SMALL-CAP GROWTH REVIEW AND OUTLOOK

Summary of Philosophy and Performance

Our strategy strives to produce attractive *risk-adjusted* returns over a full market cycle through long-term security selection. Simplistically, we play offense with our idiosyncratic bets and defense with our portfolio construction–a valuation-conscious approach focused on generally higher-quality assets. We think like long-term business owners, not renters of stocks, leveraging the manic mood swings of Mr. Market to take risks when we are getting paid to do so and avoiding them when we are not. We believe that this approach, which has been in place since the second quarter of 2006, is an effective one for driving sound long-term investment results.

The year gone by was both surprising in its strength and complexity. It began with an oft-familiar refrain of a robust rise in higher-cap, higher-quality and lower-volatility issues. However, the tune was interrupted as the year went on as concerns over the lingering impact on the economy of U.S.- China trade tensions emerged. While earnings results from more economically sensitive areas of the market, such as industrials and semiconductors, continued to come in poorly, all ears began to focus on the more constructive and dovish tone of President Trump's trade tweets, which produced a counter-trend rally in cyclicals, particularly at the very small end of the market cap spectrum. Finally, as we entered the fourth quarter and it appeared the U.S. and China were making some actual substantive progress in their phase 1 discussions, strength in equities broadened to a full-blown *risk-on* rally with the highest-growth (i.e., technology) and unprofitable (i.e., biotechnology) areas of the market leading the way.

In the final analysis of 2019, we believe our team had a very solid year. Productivity remained high, which drove a marked increase in our knowledge of our potential investable universe. We enter the new year with a longer list of fully vetted investment ideas, making us more prepared should volatility once again rear its head. Looking back, returns were quite strong on both an absolute and relative basis, and were predominantly driven by security selection. We are most pleased with the fact that these investment results were achieved despite a marked reduction in our technology weight to roughly neutral–a fact that stands in contrast to our peers–and a meaningful headwind created by our philosophical underweight to the robustly performing biotechnology space.

We certainly cannot predict the future and thus do not even try, but we feel it is a safe view that 2020 will likely look materially different from 2019 given the geopolitical, macroeconomic, microeconomic and equity market dynamics we presently face. We will do our best to keep one eye on absolute and one eye on relative returns, maintain offensive and defensive balance in the portfolio, and lean into our best ideas when we believe we are getting paid to do so. Our focus remains on process control and discipline, which is the best way of skewing the probability of producing *alpha* in the long run.

The economy and markets

What a difference a year makes! The end of 2018 was marked by fear. The end of 2019…well, that felt a bit like greed. The catalyst, once again, was a marked change in Federal Reserve policy.

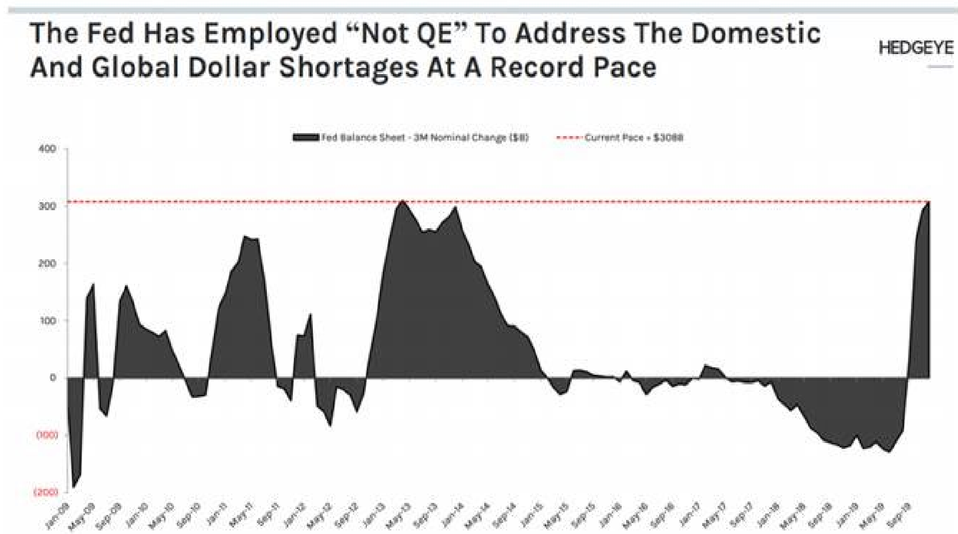
What made the Fed about-face on its policy positioning 13 months ago? Trump tweets. Brexit. U.S.-China trade tensions. Slowing GDP growth. Slowing profit growth. Plunging stock prices. The correct answer is likely a combination of all of the above, but with a heavy emphasis on the latter. It may very well be that the chairman and the board of governors are simply scared of the unknown–after a decade of active intervention, what if we don't act…what if we lose control?

The Federal Reserve did act, however, and it did so decisively. During 2019, rate increases pivoted to rate decreases, and quantitative tightening morphed to quantitative easing later in the year. Then, the equity market received its version of a Christmas miracle as everything that could have broken badly went well. British election results came back with overwhelming support for Boris Johnson, which appeared to put Brexit on a path to some sort of more orderly conclusion. The U.S. and China agreed that they disagreed and instead focused on a narrower set of issues where they have some common ground to reach a tentative phase 1 trade deal to be (hopefully) signed in early 2020. This sequence of events led to macroeconomic optimism as the year went on, peaking into the New Year's Eve holiday.

The equity market trended with economic sentiment all year. The Fed arrested the decline with its actions early in the year. When the industrial piece of the economy started to sputter more than expected, further policy adjustments were made, such as "non-quantitative easing" resumption of growth in the Federal Reserve balance sheet. Jerome Powell, Fed Chairman, made the following remarks in an October speech to the National Association for Business Economics conference:

"I want to emphasize that the growth of our balance sheet for reserve management purposes should in no way be confused with the large-scale asset purchase programs that we deployed after the financial crisis. Neither the recent technical issues nor the purchases of Treasury bills we are contemplating to resolve them should materially affect the stance of monetary policy. In no sense is this QE."

