Large-Cap Growth

STRATEGY FACT SHEET

First Quarter 2018

WHY INVEST IN BROWN ADVISORY LARGE-CAP GROWTH?

A focus on companies that can potentially sustain high rates of growth. Manager Ken Stuzin focuses on finding companies with strong business models and capable management teams that have the potential to maintain attractive growth throughout a market cycle. The process is based on deep fundamental research and investments are concentrated in companies that offer compelling valuations based on potential upside and downside risk.

Disciplined portfolio decisions driven by competition for capital. The manager maintains a concentrated portfolio and a strict "one in, one out" discipline to ensure that existing holdings are constantly competing against new ideas to hold their place in the portfolio. This concept of "Darwinian capitalism" helps the manager to ensure that the high-active-share portfolio is constantly optimized around investments that offer the most attractive risk-return potential.

Portfolio Manager: Ken Stuzin, CFA
Benchmark: Russell 1000® Growth Index

STRATEGY PROFILE AS OF 03/31/2018

BENCHMARK
Russell 1000® Growth Index

STRATEGY ASSETS
$12.5 billion

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

PERFORMANCE (% AS OF 03/31/2018)

	3 MOS.	1 YR.	3 YR.	5 YR.	10 YR.
Large-Cap Growth Composite (Gross of Fees)	7.37	28.90	12.64	13.63	12.70
Large-Cap Growth Composite (Net of Fees)	7.26	28.41	12.19	13.17	12.24
Russell 1000® Growth Index	1.42	21.25	12.90	15.53	11.34

CHARACTERISTICS AS OF 03/31/2018

	LARGE-CAP GROWTH REP. ACCT.	RUSSELL 1000 GROWTH INDEX
Weighted Avg. Market Cap.	$137.9 B	$234.3 B
Weighted Median Market Cap.	$51.6 B	$98.6 B
Earnings Growth (3-5 Yr. Est.)	16.5%	15.7%
P/E Ratio (FY2 Est.)	25.0x	18.1x
PEG Ratio	1.5x	1.2x
Portfolio Turnover (3-Yr.Avg.)	33.0%	--

TOP 10 PORTFOLIO HOLDINGS %

Zoetis, Inc.	4.7
Amazon.com, Inc.	4.3
Visa, Inc.	4.0
Intuitive Surgical, Inc.	3.9
Salesforce.com, Inc.	3.7
PayPal Holdings, Inc	3.7
Intuit, Inc.	3.6
Adobe Systems, Inc.	3.6
Roper Technologies, Inc.	3.6
Estee Lauder Companies, Inc. Cl A	3.6

SECTOR BREAKDOWN (%)

	REP. ACCT	INDEX
Consumer Discretionary	15.7	18.6
Consumer Staples	6.5	6.4
Energy	--	0.8
Financials	--	3.5
Health Care	19.3	12.5
Industrials	13.3	12.6
Information Technology	39.2	38.8
Materials	2.6	3.5
Real Estate	3.5	2.4
Telecommunication Services	--	0.9
Utilities	--	0.0

PORTFOLIO MANAGER PROFILE

KENNETH M. STUZIN, CFA

Kenneth Stuzin is the portfolio manager of the Large-Cap Growth strategy. Prior to joining the firm, he was a vice president and a large-cap portfolio manager at J.P. Morgan Investment Management in Los Angeles. Previously, Ken worked as a quantitative portfolio strategist in New York, where he advised clients on capital markets issues and strategic asset allocation decisions. Ken earned his MBA from Columbia University in 1993.

Source: FactSet®. The portfolio information provided is based on a representative Brown Advisory Large-Cap Growth account as of 03/31/2018 and is provided as supplemental information. Sector breakdown and portfolio characteristics exclude cash and cash equivalents; top 10 portfolio holdings include cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. The composite performance shown above reflects the Large-Cap Growth Institutional Strategy, 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 Large-Cap Growth Institutional disclosure statement at the end of this presentation for a GIPS compliant presentation. Returns greater than one year are annualized. 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. Past performance is not indicative of future results. Numbers may not total due to rounding. Please see the Brown Advisory Large-Cap Growth Institutional Composite performance disclosure on the reverse side for additional information and a complete list of terms and definitions

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 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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Brown Advisory Large-Cap Growth

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	33.7	33.1	30.2	11.7	10.5	130	0.3	10,073	33,155
2016	-2.3	-2.7	7.1	11.2	11.2	158	0.1	9,848	30,417
2015	7.8	7.4	5.7	10.2	10.7	189	0.3	12,677	43,746
2014	7.1	6.6	13.1	11.0	9.6	211	0.2	14,806	44,772
2013	30.3	29.7	33.5	15.5	12.2	268	0.4	15,849	40,739
2012	16.7	16.2	15.3	18.7	15.7	190	0.4	8,660	26,794
2011	0.4	0.0	2.6	19.4	17.8	135	0.4	5,722	19,962
2010	25.7	25.4	16.7	22.2	22.1	94	1.8	4,045	16,859
2009	49.4	48.5	37.2	19.5	19.7	252	4.9	1,474	11,058
2008	-36.4	-36.7	-38.4	16.2	16.4	228	1.4	367	8,547
2007	10.2	9.6	11.8	8.6	8.5	247	2.1	618	7,385

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 Large-Cap Growth Equity Composite includes all discretionary portfolios (and carve-outs through 2009) invested in U.S. equities with strong earnings growth characteristics and large market capitalizations. 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. For calendar year end 2006-2009, the percent of the composite composed of carve-outs was 85%, 38%, 33% and 5% respectively
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
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 69%, 62%, 56%,and 23% 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.
13. 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

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted. 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. **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. **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. All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holdings, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.