

# SMALL-CAP GROWTH REVIEW AND OUTLOOK

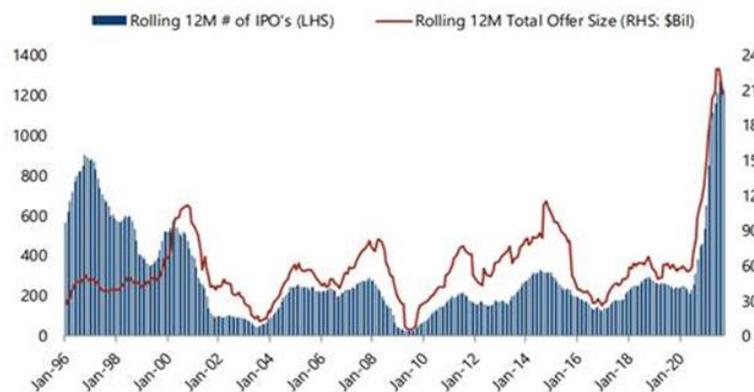
Third Quarter 2021

The Brown Advisory Small-Cap Growth strategy continued to demonstrate its historical downside protection during 3Q21, enabling the portfolio to outperform its most frequently used benchmark, the Russell 2000® Growth Index. Stock selection was certainly the primary driver of these results.

As we reflect on the last three months, we are astounded by the economic cross-currents that blow across the current investment landscape. Our bottom-up process has strived to remain prudent and diligent as we navigate a highly uncertain macro. Intense focus on company fundamentals and the embedded expectations built into share prices has us continually scrutinizing position sizes along with sector and sub-sector allocations. This discipline should serve the strategy well as we monitor and respect the heightened level of below the surface volatility in the small-cap space, while being ardently committed to taking the long view in an increasingly short-term world. A good example of this balance is found in our participation in IPOs the past 18-24 months.

Looking back, we believe the capital markets recovery following the initial steep COVID-induced equity market sell-off has been extraordinary. The liquidity injection by Central Banks has worked its magic – some would say maybe too well – by lifting asset prices dramatically and prompting an inordinate amount of deal making in the United States and beyond. One only has to look at the exhibit below to see the empirical proof of this assertion.

## Exhibit I: We have seen record-breaking IPO activity



Source: Bloomberg; FactSet; Jefferies As of 9/30/21

When we stare at charts like these we try to strike the right balance between wary and constructive. As those that study market history know, periods of excessive new issuance have corresponded with equity market tops as it is an indication of excessive investor risk-taking. This tendency is duly noted. However, it would be the wrong conclusion, in our opinion, to shun all deals simply because we can see the “forest”.

The reason is that below the canopy might be a small, relatively young company that could possess the “3G” (durable Growth, sound Governance & scalable Go-to-market) characteristics to grow and compound into a dominant franchise over time similar to long-tenured holdings Waste Connections and Charles River. As our journeys with these businesses must inevitably come to an end, it is incumbent upon our team to find the next “decade plus” holding on behalf of our clients.

We believe that looking at IPOs today is particularly important as we are coming off a long period of a relative dearth of new public businesses in the small-cap universe. For this reason, the team has likely reviewed 50-100 “deals” over the past couple years, resulting in our participation in 10-20% of this total. Hopefully, this math provides a sense that we have been and intend to continue to be quite selective, operating in a manner consistent with our typical stock selection process.

At present, we can say definitely that being active in the new issuance market has aided overall investment returns. However, our participation has not been without challenges. Occasionally, we are forced to sell a brand new holding as the price moves beyond our multi-year target and we were never able to amass a material position on the deal. Secondly, and hopefully less often, we have had to take into account operating results once public that appear out of step with the IPO roadshow and take corrective action when we believe our underwriting thesis may have been violated. These are all frictional costs that while largely unavoidable are absolutely worth it if one can uncover even one or two companies that can make the journey from small- to mid- to large-cap status one day.