Whether to be or not to be QE is largely irrelevant, as the market reaction was the same. Stocks started to rise…every day…in lockstep with the expansion of the Fed's balance sheet. The revel of buying grew throughout the year and is represented by the change in market leadership. We went from the higher-quality leadership of the recent past (i.e., technology or tech-enabled businesses) to cyclicals–the smaller-cap, the better–as geopolitical concerns (i.e., Brexit, trade war) faded and then to unadulterated beta as the highest growers and the money losers ripped into year end!



Source: HEDGEYE

(Continued on the following page)

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

SMALL-CAP GROWTH REVIEW AND OUTLOOK

As we turn the page to 2020, things feel pretty good. The consumer and services sectors of the economy are faring well. Growth is not great, but with the positive wealth effect created by roaring stock prices and improved geopolitical visibility, we feel the bet is in favor of improvement off recent nominal lows versus continued degradation. Thus, we ask ourselves, what is currently priced into the market? Our best guess would be as follows:

- Trump winning the 2020 U.S. presidential election
- Interest rates once again remaining lower for longer
- Industrial activity rebounding in the first half of 2020
- Geopolitical event remaining benign (or even constructive)
- Economic and earnings growth rebounding

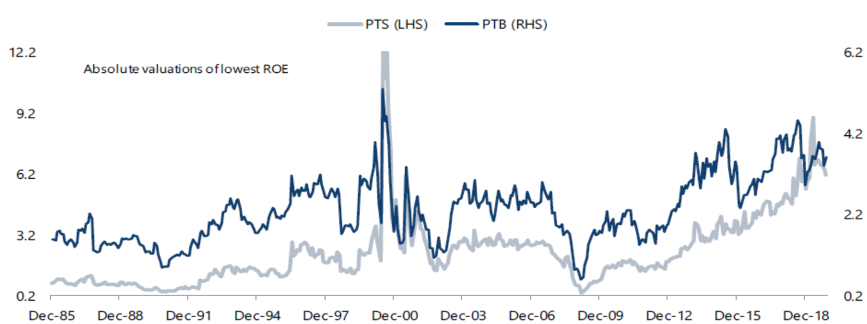
Investment Facts and Strategy Impact

We have already covered some of the equity market drivers that evolved throughout 2020. However, the fourth quarter deserves a little more attention given its pronounced *risk-on* nature. It was an extremely narrow market during the final stages of the year. In fact, within the Russell 2000® Growth Index, it was the narrowest quarter in small-cap growth history, as only two industry groups outperformed—biopharma and health care equipment/services. Interestingly, it was the most speculative of these names that outperformed, rising in the neighborhood of 30 - 50% during the quarter. The catalysts for this performance were likely the merger and acquisition activity that took place within the health care sector and the sizable growth in the Federal Reserve's balance sheet, which has certainly provided a boost historically. To put an even finer point on the fourth quarter of 2019, here are a few fun facts:

- Every sector in the Russell 2000 Growth posted negative relative returns, except health care
- Lowest return on equity quintile outperformed hugely (+11 - 12% above the benchmark return).
- Non-earners outperformed strongly (+10% above the benchmark return).

This change in market leadership led most small-cap core and growth managers to underperform during the period after doing reasonably well during the first half of 2019. It also cemented growth handily beating value for the third straight year. And, finally, it has created a small-cap market where lower quality issues have become, according to Jefferies SMID strategist, Steven DeSanctis, "…-off the charts expensive."[1]

Lower Quality Is Off-the-Charts Expensive



Source: FactSet; FTSE Russell; Jefferies

As we assess the changed investment landscape from start to finish last year, we certainly acknowledge that, while the rationale for some of our positioning seemed quite sound, the results were different than anticipated. Our underweight to "cyclicals"–both classic industrials and semiconductors–ended up detracting from portfolio results. We believe we did an effective job of identifying investment candidates that fit our philosophy but held off on pulling the trigger on several ideas because we simply felt that estimates were way too high, making the probability of meaningful price appreciation low. Well, regardless of what the likelihood was, the stocks moved appreciably higher despite our fundamental assumptions being largely correct. Given the divergent moves in earnings compared to prices, investors were more willing to look through the valley to a potential sizable recovery in the first half of 2020 due to a cooling of global trade tensions, the finalization of channel inventory de-stocking and the lagged impact of lower rates.

Looking prospectively, given the price movements in industrial cyclicals, semiconductors, biotechnology and, frankly, software, we are largely content with our present positioning. We obviously appreciate the secular growth opportunities tucked within the categories mentioned, but now feels like a moment to be selective. This is reinforced by the fact that the majority of our peers are massively overweight technology–many funds substitute tech beta for a lack of biotech–and we feel as though this could present a problem if the area's relative strength ever breaks down. More broadly, we are placing a very heavy emphasis on quality - both business, balance sheet and earnings - because of the aforementioned issues surrounding the lower-quality portion of the benchmark.

We would describe our positioning as prudent. But we know by experience that the prudent man does not always win. In our equity evaluation process, we have not altered our underwriting standards much as the market around us has changed over time. (The impact of tax cuts on certain valuation measures is one legitimate point to consider on a company-by-company basis.) While this discipline seems like something to be applauded, it has probably led to lower returns in the short term given 20/20 hindsight. Our hope is that investors spend as much time looking at the risk taken to achieve the returns produced as much as the returns themselves. And, we believe that, in the long run, our process should allow us to make up some of these lost relative basis points (and then some) as history marches on. It is with this preamble that we leave you with the reality that if the fourth-quarter 2019 dynamics hold throughout 2020, we believe we will need to have a very, very special stock-picking year to keep up with our benchmark.

