

U.S. Large-Cap Growth

QUARTERLY STRATEGY UPDATE

Fourth Quarter 2016

COMPOSITE PERFORMANCE (%)

	COMPOSITE GROSS OF FEES	COMPOSITE NET OF FEES	RUSSELL 1000® GROWTH INDEX
3 Mos.	-4.61	-4.71	1.01
1 YR	-2.30	-2.69	7.08
3 YR	4.10	3.67	8.55
5 YR	11.40	10.93	14.50
10 YR	9.12	8.66	8.33
ITD (05/31/96)	8.46	7.88	7.17

Provided as supplemental information.

REP. ACCOUNT CHARACTERISTICS

	LARGE-CAP GROWTH REP. ACCT.	RUSSELL 1000® GROWTH INDEX
Weighted Avg. Market Cap.	\$89.2 B	\$152.1 B
Weighted Median Market Cap.	\$32.7 B	\$73.2 B
Earnings Growth (3-5 Year Est.)	16.9%	13.4%
P/E Ratio (FY2 Est.)	22.6x	17.8x
PEG Ratio	1.3x	1.3x
Portfolio Turnover (3 Yr. Avg.)	27.5%	--

REP. ACCOUNT TOP 10 PORTFOLIO HOLDINGS

SECURITY	% PORTFOLIO
Alphabet Inc.*	4.5
Visa Inc. Class A	4.5
Amazon.com Inc.	4.4
Cash & Equivalents	4.3
Starbucks Corp.	4.3
Facebook Inc.	4.2
Costco Wholesale Corp.	3.9
Amphenol Corp. Class A	3.8
Danaher Corp.	3.8
Ecolab Inc.	3.7
TOTAL	41.4

*Alphabet Inc. represents a 1.4% holding position in class A and 3.1% in class C shares of the stock.

Review & Outlook

It was a challenging year for the Large Cap Growth strategy, in which it trailed its benchmark, the Russell 1000® Growth Index by a notable margin. Our portfolio—which we believe is well-positioned for long-term growth—struggled during three separate episodes of sector rotation during the year causing considerable volatility in both absolute and relative returns.

After stocks got off to a rough start to the year—posting one of the worst months for January in many years—markets began to rebound in late February. The portfolio trailed the market during the initial downdraft, then recovered much of the relative losses as fundamentals remained intact and valuations eventually recuperated through May. The second market-moving episode occurred at the end of June when the U.K. voted to exit the European Union, roiling worldwide markets. The portfolio was naturally not positioned toward the low-volatility, high-dividend-yielding stocks that subsequently drove the benchmark's performance. This shift, combined with the weak stock performance of **Stericycle** and **Bristol-Myers Squibb**, contributed to the portfolio's underperformance. As the initial shock from the Brexit vote began to wear, investors returned to fundamentally analyzing stocks and the gap in relative performance once again began to shrink.

During the fourth quarter, our progress reversed because of uncertainty prompted by the results of the U.S. presidential election. The drag, representing our deepest underperformance of the year, was primarily attributable to a handful of companies whose stock prices underperformed including **TripAdvisor**, **FleetCor**, **DexCom** and **Alexion Pharmaceuticals**. We remain invested with high conviction in these business models, as we believe that our thesis remains intact.

Consumer discretionary was the worst performing sector for the year. Weakness in **TripAdvisor**, the online travel company, was the primary detractor. The company has faced near-term growth headwinds from the slower-than-expected transition to its Instant Booking (IB) platform. The IB platform, launched in the fourth quarter of 2015, represents the company's evolution into an end-to-end platform for users to begin their travel research, book their trip, utilize features at the destination and submit feedback when they return. We believe that with this platform, **TripAdvisor** stands to capture substantially more of the economics in the online travel value chain and will close the monetization gap compared with its peers. In doing so, we believe that the company can more than double revenue over the medium term as the IB offering achieves greater adoption from online consumers. In short, the market has become too pessimistic and focused on the company's near-term results in our view.

Health care stocks were also a source of portfolio underperformance in 2016. Election-year rhetoric has injected a new level of volatility into biotech and pharma stocks, and **Alexion** was not immune to this. Additionally, in December the company launched an internal investigation into potential improper sales practices of its flagship drug, Soliris, which weighed heavily on the stock. The investigation was completed during the first week of January with no significant repercussions, and the stock has subsequently rebounded. Still, the uncertainty posed a meaningful drag on stock performance during 2016.