In sum, we believe that this robust period of capital markets may end similar to past cycles at some point in the future. However, in its wake, we believe that the U.S. small-cap market will be broader and deeper than at any point over the past decade, providing ample opportunity for a well organized and appropriately deployed team to capitalize on it. Given the team’s productivity has remained quite high during this frenzied period, we feel confident that our long-term, bottom-up approach continues to have the potential to construct an all-weather portfolio that will serve clients well over a full market cycle.

# SECTOR DIVERSIFICATION

Third Quarter 2021

- Basic materials remained consistent with prior periods on an absolute and relative basis.
- Consumer discretionary remains in an overweight position. However, a meaningful portion of the holdings are in consumer or commercial services businesses, which tend to trade differently than the typical consumer holding.
- Energy continues to be represented by a singular holding with above average financial performance and a strong balance sheet compared to peers.
- Health care has increased in size over the past year but remains roughly inline with the benchmark weight despite a sizable underweight to the biopharma sector.
- Industrials represent an overweight compared to the benchmark but remain much less cyclical than the typical benchmark holding.
- Real estate is represented by two holdings that we believe meet our underlying investment criteria, which are difficult to find in the sector.
- Technology continues to drift lower in absolute weight and is below the benchmark, principally due to valuation.
- Telecommunications remained roughly steady sequentially.
- Utilities remains steady quarter-over-quarter and are comprised of one holding.

ICB SECTORS	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	RUSSELL 2000® GROWTH INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	
	Q3'21	Q3'21	Q3'21	Q2'21	Q3'20
Basic Materials	1.50	3.09	-1.60	1.41	1.57
Consumer Discretionary	19.91	16.16	3.75	19.28	--
Consumer Goods	--	--	--	--	7.24
Consumer Services	--	--	--	--	17.49
Consumer Staples	2.89	3.28	-0.39	3.79	--
Energy	0.69	2.48	-1.79	0.63	--
Financials	2.18	5.02	-2.84	2.40	4.69
Health Care	28.39	28.11	0.28	27.92	22.43
Industrials	18.83	14.98	3.85	18.01	21.80
Oil & Gas	--	--	--	--	0.34
Real Estate	2.38	2.84	-0.46	2.28	--
Technology	17.80	20.72	-2.92	18.99	20.90
Telecommunications	2.55	2.24	0.32	2.65	3.53
Utilities	2.89	1.05	1.84	2.63	--
Unassigned	--	0.02	-0.02	--	--

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 ICB Sectors. 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

Third Quarter 2021

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	1.48	0.35	3.04	-4.31	-0.01	0.06	0.05
Consumer Discretionary	19.23	-5.78	16.33	-6.10	0.02	0.03	0.05
Consumer Staples	3.45	-4.82	3.26	-11.53	-0.02	0.31	0.29
Energy	0.63	3.03	2.31	-8.25	0.06	0.08	0.14
Financials	2.07	0.92	5.03	-1.52	-0.11	0.05	-0.06
Health Care	27.84	-2.00	28.73	-12.12	0.08	2.86	2.94
Industrials	18.63	-2.99	14.82	0.39	0.23	-0.64	-0.41
Real Estate	2.35	-4.97	2.95	-0.19	-0.03	-0.11	-0.14
Technology	18.96	3.54	20.18	-1.00	-0.02	0.81	0.78
Telecommunications	2.55	-11.62	2.34	-6.89	0.00	-0.13	-0.13
Utilities	2.82	5.61	1.03	10.04	0.26	-0.12	0.15
Unassigned	--	--	0.00	1.45	0.00	--	0.00
<b>Total</b>	<b>100.00</b>	<b>-2.00</b>	<b>100.00</b>	<b>-5.65</b>	<b>0.45</b>	<b>3.20</b>	<b>3.66</b>

- Stock selection was a strength during the period and the portfolio managed to provide solid downside protection despite a few holdings experiencing 2Q21 headwinds due to the lingering impact of the pandemic and its aftermath.