(Continued on the following page)

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

SMALL-CAP GROWTH REVIEW AND OUTLOOK

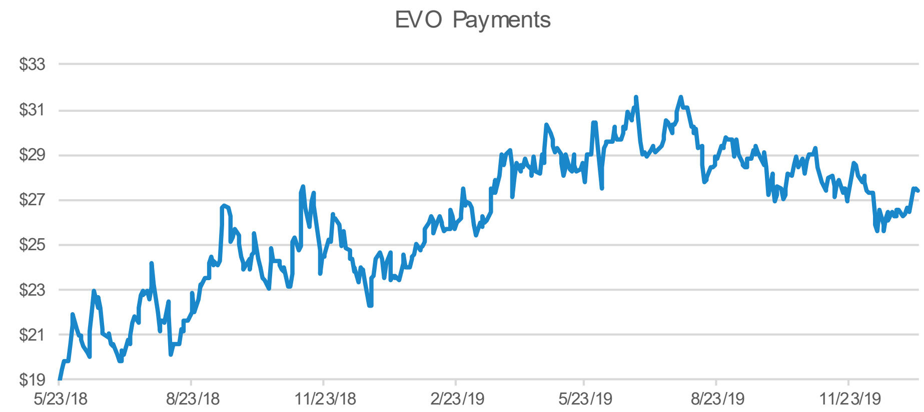
Beyond the Highlights

The emphasis of our year-end reporting tends to focus on the major external factors and idiosyncratic causes of our investment results. However, there are typically many stories during a given time period that are emblematic of our process but do not make the highlight reel. We hope to provide our investors with a better understanding of how we think and what actions are tied to our thoughts in this section.

EVO Payments (EVOP) is one of only four global merchant acquirers, having processed over 1 billion transactions in North America and almost 2.5 billion transactions in Europe over the last 12 months. Domestically, EVO is attacking one of the largest and most mature global payments markets by focusing on integrated payments. By creating distribution relationships with independent software vendors, EVO is targeting a broader movement by small and mid-sized businesses to adopt more sophisticated point of sale systems that are integrated with the underlying software used to manage their operations. Estimates point to integrated payments volume growth of >20% annually, nearly 4x the growth of the merchant-acquiring industry as a whole. The company also leverages its portfolio of enterprise resource planning integrations to support the large and growing market of business-to-business payments—a market that some estimate is two to three times the size of the consumer-to-business payments market. Internationally, the company has entered high-growth markets across Europe and Latin America, where card penetration is not ubiquitous. Thus, the growth rate of card spending is much higher when compared to more mature markets. By forming merchant referral relationships with key banking players in these markets, EVO is able to tap into these high-growth markets and generate outsized growth relative to other merchant acquirers who are less concentrated internationally; international revenue represents ~60% of EVO's sales, which is approximately two times its peers'.

EVO entered our new idea pipeline due to our long history of following the merchant-acquiring space. Over the years, we have owned numerous payments names in both this strategy and our Mid-Cap Growth effort, including Global Payments, Vantiv, WorldPay, WEX and Fleetcor. Based upon our broad understanding of the space, we decided to participate in EVO's 2018 initial public offering after a meeting in our offices with Jim Kelly, CEO, who previously held a position as chief operating officer at Global Payments during our holding period. Our long-term thesis and valuation framework indicated that the $16 offering price represented a fairly compelling value, particularly given the company's status as the only small-cap merchant acquirer of scale. The scarcity value of the asset only increased in 2019 following three massive merger and acquisition events in the space, consolidating the segment even further.

Our favorable opinion of the company was demonstrated by the portfolio scaling its position quite quickly post-offering. However, at a point, the share price climbed in the low-$30s range, which prompted us to pause, given the stock had reached the upper end of our short-term fair value range. Recently, Madison Dearborn, the company's original private equity sponsor, sold down a portion of its stake, pressuring the stock. Although near-term foreign exchange trends and a slowdown in its Spanish business due to consolidation have held back upside to earnings estimates, we feel as though the pullback in the stock to a multiple of EBITDA likely in line with the company's long-term growth potential is a reasonable absolute and attractive relative price to move our weight up to its the desired target.



As of IPO date: 5/23/2018

Source: Factset

We certainly acknowledge that in a globally distributed business, one can always encounter surprises, both positive and negative. However, we believe the present risk/reward profile is now skewed more favorably, making the company an attractive opportunity. We realize that we will never be perfectly correct in our timing of purchases and sales, but we strive to be directionally correct as often as possible by using a disciplined valuation framework that is driven off of our fundamental scenario analysis. Our goal is to always be prepared to act by leveraging our long-term historical knowledge of a business or industry along with staying on top of changes at the margin through our proprietary due diligence efforts.

Conclusion and Outlook

The pressure associated with the investment game has changed the game itself. Structural challenges in the industry have caused performance anxieties to grow as the world has become increasingly short term. Exasperating these dynamics is the impact of index/ETF investment on the broader ebbs and flows of the equity market; it is a world less about "value" and more about "exposures." We believe this likely enhances the time arbitrage benefit to long-term thinking. Therefore, we continue to focus our time and attention on trying to find positive change at the margin over the next two to three years.

Our cautiously optimistic stance heading into 2020 is based upon a present solid economic outlook against high valuations. We believe a manageable negative scenario would be either growth flagging or valuations reverting back closer to their historical means. A more punitive negative scenario would be a reversion of valuations much closer to their historical means caused by gross domestic product growth coming in well below views. While the more severe case does not look likely in the near term, it is an outside risk that could occur based upon years of debt-fueled consumption due to ultralow interest rates having pulled forward demand from the future.

(Continued on the following page)

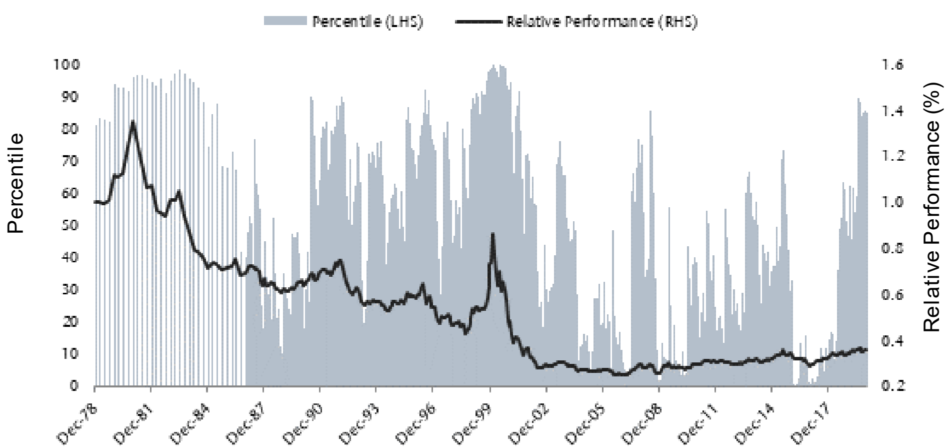
SMALL-CAP GROWTH REVIEW AND OUTLOOK

The upside case would be a continuation of current conditions. The economy grows consistently, rates remain very low and central banks continue to flood the system with liquidity, prompting further demand for equities against other alternatives. If the dollar can hold strong, the trend of the U.S. leading all other markets could very well last throughout 2020. Assuming small-cap earnings start to act better relative to large-caps as the year progresses, it could set the stage for smaller-capitalization stocks to outperform as index/ETF flows shove the benchmarks higher. While relative valuations suggest this is a possibility, absolute valuations may be the gating factor to such a positive scenario playing out.

We obviously do not know the future. We also do not control outcomes. It is for this reason that we solely focus on the things that we do control–people, philosophy and process. It is for these reasons that we feel confident about our ability to continue to produce a sound, all-weather investment option in the U.S. small-cap space for our clients. We believe that we have the right people in the right seats. Our process productivity remains high. And, our portfolio construction and exposures remain consistent with the philosophy we have been espousing for nearly 14 years.

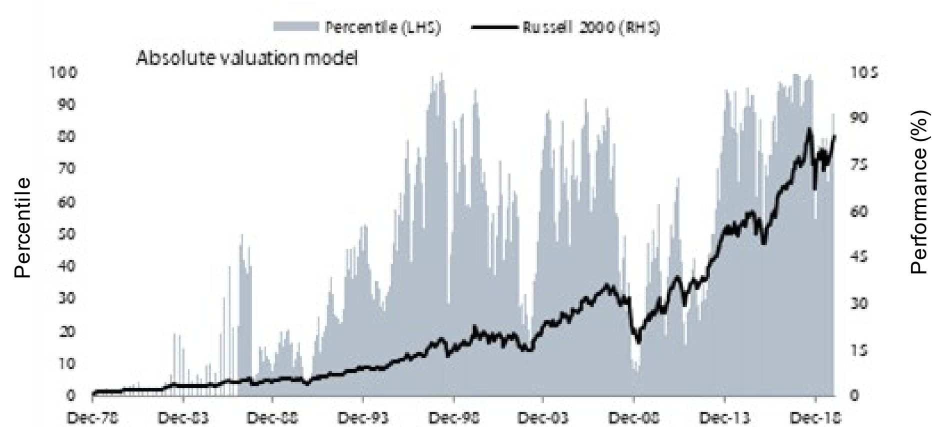
We thank you very much for your support and interest in the strategy. Who knows what is going to happen in a U.S. presidential election year, but we look forward to updating you on our progress as 2020 unfolds.

Russell 2000 Growth Relative Valuation



Note: Relative valuation model consists of relative Trailing and Forward P/E, Price to Book, Price To Sales and from 2002 Price to Cash Flow; from March 31, 2016 Jefferies' estimates. Source: FTSE Russell; Jefferies.

Russell 2000 Growth Absolute Valuation



Note: Valuation model consists of relative Trailing and Forward P/E, Price to Book, Price to Sales and from 2002 Price to Cash Flow; from March 31, 2016 forward Jefferies' estimates. Source: FactSet; FTSE Russell; Jefferies

Brown ADVISORY
Thoughtful Investing.

SECTOR DIVERSIFICATION

Summary: Sector positioning did not change dramatically sequentially or year-over-year due to the lower-turnover, long-term nature of the portfolio. Over the last 18 months, however, our total technology exposure has moved down noticeably.

- Basic materials, telecommunications and utilities are absent in the portfolio despite the presence of several names within our new idea pipeline.
- Consumer services and goods represents a meaningful overweight position but is anchored by two to three larger, nontraditional and less cyclical positions.
- Financials continues to follow its typical pattern of bouncing between a modest overweight/underweight relative to the benchmark.
- Health care is our largest underweight due to a lack of biotechnology exposure, an area that does not mesh well with our overall philosophy and process. In addition, we usually have a couple of holdings that are classified outside of health care that we believe should be included, thus optically exaggerating the underweight position.
- Industrials reads as a material overweight due to the ICB classification system, but our true weight is more neutral and likely much less cyclical than the typical small-cap industrial.
- Oil and gas positioning represents one high-quality, innovative company with a strong balance sheet.
- Technology remained roughly flat quarter to quarter as a percentage of the portfolio, but it was down substantially off its peak in early 2018.

ICB SECTORS	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	RUSSELL 2000® GROWTH INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	
	Q4'19	Q4'19	Q4'19	Q3'19	Q4'18
Basic Materials	--	2.87	-2.87	--	--
Consumer Goods	5.31	8.11	-2.79	4.96	4.11
Consumer Services	20.31	10.28	10.02	20.38	19.28
Financials	8.52	10.18	-1.66	8.39	8.44
Health Care	16.58	29.43	-12.84	15.23	16.36
Industrials	32.96	20.94	12.02	34.64	32.89
Oil & Gas	0.82	1.15	-0.33	0.70	0.82
Technology	15.49	14.64	0.85	15.69	18.10
Telecommunications	0.00	0.56	-0.56	--	--
Utilities	--	1.72	-1.72	--	--
Unassigned	--	0.10	-0.10	--	--

QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

Brown ADVISORY
Thoughtful Investing.

