Global Leaders

STRATEGY OVERVIEW

First Quarter 2022

The Brown Advisory Global Leaders Strategy invests in the top 30 to 40 leading companies that we believe deliver exceptional customer outcomes. We perform fundamental analysis to identify global companies that are taking market share and are able to compound performance over long periods of time.

MICK DILLON, CFA
Portfolio Manager, Global Leaders Strategy

BERTIE THOMSON, CFA
Portfolio Manager, Global Leaders Strategy

Four Key Measures Identify a Global Leader

We use franchise quality, management quality, quantitative measures and investability to identify a global leader.

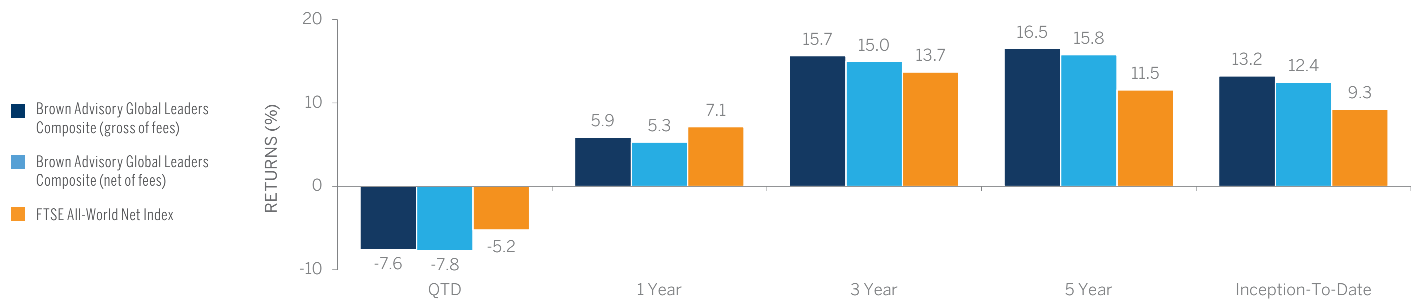
We believe that companies that combine exceptional outcomes for their customers with strong leadership can generate high and sustainable returns on invested capital (ROIC), which can lead to outstanding shareholder returns.

We search across the globe for companies that meet this criteria and invest in 30-40 of these to create a concentrated portfolio of companies that we believe have the ability to deliver attractive returns for their investors.

We focus on quality and seek to purchase these companies when we believe they are undervalued by the market.

Global Leaders Strategy Performance

STRATEGY INCEPTION: MAY 1, 2015 | DATA AS OF MARCH 31, 2022



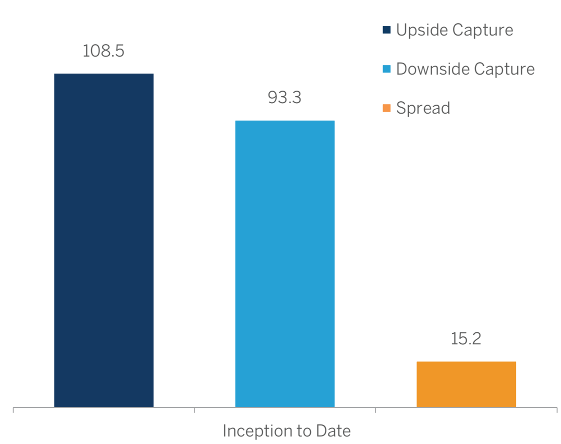
Annualized Total Returns(%) as of 03/31/2022	3 MO.	1 YR	3 YR	5 YR	ITD
Brown Advisory Global Leaders Composite (gross of fees)	-7.63	5.90	15.66	16.52	13.23
Brown Advisory Global Leaders Composite (net of fees)	-7.76	5.29	14.95	15.77	12.45
FTSE All-World Net Index	-5.24	7.15	13.71	11.55	9.25
Excess Return vs. Index (gross)	**-2.39**	**-1.25**	**1.95**	**4.97**	**3.98**

eVestment Global Large-Cap Core Equity Peer Universe as of 03/31/2022	1 YR	3 YR	5 YR	ITD
eVestment Global Large-Cap Core Equity, Median	7.66%	13.94%	12.13%	9.84%
Brown Advisory Global Leaders Composite Rank (%)	**65%**	**30%**	**8%**	**8%**
# of Global Large-Cap Core Managers Ranked	306	285	254	222

