

SMALL-CAP FUNDAMENTAL VALUE REVIEW AND OUTLOOK

First Quarter 2022

The Brown Advisory Small-Cap Fundamental strategy was down for the quarter and underperformed its benchmark, the Russell 2000^R Value Index. While the strategy posted solid outperformance during January, the rally in energy and most commodities companies within the cyclical space drove our underperformance for the quarter.

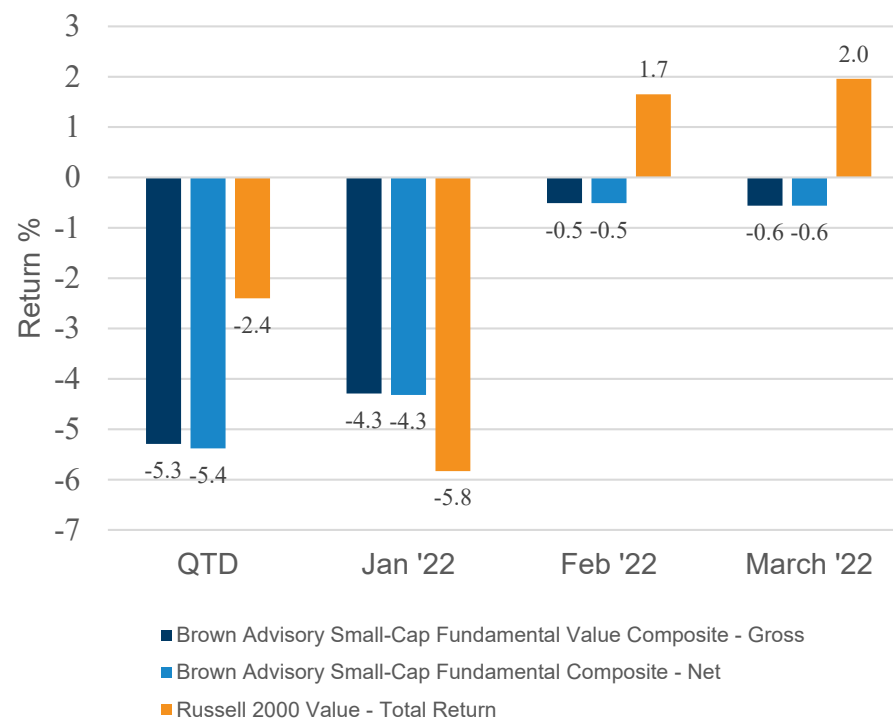
Small-cap shares were down during the first quarter of 2022. While their performance early in the quarter was impacted by continued supply chain issues and increasing inflation, these concerns were quickly overshadowed by the war in Ukraine and the sanctions imposed on the Russian economy. These events only magnified inflation worries and increased speculation regarding the number and size of Federal Reserve rate hikes in 2022. The prospect of a potential recession intensified as the quarter progressed.

Energy was the strongest sector in the Index, up over 44%, reflecting the rapid ascent of the price of oil. It was also the source of the bulk of our underperformance. This reflects both our underweight in the sector as well as our general skepticism and corresponding underweight in investments in the Exploration and Procurement (E&P) subsegment, which is involved in the procurement of natural resources. We also underperformed in both industrials and materials. Similar to our approach in energy, our underweight in both the mining subsector and transportation/ trucking companies negatively impacted our performance. While we were generally pleased with overall operating performance of our companies within industrials, supply chain issues continue to have negative impacts. Health care was our best performing sector as we benefitted from both strong stock selection and being underweight relative to the benchmark. Communication services was also strong, which reflected the strong performance of Nexstar, our best performing stock during the quarter. Although our portfolio companies typically do not have a lot of leverage, Nexstar is one that has higher than average leverage. Interestingly, highly leveraged companies within the Index were some of the strongest performers in the Index. This phenomenon has persisted for well over a year and reflects a lack of concern among investors about both the state of fixed income capital markets and default risk.

Given the volatility, we were able to make four attractive investments during the quarter. These include investments in health care, financials, materials and

industrials. All but one of these investments have market caps less than \$1.5 billion while the final one was approximately \$3 billion. To fund these investments we completed the sale of two investments that had announced sale transactions in 2021, but had not closed at year end. The final sale represented was in a company that announced a very unexpected and sizable/ leveraged M&A transaction. While the corporate strategy behind the acquisition appeared sound, we were uncomfortable with the pro forma leverage.