ICB SECTOR	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT		RUSSELL 2000® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Basic Materials	--	--	2.87	10.56	0.02	--	0.02
Consumer Goods	5.08	11.77	8.21	8.57	0.08	0.16	0.23
Consumer Services	20.21	8.28	10.50	7.66	-0.34	0.05	-0.29
Financials	8.53	14.02	10.47	5.20	0.11	0.73	0.84
Health Care	15.68	19.82	27.12	24.08	-1.32	-0.59	-1.91
Industrials	34.36	3.98	21.52	6.82	-0.56	-1.00	-1.56
Oil & Gas	0.74	18.90	1.11	9.30	0.02	0.06	0.07
Technology	15.41	3.91	15.00	7.40	-0.04	-0.53	-0.57
Telecommunications	--	--	0.59	-4.88	0.10	--	0.10
Utilities	--	--	1.83	-2.05	0.25	--	0.25
Unassigned	--	--	0.76	15.84	-0.04	--	-0.04
Total	**100.00**	**8.51**	**100.00**	**11.39**	**-1.72**	**-1.13**	**-2.86**

- Positive sectors included consumer goods, financials and utilities.
- Negative sectors included health care, industrials and technology. Our structural underw eight to biopharma w eighed dow n performance as the subsector exploded higher, driving 31% of the index returns during the period.

QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

Brown ADVISORY
Thoughtful Investing.

Representative Small-Cap Growth Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
NEO	NeoGenomics Inc.	Provides genetic and molecular testing services	1.65	52.98	0.73
EYE	National Vision Holdings Inc.	Operates retail locations offering eye exams, eyeglasses and contact lenses	2.02	34.73	0.64
SITE	SiteOne Landscape Supply Inc.	Distributes commercial and residential landscape supplies	2.40	22.47	0.52
MIME	Mimecast Limited	Provides cloud security and risk management services for corporate information and email	2.47	21.61	0.51
CRL	Charles River Laboratories International Inc.	Provides laboratory testing and research services on a contract basis	3.13	15.40	0.47

- NeoGenomics reported solid quarterly results, and investors remain intrigued by the recent acquisition of Genoptix, which solidified its position as the only pure-play national oncology lab of scale servicing both large systems and community physicians.
- National Vision reported strong third-quarter results with better-than-expected same-store-sales and profitability.
- SiteOne reported strong third-quarter results on better-than-expected organic sales growth, continued accretive mergers and acquisitions, and improving profitability.
- Mimecast beat its revenue growth guidance and raised its initial expectations for FY20. Mimecast continues to show evidence of upmarket penetration, signing 20 deals in the quarter with six-figure contract values.
- Charles River reported decent third-quarter 2019 earnings results, which allayed some prior fears of a difficult back-half margin ramp. This, coupled with a positive investor day that saw management pull forward its long-term operating margin target of 20%+ by one year, drove more positive sentiment toward next year's prospects.

QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

Representative Small-Cap Growth Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
ETSY	Etsy Inc.	Operates an online marketplace for buying and selling of handmade and vintage goods	1.60	-21.55	-0.43
HXL	Hexcel Corporation	Develops, manufactures and markets lightweight composites	1.81	-10.54	-0.21
CVET	Covetrus Inc.	Develops software and technologies for the animal health industry	0.20	-24.47	-0.18
NSCO	Nesco Holdings Inc.	Rents and sells specialty equipment	0.38	-31.28	-0.18
EVOP	EVO Payments Inc. Class A	Operates as global merchant acquirer and payment processor servicing company	2.34	-6.07	-0.15

- Etsy shares fell post third-quarter 2019 earnings as the company's efforts to institute free shipping and a new ad platform temporarily negatively impacted gross merchandise sales growth and margins. We believe these are the right long-term strategic moves and believe the present issues will likely prove transient.
- Hexcel shares fell as commercial aerospace growth slowed, in part due to the 737 MAX grounding.
- Shares of Covetrus, an animal health technology and services company, traded down after reporting disappointing profitability numbers. Management attributed the shortfall to weakness in its legacy Henry Schein animal health business. However, this shortfall was exacerbated by management's strategic decision to pull forward investments it was already planning in order to capture more of a changing marketplace.
- Nesco declined more meaningfully than anticipated following a tempering of 2019 growth expectations. The company's relatively small market capitalization and low liquidity are likely having an impact in the short term.
- EVO Payments declined due to its original private equity sponsor's decision to sell a portion of its stake.

QUARTER-TO-DATE ADDITIONS/DELETIONS

Representative Small-Cap Growth Account Portfolio Activity

- Establishment Labs operates as a holding company. The company, through its subsidiaries, manufactures medical devices and aesthetics products for silicone-filled breast and body-shaping implants.
- Agios Pharmaceuticals Inc. was sold to fund other health care ideas.
- Calavo Growers was eliminated due to our concerns around particular corporate governance issues, coupled with the belief that forward estimates were likely too high.
- Covetrus was eliminated as the management team failed to execute against the combination of Henry Schein's animal health business and Vets First Choice, an innovative technology platform for enhancing pet owner compliance with vet medications.

