Global Leaders

STRATEGY FACT SHEET

Brown ADVISORY
Thoughtful Investing.

Fourth Quarter 2023

WHY INVEST IN BROWN ADVISORY GLOBAL LEADERS?

We focus on companies that are global leaders that we believe can deliver attractive growth. We define Global Leaders as companies that have competitive advantages with strong management teams, pricing power, above-industry margins and high return on invested capital (ROIC) that is underpinned by long-term, structural growth. High relative ROIC is particularly helpful when analyzing global equities because those companies tend to see profitability persist.

We believe that the best way to generate attractive risk-adjusted returns over time is through a concentrated, low- turnover portfolio. We scour the global equity universe to identify the most attractive Global Leaders based on bottom-up, fundamental research. By limiting the portfolio to 40 stocks, we can be selective about valuations and choose the most compelling investment opportunities.

Portfolio Manager: Mick Dillon, CFA, Bertie Thomson, CFA
Benchmark: MSCI ACWI Net Index

STRATEGY PROFILE AS OF 12/31/2023

BENCHMARK INDEX
MSCI ACWI Net Index

STRATEGY ASSETS
$11,814 million

VEHICLES AVAILABLE
Separately Managed Account (SMA)
Model Only
Mutual Fund

PERFORMANCE (% AS OF 12/31/2023)

	3 MOS.	1 YR	3 YRS	5 YRS	SINCE INCEPTION (05/01/2015)
Global Leaders Composite (Gross of Fees)	14.80	26.97	6.54	14.59	11.79
Global Leaders Composite (Net of Fees)	14.58	25.98	5.70	13.69	10.91
MSCI ACWI Index Net (USD)	11.03	22.20	5.75	11.72	8.04

CHARACTERISTICS AS OF 12/31/2023

	GLOBAL LEADERS REP. ACCT.	MSCI ACWI NET INDEX
ROIC (LFY) Median (%)*	20.0%	9.7%
Sales Growth (%, 3 YR Median)	10.3%	6.3%
FCF Yield (NTM) Median (%)	3.5%	3.9%
Volatility	15.9%	15.5%
Sharpe Ratio	0.6	0.4
Sortino Ratio	0.9	0.6
Beta	1.0	--
Alpha (Net)	2.8%	--
Net Debt to EBITDA*	0.2	1..2

*Excludes financials - excludes Banks and Insurance Companies and outliers excluded from the benchmark.

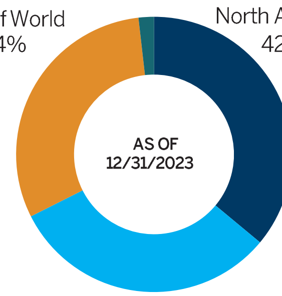
TOP 10 PORTFOLIO HOLDINGS %

Microsoft Corporation	8.6
Alphabet Inc. Class C	4.4
Deutsche Boerse AG	4.2
Mastercard Incorporated Class A	4.2
General Electric Company	3.8
London Stock Exchange Group plc	3.7
HDFC Bank Limited Sponsored ADR	3.6
Safran SA	3.3
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	3.2
Roche Holding Ltd Dividend Right Cert.	3.1

SECTOR BREAKDOWN (%)

	REP. ACCT	INDEX
Communication Services	6.7	7.3
Consumer Discretionary	4.5	11.1
Consumer Staples	5.6	6.8
Energy	0.0	4.5
Financials	31.5	15.9
Health Care	7.9	11.2
Industrials	16.8	10.7
Information Technology	24.7	22.9
Materials	2.2	4.5
Real Estate	0.0	2.4
Utilities	0.0	2.6

GEOGRAPHIC COMPOSITION BY COUNTRY OF REVENUE
(% OF PORTFOLIO)



Source: Brown Brothers Harriman and Brown Advisory calculations. Region listing by country of revenue as of 12/31/2023 and includes cash and cash equivalents. Numbers may not total due to rounding

Source: FactSet® and Brown Advisory calculations. The portfolio information provided is based on a representative Brown Advisory Global Leaders account as of 12/31/2023 and is provided as Supplemental Information. Sector breakdown and portfolio characteristics exclude cash and equivalents; top 10 equity holdings include cash and equivalents which was 2.9% as of 12/31/2023. Geographic composition includes cash and cash equivalents and is subject to change. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. The Composite performance 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. Returns greater than one year are annualized. Past performance is not indicative of future results. Numbers may not total 100% due to rounding. Please see the Brown Advisory Global Leaders Composite GIPS Report on the reverse side for additional information and a complete list of terms and definitions. 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. Sustainable Investing considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. Sustainable analysis may not be performed for every holding in the strategy.

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.

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PORTFOLIO MANAGER PROFILES

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 Brown Advisory, 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.

Brown Advisory 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)*
2022	-19.0	-19.7	-18.4	20.6	19.9	Five or fewer	N/A	3,680	57,575
2021	17.6	16.7	18.5	17.2	16.8	Five or fewer	N/A	4,368	79,715
2020	21.0	20.0	16.3	18.1	18.1	Five or fewer	N/A	2,428	59,683
2019	35.1	34.0	26.6	11.6	11.2	Five or fewer	N/A	731	42,426
2018	-2.2	-2.8	-9.4	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	7.9	N/A	N/A	Five or fewer	N/A	38	30,417
2015**	1.2	0.7	-7.3	N/A	N/A	Five or fewer	N/A	24	43,746

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

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.

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, 2022. 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. Sustainable investment considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The Global Leaders Strategy ("Strategy") seeks to identify companies that it believes may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. As a result, the Strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The Strategy may also invest in companies that would otherwise be excluded from other strategies that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The Strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.
4. The Composite creation date is August 26, 2015. The Composite inception date is May 1, 2015.
5. The benchmark is the MSCI ACWI Net Index. The MSCI ACWI Net Index captures large and mid cap representation across Developed Markets (DM) and Emerging Markets (EM) countries. The Index covers approximately 85% of the global investable equity opportunity set. All MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
6. As of September 1, 2022, the Composite benchmark was changed from the FTSE All-World Net Index to the MSCI ACWI Net Index. The change was applied retroactively from the Composite inception date. The Advisor determined that MSCI indices are more widely used for global products, and thereby provide more relevant data to shareholders and prospects as well as comparisons to competitors.
7. 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.
8. 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-fees performance returns are calculated by adjusting the gross-of-fees performance return by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis. Certain accounts in the Composite may pay asset-based custody fees that include commissions. For these accounts, gross returns are also net of custody fees. 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 2A of the firm's Form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
9. Effective July 1, 2023, the firm transitioned from using actual account fees in the calculation of net performance returns to applying the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV. The net performance track record was revised back to Composite inception.
10. 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, 2022) was 0.90%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
11. The investment management fee for the Dollar 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 Dollar Class B Acc Shares of the UCITS as of the most recent fiscal year end (October 31, 2022) was 0.87%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
12. 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 the 36 month returns were not available for the Composite (N/A).
13. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
14. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
15. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
16. Past performance is not indicative of future results.
17. This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subscription documents.
18. 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.

Terms and Definitions for Representative Account Calculations

FactSet® is a registered trademark of FactSet Research Systems, Inc. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS), "GICS" and "GICS Direct" are service marks of Standard & Poor's and MSCI . "GICS" is a trademark of MSCI and Standard & Poor's. All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted. 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. 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. FCF yield is a measure of financial performance calculated as operating cash flow minus capital expenditures. FCF yield calculations presented use LFY and exclude financial services. 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. 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. 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. Net Debt-to-EBITDA Ratio is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA