

**MORTGAGE SECURITIES 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)*
2019	7.5	6.9	6.4	2.2	2.2	Five or fewer	N/A	260	42,426
2018	1.3	1.0	1.0	2.4	2.3	Five or fewer	N/A	296	30,529
2017	3.1	2.8	2.5	2.2	1.8	Five or fewer	N/A	352	33,155
2016	1.8	1.5	1.7	2.4	2.1	Five or fewer	N/A	362	30,417
2015	2.8	2.5	1.5	N/A	N/A	Five or fewer	N/A	336	43,746
2014	4.4	4.1	6.1	N/A	N/A	Five or Fewer	N/A	208	44,772

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, 2019. The Verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. GIPS® is a registered trademark owned by CFA Institute.

- \*For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
- The Mortgage Securities Composite (the Composite) includes all discretionary portfolios which seek to maximize total return consistent with preservation of capital. This is accomplished by investing at least 80% of the value of its net assets in investment grade mortgage-related securities. The managers may invest in derivatives instruments, such as options, futures contracts, and options on futures. The minimum account market value required for Composite inclusion is \$10 million.
- The Composite was created in 2013. The Composite inception date is January 1, 2014.
- The benchmark is the Bloomberg Barclays Mortgage Backed Securities Index. The Bloomberg Barclays Mortgage Backed Securities Index measures the performance of the U.S. agency mortgage pass-through segment of the U.S. investment grade bond market. The term "U.S. agency mortgage pass-through security" refers to a category of pass-through securities backed by pools of mortgages and issued by one of the following U.S. government-sponsored enterprises: Government National Mortgage Association ("GNMA"); Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("FHLMC"). Bloomberg Barclays Indices are trademarks of Bloomberg or its licensors, including Barclays Bank PLC. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
- The composite dispersion presented is an equal-weighted standard deviation of portfolio returns calculated for the accounts in the Composite for the entire calendar year period. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the Composite for the entire period.
- Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 0.375% on the first \$10 million; 0.25% on the next \$15 million and 0.20% on the balance over \$25 million. Further information regarding investment advisory fees is described in Part II A of the firm's form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31. The 3 year annualized standard deviation is not presented as of December 31, 2014 and December 31, 2015 because the 36 month returns were not available for the Composite (N/A).
- Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
- A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- Past performance is not indicative of future results.
- This piece is provided for informational purposes only and should not be construed as a research report, a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell or hold any of the securities mentioned, including any mutual fund managed by Brown Advisory.
- Some portfolios may utilize derivative securities. To date, any derivatives used have been CMOs and range accrual notes. Any CMO at the time of purchase must pass the FFIEC volatility tests.
- Duration is a measure of interest rate risk.