Brown Advisory Global Leaders Strategy

The strategy invests in 30 to 40 leading companies that we believe deliver exceptional customer outcomes. We perform fundamental analysis to identify global companies that have a high return on invested capital and are able to compound performance over long periods of time.



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June 2018 Monthly Report

Performance Contributors

TOP FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
SHW	Sherwin-Williams Company	Materials	2.90	7.47	0.21
EA	Electronic Arts Inc.	Information Technology	2.51	7.72	0.18
EW	Edwards Lifesciences Corporation	Health Care	3.25	6.02	0.17
TJX	TJX Companies Inc	Consumer Discretionary	3.11	5.38	0.16
MA	Mastercard Incorporated Class A	Information Technology	4.14	3.37	0.13

BOTTOM FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
SCHW	Charles Schwab Corporation	Financials	2.97	-8.13	-0.24
670909	PT Bank Rakyat Indonesia (Persero) Tbk Class B	Financials	2.05	-10.59	-0.22
BF.B	Brown-Forman Corporation Class B	Consumer Staples	1.29	-13.10	-0.18
EL	Estee Lauder Companies Inc. Class A	Consumer Staples	3.18	-4.52	-0.15
B4TX8S	AIA Group Limited	Financials	3.20	-4.74	-0.15

Monthly Portfolio Activity

NEW INVESTMENT

TICKER	NAME	REASON FOR DECISION
BDZV12	Epiroc AB Class B	We received shares from the spin-off from Atlas Copco's mining division. We met with the company at an investor day and will continue to spend tine with management going forward.

DELETION

TICKER	NAME	REASON FOR DECISION
FLT	FleetCor Technologies, Inc.	We exited out of our position due to increased concerns about the superior customer outcome and lofty valuations as the stock approaches fair value.

Top 10 Equity Holdings (%)

Cash and equivalents: 0.8%

1.	Microsoft Corp	6.0	6.	Mastercard Incorporated Class A	4.2
2.	Alphabet Inc-Cl C	4.9	7.	Safran S.A.	3.5
3.	Visa Inc. Class A	4.6	8.	Wolters Kluwer NV	3.4
4.	Unilever PLC	4.5	9.	Edwards Lifesciences Corporation	3.3
5.	JPMorgan Chase & Co	4.3	10	TJX Companies Inc.	3.2

INSIDE THE STRATEGY: FACTS & TYPICAL PORTFOLIO FIGURES

Inception: 05/01/2015	Top 10 Weight: 30%-40%
Benchmark: Russell® Global Large-Cap Net Index	Position Limits: 2.5% position size at initiation, maximum 5%; >40% non-U.S. positions
Portfolio: 30-40 Holdings	Cash Position: 0%-10%

Portfolio Comments

The Brown Advisory Global Leaders Composite fell 0.1% (net of fees), less than its benchmark, the Russell Global Large-Cap® Index, which fell 0.5% during the month of June.

The strategy's stock selection was the main driver of relative outperformance for the month, particularly in technology and industrials.

During the month, we received a spin-off from Atlas Copco's mining division, Epiroc. We met with the company at the investor day and will continue to spend time with management going forward.

We eliminated one name during the month. We decided to exit our position in FleetCor Technologies due to increased concerns about the superior customer outcome and lofty valuations as the stock approaches fair value.

*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. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. The security returns listed represent the period of when the security was held during the month. Top five and bottom five contributors exclude cash and cash equivalents. 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 for the reporting period. The top 10 equity holdings include cash and equivalents The portfolio information provided is based on a representative Global Leaders account and is provided as supplemental information. This representative account may differ from specific client portfolios. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. Past performance is not indicative of future results. The composite performance shown above reflects the Global Leaders 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 Global Leaders disclosure statement at the end of this presentation for a GIPS compliant presentation.

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)
2017	35.1	34.0	24.6	N/A	N/A	2	N/A	77	33,155
2016	-0.6	-1.4	8.1	N/A	N/A	2	N/A	38	30,417
2015**	1.23	0.68	-7.11	N/A	N/A	2	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, 2017. 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 Global Leaders 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.
3. This composite was created in 2015.
4. The benchmark is the Russell Global Large-Cap Net Index. This index offers investors access to the large-cap segment of the entire global equity universe. The index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to accurately reflect the changes in the market over time. Russell® is a trademark/service mark of the London Stock Exchange Group companies. One cannot invest directly in an index. Benchmark returns are not covered by the report of the independent verifiers. Benchmark returns are not covered by the report of the independent verifiers.
5. The dispersion of annual returns is measured by the equal weighted standard deviation of portfolio returns. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the composite for the entire 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: 0.80% on the first $25 million; 0.70% on the next $25 million; 0.65% on the next $50 million; and 0.50% 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. The 3 year annualized standard deviation is not presented as of December 31, 2015, because 36 monthly returns for the composite were not available (NA) and the composite did not exist.
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.
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The Russell Global Large-Cap® Net Index offers investors access to the large-cap segment of the entire global equity universe. The Russell Global Large Cap index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to accurately reflect the changes in the market over time. Russell® when related to the Russell indexes is a trademark of the London Stock Exchange Group of companies. An investor cannot invest directly into an index. FactSet® is a registered trademark of FactSet Research Systems, Inc. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. GICS® is a registered trademark of MSCI and Standard & Poor's Financial Services LLC.

Terms and Definitions for Representative Account Calculations

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. **Contribution To Return** is calculated by multiplying a security's beginning portfolio weight by its daily return and geometrically linking the security's daily contribution to return over the entire reporting period.