Growth of $10,000 Investment, Since Inception 05/01/2015 - 03/31/2022	Initial Value	Ending Value	Annualized Return
Brown Advisory Global Leaders Composite (gross of fees)	$10,000	$23,619	13.23%
Brown Advisory Global Leaders Composite (net of fees)	$10,000	$22,573	12.45%
FTSE All-World Net Index	$10,000	$18,515	9.25%

Source: Universe performance rankings from eVestment, all other statistics from FactSet®. The performance rankings may not be representative of any one client's experience because the ranking reflects an average of the accounts that make up the composite and is provided as supplemental information. eVestment Global Large-Cap Core Equity represents actively-managed Global, ACWI, or Global ex-Japan Equity products that primarily invest in a mixture of growth and value large capitalization stocks. Common benchmarks for this universe include the MSCI ACWI and MSCI World. The minimum criteria necessary for inclusion in an eVestment Universe are 1) minimum of one year of performance history, and 2) updated portfolio characteristics for the product. All products meeting the criteria are evaluated for inclusion. Managers voluntarily populate performance data into the database for inclusion, and the number of managers in each period consists only of managers that provided that data point and were in the universe for that entire period.

Upside/Downside Capture as of 03/31/2022



Source: FactSet®. Inception-to-date period is May 1, 2015 to March 31, 2022. Annualized Upside / Downside Capture is based on a representative Global Leaders account (net of fees) and is provided as supplemental information. Upside capture ratio is defined as how well a portfolio performs in time periods where the benchmark's returns are greater than zero. For example, if the benchmark's upside capture is 100% and the portfolio's is 108.5%, then when the benchmark is up 10% your portfolio is up 10.85%. This portfolio did better than the benchmark in up markets. The downside capture ratio is defined as how well a portfolio performs in time periods where the benchmark's returns are less than zero. For example, if the benchmark downside capture is 100% and the portfolio's is 93.3%, then when the benchmark is down 10% your portfolio is down 9.33%. This portfolio did better than the benchmark in down periods. The portfolio outperformed in 34 of the 56 up months and 16 of the 27 down months since inception.

Composite performance is based on the Brown Advisory Global Leaders Composite. Returns are shown through 03/31/2022, and all returns greater than one year are annualized. The composite performance shown above reflects the Brown Advisory Global Leaders composite managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Past performance is not indicative of future results. Please see the Brown Advisory Global Leaders compliant presentation on the last page for additional information and a complete list of terms and definitions.

Exceptional Customer Outcomes Defined by High ROIC

A global market leader is a company that delivers exceptional customer outcomes. These businesses delight their clients, often by serving them in a unique way, creating repeat engagements. This, in turn, can create a virtuous circle of customer and shareholder goodwill, high and sustainable return on invested capital (ROIC), excess economic profit at above-market growth rates for extended periods, and outstanding shareholder returns over time.

Our investment process hones in on companies with high ROIC because they tend to hold large competitive advantages that enable the companies to set premium prices and achieve high profitability over an extended period. Research shows that companies with high ROIC can outperform and have often sustained that level for many years, indicating that leaders tend to stay leaders over time.

EMPIRICAL RESEARCH: HIGH ROIC TENDS TO SHOW PERSISTENCY (SO TIME CAN BE ON OUR SIDE)