SCFV Q1 2022 Performance



SECTOR DIVERSIFICATION

First Quarter 2022

- Our weighting within information technology decreased during the period as we eliminated CMC Materials and Vectrus from our portfolio.
- We remain underweight within energy, health care, real estate and, to a lesser extent, utilities.
- Our largest overweight position is consumer discretionary.

SECTOR	REPRESENTATIVE SMALL-CAP FUNDAMENTAL VALUE ACCOUNT (%)	RUSSELL 2000® VALUE INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE SMALL-CAP FUNDAMENTAL VALUE ACCOUNT (%)	
	Q1 '22	Q1 '22	Q1 '22	Q4 '21	Q1 '21
Communication Services	6.33	3.60	2.73	6.36	3.81
Consumer Discretionary	12.40	7.40	5.00	12.63	12.86
Consumer Staples	4.09	2.98	1.11	3.75	4.67
Energy	4.54	9.25	-4.71	3.73	4.79
Financials	28.46	25.32	3.14	27.05	30.88
Health Care	4.80	8.74	-3.94	2.65	--
Industrials	17.44	14.31	3.14	18.39	20.74
Information Technology	6.37	6.29	0.09	9.60	10.95
Materials	5.59	4.53	1.06	5.88	3.11
Real Estate	6.62	12.21	-5.58	6.92	5.09
Utilities	3.36	5.38	-2.03	3.04	3.11

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.

ATTRIBUTION DETAIL BY SECTOR

First Quarter 2022

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	6.78	3.71	3.36	-2.90	0.10	0.31	0.41
Consumer Discretionary	12.27	-11.66	7.96	-14.48	-0.53	0.35	-0.18
Consumer Staples	3.85	-3.76	2.93	-3.12	-0.02	-0.02	-0.04
Energy	4.26	15.59	7.84	44.23	-1.32	-0.91	-2.23
Financials	28.39	-2.65	26.92	-5.34	-0.10	0.76	0.67
Health Care	3.55	1.09	9.06	-12.57	0.73	0.43	1.17
Industrials	17.72	-9.79	14.21	-3.17	-0.01	-1.23	-1.24
Information Technology	7.86	-7.59	6.25	-7.26	-0.17	0.05	-0.12
Materials	5.74	-18.31	4.61	-1.99	0.02	-1.03	-1.01
Real Estate	6.45	-9.24	11.77	-2.27	-0.01	-0.47	-0.48
Utilities	3.12	4.90	5.08	4.11	-0.12	0.02	-0.10
Total	100.00	-5.55	100.00	-2.40	-1.42	-1.73	-3.15

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. 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.

TOP FIVE CONTRIBUTORS TO RETURN

First Quarter 2022 Representative Small-Cap Fundamental Value Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
NXST	Nexstar Media Group, Inc. Class A	Provides television broadcasting services	4.37	25.38	0.94
CHX	ChampionX Corporation	Produces chemicals and equipment for oil & gas drilling industries	2.80	21.13	0.49
MCRI	Monarch Casino & Resort, Inc.	Operates a holding company which owns and operates hotel casinos	1.34	17.98	0.29
THG	Hanover Insurance Group, Inc.	Operates as a holding company for several property and casualty insurance companies	1.84	14.66	0.25
AIZ	Assurant, Inc.	Provides life, property, casualty and other insurance products and services	1.38	17.11	0.23

- Shares of Nexstar rose on strong earnings results. Nexstar continues to trade at a 15-20% Free Cash Flow yield (FCF), and we like the trajectory of free cash flow generation over the next few years driven by political advertising cycles and upcoming step-ups in retransmission fees paid from cable operators to Nexstar.
- ChampionX was a top contributor during the period as energy was the best performing sector in the market on the back of the rising price of oil and the conflict in Ukraine. ChampionX also announced the initiation of a dividend and its first ever share repurchase program during the quarter.
- Monarch Casino & Resort continues to report strong results as the company benefits from the ramp of its Black Hawk property and regulatory changes to the Colorado gaming market that is enabling the company to take share and attract higher-spend players, resulting in structurally higher operating margins.
- Hanover Group posted a strong quarter, which reflected continued benefits from commercial lines pricing and solid underwriting results within its personal lines.
- Assurant benefitted from its operating performance and also a well-received investor day that demonstrated the attractiveness of the company's continued transformation to a capital light business model.

