Large-Cap Sustainable Growth

QUARTERLY STRATEGY UPDATE

First Quarter 2018

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COMPOSITE PERFORMANCE (%)

	COMPOSITE GROSS OF FEES	COMPOSITE NET OF FEES	RUSSELL 1000® GROWTH INDEX
3 MOS.	4.61	4.45	1.42
1 YR.	24.38	23.70	21.25
3 YR.	15.33	14.71	12.90
5 YR.	16.59	15.96	15.53
ITD (12/31/2009)	16.69	16.11	14.76

The composite performance shown above reflects the Brown Advisory Large-Cap Sustainable Growth 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 end of this for a GIPS compliant presentation.

REP. ACCOUNT CHARACTERISTICS

	LARGE-CAP SUSTAINABLE GROWTH REP. ACCT.	RUSSELL 1000® GROWTH INDEX
Wtd. Avg. Market Cap.	$167.7 B	$234.3 B
P/E Ratio (FY2 Est.)	23.0x	18.1x
Earnings Growth (3-5 Yr. Est.)	15.1%	15.7%
PEG Ratio	1.8x	1.6x
Portfolio Turnover (3 YR Avg.)	32.7%	--

REP. ACCOUNT TOP 10 PORTFOLIO HOLDINGS

SECURITY	% PORTFOLIO
Microsoft Corp.	4.8
Visa, Inc.	4.7
Amazon.com, Inc.	4.6
Alphabet. Inc. (Class A & C)*	4.5
American Tower Corp.	4.3
UnitedHealth Group, Inc.	4.0
Adobe Systems, Inc.	4.0
Thermo Fisher Scientific, Inc.	4.0
Danaher Corp.	3.8
Intuit, Inc.	3.6
TOTAL	**42.3**

*Alphabet Inc. represents a 3.8% holding position in class A and 0.7% in class C shares of the stock.

Review & Outlook

The strategy had a strong start to the year relative to its benchmark, the Russell 1000® Growth Index, thanks to strong performance from our health care, information technology and consumer staples holdings.

The volatility in the first quarter stands in stark contrast to the calm market environment that persisted throughout 2017. New fears of interest rates hikes, wage inflation, trade wars and privacy breaches all contributed to a rocky path for growth stocks. We note that since our strategy's inception, we have performed consistently well on a relative basis during periods of market weakness, and this has been a primary contributor to our long-term success versus our benchmark. While challenging market conditions always test and humble us, our emphasis on downside protection has generally served us well and did so again during the most recent quarter.

Our technology holdings contributed positively to relative performance, even though **Facebook** and **Alphabet** (both large holdings for us) lost market value and dragged many in the market along with them. **Adobe** and **Red Hat** again exceeded consensus expectations and posted strong double-digit returns; they were two of our best performers over the past year.

We maintain an overweight in the health care sector, specifically due to our preference for consistent, steady growers in the medical device and laboratory equipment market, such as **Thermo Fisher Scientific and Mettler Toledo**. These companies have performed well for many years and are a core part of our portfolio.

We also saw positive performance from our consumer holdings. **Amazon** delivered attractive sales growth and margin expansion in both its technology services and marketplaces segments. Meanwhile, the brick and mortar-oriented **TJX Companies** reported strong results after the holiday season. Its off price business model has withstood e-commerce threats, and we believe that the proliferation of online retailers may help TJX procure surplus goods that can attract and delight customers to their physical stores.

We were active during the quarter, capitalizing on opportunities to either take profits or reduce risk. We trimmed our Red Hat and Facebook stakes (discussed later in this report), and took advantage of temporary weakness to increase position sizes in **West Pharmaceuticals**, **Unilever**, **Ball Corporation** and **Nordson**.