Looking past the recent uncertainty, the outlook for **Alexion's** underlying business model has improved thanks to its plan to diversify the company with two approved drugs coming to market. Also, the competitive landscape for Soliris brightened when its closest competitor failed in a clinical trial.

There were several bright spots within our health-care sector holdings, such as **Intuitive Surgical** and **Danaher**. That being said, we made several changes to the complexion of our health-care holdings during the year, selling both **Express Scripts** and **Bristol-Myers Squibb**. During the third quarter



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we started a new position in **DexCom**, which is the market leader in continuous glucose monitoring (CGM) devices used to manage diabetes. Due to recent advances in accuracy, we believe that the CGM market will grow at double-digit rates for the next several years as patients increasingly migrate away from the current method of using a finger stick to draw blood. CGM is a much safer method to manage diabetes and it leads to fewer hospitalizations, reducing overall health-care costs. As we started building our position, the stock fell when Medtronic announced a new version of its competing device. While expected, the announcement came earlier than anticipated and the market overreacted to the perceived competitive threat. We believe the market is growing quickly enough to support multiple players, and we view **DexCom** as the leader in terms of the accuracy and functionality of its technology.

Our technology holdings represented several of our biggest positive contributors during 2016. Both **NetSuite** and **NXP Semiconductors** became acquisition targets during the year. Long-term holding Amphenol, which sells highly engineered connectors into industrial end markets, has executed well in spite of a less-than-favorable macro backdrop. [B](#)

Sector Diversification

- The portfolio remains diversified across economic sectors. As we have previously discussed, the overweight to technology stems more from the categorization methodology used by the benchmark than it does from an intentional portfolio allocation. Stocks such as **Facebook**, **VISA**, **FleetCor**, **PayPal** and **Amphenol** are not traditional technology companies. Their end markets are diverse and their business models are not as tied to the traditional technology cycle as a manufacturer of memory chips or a semiconductor company.
- The technology weighting rose by about 340 basis points during the year in large part because of the relative performance of the group.

SECTOR	LARGE-CAP GROWTH REP. ACCOUNT (%)	RUSSELL 1000® GROWTH INDEX (%)	DIFFERENCE (%)	LARGE-CAP GROWTH REP. ACCOUNT (%)	
	Q4 '16	Q4 '16	Q4 '16	Q3 '16	Q4 '15
Consumer Discretionary	13.77	20.70	-6.93	14.73	14.86
Consumer Staples	10.27	9.52	0.75	10.34	10.19
Energy	--	0.63	-0.63	--	1.55
Financials	--	2.89	-2.89	--	3.50
Health Care	15.65	16.06	-0.40	15.71	19.28
Industrials	10.34	11.09	-0.75	7.48	7.09
Information Technology	43.17	31.50	11.66	45.50	40.39
Materials	3.85	3.62	0.22	3.56	3.14
Real Estate	--	2.70	-2.70	--	--
Telecommunication Services	2.95	1.26	1.69	2.68	--
Utilities	--	0.03	-0.03	--	--

Sector diversification excludes cash and cash equivalents.

Quarterly Attribution Detail by Sector

- The fourth quarter was very challenging in terms of stock-specific performance. Growth companies faltered after the presidential election, as expectations for increased domestic infrastructure spending pushed up industrials and industrial-related stocks.
- Consumer discretionary holdings faced headwinds as both **TripAdvisor** and **Under Armour** came under selling pressure after announcing plans to make reinvestments in their respective businesses and dampening expectations for short-term profit margins.
- Health care was also a meaningful detractor, driven largely by **DexCom**, which sold off after Medtronic publicized the anticipated release of its next-generation glucose monitor. As noted previously, we believe **DexCom's** technology to be well ahead of Medtronic's.

SECTOR	LARGE-CAP GROWTH REP. ACCOUNT		RUSSELL 1000® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION AND INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Consumer Discretionary	14.29	-13.01	20.69	2.11	-0.07	-2.25	-2.32
Consumer Staples	10.26	-5.68	9.51	-0.45	--	-0.55	-0.54
Energy	--	--	0.62	-0.89	0.01	--	0.01
Financials	--	--	2.82	6.64	-0.15	--	-0.15
Health Care	15.69	-9.23	16.25	-3.53	0.05	-0.97	-0.92
Industrials	8.66	2.51	10.82	6.84	-0.14	-0.34	-0.48
Information Technology	44.69	-1.75	31.78	1.06	0.03	-1.20	-1.18
Materials	3.62	-3.40	3.60	2.09	-0.01	-0.18	-0.19
Real Estate	--	--	2.69	-5.25	0.17	--	0.17
Telecommunication Services	2.78	-7.94	1.19	4.55	0.07	-0.37	-0.30
Utilities	--	--	0.03	3.69	--	--	--
Total	100.00	-4.89	100.00	1.00	-0.03	-5.86	-5.89

Sector attribution excludes cash and cash equivalents.