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BOTTOM FIVE CONTRIBUTORS TO RETURN

First Quarter 2022 Representative Small-Cap Fundamental Value Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
EXP	Eagle Materials Inc.	Manufactures and distributes cement, gypsum wallboard and recycled paperboard products	3.31	-22.77	-0.84
VSTO	Vista Outdoor Inc	Designs, manufactures and markets consumer products in the outdoor sports and recreation markets	2.86	-22.53	-0.73
LZB	La-Z-Boy Incorporated	Manufactures and retails upholstery products, accessories and casegoods furniture products	2.34	-27.08	-0.66
SSD	Simpson Manufacturing Co., Inc.	Designs, engineers, and makes structural connectors, anchors and other construction products	1.62	-21.02	-0.40
FSS	Federal Signal Corporation	Designs and manufactures products and solutions of safety and security systems	1.59	-22.14	-0.40

- Eagle Materials (EXP) was a detractor during the quarter as concerns around rising rates weighed on housing and construction exposed names. We believe this weakness is overdone as recent pricing in both its wallboard and cement businesses appear to be taking hold better than expected. With pricing power continuing and capex holding steady we expect to see outsized capital returns to shareholders. EXP has already bought back 7% of the company's outstanding shares in the last 9 months.
- Vista Outdoor reported another record quarter; however, the market remains skeptical in the sustainability of current trends in the ammunition industry and lapping COVID-19 comparisons in the outdoor segment. Through our conversations with management, we believe both segments have structurally improved from pre-COVID periods and the company has used FCF to de-lever the balance sheet by over 4.0x.
- La-Z-Boy reported a disappointing quarter as the company has been impacted by supply chain headwinds that resulted in missed sales and operational inefficiencies. The market remains skeptical in the long-term outlook as the company lags difficult COVID-related comparisons; however, we believe these headwinds are industry-related and largely temporary and should improve through the year and the company's \$240M net cash balance should enable the company to continue to return cash to shareholders.
- Simpson reported fourth quarter earnings results that were ahead of expectations and gave a positive outlook for 2022, but the stock was down during the period as the market became concerned about the impact of rising rate on overall housing demand.
- Federal Signal was a detractor to performance during the quarter as the company's 4Q results and 1Q22 guidance came in lower than expected. The issues appear to be out of the company's control as lack of product from key suppliers and lost labor productivity due to COVID-19 weighed on margins. Demand for Federal Signals products remains very strong and the backlog is sitting at record highs. Margins and free cash flow should improve during the second half of the year as productivity increases and recent pricing actions flow through.

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ADDITIONS

First Quarter 2022 Representative Small-Cap Fundamental Value Account Portfolio Activity

- Chase Corporation (CCF) is a manufacturer of specialty chemicals and protective materials for high-reliability applications. The company has one of the more enviable business models within cyclicals from a margin and capex perspective. EBITDA margins have been in the mid-to-high 20% range over the last 6+ years, while capex is regularly 1% of sales or less. This combination has led to consistent free cash flow generation year in and year out and driven the sizable net cash balance on the company's balance sheet (14% of the market cap in net cash). At the time of our purchase, CCF was trading at 9.2x EV/EBITDA and a 7.2% FCF yield on the equity.
- Dime Community Bancshares is a small-cap bank operating with a dominant market share in the attractive non-Manhattan boroughs of New York City. The company is relatively unknown because it is the product of a large merger that closed just a year ago. We believe that the transformational nature of this merger and the attractiveness of the pro forma franchise likely are not yet fully understood and appreciated by many investors. Over time, as investors get to know this story better, we believe that the Dime stock should become more fairly valued and achieve multiple expansion from here.
- Patterson Companies is one of the largest, value-additive distributors of dental and animal health products in the U.S. With its long-established business model, considerable market share, and strong free cash flow we believe that the company should incrementally expand margins while continuing to prioritize shareholders with its capital allocation strategy.

