlike many of its peers, which have grown through aggressive M&A, CNXN has mostly been an organic growth story, and the company has maintained a very conservative capital structure over the years (debt-free since 2013 and nearly \$70 million of cash on the balance sheet currently). With a limited appetite for M&A, falling capex needs and large insider ownership, we believe that CNXN will continue to return excess capital to shareholders going forward. Lastly, we believe valuation is very attractive, as CNXN traded at 8x 2019 EBITDA at our time of purchase and a 6.2% FCF yield.

SYMBOL	ADDITIONS	SECTOR
CATM	Cardtronics plc Class A	Information Technology
CNXN	PC Connection Inc.	Information Technology
SOI	Solaris Oilfield Infrastructure Inc. Class A	Energy
VBTX	Veritex Holdings Inc.	Financials

- Solaris Oilfield Infrastructure was formed in 2014 to provide innovative and cost-effective oil field products and services to enhance completions, efficiency and safety in North American shale plays. The company has two main patented technologies-the Solaris Mobile Proppant Management System and the Solaris Mobile Chemical Management System-which lower completion times and costs by increasing storage capacity on well sites. Now that the company's "capex cycle" of building out its proppant management fleet is complete, we expect capex to decline dramatically in 2020 and FCF/share to remain strong despite falling EBITDA. Solaris was not immune to the falling capex budgets of many North American exploration and production companies, and general investor malaise toward the energy sector pushed the company's valuation down to attractive levels at our time of purchase - 6x 2020 EBITDA, 9% FCF yield and a 3.5% dividend yield. Management recognized the attractive valuation as well and initiated the company's first share buyback program in December.
- Veritex Holdings is the only Texas bank with a pure focus on two fast-growing metropolitan statistical areas: Houston and Dallas/Fort Worth. Although Veritex has achieved much of its midteens EPS and TBV annual growth through acquisitions since going public in 2014, the bank has de-emphasized M&A post the closing of the transformative GNBC deal in January 2019. In the first quarter of 2019, for the first time since going public, the bank began paying a common dividend as well as implementing a share repurchase program. On top of executing the organic growth and capital return story, Veritex Holdings is a disciplined operator with a best-in-class adjusted efficiency ratio of 42.4% and on track to record 15.9% ROTCE for the year. Given the bank's moderately higher-than-peers loan growth, strong profitability, strong credit and scarcity value in an attractive geography, we think Veritex Holdings can experience an expansion of valuation multiple from its current 11.4x 2020 P/E to the ~14x range, in line with Texas peers, which can yield 20%+ return for the stock.

