

Large-Cap Sustainable Growth

STRATEGY OVERVIEW

Third Quarter 2018

We believe that a concentrated portfolio of companies that offer durable fundamental strengths, sustainable competitive advantages and compelling valuations can outperform over a full market cycle. Sustainable competitive advantages can positively contribute to a company's fundamental strength and financial performance by specifically driving revenue growth, cost improvements and enhanced franchise value.

MANAGEMENT TEAM

Karina Funk, CFA

Portfolio Manager

INVESTMENT EXPERIENCE SINCE 2003;
JOINED BROWN ADVISORY IN 2007

David Powell, CFA

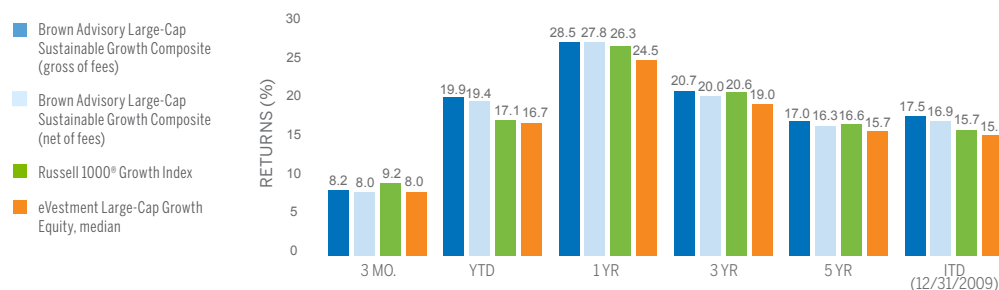
Portfolio Manager

INVESTMENT EXPERIENCE SINCE 1997;
JOINED BROWN ADVISORY IN 2001

TRAILING ANNUALIZED TOTAL RETURN

Long-Term Outperformance vs. Benchmark Index

Source: FactSet and eVestment, as of 09/30/2018



Annualized Total Returns (%) as of 09/30/2018

| | 3 MO. | YTD | 1 YR | 3 YR | 5 YR | ITD |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Brown Advisory Large-Cap Sustainable Growth Composite (gross of fees) | 8.19 | 19.91 | 28.50 | 20.68 | 16.97 | 17.49 |
| Brown Advisory Large-Cap Sustainable Growth Composite (net of fees) | 8.04 | 19.42 | 27.80 | 20.04 | 16.34 | 16.90 |
| Russell 1000® Growth Index | 9.17 | 17.09 | 26.30 | 20.55 | 16.58 | 15.74 |
| Excess Return vs. Index (gross) | -0.99 | +2.83 | +2.21 | +0.13 | +0.39 | +1.74 |

eVestment U.S. Large-Cap Growth Peer Universe as of 09/30/2018

| | 3 MO. | YTD | 1 YR | 3 YR | 5 YR | ITD |
|---|------------|----------------|----------------|----------------|----------------|---------------|
| eVestment U.S. Large-Cap Growth Equity Median | 8.05% | 16.73% | 24.54% | 19.03% | 15.65% | 15.11% |
| Brown Advisory LCSG Composite Rank | 48% | Top 25% | Top 25% | Top 22% | Top 21% | Top 6% |
| # of Large-Cap Growth Managers Ranked | 306 | 306 | 306 | 297 | 287 | 265 |

Growth of \$10,000 Investment, Since Inception 12/31/2009 - 09/30/2018

| | Initial Value | Ending Value | Annualized Return |
|---|---------------|--------------|-------------------|
| Brown Advisory Large-Cap Sustainable Growth Composite (gross of fees) | \$10,000 | \$40,963 | 17.5% |
| Brown Advisory Large-Cap Sustainable Growth Composite (net of fees) | \$10,000 | \$39,217 | 16.9% |
| Russell 1000® Growth Index | \$10,000 | \$35,941 | 15.7% |

Source: Universe performance rankings from eVestment, all other statistics from FactSet®. The performance rankings may not be representative of any one client's experience because the ranking reflects an average of the accounts that make up the composite and is provided as supplemental information. eVestment U.S. Large-Cap Growth Equity represents managers that invest in companies with a market capitalization value of more than \$10 billion. Managers in this category will typically indicate Large-Cap and a "Primary Style Emphasis" equal to Growth. The expected benchmarks for this universe would include the Russell 1000® Index or S&P 500® Index. The minimum criteria necessary for inclusion in an eVestment Universe are 1) minimum of one year of performance history, and 2) updated portfolio characteristics for the product. All products meeting the criteria are evaluated for inclusion. Managers voluntarily populate performance data into the database for inclusion, and the number of managers in each period only consists of managers that were in the universe for that entire period.