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# QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN



## Third Quarter 2021 Representative Small-Cap Growth Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
WK	Workiva Inc. Class A	Provides business reporting solutions	3.93	26.57	0.90
BHVN	Biohaven Pharmaceutical Holding Company Ltd.	Develops and research pharmaceutical drugs	1.60	43.09	0.54
CTLT	Catalent Inc	Provides delivery technologies and development solutions	2.23	23.05	0.44
CRL	Charles River Laboratories International, Inc.	Provides laboratory testing and research services on a contract basis	3.78	11.54	0.39
DT	Dynatrace, Inc.	Develops software for digital and application performance management	1.69	21.42	0.32

- Workiva saw bookings accelerate during 2Q21. We believe this growth should be relatively durable due to strong new use cases like European ESEF and ESG Reporting, which remain in their early stages.
- The launch of Nurtec for the treatment of migraines continues to beat expectations. Recently, the drug received a boost with the addition of prevention to the label. The strong performance of Nurtec has likely increased the view that Biohaven may be the target of strategic M&A at some point.
- Catalent continued to execute solidly in 2Q21, further cementing its position as a leading global contract drug manufacturer. Strong growth in its Biologics segment and the likely need for more COVID booster shots decreased investor concern around a potential slowdown as the pandemic hopefully comes to an end. In addition, Catalent announced an accretive acquisition that should bolster the operating performance of its Softgel & Oral Technologies division.
- Charles River is the leading, global pre-clinical contract research organization, supporting hundreds of well-funded biotechs. Recent strategic M&A in the high growth area of cell/gene therapy further diversified the company's already well-balanced portfolio.
- Dynatrace enables digital transformation through observability, automation, intelligence and security in a cloud-based platform. The company saw strong new logos growth and expansion from existing customers as new modules continued to gain traction. Dynatrace also raised its full-year outlook and aggressively hired go-to-market resources, demonstrating their confidence in forward demand trends.

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# QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

## Third Quarter 2021 Representative Small-Cap Growth Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
ZNGA	Zynga Inc. Class A	Develops, markets, operates and provides online social game services	2.84	-29.17	-0.91
AGL	agilon health inc	Provides healthcare services	1.49	-34.89	-0.59
LFST	Lifestance Health Group, Inc.	Operates as a holding company with interests in providing outpatient mental health, spanning psychiatric evaluations & treatment, psychological and neuropsychological testing services	0.49	-47.95	-0.34
VRM	Vroom, Inc.	Operates e-Commerce platform for buying and selling of used vehicles	0.51	-41.89	-0.34
ESTA	Establishment Labs Holdings, Inc.	Designs, develops and manufactures medical products	1.60	-18.03	-0.32

- Zynga reported inline bookings but lowered their full-year outlook as the cohort of newly acquired users churned at a greater rate than historical trends. The mobile advertising environment, further complicated by the roll-out of IDFA, meant Zynga was unable to acquire new users to fill this void at an efficient rate.
- Shares of agilon health were impacted by a poorly executed secondary offering as well as a recent, more broad drawdown in companies that have recently come public. Near-term performance and longer-term prospects for this innovative health care services business have not deviated from expectations.
- LifeStance missed its first quarter as a public company following an increase in attrition amongst clinicians that was not anticipated by management. In addition, management elected to pull forward a number of investments that further compounded the optics of the issue.
- Vroom, Inc. was initially acquired following a large sell-off. We viewed the company's asset-light model and massive valuation discount to Carvana to be potentially attractive over the next 12-18 months. However, while unit sales growth performed well, cost pressures proved more acute, harming the company's push toward profitability the next several quarters.
- Establishment Labs had been one of the best-performing stocks in the portfolio until this period. The departure of the company's chief financial officer to join another company and general pressure on health care stocks prompted the selloff. We believe their market position remains strong and look toward their penetration of the U.S. market over the next couple of years as a future catalyst along with continued market share gains in the rest of the world.