Year-to-Date Attribution Detail by Sector

- 2016 was a very volatile and challenging year for the strategy, and stock selection was the primary driver of underperformance. Slow growth, yield-oriented stocks within the benchmark were the primary drivers of its returns for the year.
- Both the consumer staples and discretionary sectors were meaningful detractors in 2016. While **TripAdvisor** and **Under Armour** accounted for most of the underperformance, **Estee Lauder**, **Starbucks** and **Mead Johnson** stumbled as well. Amazon was the lone positive contributor among our consumer holdings.
- The technology sector was a negative contributor to performance, even though the portfolio included two companies acquired during the year and three out of the best five performers in the portfolio were technology companies.

SECTOR	LARGE-CAP GROWTH REP. ACCOUNT		RUSSELL 1000® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION AND INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Consumer Discretionary	14.67	-15.49	20.91	6.25	--	-3.28	-3.28
Consumer Staples	10.54	-5.99	10.76	3.85	-0.15	-1.04	-1.19
Energy	0.09	-20.79	0.57	22.88	-0.22	-0.04	-0.27
Financials	1.50	-24.70	2.76	13.84	-0.32	-0.73	-1.05
Health Care	17.74	-12.56	16.49	-6.80	-0.10	-1.08	-1.18
Industrials	6.94	1.67	10.74	15.77	-0.15	-0.79	-0.94
Information Technology	42.79	7.34	29.56	11.13	0.56	-1.53	-0.98
Materials	3.50	3.75	3.57	10.96	-0.02	-0.23	-0.25
Real Estate	--	--	2.82	1.86	0.12	--	0.12
Telecommunication Services	2.23	6.41	1.75	23.46	-0.40	-0.19	-0.59
Utilities	--	--	0.06	-9.42	--	--	--
Total	100.00	-2.54	100.00	7.07	-0.69	-8.92	-9.61

Sector attribution excludes cash and cash equivalents.

Quarterly Contribution to Return

- **Akamai Technologies** rebounded after a tough second-quarter reporting period. Although it continues to work through sluggishness in the large customer segment, the remainder of the business is performing well in our view.
- Elliott, an activist investor, took a position in **Cognizant** -- pushing up the stock price.
- **Costco** benefited from improving store-traffic metrics. Also, the recent transition of its co-branded credit card to **VISA** is starting to bear fruit.
- During the third quarter, **Danaher** spun off its industrial business lines into a new company called **Fortive**. The stock rallied along with the industrials sector after the U.S. presidential election.
- **Amphenol** performed well after announcing that a recent acquisition had exceeded the Street's profit-margin expectations. Analysts had expected that the acquired company would take much longer to reach **Amphenol's** profit-margin level.
- Medtronic publicized the release of its next generation glucose monitor. Although the technology lags **DexCom's** product, **DexCom's** stock fell because of a perceived competitive threat.
- **TripAdvisor** missed quarterly performance expectations because of the continued aggressive rollout of its Instant Booking platform. Under this transition, **TripAdvisor** is sacrificing revenue in the short term for the long-term opportunity to improve monetization.
- **Under Armour** reduced profit expectations while making plans to invest for future growth. This surprised investors, prompting a decline in its stock price.
- Despite beating expectations during the quarter, **FleetCor** fell on concerns that macroeconomic headwinds will persist into 2017.
- **Amazon's** stock pulled back in the fourth quarter after increasing from its February lows. The company missed quarterly profit expectations, disappointing some investors. Historically, **Amazon's** investments have been erratic, and one quarter is not indicative of long-term trend in our view.