SYMBOL	ADDITIONS	SECTOR
CCF	Chase Corporation	Materials
DCOM	Dime Community Bancshares, Inc.	Financials
PDCO	Patterson Companies Incorporated	Health Care
THR	Thermon Group Holdings, Inc.	Industrials

- Thermon is one of the largest providers of engineered industrial process heating solutions serving a variety of different end markets across the globe. Thermon has been free cash flow positive in every year of its public existence due to its high aftermarket exposure (60% of revenues) and limited capex needs (1-2% of sales). Unlike many other cyclicals in the current market, we believe that Thermon is emerging from a prolonged downcycle and the company's outlook is rapidly improving. Despite the positive outlook Thermon trades at a below average multiple and at the time of our purchase Thermon was trading at 9.5x EV/EBITDA and an 8.5% FCF yield on the equity.

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. 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.

DELETIONS

First Quarter 2022 Representative Small-Cap Fundamental Value Account Portfolio Activity

- We exited our position in CMC Materials during the quarter after the company announced its sale to Entegris (ENTG) in mid-December.
- TriState was acquired by Raymond James Financial for a sizable market premium. After announcement of the sale we decided to begin to trim and ultimately exit the position because of the acquisition.
- We exited our position in Vectrus after it announced a very large acquisition, increasing its net leverage by four-fold and almost tripling its shares outstanding. We decided to move on after considering the size of the deal, the increased leverage and share dilution, and the relatively limited near-term free cash flow accretion.

SYMBOL	DELETIONS	SECTOR
CCMP	CMC Materials, Inc.	Information Technology
TSC	TriState Capital Holdings, Inc.	Financials
VEC	Vectrus Inc	Information Technology