SYMBOL	ADDITIONS	GICS SECTOR
ESTA	Establishment Labs Holdings Inc.	Health Care

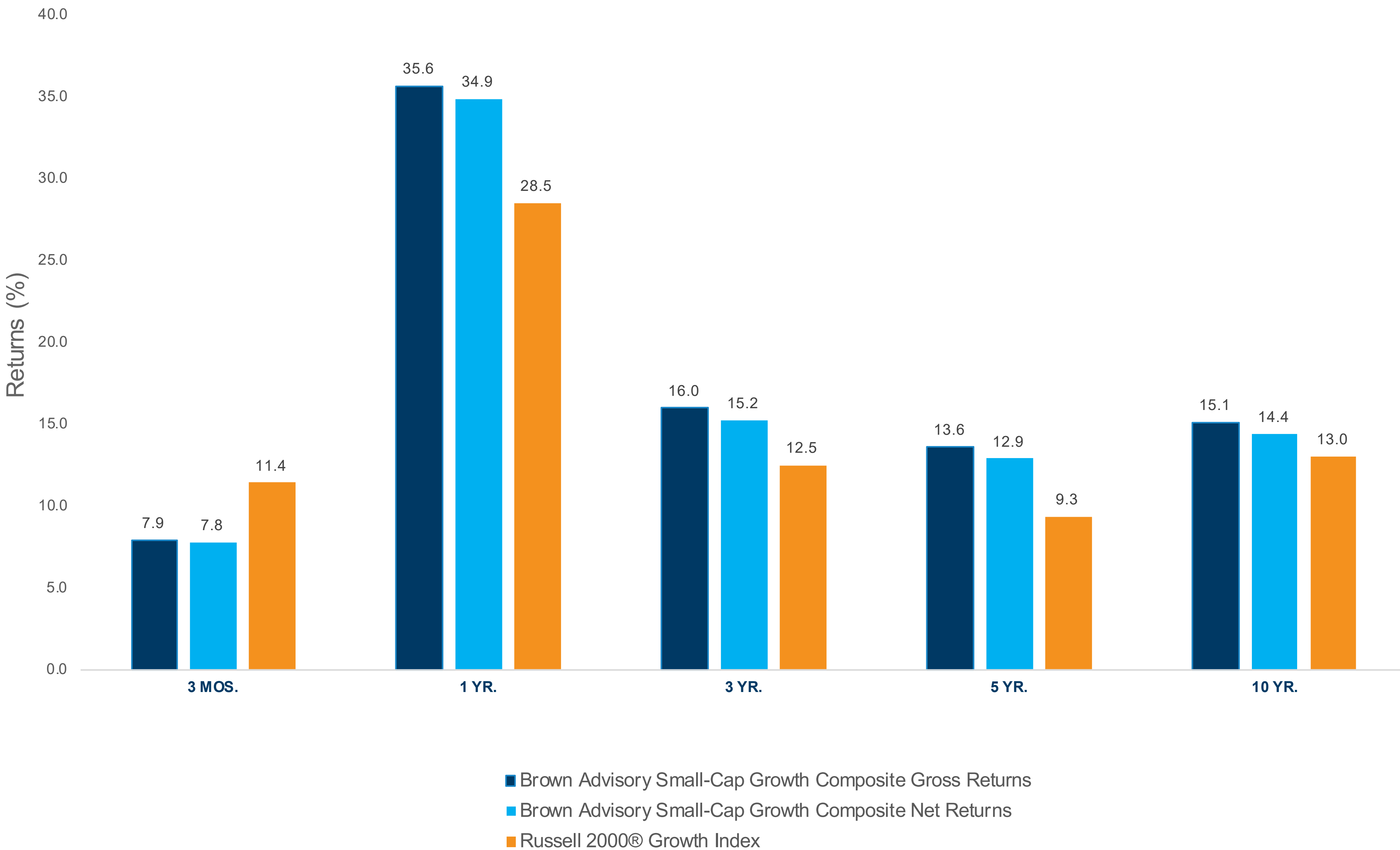
SYMBOL	DELETIONS	GICS SECTOR
AGIO	Agios Pharmaceuticals Inc.	Health Care
CVGW	Calavo Growers Inc.	Consumer Staples
CVET	Covetrus Inc.	Health Care

PORTFOLIO CHARACTERISTICS

	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT	RUSSELL 2000® GROWTH INDEX
Number of Holdings	73	1,172
Market Capitalization ($ B)		
Weighted Average	6.2	2.7
Weighted Median	5.3	2.6
Maximum	23.9	8.3
Minimum	0.2	0.0
P/E Ratio FY2 Est.	26.5	20.3
Earnings Growth 3-5 Yr. Consensus Est. (%)	16.3	17.0
ROE	9.2	3.6
Dividend Yield (%)	0.4	0.7
Top 10 Equity Holdings (%)	30.9	5.4
Three-Year Annualized Portfolio Turnover (%)	35.8	--

Source: FactSet. The portfolio information provided is based on a representative Small-Cap Growth account and is provided as supplemental information. Portfolio characteristics 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.

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 Growth 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 Growth disclosure statement at the end of this presentation for a GIPS compliant presentation.