LARGE-CAP GROWTH REP. ACCOUNT TOP FIVE CONTRIBUTORS				
TICKER	NAME	AVG. WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
AKAM	Akamai Technologies, Inc.	2.71	25.84	0.54
CTSH	Cognizant Technology Solutions Corporation Class A	2.54	17.44	0.38
COST	Costco Wholesale Corporation	3.84	5.31	0.21
FTV	Fortive Corp.	2.93	5.50	0.17
APH	Amphenol Corporation Class A	3.85	3.75	0.14
LARGE-CAP GROWTH REP. ACCOUNT BOTTOM FIVE CONTRIBUTORS				
DXCM	DexCom, Inc.	2.47	-31.90	-0.92
TRIP	TripAdvisor, Inc.	2.87	-26.61	-0.92
UAA	Under Armour, Inc. Class A	0.90	-24.90	-0.65
UA	Under Armour, Inc. Class C	1.42	-25.66	
FLT	FleetCor Technologies, Inc.	2.77	-18.54	-0.56
AMZN	Amazon.com, Inc.	4.76	-10.44	-0.51

Year-to-Date Contribution to Return

- **Amphenol** was the best performing stock in the portfolio in 2016. Although the company dealt with several headwinds from the broad economy, it has executed very well. Also, as noted, a recent acquisition is performing better than expected.
- **NetSuite**, the only pure cloud-based enterprise resource software provider, was acquired by Oracle for a healthy premium.
- **Akamai** was not immune to technology-sector volatility during the year, but the stock responded positively to improving fundamentals during the fourth quarter.
- **Amazon** outperformed during 2016 even though it missed third-quarter profit expectations, causing its stock to retreat a bit. The AWS cloud business is performing well, and the company continuously finds innovative ways to maximize its powerful e-commerce platform.
- Despite a choppy fourth quarter, **Intuitive Surgical** stock rose during 2016. Procedure growth for its robotic surgical system was robust and overseas growth accelerated.
- The rollout and adoption of **TripAdvisor's** Instant Booking platform has taken longer than many investors expected. This has weighed heavily on the stock price. However, some of the important metrics are starting to show improvements. We believe the risk-reward profile for TripAdvisor is very compelling.
- **Alexion** withheld the release of its quarterly report because of an internal investigation into potentially improper sales practices. The company has said it does not expect to restate previously reported results or pay any fines, giving us comfort that the worst-case scenario is very unlikely at this point.
- While we built a position in **DexCom**, a recent addition to the portfolio, the share price declined because of the perceived competitive threat from Medtronic. We believe that the diabetes market for glucose monitors will grow fast enough to support several players, and DexCom is the technology leader.
- **Charles Schwab** was eliminated from the portfolio during the third quarter. Despite strong fundamental performance, the stock has traded in lockstep with interest-rate expectations. Given that our skill set is analyzing business models and not predicting interest rates, we swapped out of Schwab in favor of a stock that is not tied to the shift in rates.

LARGE-CAP GROWTH REP. ACCOUNT TOP FIVE CONTRIBUTORS				
TICKER	NAME	AVG. WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
APH	Amphenol Corporation Class A	3.44	29.88	0.94
N	NetSuite Inc.	1.94	28.81	0.71
AKAM	Akamai Technologies, Inc.	2.28	26.70	0.65
AMZN	Amazon.com, Inc.	4.92	10.95	0.62
ISRG	Intuitive Surgical, Inc.	3.64	16.11	0.55
LARGE-CAP GROWTH REP. ACCOUNT BOTTOM FIVE CONTRIBUTORS				
TRIP	TripAdvisor, Inc.	3.08	-45.61	-1.97
ALXN	Alexion Pharmaceuticals, Inc.	2.84	-35.86	-1.12
DXCM	DexCom, Inc.	0.96	-33.34	-1.02
SCHW	Charles Schwab Corporation	1.50	-24.70	-0.92
UAA	Under Armour, Inc. Class A	1.36	-29.56	-0.77
UA	Under Armour, Inc. Class C	1.04	-39.01	

- **Under Armour** announced plans to invest heavily in growth projects, setting back the outlook for short-term profit margins.

Portfolio Activity

- **NetSuite** was acquired by Oracle for \$109 per share. The deal was announced in July and, after some public negotiating, was completed in early November.
- In late December we started building a position in **A.O. Smith**, a leading global supplier of residential and commercial water heaters, water treatment and air filtration systems. The company generates stable cash flows from its North American operations which, in turn, fuel growth throughout the rest of the world, particularly in China. We expect earnings-per-share growth in the mid-teens during the next several years because of further penetration in rapidly growing markets such as China and India, and due to consistent demand in North America driven primarily by replacement and some market share gains.

