

Intermediate Fixed Income

STRATEGY FACT SHEET

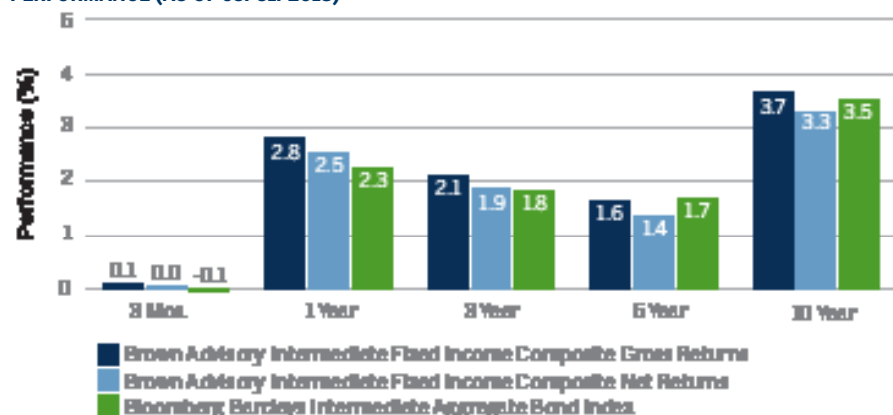
First Quarter 2018

PHILOSOPHY

The Brown Advisory Intermediate Fixed Income team believes that a portfolio of intermediate-term investment-grade fixed income securities, identified through fundamental analysis and concentrated on our best ideas, has the potential to deliver attractive risk-adjusted returns over time.

STRATEGY INCEPTION DATE: 03/31/1993

PERFORMANCE (AS OF 03/31/2018)¹



STRATEGY CLASSIFICATION

Strategy Type	Separate Account
Asset Class Focus	Intermediate-term, Investment-grade Core Fixed Income
Geographic Focus	United States
Domicile	United States
Objective	Total Return
Benchmark	Bloomberg Barclays Intermediate Aggregate Bond Index

Notes:

- Source: FactSet®. Returns shown are through 03/31/2018 for each period. All returns greater than one year are annualized. Past performance is not indicative of future results.
- Source: FactSet®. The portfolio information on the right is based on a representative Institutional Intermediate Fixed Income account and is provided as supplemental information. Portfolio level information includes cash and cash equivalents. Fixed income sectors, quality distribution and duration distribution may not total 100% due to rounding.
- The composite performance shown above reflects the Institutional Intermediate Fixed Income Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a division of Brown Advisory LLC, and Brown Advisory Institutional is a GIPS compliant firm. Please see the reverse side for a GIPS compliant presentation and complete list of terms and definitions.

PORTFOLIO CHARACTERISTICS²

	REP. ACCOUNT	BLOOMBERG BARCLAYS INT. AGG. INDEX
Avg. Credit Quality	Aa3	AA1/AA2
Effective Duration (years)	4.0	4.4
Yield to Worst (%)	3.3	3.0
Avg. Life (years)	5.9	5.4

SECTOR BREAKDOWN (%)²

	REP. ACCOUNT	BLOOMBERG BARCLAYS INT. AGG. INDEX
Cash & Equivalents	2.3	--
Treasuries	14.5	36.9
Agencies	--	6.3
Securitized	41.6	36.4
Corporates	31.1	20.4
Municipal – Revenue	--	--
Municipal – GO	--	--
Municipal – Taxable	7.7	--
Municipal – VRDN	--	--
Municipal – ARS	2.8	--
Other	--	--

QUALITY DISTRIBUTION (%)²

	REP. ACCOUNT	BLOOMBERG BARCLAYS INT. AGG. INDEX
AAA/Aaa	34.1	77.0
AA/Aa	31.2	3.4
A	8.0	9.0
BBB/Baa	26.7	10.6
Other	--	--

DURATION DISTRIBUTION (%)²

	REP. ACCOUNT	BLOOMBERG BARCLAYS INT. AGG. INDEX
Less than 1 Year	18.2	0.2
1 to 3 Years	11.6	26.7
3 to 5 Years	40.4	34.6
5 to 7 Years	19.0	31.0
7 to 10 Years	10.8	7.5
Greater than 10 years	--	--

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 by providing them first-rate investment performance, customized strategic advice and the highest level of personalized service.

We follow a philosophy that fixed income strategies built from a foundation of stability coupled with fundamental credit research can seek to generate alpha and control risk. We have a culture and firm equity ownership structure that 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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Brown Advisory Institutional Intermediate Fixed Income

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	2.8	2.5	2.3	1.9	2.0	20	0.1	272	33,155
2016	2.5	2.2	2.0	2.0	2.1	19	0.2	274	30,417
2015	1.1	0.8	1.2	2.1	2.1	21	0.1	305	43,746
2014	4.0	3.7	4.1	2.1	2.0	23	0.2	316	44,772
2013	-2.1	-2.4	-1.0	2.2	2.0	19	0.3	353	40,739
2012	4.4	4.0	3.6	2.0	1.9	19	0.2	472	26,794
2011	6.7	6.2	6.0	2.4	2.3	16	0.3	448	19,962
2010	6.1	5.8	6.1	3.6	3.4	12	0.4	426	16,859
2009	6.8	6.2	6.5	3.6	3.3	8	0.8	372	11,058
2008	4.8	4.4	4.9	3.3	3.2	7	1.0	228	8,547

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.

- *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 Institutional Intermediate Fixed Income Composite includes all discretionary institutional accounts that invest in fixed income securities that primarily have an intermediate maturity, between one and ten years or an average duration between two and five years.. The minimum account market value required for composite inclusion is \$2 million. Prior to 2012 the minimum was \$2.5 million.
- This composite was created in 2002.
- The benchmark is the Bloomberg Barclays Intermediate Aggregate Bond Index. This index is an unmanaged index that consists of 1-10 year governments, 1-10 year corporates, all mortgages, and all asset-backed securities within the Aggregate Index. An investor cannot invest directly into an index. Bloomberg Barclays Indices are trademarks of Bloomberg or its licensors, including Barclays Bank PLC. Benchmark returns are not covered by the report of the independent verifiers.
- The dispersion of annual returns is measured by the equal weighted standard deviation of portfolio returns.
- 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.
- 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 does not indicate 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.

Terms and Definitions for Representative Account Calculations

FactSet® is a registered trademark of FactSet Research Systems, Inc. **Effective Duration** is a time measure of a bond's interest-rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder. **Yield to Worst** is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer. **Average Life** is the average period of time for all principal dollars to be returned to investors. **Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index.