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# QUARTER-TO-DATE ADDITIONS

## Third Quarter 2021 Representative Small-Cap Growth Account Portfolio Activity

- Couchbase is a recent IPO that participates in the extremely large and growing database market. Couchbase is a leader in noSQL databases, which we believe are well-positioned to take share in the overall database market, as net new applications have real-time and flexible data needs. We believe Couchbase is well-positioned in the enterprise portion of the noSQL market due to its product breadth, focus on scalability, SQL-based query language and distributed architecture.
- This is a sum-of-the-parts story. We win as Zurn Water Solutions' (RXN) process and motion control business (PMC) is spun/sold to RBC, of which RXN shareholders are expected to own ~39% (subject to an adjustment) of the pro forma cyclical improver while also maintaining full ownership of the high-quality RXN Water Management asset (WM, Zurn). We believe that Zurn is underappreciated (mid-20% Adj EBITDA margin, 20% ROIC), has the potential to be a compounder, and is why we are getting involved pre-spin. Further, we believe that the RBC/PMC asset has potential self-help and cyclical tailwinds that merit potential ongoing ownership post-deal.

SYMBOL	ADDITIONS	GICS SECTOR
BASE	Couchbase, Inc.	Information Technology
RXN	Zurn Water Solutions Corporation	Industrials

# QUARTER-TO-DATE DELETIONS

## Third Quarter 2021 Representative Small-Cap Growth Account Portfolio Activity

- Hain Celestial Group was a multiyear success in the consumer staples space. However, we believe the new CEO's turnaround efforts and the value creation associated with it have largely been achieved. We see post-COVID growth as being more challenged and thus exited the position.
- Hamilton Lane saw its absolute and relative valuation expand markedly and the stock largely achieved our out year price targets, prompting its sale.
- We elected to exit our position in Olink, a leading tools company in the emerging field of proteomics. We participated in the IPO, but have been unable to accumulate a larger position at reasonable prices.
- ON24, a provider of a highlight sophisticated demand generation platform utilizing webinars, was sold on the view that heightened post COVID-19 competition would way on the company's growth rate more than originally anticipated.
- Vroom, Inc. achieved our unit sales forecasts, but face stiffer than anticipated expense pressures due to their variable cost business model.

SYMBOL	DELETIONS	GICS SECTOR
HAIN	Hain Celestial Group, Inc.	Consumer Staples
HLNE	Hamilton Lane Incorporated Class A	Financials
OLK	Olink Holding AB Sponsored ADR	Health Care
ONTF	ON24, Inc.	Information Technology
VRM	Vroom, Inc.	Consumer Discretionary