*The portfolio characteristics and holdings information provided is based on a representative Brown Advisory Large-Cap Sustainable Growth account as of 09/30/2018 and is provided as supplemental information. Portfolio characteristics exclude cash and equivalents; top 10 portfolio holdings include cash and equivalents. Numbers may not total due to rounding.

Composite performance is based on the Brown Advisory Large-Cap Sustainable Growth Composite. Returns are shown through 09/30/2018, and all returns greater than one year are annualized. The composite performance shown above reflects the Brown Advisory Large-Cap Sustainable Growth composite managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Past performance is not indicative of future results. Please see the Brown Advisory Large-Cap Sustainable Growth compliant presentation on the last page for additional information and a complete list of terms and definitions.

Strategy Profile

BENCHMARK

Russell 1000® Growth Index

STRATEGY ASSETS

\$1.80 billion

PRODUCT INCEPTION

12/31/2009

| PORTFOLIO CHARACTERISTICS* | LARGE-CAP SUSTAINABLE GROWTH REP. ACCOUNT | RUSSELL 1000® GROWTH INDEX |
|----------------------------------|---|----------------------------|
| Weighted Avg. Market Cap. (\$B) | 200.3 | 320.1 |
| EV/FCF (FY2 est. (x)) | 26.3 | 28.3 |
| Dividend Yield (%) | 0.7 | 1.1 |
| Name Turnover, (3-Year Avg. (%)) | 22.0 | -- |
| Active Share (%) | 74.5 | -- |

TOP 10 PORTFOLIO HOLDINGS (% AS OF 09/30/2018)

| | |
|--------------------------------|-----|
| Microsoft Corp. | 4.9 |
| Visa, Inc. | 4.7 |
| UnitedHealth Group, Inc. | 4.4 |
| Amazon.com, Inc. | 4.3 |
| Danaher Corp. | 4.2 |
| Thermo Fisher Scientific, Inc. | 4.1 |
| American Tower Corp. | 4.0 |
| Alphabet, Inc. Cl A | 3.9 |
| Adobe Systems, Inc. | 3.6 |
| Intuit, Inc. | 3.5 |

Seeking Sustainable Competitive Advantages



- Durable business models
- Secular market drivers
- Competitive differentiation
- Sustainable Business Advantages (SBA)
- Favorable reward versus risk, confirmed through research-driven financial models

WE BELIEVE THAT SUSTAINABLE BUSINESS ADVANTAGES CAN DRIVE ATTRACTIVE LONG-TERM REVENUE GROWTH, COST REDUCTION AND ENHANCE FRANCHISE VALUE

| UNIVERSE & IDEA GENERATION | DUE DILIGENCE | DECISION PROCESS | PORTFOLIO MANAGEMENT | SELL DISCIPLINE |
|---|--|---|--|---|
| <ul style="list-style-type: none"> ■ Large investible universe of more than 1,000 companies with a market cap over \$2 billion at the time of purchase ■ Portfolio managers and research analysts seek investment opportunities and assess sustainability risks and opportunities | <ul style="list-style-type: none"> ■ Assess environmental risks ■ Identify drivers of earnings growth: business strength, market opportunity and sustainable business advantages | <ul style="list-style-type: none"> ■ Group discussion leads to robust analysis and ultimately more comprehensive decision-making | <ul style="list-style-type: none"> ■ Roughly 20-30 companies are extensively evaluated each year; approximately 8-10 new positions per year in a portfolio that generally holds 30-40 stocks ■ Typical position size: 1%-5% ■ Top 10 weight typically: 35%-50% of total portfolio; cash position: 2%-5% | <ul style="list-style-type: none"> ■ Fundamental breakdown: growth drivers do not materialize; strategy or management change ■ SBA breakdown ■ Valuation becomes excessive ■ Alternative opportunities offer more compelling growth |