TOP 10 PORTFOLIO HOLDINGS

Representative Small-Cap Growth Account

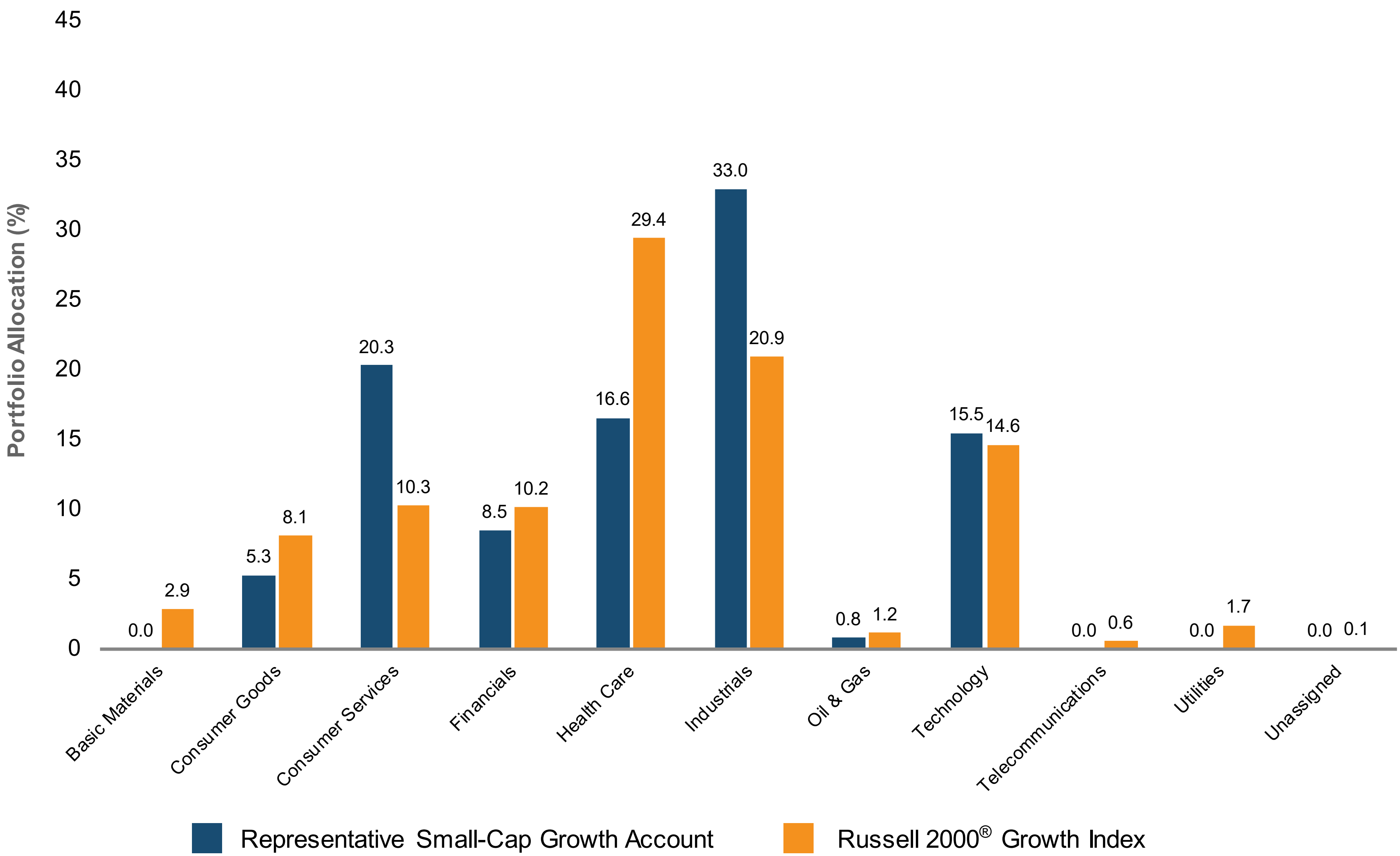
As of 12/31/2019

Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Cash & Equivalents	4.8
Waste Connections Inc	4.3
Genpact Ltd.	4.0
Bright Horizons Family Solution, Inc.	3.5
Charles River Laboratories International, Inc.	3.1
GCI Liberty, Inc. Cl A	2.8
Choice Hotels International, Inc.	2.5
Mimecast, Ltd.	2.3
SiteOne Landscape Supply, Inc.	2.3
Zynga, Inc.	2.3
Total	**31.9%**

SECTOR DIVERSIFICATION

ICB Sectors as of 12/31/2019



Source: FactSet®. The portfolio information provided is based on a representative Small-Cap Growth account and is provided as supplemental information. Sector diversification excludes cash and cash equivalents. Sectors are based on the ICB classification system. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

SECTOR DIVERSIFICATION

SECTOR	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	RUSSELL 2000® GROWTH INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	
	Q4’19	Q4’19	Q4’19	Q3’19	Q4’18
Communication Services	5.31	2.38	2.93	4.57	4.80
Consumer Discretionary	19.42	11.92	7.49	19.63	19.82
Consumer Staples	3.63	3.27	0.36	4.01	3.13
Energy	0.82	0.57	0.25	0.70	0.82
Financials	5.58	5.76	-0.19	5.61	6.35
Health Care	17.77	30.43	-12.66	17.09	15.26
Industrials	21.39	19.15	2.24	22.67	21.05
Information Technology	26.09	17.30	8.79	25.73	28.77
Materials	--	3.13	-3.13	--	--
Real Estate	--	4.57	-4.57	--	--
Utilities	--	1.51	-1.51	--	--

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 Growth 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

Brown ADVISORY
Thoughtful Investing.