# PORTFOLIO CHARACTERISTICS

Third Quarter 2021

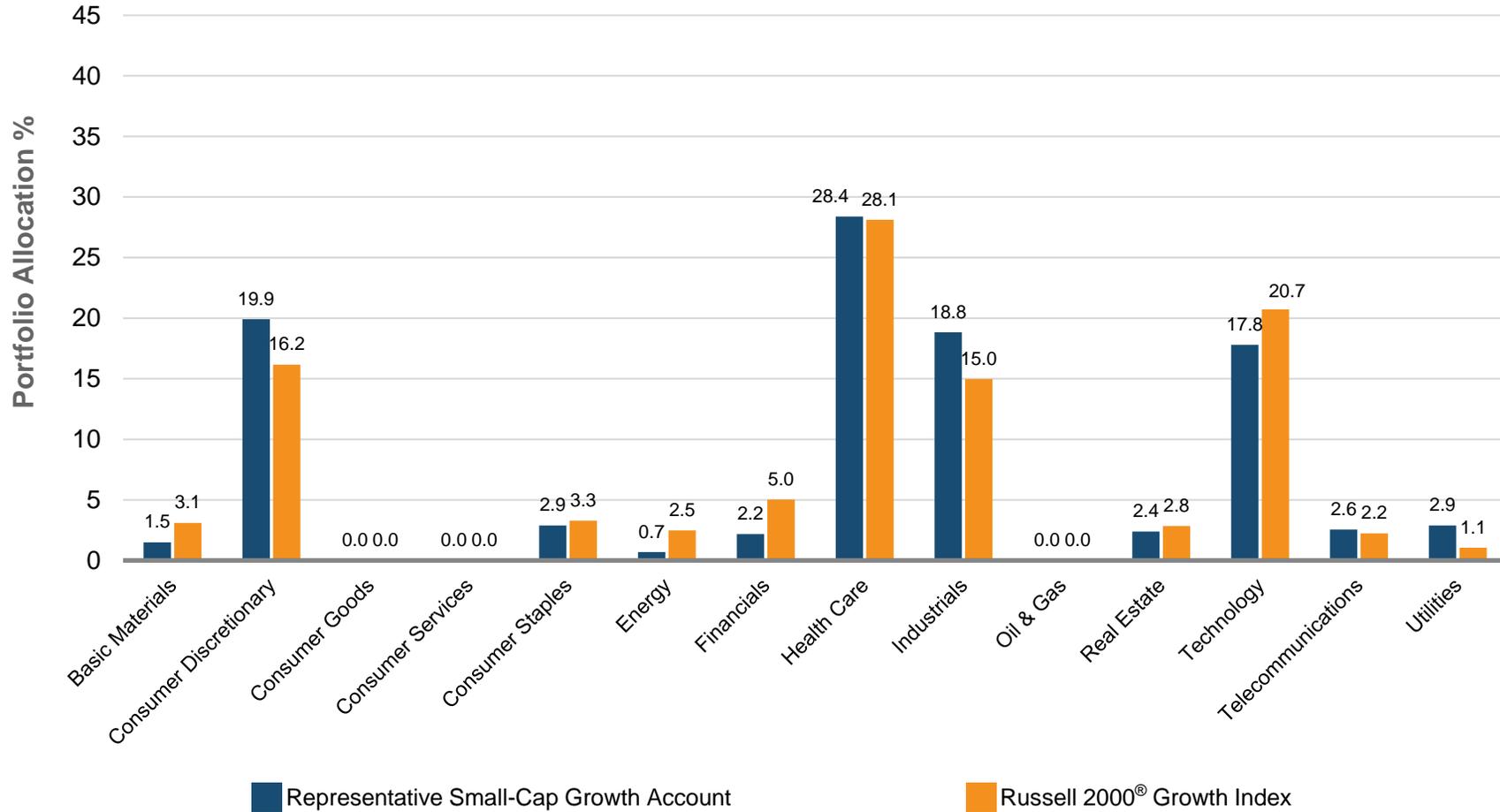


	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT	RUSSELL 2000® GROWTH INDEX
Market Capitalization (\$ B)		
Weighted Average	8.3	3.8
Weighted Median	6.9	3.5
Maximum	32.8	19.1
Minimum	0.7	0.0
P/E Ratio FY2 Est. (x)	28.3	19.6
Earnings Growth 3-5 Yr. Consensus Est. (%)	18.0	20.2
ROE (%)	0.4	-3.9
Dividend Yield (%)	0.4	0.3
Top 10 Equity Holdings (%)	27.6	5.1
Three-Year Annualized Portfolio Turnover (%)	35.1	--

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.

# SECTOR DIVERSIFICATION

Third Quarter 2021 ICB Sectors as of 09/30/2021



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# SECTOR DIVERSIFICATION

Third Quarter 2021

GICS SECTORS	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	RUSSELL 2000® GROWTH INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	
	Q3'21	Q3'21	Q3'21	Q2'21	Q3'20
Communication Services	5.83	2.38	3.46	6.98	7.76
Consumer Discretionary	13.03	15.26	-2.23	12.71	12.65
Consumer Staples	2.89	3.47	-0.58	3.79	5.26
Energy	0.69	1.94	-1.25	0.63	0.34
Financials	2.18	5.64	-3.47	2.4	3.28
Health Care	26.53	28.06	-1.52	25.77	22.86
Industrials	14.78	13.60	1.18	13.86	17.02
Information Technology	28.82	23.62	5.2	29.12	27.75
Materials	2.86	3.09	-0.23	2.45	1.35
Real Estate	2.38	2.65	-0.27	2.28	1.73
Utilities	--	0.29	-0.29	--	--