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PORTFOLIO CHARACTERISTICS

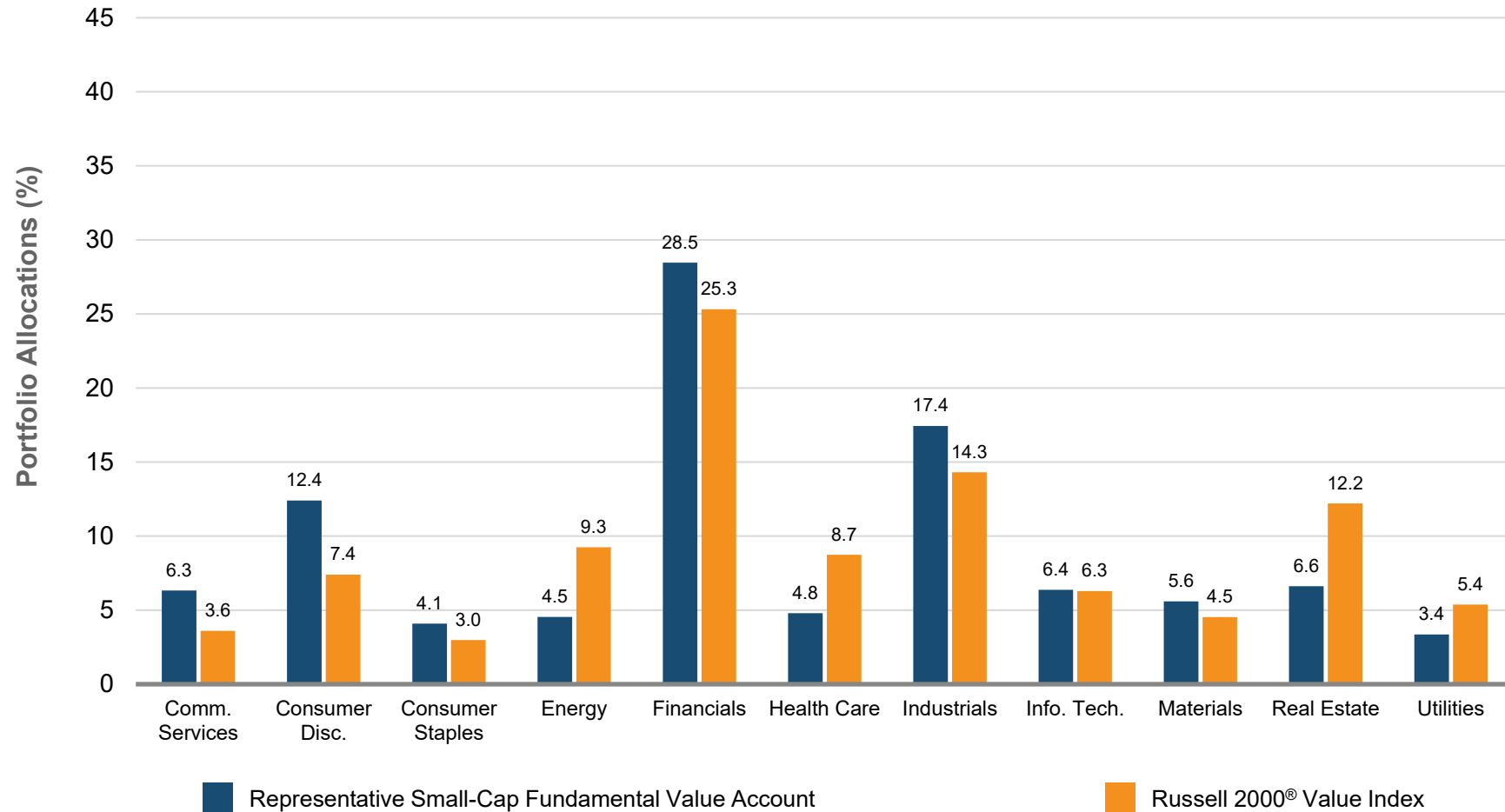
First Quarter 2022

	REPRESENTATIVE SMALL-CAP FUNDAMENTAL VALUE ACCOUNT	RUSSELL 2000® VALUE INDEX
Number of Holdings	60	1436
Market Capitalization (\$ B)		
Weighted Average	3.3	3.1
Weighted Median	3.2	2.5
Maximum	10.1	14.7
Minimum	0.1	0.01
Top 10 Equity Holdings (%)	29.0	6.3
Three-Year Annualized Portfolio Turnover (%)	34.4	--

Source: FactSet. Portfolio information is based on a representative Small-Cap Fundamental Value account and is provided as Supplemental Information. Please see disclosure statements at the end of this presentation for additional information. All characteristics exclude cash and cash equivalents with the exception of Top 10 equity holdings. Please see the end of this presentation for a complete list of terms and definitions.

SECTOR DIVERSIFICATION

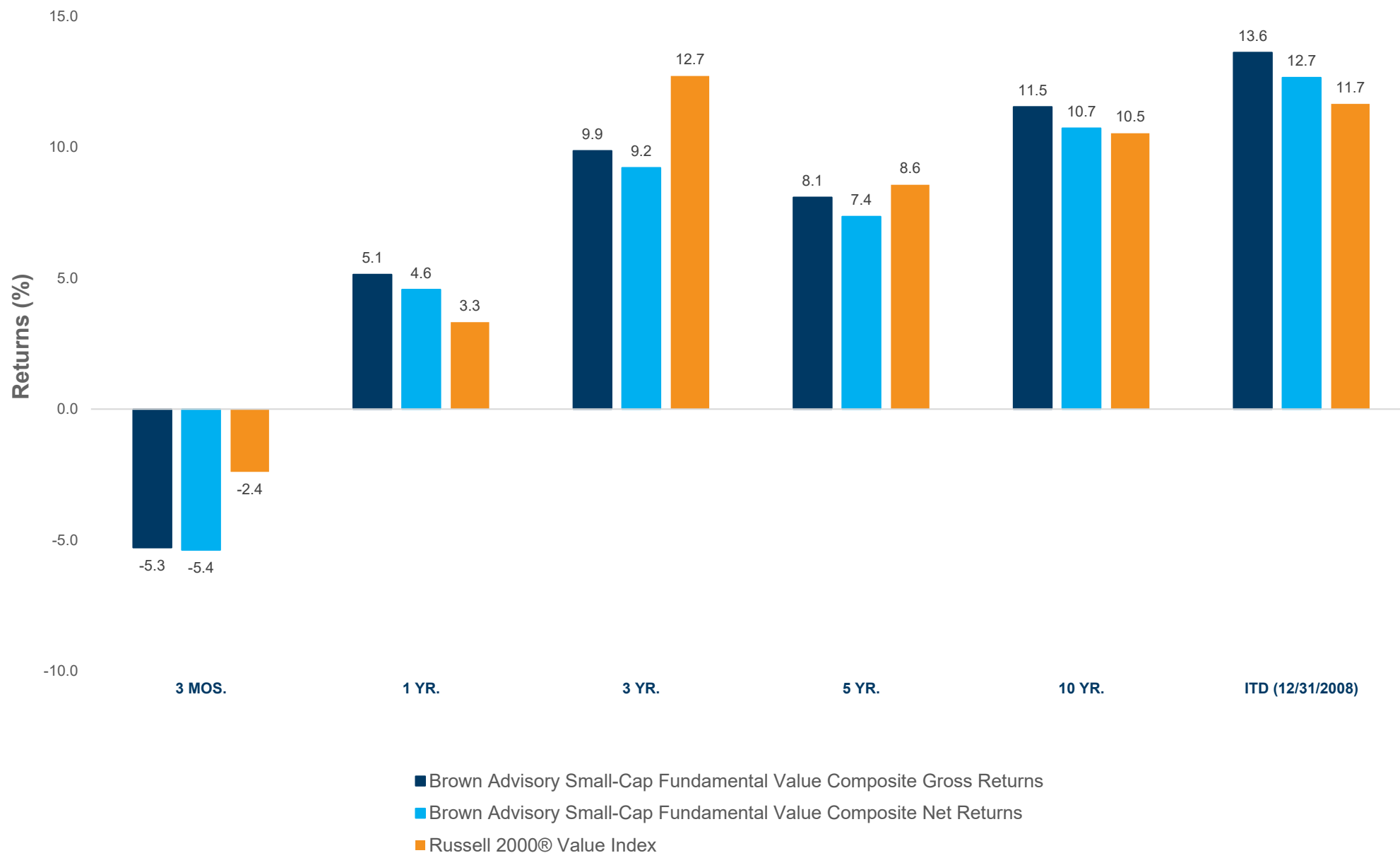
First Quarter 2022 Global Industry Classification Standard (GICS) as of 03/31/2022