We also initiated new positions in **Marvell Technologies** and **The Home Depot**. Marvell is a leading fabless provider of semiconductors for a broad suite of storage, networking and connectivity applications. It is a pioneer in designing chips that use less energy and fewer raw materials. The company has a new management team in place that we think can drive operating discipline and pursue bigger growth opportunities. Late last year, Marvell announced its intention to acquire **Cavium Technologies**, a company that we have owned in the portfolio since the first quarter of 2017. We like the combination and swapped our Cavium position into Marvell this past quarter.

The Home Depot is an established leader in the home improvement category. We believe that its multiyear investments and experience in managing its supply chain are bearing fruit. The company is tightly focused on logistics, sourcing and an ever-improving physical and digital customer experience. We think its efforts will lead to revenue growth, new addressable markets and margin improvements.

We are committed to our process of finding investment opportunities at the intersection of strong fundamentals, sustainable business advantages and attractive valuation. This philosophy has served us well over the last eight years, and we believe it will continue to do so in the years ahead.

Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Sector Diversification

- Our sector allocation in both absolute and relative terms was relatively unchanged during the quarter.
- Consistent with prior quarters, the portfolio is overweight industrials and underweight consumer staples, energy and financials. We do not use sector rotation as a driver of return. Our sector weightings are primarily determined by the company-specific opportunities that emerge from our bottom-up stock selection process.
- As we have previously noted, many of our industrial and information technology holdings could be categorized within other sectors. Several of our industrial firms primarily serve in the health care sector, while several of our technology holdings are involved in financial services.

SECTOR	LARGE-CAP SUSTAINABLE GROWTH REP. ACCOUNT (%)	RUSSELL 1000® GROWTH INDEX (%)	DIFFERENCE (%)	LARGE-CAP SUSTAINABLE GROWTH REP. ACCOUNT (%)	
	Q1 '18	Q1 '18	Q1 '18	Q4 '17	Q1 '17
Consumer Discretionary	12.51	18.63	-6.12	10.00	11.71
Consumer Staples	2.93	6.37	-3.44	2.55	1.88
Energy	--	0.83	-0.83	--	--
Financials	--	3.49	-3.49	--	--
Health Care	21.32	12.51	8.81	19.82	17.60
Industrials	17.10	12.60	4.50	19.10	22.98
Information Technology	36.75	38.77	-2.02	37.85	36.35
Materials	4.97	3.48	1.49	6.04	5.47
Real Estate	4.43	2.40	2.03	4.65	4.02
Telecommunication Services	--	0.91	-0.91	--	--
Utilities	--	0.01	-0.01	--	--

Quarterly Attribution Detail by Sector

- Adobe Systems, Red Hat and **Tyler Technologies** drove strong results in technology. All three companies are clear leaders in their respective end markets, and we believe that they have long runways of growth ahead.
- We are notably and consciously overweight in health care. We have gradually added to this sector in recent years as we have identified a number of companies with what we consider to be compelling business models.
- Strong results from our consumer discretionary, consumer staples, materials and real estate holdings also benefited relative returns. Industrials were a notable weak point for the portfolio; our overweight was a drag on returns, and **Healthcare Services Group** and **Welbilt** both struggled.

SECTOR	LARGE-CAP SUSTAINABLE 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	11.73	8.61	18.53	4.35	-0.19	0.47	0.29
Consumer Staples	2.53	0.82	6.37	-4.81	0.31	0.18	0.48
Energy	--	--	0.83	-5.79	0.08	--	0.08
Financials	--	--	3.39	4.29	-0.08	--	-0.08
Health Care	21.26	4.82	12.84	-0.24	-0.12	1.01	0.88
Industrials	17.24	-1.68	12.59	-0.04	-0.05	-0.34	-0.39
Information Technology	37.94	8.04	38.62	3.35	0.02	1.65	1.68
Materials	4.92	2.22	3.59	-5.64	-0.08	0.34	0.26
Real Estate	4.39	1.87	2.31	-3.46	-0.10	0.23	0.13
Telecommunication Services	--	--	0.91	-8.13	0.11	--	0.11
Utilities	--	--	0.01	7.32	0.01	--	0.01
Total	**100.00**	**4.86**	**100.00**	**1.42**	**-0.10**	**3.54**	**3.44**