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# QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR



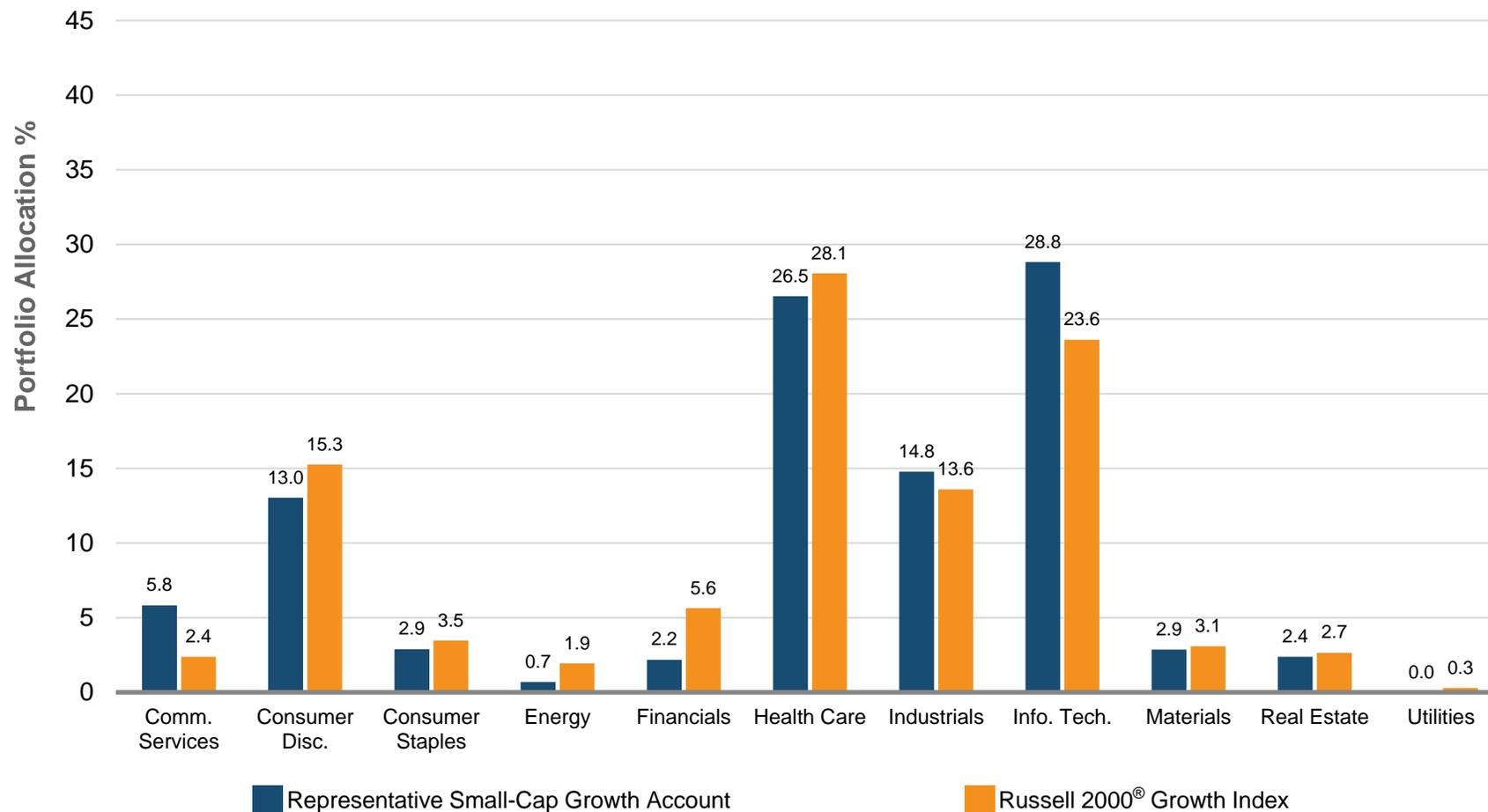
Third Quarter 2021

GICS 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 (%)
Communication Services	6.20	-20.41	2.36	-4.83	0.04	-1.09	-1.04
Consumer Discretionary	12.84	-4.44	15.42	-6.73	0.05	0.25	0.30
Consumer Staples	3.45	-4.82	3.43	-6.41	--	0.11	0.12
Energy	0.63	3.03	1.69	-1.91	-0.04	0.04	-0.01
Financials	2.07	0.92	5.52	-2.72	-0.09	0.08	-0.01
Health Care	25.75	-1.53	28.56	-11.15	0.18	2.49	2.66