S&P 500® INDEX: % OF CONSTITUENTS WITH SAMPLE ROIC LEVELS, 2003 VERSUS 2013

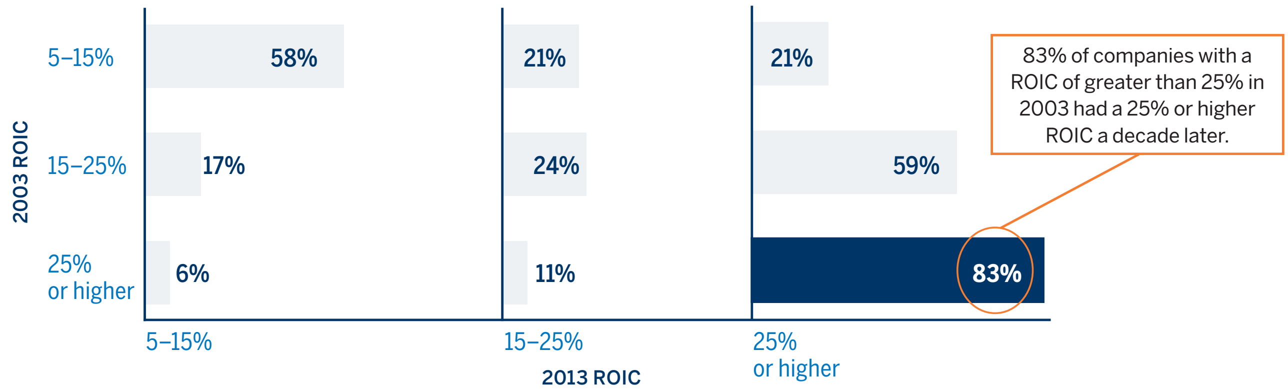


Chart reproduced with permission from McKinsey & Co. Inc. as featured in the book, "Valuation: Measuring and Managing the Value of Companies, University Edition." 6th Edition, 2015. ROIC is calculated as the percentage without goodwill. Please see the end of this presentation for important information.

Active Management Provides Risk-Adjusted Results

Source: eVestment, Monthly, 05/01/2015 - 03/31/2022

Performance Metrics as of 03/31/2022 for the since-inception period beginning 05/01/2015

	Sharpe Ratio	Treynor Ratio	Information Ratio	Annualized Alpha
Brown Advisory Global Leaders Composite (net)	**0.85**	**12.84**	**0.75**	**3.49**
Peer Comparison: eVestment Global Large-Cap Core Equity Universe				
Brown Advisory Global Leaders Peer Rank (%)	**Top 8%**	**Top 10%**	**Top 10%**	**Top 9%**
5th Percentile	0.89	13.97	0.86	4.09
25th Percentile	0.74	11.21	0.30	1.82
Median	**0.63**	**9.47**	**-0.01**	**0.51**
75th Percentile	0.54	8.28	-0.29	-0.64
95th Percentile	0.39	6.06	-0.69	-2.50
# of Managers in Universe	222	222	222	222

Example: As of 03/31/2022, Brown Advisory Global Leaders composite (net of fees) ranked in the top 10% or better for sharpe ratio, treynor ratio, information ratio and alpha generation, out of 222 global large-cap core equity managers since its 05/01/2015 inception, according to eVestment

Source: eVestment. eVestment Global Large-Cap Core Equity represents actively-managed Global, ACWI, or Global ex-Japan Equity products that primarily invest in a mixture of growth and value large capitalization stocks. Common benchmarks for this universe include the MSCI ACWI and MSCI World. Composite performance characteristics shown are as of 03/31/2022 and are based on the Brown Advisory Global Leaders Composite (net of fees) for its 05/01/2015 since-inception period. It is shown as supplemental information to the Brown Advisory Global Leaders compliant presentation on the last page. The composite performance shown reflects the Brown Advisory Global Leaders Composite managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Past performance is not indicative of future results.

Top 10 Equity Holdings

As of 03/31/2022

Security	Sector	% of Portfolio
Microsoft Corporation	Information Technology	9.6
Alphabet Inc. Class C	Communication Services	6.4
Visa Inc. Class A	Financials	6.3
Mastercard Incorporated Class A	Financials	5.1
Safran S.A.	Industrials	4.0
Deutsche Boerse AG	Financials	3.8
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Information Technology	3.7
Roche Holding Ltd Dividend Right Cert.	Health Care	3.6
Tencent Holdings Ltd.	Communication Services	3.5
Marvell Technology, Inc.	Information Technology	3.4
Total		**49.5**

Source: FactSet®. Portfolio holdings exclude cash and equivalents, which was 0.6% of the portfolio and provided as supplemental information. The information provided in this material 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. Numbers may not total due to rounding. Portfolio information is based on a representative Global Leaders account and is provided as supplemental information.

Global Leaders Team

While Mick Dillon and Bertie Thomson serve as the Portfolio Managers of the strategy based in our London office, the portfolio's composition represents the output of a dedicated working group and the best ideas of the firm's research platform. Working across time zones and in offices around the world, the team works cohesively to share and debate ideas.