QUARTER-TO-DATE DELETIONS

Representative Small-Cap Fundamental Value Account Portfolio Activity

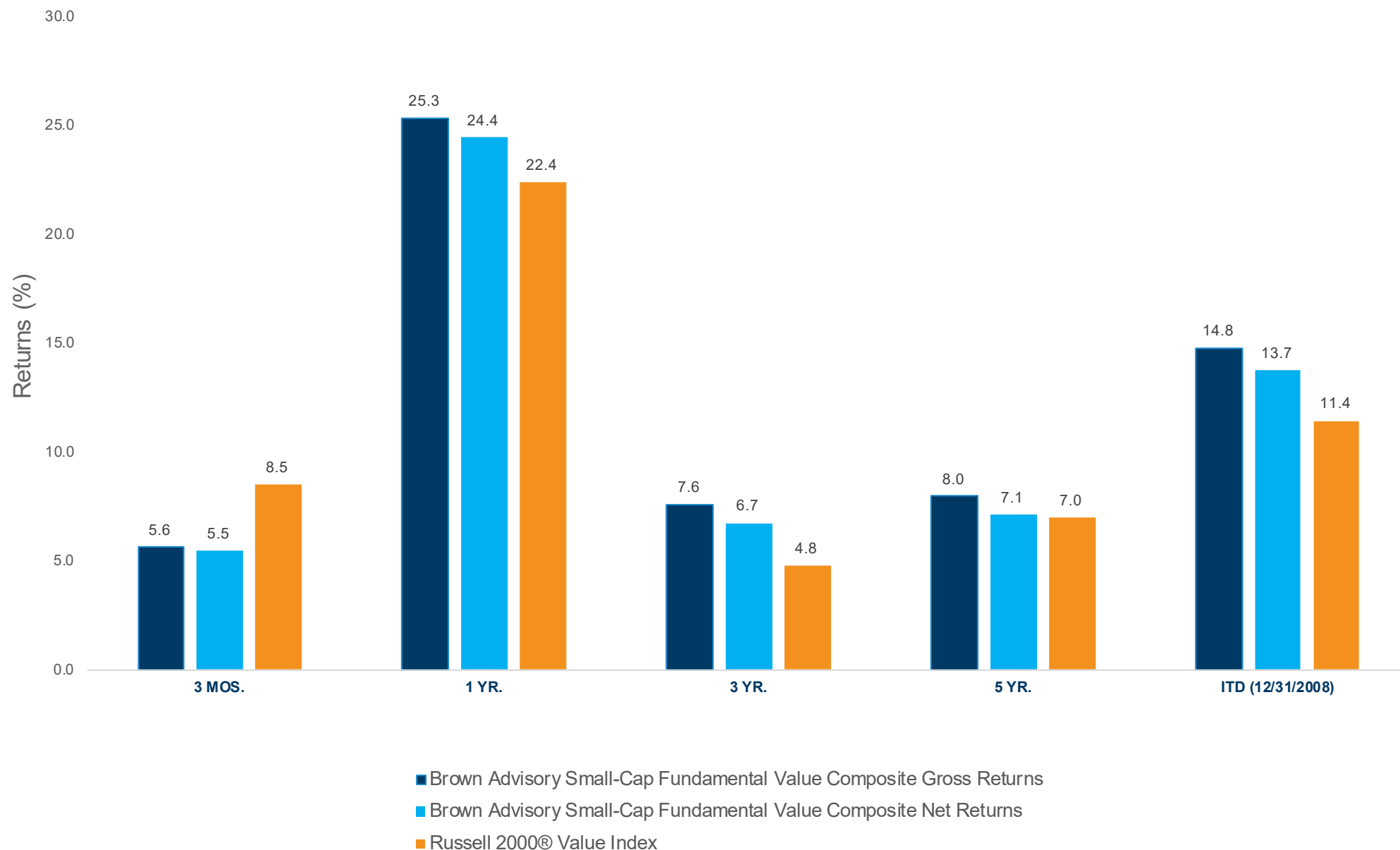
- Loral Space & Communications and SMART Global Holdings were sold due to capital allocation and cash flow concerns.
- Riviera Resources saw significant multiple compression throughout the year, as investors' appetites for domestic oil and gas assets continued to wane. Also weighing on results was lackluster performance from the company's Blue Mountain midstream asset, which has taken longer than expected to ramp. Post the sale of the company's Hugoton assets, we became increasingly concerned about the FCF generation of the remaining assets and used the fourth-quarter cash distribution announcement to exit our position.

SYMBOL	DELETIONS	SECTOR
LORL	Loral Space & Communications Inc.	Communication Services
RVRA	Riviera Resources Inc.	Energy
SGH	SMART Global Holdings Inc.	Information Technology

PORTFOLIO CHARACTERISTICS

	REPRESENTATIVE SMALL-CAP FUNDAMENTAL VALUE ACCOUNT	RUSSELL 2000® VALUE INDEX
Number of Holdings	70	1,402
Market Capitalization (\$ B)		
Weighted Average	2.6	2.2
Weighted Median	2.0	2.0
Maximum	8.0	6.8
Minimum	0.2	0.0
Top 10 Equity Holdings (%)	25.1	4.9
Three-Year Annualized Portfolio Turnover (%)	33.3	--

COMPOSITE PERFORMANCE



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 Small-Cap Fundamental Value 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 Small-Cap Fundamental Value disclosure statement at the end of this presentation for a GIPS compliant presentation.