Quarterly Contribution to Return

- Adobe Systems posted another strong quarter, reporting attractive revenue growth, profitability and cash flow growth. We believe Adobe has cemented its position as the clear leader in creative digital software. We took advantage of the stock's strength to trim our position.
- Amazon's strong reported margins exceeded expectations and sparked a rally in its shares. Its North American e-commerce business and its cloud computing offering (AWS) generated strong profitability.
- Red Hat's open-source operating system software (RHEL) has continued to generate strong results for the company, and more recently, Red Hat's emerging platforms have also started to gain traction. We believe that its OpenShift platform will propel growth going forward, given that it drives efficiency for software developers. As with Adobe, we trimmed our Red Hat position on the heels of strong first-quarter performance.
- **Edwards Lifesciences** beat quarterly expectations, reflecting strong adoption of its transcatheter aortic valve replacement (TAVR) offering. The company raised guidance for the year. It is expanding its footprint by opening a number of new centers across the U.S. We view Edwards as a core holding based on its strong TAVR outlook and its solid pipeline of many new therapies.
- Tyler Technologies reported a strong quarter and raised its research and development spending level to drive future growth opportunities. The company's public safety business performed well, and win rates were strong during the quarter. We view Tyler as a well-positioned leader in local government software.
- Healthcare Services Group posted solid revenue growth, but its working capital remains under pressure. We believe that working capital will begin to benefit cash flow this fiscal year, as new customers are onboarded. However, we trimmed our position due to the increasingly difficult financial conditions faced by the company's customers.
- West Pharmaceutical Services surprised investors by detailing a charge stemming from its Venezuela operations. This will negatively impact upcoming quarterly results, but we believe this is a one-time issue, and we took advantage of the stock's weakness and added to our position.
- Welbilt is battling depressed industry demand for new commercial cooking equipment, especially in the U.S. After three years of tepid growth, we believe growth will reaccelerate in 2018 due to pent-up demand. We added to our position after the stock traded down following the release of its quarterly results.

LARGE-CAP SUSTAINABLE GROWTH REP. ACCOUNT TOP FIVE CONTRIBUTORS

TICKER	NAME	AVG. WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
ADBE	Adobe Systems Incorporated	4.48	23.31	1.00
AMZN	Amazon.com, Inc.	4.63	23.76	0.89
RHT	Red Hat, Inc.	3.25	24.49	0.73
EW	Edwards Lifesciences Corporation	3.08	23.79	0.64
TYL	Tyler Technologies, Inc.	2.21	19.15	0.39

LARGE-CAP SUSTAINABLE GROWTH REP. ACCOUNT BOTTOM FIVE CONTRIBUTORS

TICKER	NAME	AVG. WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
HCSG	Healthcare Services Group, Inc.	2.29	-17.21	-0.43
WST	West Pharmaceutical Services, Inc.	2.38	-10.39	-0.31
WBT	Welbilt Inc	1.44	-17.27	-0.25
FB	Facebook, Inc. Class A	3.50	-9.45	-0.22
HD	Home Depot, Inc.	1.70	-10.96	-0.21

- Facebook is still dealing with the negative repercussions of the Cambridge Analytica situation. While it is extremely hard to predict the financial ramifications of the event, we trimmed our position, as we believe the stock will continue to struggle with lingering uncertainty.
- Home Depot's results in the most recent quarter were attractive in all respects, but investors are concerned about rising interest rates and their potentially negative impact on the housing market. We took advantage of the pullback in Home Depot's shares; we viewed this pullback as an overreaction and added to our position.