Global Leaders Portfolio Attributes

SOURCE: FACTSET & BROWN ADVISORY CALCULATIONS, DATA AS OF 03/31/2022

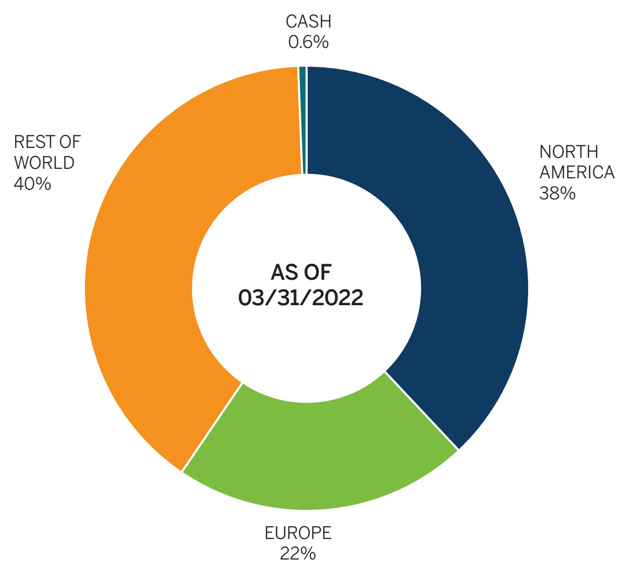
Portfolio Attributes		Global Leaders Rep. Account	FTSE All-World Net Index
ROIC (LFY ex. financials)	Median	25.3%	8.7%
SALES GROWTH (3-YR CAGR)	Wtd. Av.	9.3%	10.1%
	Median	9.8%	5.4%
FCF Yield (NTM ex. financials)	Average	3.7%	6.3%
	Median	3.6%	4.2%

Sector Composition	Global Leaders Rep. Account (%)	FTSE All-World Net Index (%)	Difference (%)
Communication Services	11.8	8.0	3.7
Consumer Discretionary	4.5	11.4	-6.9
Consumer Staples	5.0	6.9	-1.9
Energy	--	4.3	-4.3
Financials	19.8	14.8	5.0
Health Care	6.9	11.8	-4.9
Industrials	9.7	9.5	0.2
Information Technology	39.6	22.4	17.2
Materials	2.2	5.2	-2.9
Real Estate	--	2.9	-2.9
Utilities	--	2.9	-2.9

Performance Attributes	Global Leaders Rep. Account	FTSE All-World Net Index
Volatility	14.5%	14.3%
Sharpe Ratio	0.8	0.6
Sortino Ratio	1.1	0.8
Beta	1.0	1.0
Alpha	3.2%	--
Annualized Tracking Error (1 Yr.)	4.4	--
Active Share	91%	--
Net Debt to EBITDA (ex. financials)	0.4	1.6

Market Cap Composition	Global Leaders Rep. Account	FTSE All-World Net Index
Greater than $100 Billion	55.3	47.3
$500 B - $100 Billion	23.8	16.6
$10 B - $50 Billion	17.1	28.6
Less than $10 Billion	3.8	7.6

GEOGRAPHIC COMPOSITION BY COUNTRY OF REVENUE (% OF PORTFOLIO)



Source: FactSet and Brown Advisory Calculations. Past performance is not indicative of future results. Portfolio information is based on a representative Global Leaders account and is provided as supplemental information. Performance statistics are monthly, based on the Global Leaders Composite net of fees. Portfolio attributes and Market Cap Composition includes cash and cash equivalents which was 0.6% and are subject to change Sectors are based on the Global Industry Classification Standard (GICS®) classification system. The numbers shown above include cash and cash equivalents. Geographic composition includes cash and cash equivalents and is subject to change. Numbers may not total 100% due to rounding. The composite performance shown above reflects the Global Leaders composite managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and a division of Brown Advisory LLC. Please see the Brown Advisory Global Leaders Composite performance disclosure for additional information and for a complete list of terms and definitions.