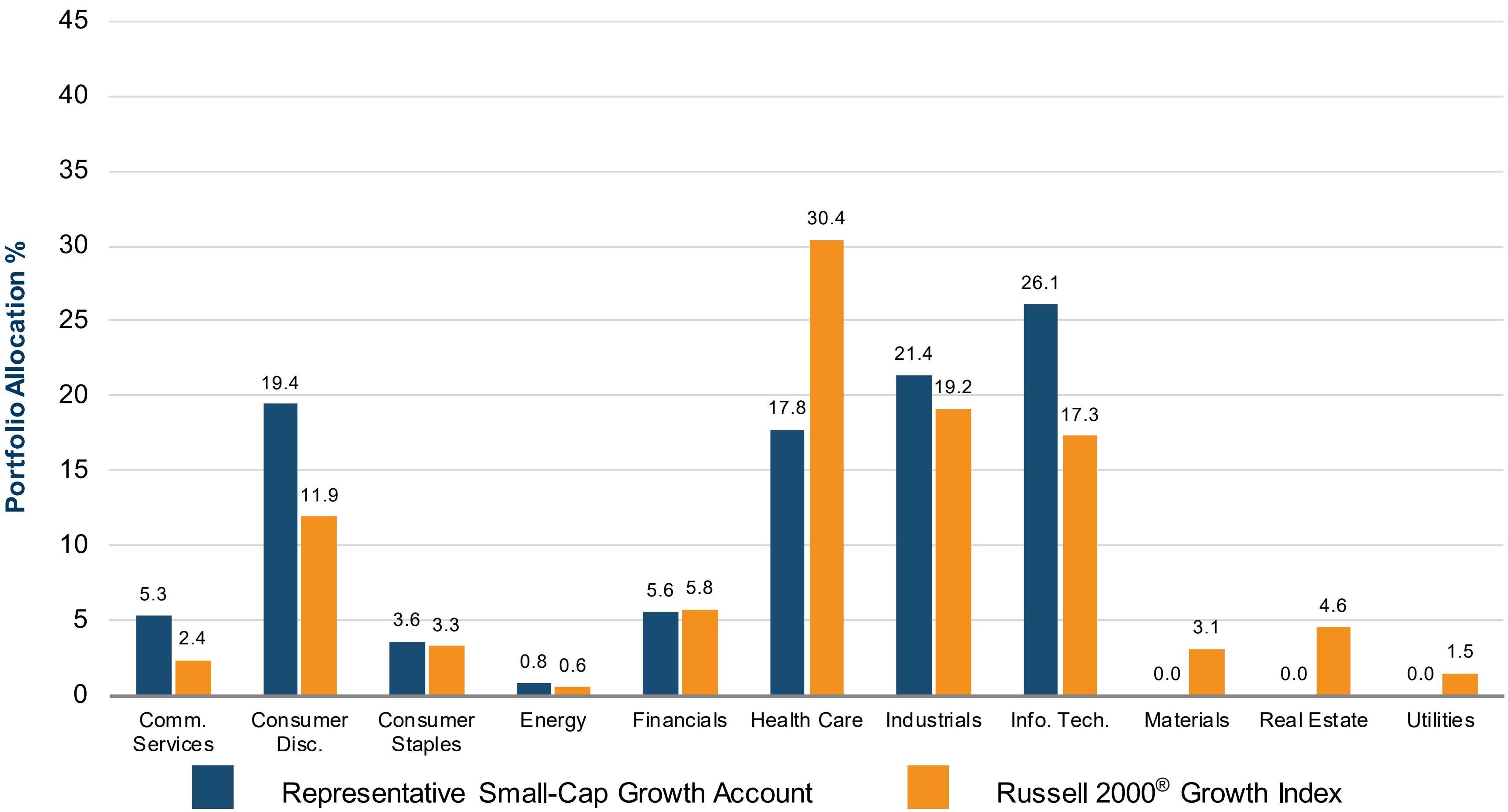
	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT		RUSSELL 2000® GROWTH INDEX		ATTRIBUTION ANALYSIS		
SECTOR	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	4.99	10.32	2.43	7.46	-0.09	0.13	0.03
Consumer Discretionary	19.49	8.40	12.10	9.04	-0.16	-0.17	-0.33
Consumer Staples	3.90	10.05	3.33	5.25	-0.04	0.19	0.15
Energy	0.74	18.90	0.56	5.36	--	0.09	0.08
Financials	5.53	14.11	5.91	7.03	0.01	0.36	0.38
Health Care	16.91	16.93	28.61	23.15	-1.27	-0.93	-2.20
Industrials	22.48	4.25	19.74	6.94	-0.12	-0.63	-0.76
Information Technology	25.96	5.18	17.82	7.23	-0.34	-0.53	-0.86
Materials	--	--	3.15	9.35	0.06	--	0.06
Real Estate	--	--	4.74	3.63	0.36	--	0.36
Utilities	--	--	1.61	-1.55	0.21	--	0.21
Total	**100.00**	**8.51**	**100.00**	**11.39**	**-1.39**	**-1.50**	**-2.89**

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 Growth 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.

SECTOR DIVERSIFICATION

Global Industry Classification Standard (GICS) as of 12/31/2019

Brown ADVISORY Thoughtful Investing.



Source: FactSet. The portfolio information provided is based on a representative Small-Cap Growth 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® Growth Index** measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. Both indices are completely reconstituted annually. Russell® and other service marks and trademarks related to the Russell indexes are trademarks of the London Stock Exchange Group Companies.

An investor cannot invest directly in 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

Brown ADVISORY Thoughtful Investing.

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.

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 Est. 3-5 Yr. EPS Growth rate.

Return on Equity (ROE) is equal to a company's net income for a full fiscal year, divided by total shareholder equity.

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.

EBITDA is an indicator of a company's financial performance and refers to earnings before interest, taxes, depreciation, and amortization.

Alpha takes the volatility (price risk) of a portfolio and compares its risk-adjusted performance to a benchmark index. Tracking Error is the standard deviation of the difference in the portfolio and benchmark returns.

The **Price-to-Book Value** or **P/B Ratio** is the market value of a company's equity, divided by the value of equity recorded, or "booked," on a company's balance sheet.

The **Price-to-Sales** is a valuation ratio that compares a company's stock price to is revenues. It can be calculated by dividing a company's market capitalization by its total sales over a 12-month period or by dividing the stock price by the sales per share for a 12-month period.

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 GROWTH EQUITY COMPOSITE

Brown ADVISORY
Thoughtful Investing.

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	-3.3	-4.0	-9.3	13.5	16.5	29	0.3	2,204	30,529
2017	18.8	18.1	22.2	12.2	14.6	33	0.2	2,301	33,155
2016	11.4	10.7	11.3	14.0	16.7	30	0.3	1,797	30,417
2015	8.9	8.2	-1.4	13.1	15.0	32	0.4	1,311	43,746
2014	1.4	0.8	5.6	11.8	13.8	32	0.3	1,597	44,772
2013	42.6	41.8	43.3	15.4	17.3	44	0.7	1,830	40,739
2012	16.0	15.4	14.6	18.3	20.7	32	0.6	1,178	26,794
2011	-1.7	-2.4	-2.9	20.6	24.3	29	0.5	1,023	19,962
2010	30.8	29.8	29.1	27.1	27.7	25	0.1	993	16,859
2009	43.1	41.9	34.5	25.2	24.9	16	1.0	481	11,058
2008	-38.9	-39.4	-38.5	23.3	21.3	17	0.2	323	8,547

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.

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 Small-Cap Growth Equity Composite includes all discretionary portfolios invested in U.S. equities with strong earnings growth characteristics and small market capitalizations. The minimum account market value required for composite inclusion is $1.5 million.
3. This composite was created in 1997. The composite inception date is 3/1/1993.
4. The benchmark is the Russell 2000® Growth Index. The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. The Russell 2000® Growth 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.
5. 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.
6. 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: 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.
7. 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.
8. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
9. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
10. Past performance does not indicate future results.
11. 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.