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.

COMPOSITE PERFORMANCE

First Quarter 2022 as of 03/31/2022



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 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 03/31/2022

Top 10 Equity Holdings

TOP 10 EQUITY HOLDINGS	% OF PORTFOLIO
Nexstar Media Group, Inc.	4.1
Eagle Materials, Inc.	3.1
ChampionX Corp.	3.0
Owens & Minor, Inc.	3.0
Eastern Bankshares, Inc.	2.8
Vista Outdoor, Inc.	2.7
Murphy USA, Inc.	2.7
Sprouts Farmers Market, Inc.	2.6
Ladder Capital Corp.	2.5
Veritex Holdings, Inc.	2.5
Total	29.0

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.

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.

Free Cash Flow is a measurement of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in the working capital from the balance sheet.

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.

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.

EBITDA, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance and is sometimes used as an alternative to net income.

Free Cash Flow Yield measures how much cash flow the company has in case of its liquidation or other obligations by comparing the free cash flow per share with the market price per share and indicates the level of cash flow the company will earn against its share market value.

Capex, or capital expenditures, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.

EV/EBITDA, or enterprise value to or earnings before interest, taxes, depreciation, and amortization, is a as a valuation metric to compare the relative value of different businesses.

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)*
2020	-4.9	-5.8	4.6	24.3	26.1	43	0.9	1,491	59,683
2019	25.3	24.4	22.4	13.9	15.7	38	0.3	1,442	42,426
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

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 March 31, 2020. 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 Small-Cap Fundamental Value Composite (the 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 inclusion in the Composite is \$1.5 million.
- The Composite was created in 2009. The Composite inception date is January 1, 2019.
- 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 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, and gross of foreign withholding taxes (if applicable). 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: 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 investment management fee for the Investor Shares of the Brown Advisory Small Cap Fundamental Value Fund (the Fund), which is included in the Composite, is 0.85%, 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, 2020) was 1.12%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- The investment management fee for the Dollar Class B Acc Shares of the Brown Advisory US Small Cap Blend Fund (the UCITS), which is included in the composite, is 1.00%. The total expense ratio for the Dollar Class B Acc Shares of the UCITS as of the most recent fiscal year end (October 31, 2020) was 1.19%. 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 March 31. The 3 year annualized standard deviation is not presented as of March 31, 2009 and March 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 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.
- 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.