LARGE-CAP GROWTH REP. ACCOUNT PORTFOLIO ACTIVITY		
ADDITIONS		SECTOR
AOS	A. O. Smith Corporation	Industrials
DELETIONS		SECTOR
N	NetSuite Inc.	Information Technology

Large-Cap Growth Institutional 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)	Firm Assets (\$USD Millions)
2015	7.8	7.4	5.7	10.2	10.7	168	0.3	12,583	43,746
2014	7.1	6.6	13.1	11	9.6	181	0.2	14,674	44,772
2013	30.3	29.7	33.5	15.5	12.2	212	0.3	15,740	40,739
2012	16.7	16.2	15.3	18.7	15.7	148	0.4	8,525	26,794
2011	0.4	0	2.6	19.7	17.8	102	0.3	5,622	19,962
2010	25.7	25.3	16.7	22.5	22.1	65	0.5	3,936	16,859
2009	53.3	53	37.2	20	19.7	41	0.6	1,191	11,058
2008	-35.7	-36.3	-38.4	16.5	16.4	32	0.3	120	8,547
2007	12.1	11.8	11.8	8.9	8.5	30	0.3	160	7,385
2006	15.7	15.2	9.1	8.6	8.3	26	0.2	68	6,770

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2. The Large-Cap Growth Institutional Composite includes all discretionary institutional portfolios (and carve-outs through 2009) invested in U.S. equities with strong earnings growth characteristics and large market capitalizations. This composite has been examined for the periods from January 1, 2006 through December 31, 2009. The examination reports are available upon request. The minimum account market value required for composite inclusion is \$1.5 million.
3. Through 2009, cash was allocated to carve-outs based on a strategic asset allocation percentage.
4. This composite was created in 1997.
5. The benchmark is the Russell 1000® Growth Index. The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. The Russell 1000® Growth Index and Russell® are trademarks/service marks 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.
6. The dispersion of annual returns is measured by the equal weighted standard deviation of portfolio returns. Prior to 2004 the dispersion of annual returns is measured by the range between the high and low portfolio returns.
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 \$10 million; 0.65% on the next \$15 million; 0.50% on the next \$25 million; and 0.40% on the balance over \$50 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. For calendar year end 2006-2009 the percent of the composite composed of carve-outs was 85%, 38%, 33% and 5% respectively.
9. 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.
10. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
11. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
12. Past performance does not indicate future results.
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Composite performance is based on the Brown Advisory Large-Cap Growth Composite and was obtained through FactSet®. All information and returns shown are as of 12/31/2016 for each period. Returns greater than one year are annualized. Past performance is not indicative of future results. Representative account characteristics and top 10 holdings were obtained through FactSet. For UA and UAA, the Class C and Class A holdings, the contribution to return equals the sum of the contribution to return of both securities. This information is based on a representative Large-Cap Growth account and is provided as supplemental information. Account characteristics exclude cash and cash equivalents; top 10 holdings list includes cash and cash equivalents. FactSet® is a registered trademark of FactSet Research Systems, Inc.

Sector diversification, attribution, top and bottom five contributors and portfolio additions and deletions source: FactSet. The portfolio information provided is based on a representative Large-Cap Growth account and is provided as supplemental information. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. The security returns listed represent the period of when the security was held during the quarter. Top five and bottom five contributors exclude cash and cash equivalents. Sector diversification excludes cash and cash equivalents. 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. The individual amounts shown for top ten holdings, sector diversification and quarterly attribution may not sum to the total amount shown due to rounding. Please see composite disclosure statements above for additional information.

Terms and Definitions for Representative Account Calculations

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted. **Market Capitalization** refers to the aggregate value of a company's publicly-traded stock. Statistics are calculated as follows: **Weighted Average**: equals 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). **Weighted Median**: the value at which half the portfolio's market capitalization weight falls above and half falls below. **Earnings Growth 3-5 Year Estimate** is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokers, calculated according to each broker's methodology. **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 FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1. **P/E / Growth Ratio, or PEG Ratio**, is the ratio of a portfolio's P/E Ratio divided by its Est. 3-5 Yr. EPS Growth rate. All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holding, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average. **Portfolio Turnover (3 yr. avg.)** is the ratio of the lesser of the portfolio's aggregate purchases or sales during a given period, divided by the average value of the portfolio during that period, calculated on a monthly basis. 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. **Allocation Effect** measures the impact of the decision to allocate assets differently than those in the benchmark. **Selection and Interaction Effect** reflects the combination of selection effect and interaction effect. Selection effect measures the effect of choosing securities that may or may not outperform those of the benchmark. Interaction effect measures the effect of allocation and selection decisions (i.e., did we overweight the sectors in which we underperformed). **Total Effect** reflects the combination of Allocation, Selection and Interaction effects. Totals may not equal due to rounding. **Contribution To Return** is calculated by multiplying a security's beginning weight as a percentage of a portfolio by that security's return for the period covered in the report.