TOP 10 EQUITY HOLDINGS

Representative Small-Cap Fundamental Value Account

As of 12/31/2019

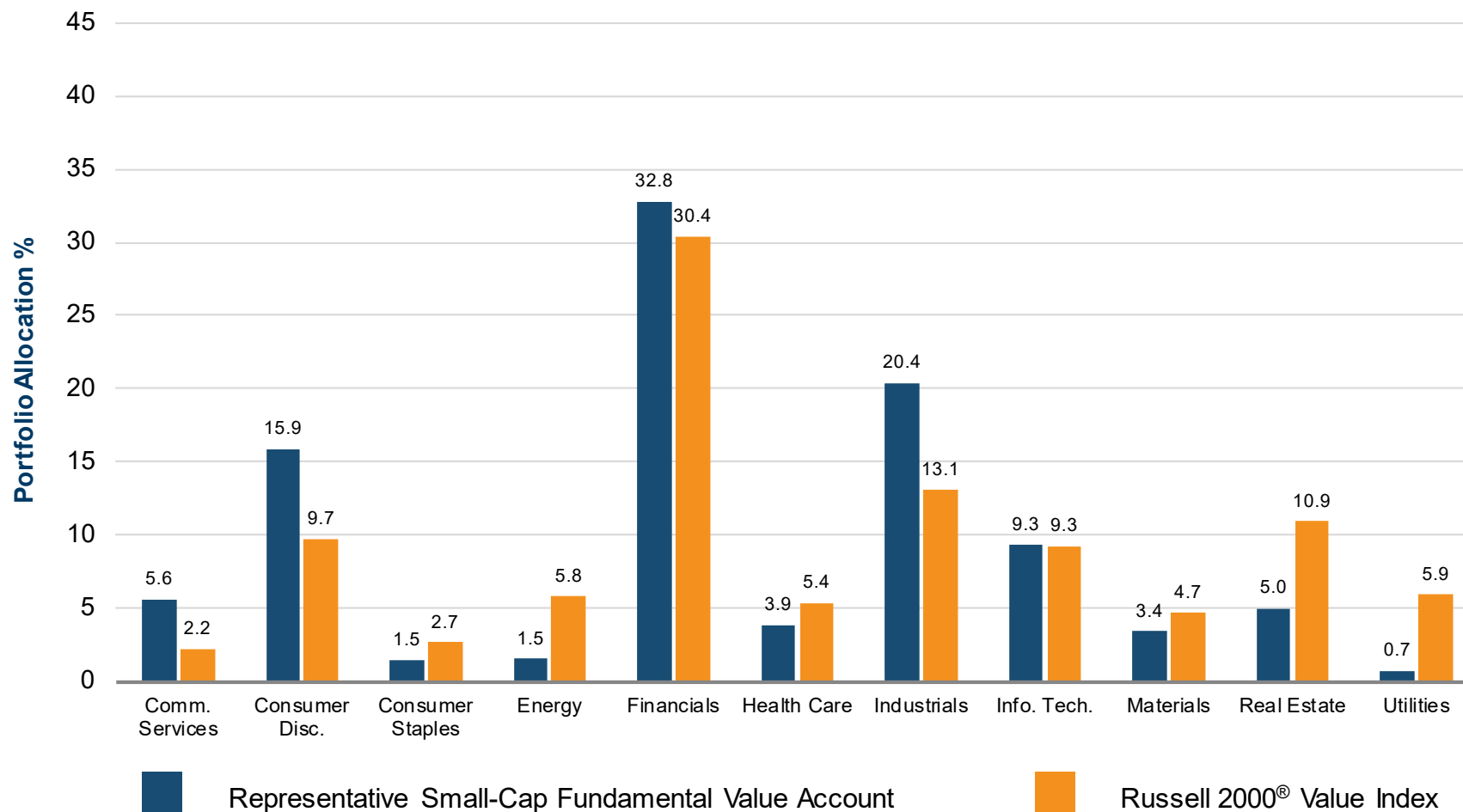
Top 10 Equity Holdings

TOP 10 EQUITY HOLDINGS	% OF PORTFOLIO
Albany International Corp. Cl A	2.9
Eagle Materials, Inc.	2.9
Assurant, Inc.	2.7
Extended Stay America, Inc.	2.7
Nexstar Media Group, Inc.	2.5
McGrath RentCorp	2.5
Virtus Investment Partners, Inc.	2.5
Essential Properties Realty Trust, Inc.	2.2
GCI Liberty, Inc. Cl A	2.2
Echostar Corp.	2.1
Total	25.1%

Source: FactSet. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Portfolio information is based on a representative Small-Cap Fundamental Value account and is provided as supplemental information. Cash and cash equivalents of 4.1% are included but not shown in the top 10 equity holdings featured above. Please see disclosure statement at the end of this presentation for additional information. Figures in chart may not total due to rounding.

GICS SECTOR DIVERSIFICATION

As of 12/31/2019



Source: FactSet. The portfolio information provided is based on a representative Small-Cap Fundamental Value 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.

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 **Russell 2000® Value Index** measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure that new and growing equities are included and that the represented companies continue to reflect value characteristics. The Russell 2000® Value Index and Russell are trademarks of the London Stock Exchange Group Companies.