Global Leaders 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	21.0	20.2	16.0	16.9	18.1	Five or fewer	N/A	2,428	59,683
2019	35.1	34.2	26.5	11.6	11.2	Five or fewer	N/A	731	42,426
2018	-2.2	-2.8	-9.6	11.0	10.5	Five or fewer	N/A	303	30,529
2017	35.1	34.0	24.0	N/A	N/A	Five or fewer	N/A	77	33,155
2016	-0.6	-1.4	8.0	N/A	N/A	Five or fewer	N/A	38	30,417
2015**	1.2	0.7	-4.4	N/A	N/A	Five or fewer	N/A	24	43,746

**Return is for period May 1, 2015 through December 31, 2015

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.

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 Global Leaders Composite (the Composite) aims to achieve capital appreciation by investing primarily in global equities. The strategy will invest in equity securities of companies that the portfolio manager believes are leaders within their industry or country, as demonstrated by an ability to deliver high relative return on invested capital over time. The minimum account market value required for Composite inclusion is $1.5 million.
3. The Composite creation date is August 26, 2015. The Composite inception date is May 1, 2015.
4. The benchmark is the FTSE All-World Net Index. This index is a free float market cap weighted index representing the performance of the large & mid cap stocks from the FTSE Global Equity Index Series. The Index covers Developed & Emerging Markets. Base Value 100 as at December 31, 1986. "FTSE®", "Russell®", "MTS®", "FTSE TMX®" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trademarks 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. As of January 1, 2019, the Composite benchmark was changed from Russell Global Large-Cap Net Index to the FTSE All-World Net Index. The change was applied retroactively from the Composite inception date. The Russell Global Large-Cap Net Index was decommissioned as of December 31, 2018 and is no longer published.
6. Composite dispersion 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.
7. Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-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: 0.80% on the first $50 million; 0.55% on the next $50 million; 0.45% on the next $50 million; and 0.40% on the balance over $150 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.
8. The investment management fee for the Investor Shares of the Brown Advisory Global Leaders Fund (the Fund), which is included in the Composite, is 0.65% , 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 0.90%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
9. The investment management fee for the Sterling Class B Acc Shares of the Brown Advisory Global Leaders Fund (the UCITS), which is included in the composite, is 0.75%. The total expense ratio for the Sterling Class B Acc Shares of the UCITS as of the most recent fiscal year end (October 31, 2020) was 0.92%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
10. The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31. The 3 year annualized standard deviation is not presented as of December 31, 2015, December 31, 2016 and December 31, 2017 because 36 month returns for the Composite were not available (N/A) and the Composite did not exist.
11. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
12. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
13. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
14. Past performance is not indicative of future results.
15. 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.

About Brown Advisory

Brown Advisory is a leading independent investment firm that offers a wide range of solutions to institutions, corporations, nonprofits, families and individuals. Our mission is to make a material and positive difference in the lives of our clients. We are committed to delivering a combination of first-class performance, customized strategic advice and the highest level of personalized service.

We follow a philosophy that low-turnover, concentrated portfolios derived from sound, bottom-up fundamental research provide an opportunity for attractive performance results over time. We have a culture and firm equity ownership structure that help us attract and retain professionals who share those beliefs, and we follow a repeatable investment process that helps us stay true to our philosophy.

+44 (0)20 3301 8130 | www.brownadvisory.com

Portfolio Manager Profile

MICK DILLON, CFA

Mick is a portfolio manager within the Global Equity team. He joined Brown Advisory in 2014 to launch and co-manage the Global Focus strategy and Global Leaders strategy. He formerly worked at HSBC Global Asset Management in Hong Kong, where he was the co-head of Asian equities. Mick is originally from Australia and graduated from the University of Melbourne, where he was awarded three Bachelor degrees in six years.

BERTIE THOMSON, CFA

Bertie is a portfolio manager within the Global Equity team. He joined Brown Advisory in 2015 to launch and co-manage the Global Focus strategy and Global Leaders strategy. Prior to joining BrownAdvisory, Bertie spent 13 years at Aberdeen Asset Management where he was most recently a senior investment manager in the pan-European equity team. Bertie achieved his MA (Hons) in Architectural History from Edinburgh University in 2002.

Past performance is not a guarantee of future performance and you may not get back the amount invested. All investments involve risk. The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned.

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. 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.