Portfolio Activity

- Home Depot is a leading retailer in the home improvement category. Over the past 20 years, the management team has built, in our opinion, a world-class supply chain with the goal of increasing the velocity and efficiency of product delivery. This effort has resulted in a massive reduction in delivery loads and freight miles over time. Home Depot's assortment of environmentally preferred products now represent 10% of overall sales. We believe that its investments in infrastructure and supply chain help it attract more professional contractors; this in turn drives growth, because contractors typically spend substantially more per visit when compared to average retail consumers. Home Depot's revenue from contractors has grown to 40% of the company's total over time.
- Marvell Technology Group is a leading provider of semiconductors for high-performance products in storage, networking and connectivity. The company's highly regarded engineering team has helped Marvell establish #1 or #2 market-share positions across its various products. The company suffered from years of weak operational management from prior leadership, but we believe that its new management team will reduce the cost structure of the organization to better compete in the marketplace. Marvell's sustainable business advantage (SBA) is its expertise and pioneering experience in low-power, low-cost transceivers and storage controllers that in turn enable the energy efficiency that has become increasingly important to its end-market customers.
    - We believe that Marvell's combination with Cavium will help it offer a more complete solution and help it better compete against larger players such as Broadcom. We sold our position in Cavium and reinvested the proceeds in Marvell; we believe Marvell has more upside potential.
- We exited **Westinghouse Air Brake** after losing confidence in our investment thesis. The proceeds were reinvested in Home Depot.

LARGE-CAP SUSTAINABLE GROWTH REP. ACCOUNT PORTFOLIO ACTIVITY

ADDITIONS		SECTOR
HD	Home Depot, Inc.	Consumer Discretionary
MRVL	Marvell Technology Group Ltd.	Information Technology
DELETIONS		**SECTOR**
CAVM	Cavium, Inc.	Information Technology
WAB	Westinghouse Air Brake Technologies Corporation	Industrials

Large-Cap Sustainable Growth 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	29.1	28.4	30.2	10.6	10.5	32	0.2	762	33,155
2016	6.6	6.0	7.1	11.5	11.2	32	0.1	503	30,417
2015	13.7	13.1	5.7	11.1	10.7	23	0.3	405	43,746
2014	7.1	6.5	13.1	9.9	9.6	25	0.1	303	44,772
2013	34.5	33.7	33.5	12.1	15.5	24	0.2	288	40,739
2012	16.5	15.9	15.3	15.7	15.7	22	0.3	211	26,794
2011	5.4	5.0	2.6	--	--	21	0.3	37	19,962
2010	23.5	23.1	16.7	--	--	18	--	13	16,859

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 Sustainable Growth Composite includes all discretionary portfolios invested in the Sustainable Large Cap Strategy. The strategy invests primarily in large market capitalization companies with financially and environmentally sustainable business models. The minimum account market value required for composite inclusion is $1.5 million. Prior to 2012, the minimum was $100,000.
3. This composite was created in 2010. Prior to 3/31/13, the strategy was named Large-Cap Sustainability. Prior to 12/31/2011 the strategy was named Winslow Green Large Cap. No changes have been made to the strategy since inception.
4. 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.
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 $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.
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, 2010 and December 31, 2011 because 36 month returns for the composite were not available (NA).
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.
11. 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.

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Composite performance is based on the Brown Advisory Large-Cap Sustainable Growth Composite and was obtained through FactSet®. All information and returns shown are as of 3/31/2018 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. This information is based on a representative Large-Cap Sustainable 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.

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 and sector attribution excludes cash and cash equivalents. Total portfolio return figures provided reflect the sum of the returns of the equity holdings in the representative account portfolio due to price movements and dividend payments or other sources of income, and exclude cash. Performance figures may vary from actual portfolio performance, as calculations are based on end-of-day security prices and do not incorporate the actual cost basis or sale price of individual securities. 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. **Weighted Average Market Cap** refers to 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). **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. **Earnings Growth 3-5 Year Est.** is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokerage firms, calculated according to each broker's methodology. **P/E / Growth Ratio,** or **PEG Ratio,** is the ratio of a portfolio's P/E Ratio divided by its Earnings Growth 3-5 Year Est. **Portfolio Turnover** 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. Portfolio turnover is provided for a three-year trailing period. 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. 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.