Industrials	14.40	0.37	13.46	1.06	0.07	-0.11	-0.05
Information Technology	29.62	2.02	23.42	-3.39	0.17	1.52	1.69
Materials	2.69	1.02	3.10	-4.91	0.01	0.14	0.15
Real Estate	2.35	-4.97	2.74	-0.23	-0.02	-0.11	-0.13
Utilities	--	--	0.30	6.67	-0.03	--	-0.03
<b>Total</b>	<b>100</b>	<b>-2.00</b>	<b>100</b>	<b>-5.65</b>	<b>0.34</b>	<b>3.32</b>	<b>3.66</b>

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# SECTOR DIVERSIFICATION

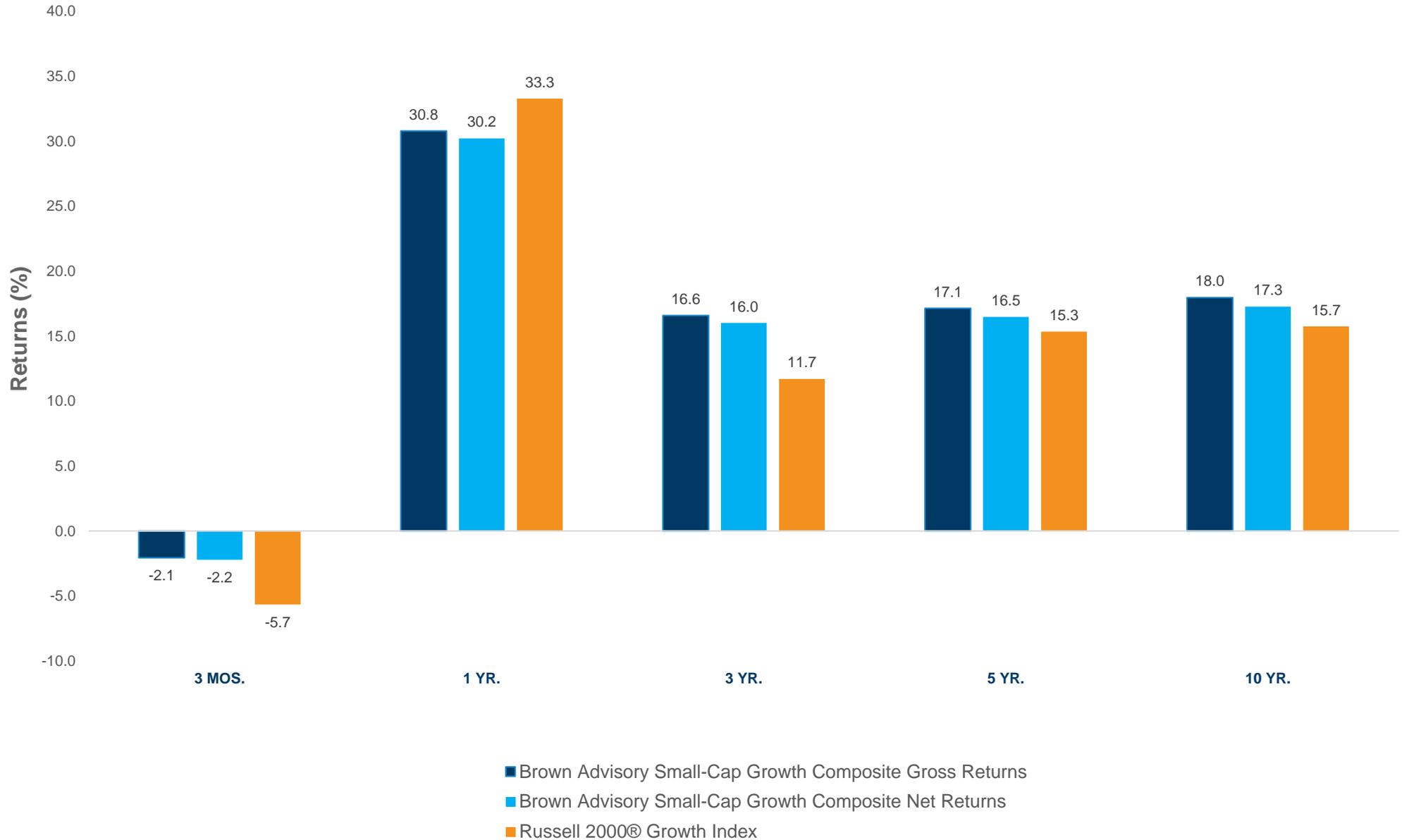
Third Quarter 2020 Global Industry Classification Standard (GICS) as of 09/30/2021