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 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. Standard benchmark-, sector- and portfolio-level returns are the sums of the weights of each security multiplied by its return, summed and calculated daily and summed over the period covered by the report or by an otherwise-noted period.

Allocation Effect measures the impact of the decision to allocate assets differently than those in the benchmark.

Selection and Interaction Effect reflects the combination of selection effect and interaction effect. Selection effect measures the effect of choosing securities that may or may not outperform those of the benchmark. Interaction effect measures the effect of allocation and selection decisions (i.e., did we overweight the sectors in which we underperformed).

Total Effect reflects the combination of allocation, selection and interaction effects. Totals may not equal due to rounding.

Contribution To Return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return to the reporting period.

EBITDA is the Earnings Before Interest, Taxes, Depreciation and Amortization. An approximate measure of a company's operating cash flow based on data from the company's income statement. (reference to fiscal year FY)

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.

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.

P/E / Growth Ratio, or **PEG Ratio**, is the ratio of a portfolio's P/E ratio divided by its 3-5 Yr. EPS growth rate.

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.

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.

EV/EBITDA refers to Enterprise value (EV) divided by EBITDA (earnings before interest, taxes, depreciation and amortization). This measurement is used to determine the value of a company.

Weighted Median in statistics is the 50% weighted percentile. In finance it is generally the value at which half the portfolio's market capitalization weight falls above and half falls below.

Free Cash Flow (FCF) is a measure of how much cash a business generates after for accounting for capital expenditures, such as buildings or equipment.

Free Cash Flow (FCF) Yield is a solvency measure that compares a company's free cash flow per share that a company is expected to earn against its market value per share.

Pro-Forma Revenue generally refers to projected earnings and excludes unusual and nonrecurring transactions.

CapEX are capital expenditures. These are expenses that are used by a company to acquire, upgrade, maintain, or develop physical assets, including property, plant and equipment.

Adjusted Efficiency Ratio is a measurement that helps compare the efficiency of a company's ability to use its assets and manage its liabilities. It normally involves excluding certain components of the different businesses' asset and liabilities to more appropriately compare the different businesses.

Return on Average Tangible Common Equity (ROTCE) is computed by dividing net earnings applicable to common shareholders by the average monthly tangible common shareholders' equity.

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.

SMALL-CAP FUNDAMENTAL VALUE 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)*
2018	-12.3	-13.1	-12.9	13.4	15.8	41	0.2	1,334	30,529
2017	13.3	12.4	7.8	12.2	14.0	48	0.3	1,808	33,155
2016	23.4	22.4	31.7	13.0	15.5	46	0.3	1,660	30,417
2015	-4.6	-5.3	-7.5	12.3	13.5	45	0.2	1,186	43,746
2014	7.1	6.3	4.2	10.7	12.8	41	0.4	1,002	44,772
2013	42.0	41.0	34.5	14.1	15.8	32	0.3	693	40,739
2012	23.0	21.9	18.1	17.7	19.9	13	0.1	269	26,794
2011	2.9	1.9	-5.5	20.6	26.1	9	0.6	190	19,962
2010	28.3	26.7	24.5	NA	NA	Five or fewer	N/A	61	16,859
2009	25.7	24.0	20.6	NA	NA	Five or fewer	N/A	30	11,058

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2018. The Verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. GIPS® is a registered trademark owned by CFA Institute.

- *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 Small-Cap Fundamental Value Composite includes all discretionary portfolios invested in the Small Cap Fundamental Value Strategy. The strategy invests primarily in U.S. smaller market capitalization equities that generate high levels of free cash flow and are currently undervalued by the market. The minimum account market value required for composite inclusion is \$1.5 million.
- This composite was created in 2009.
- The benchmark is the Russell 2000® Value Index. The Russell 2000® Value Index measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The Russell 2000® Value Index and Russell® are trademarks/service marks of the London Stock Exchange Group companies. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
- The composite dispersion presented is an equal-weighted standard deviation of portfolio returns calculated for the accounts in the composite for the entire calendar year period. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the composite for the entire period.
- Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 1.00% on the first \$25 million; 0.90% on the next \$25 million; 0.80% on the next \$50 million; and 0.70% 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.
- 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, 2009 and December 31, 2010 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, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- Past performance is not indicative of future results.
- This piece is provided for informational purposes only and should not be construed as a research report, a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell or hold any of the securities mentioned, including any mutual fund managed by Brown Advisory.