Terms and Definitions for Representative Account Calculations

The **FTSE All-World Index** is a market-capitalisation weighted index representing the performance of the large and mid cap stocks from the FTSE Global Equity Index Series and covers 90-95% of the investable market capitalisation. The index covers Developed and Emerging markets and is suitable as the basis for investment products, such as funds, derivatives and exchange-traded funds. FTSE® is a trade mark of LSEG and is used by FTSE under licence. The **S&P 500® Index** is a capitalization-weighted index of 500 stocks that is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Index returns assume reinvestment of dividends and do not reflect any fees or expenses. An investor cannot invest directly into an index. The Russell Global Large-Cap Index and Russell® when related to the Russell indexes are trademarks of the London Stock Exchange Group of companies. S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC. GICS® is a registered trademark of MSCI and Standard & Poor's Financial Services LLC.

The **MSCI ACWI® Index** captures large and mid cap representation across 23 Developed Markets (DM) countries and 23 Emerging Markets (EM) countries. With 2,758 constituents, the index covers approximately 85% of the global investable equity opportunity set. **The MSCI World® Index** captures large and mid cap representation across 23 Developed Markets (DM) countries. With 1,633 constituents the index covers approximately 85% of the free float-adjusted market capitalization in each country. All MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries.

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted. FactSet® is a registered trademark of FactSet Research Systems, Inc. **ROIC** is a measure of determining a company's financial performance. It is calculated as NOPAT/IC; where NOPAT (net operating profit after tax) is (EBIT + Operating Leases Due 1-Yr)*(1-Cash Tax Rate) and IC (invested capital) is Total Debt + Total Equity + Total Unfunded Pension + (Operating Leases Due 1-Yr * 8) – Excess Cash. ROIC calculations presented use LFY (last fiscal year) and exclude financial services. **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 NTM (next twelve months) earnings estimates.**Sales growth rate** is based on reported company revenue for the past three years at the end of the current quarter, provided as a historical average. **EV/EBIT** is a financial ratio used to measure a company's return on investment. EV/EBIT calculations presented use NTM (next twelve months) estimates. **FCF yield** is a measure of financial performance calculated as operating cash flow minus capital expenditures. FCF yield calculations presented use NTM and exclude financial services. **Market Capitalization** refers to the aggregate value of a company's publicly traded stock. Weighted Average is 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). **Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a portfolio and compares its risk-adjusted performance to a benchmark index. The **Annualized Alpha** value is equal to 12 times the monthly alpha value. **Beta** is a measure of the volatility of a portfolio of securities in comparison to a benchmark or the market as a whole. A beta less than 1 means that the security will be less volatile than the market, while a beta greater than 1 indicates that the security's price will be more volatile than the market. For example, if a stock's beta is 1.2, it is theoretically 20% more volatile than the market. Portfolio Beta is calculated by comparing the series of monthly returns of the portfolio to the monthly returns of the benchmark, for the period of time specified. **Annualized tracking error** is the standard deviation of the active return, where active return is the difference between the return of the portfolio andthe return of a selected benchmark index. **Active Share** is a measure of the stock holdings in a portfolio that differ from the stated benchmark index. **Annualized Return** is the geometric average amount of money earned by an investment each year over a given time period. It is calculated as a geometric average to show what an investor would earn over a period of time if the annual return was compounded. **Volatility** is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. The **Sharpe Ratio** is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Subtracting the risk-free rate from the mean return, the performance associated with risk-taking activities can be isolated. Generally, the greater the value of the Sharpe ratio, the more attractive the risk-adjusted return. The **Sortino Ratio** measures the risk-adjusted return of an investment asset, portfolio, or strategy. It is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally. The **net debt-to-EBITDA** (earnings before interest depreciation and amortization) ratio is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. **Treynor Ratio** is a measurement of the returns earned in excess of that which could have been earned on an investment that has no diversifiable risk per each unit of market risk assumed. **Information Ratio** is the measure of the risk-adjusted return of a portfolio defined as expected active return divided by tracking error, where active return is the difference between the return of the portfolio and the return of a selected benchmark index, and **tracking error** is the standard deviation of the active return. **Active Share** is a measure of the stock holdings in a portfolio that differ from the stated benchmark index.