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.

# COMPOSITE PERFORMANCE

Third Quarter 2021 as of 09/30/2021



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 EQUITY HOLDINGS

Representative Small-Cap Growth Account as of 09/30/2021



## Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Cash & Equivalents	5.0
Charles River Laboratories International, Inc.	3.6
Workiva, Inc.	3.6
Genpact Ltd.	3.3
Waste Connections Inc	2.7
IAA, Inc.	2.5
Zynga, Inc.	2.3
Catalent, Inc.	2.2
NeoGenomics, Inc.	2.1
Prosperity Bancshares, Inc.	2.1
<b>Total</b>	<b>29.4</b>

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 Growth account, includes cash and is provided as supplemental information. Please see disclosure statement at the end of this presentation for additional information. Figures in table may not total due to rounding.

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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.

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

# TERMS AND DEFINITIONS

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted.

The **Average Weight** of a position or sector refers to the daily average for the period covered in this report of a stock's value as a percentage of the portfolio.

**Active Share** measures the fraction of a portfolio (based on position weights) that differs from the benchmark index.

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.

**Beta** is a measure of portfolio volatility. It is equal to the ratio of a portfolio's volatility relative to its benchmark index's volatility over time. It is equal to the excess return of a portfolio over a risk-free investment, minus that portfolio's expected return given its volatility relative to its benchmark index.

**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.

**Standard Deviation** is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation.

**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.

# SMALL-CAP GROWTH EQUITY COMPOSITE



Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Composite 3-Yr Annualized Standard Deviation (%)	Benchmark 3-Yr Annualized Standard Deviation (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$USD Millions)*	GIPS Firm Assets (\$USD Millions)*
2020	33.5	32.6	34.6	23.7	25.1	54	0.5	4,905	59,683
2019	35.6	34.8	28.5	14.7	16.4	34	0.3	3,456	42,426
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

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, 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 Growth Equity Composite (the 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.
- The Composite was created in 1997. The Composite inception date is March 1, 1993.
- 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.
- 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.
- 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 investment management fee for the Investor Shares of the Brown Advisory Small-Cap Growth 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, which is included in the Composite, is 1.00%. The total expense ratio for the Dollar Class B Acc Shares of the US Small Cap Blend Fund 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 investment management fee for the Dollar Class B Acc Shares of the Brown Advisory US Smaller Companies Fund, which is included in the Composite, is 0.75%. The total expense ratio for the Dollar Class B Acc Shares of the US Smaller Companies Fund as of the most recent fiscal year end (October 31, 2020) was 0.89%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31.
- 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.