FUNDAMENTAL ANALYSIS SEEKS TO IDENTIFY DRIVERS OF

Revenue Growth, Cost Improvement, Enhanced Franchise Value

SBA PROFILES FOR TOP FIVE PORTFOLIO HOLDINGS (% AS OF 09/30/2018)

| COMPANY | % OF PORTFOLIO | SBA PROFILE |
|--------------------------|----------------|---|
| Microsoft Corp. | 4.9 | Microsoft is a leading developer of software and hardware services. We believe strong SBA can be found in the company's Azure cloud computing platform and infrastructure; when customers move their services to a Microsoft hosted cloud, they are able to reduce their per-user carbon footprint by up to 90%. Moreover, Microsoft has been operating as a carbon neutral company since 2012 when the company implemented its own internal carbon fee. |
| Visa, Inc. | 4.7 | Visa's electronic transaction network gives emerging-market populations access via mobile phone to electronic financial services that would otherwise be unavailable. Access to Visa's global payments system is a key ingredient in improving the flow of goods and services in emerging markets, ultimately creating major societal benefits as well as a powerful platform for Visa's future growth. |
| UnitedHealth Group, Inc. | 4.4 | UnitedHealth provides health care coverage, software and data consultancy services. The company's Optum software provides customers with analytical insight that helps drive higher quality and increased efficiency in the health care system, enabling customers to reduce costs and patient health risks, improve clinical performance and patient outcomes, and adapt to the changing health system landscape. |
| Amazon.com, Inc. | 4.3 | Amazon is a leader in cloud-computing services (AWS) and ecommerce. AWS auctions computation power in real time, allowing Amazon to more evenly distribute its servers' loads and process more data on less hardware. Moreover, AWS enables secondary environmental and health benefits to customers (e.g., efficiently crunching intensive simulations to design more efficient clinical trials, improve safety, and reduce patient burdens). Amazon recently acquired Whole Foods Market, a leading retailer of organic and natural foods, a category that has been growing above conventional food products. |
| Danaher Corp. | 4.2 | Danaher's environmental businesses help clients reduce operating costs, material waste, and environmental impact. Offerings include water analysis and water quality solutions, water filtration and treatment, and services that reduce energy and water usage at manufacturing sites. These environmentally-oriented business lines have proven to be among the most resilient and fastest-growing among the companies entire portfolio. |

The portfolio information provided is based on a representative Brown Advisory Large-Cap Sustainable Growth account as of 09/30/2018 and is provided as supplemental information. Top five portfolio holdings include cash and equivalents. Numbers may not total due to rounding. Please see the Brown Advisory Large-Cap Sustainable Growth compliant presentation on the last page for additional information and a complete list of terms and definitions. Numbers may not total due to rounding. Cash and Equivalents equal 1.5%. The SBA profile for additional holdings is available upon request.

EQUITY INVESTMENT TEAM

KARINA FUNK, CFA
Portfolio Manager

DAVID POWELL, CFA
Portfolio Manager

EMILY DWYER
Analyst: Sustainability

KATHERINE KROLL
Analyst: Sustainability

ERIC GORDON, CFA
Director of Research

PRIYANKA AGNIHOTRI, CFA
Analyst: Financials

JOHN BOND, CFA
Analyst: Technology

LAUREN CAHALAN
Analyst: Investigative

JOHN CANNING, CFA
Analyst: Technology

ERIN CAWLEY
Analyst: Risk

ERIC CHA, CFA
Analyst: Consumer

KENNETH COE, CFA
Analyst: Financials

DOUG FALK
Analyst: Investigative

SHA HUANG
Analyst: Financials

THOMAS FITZALAN HOWARD
Analyst: Generalist

SANJEEV JOSHI, CFA
Analyst: Health Care

MARK KELLY
Analyst: Health Care

PATRICK MAHONEY
Analyst: Consumer

CAMERON MATHIS
Analyst: Financials

DAN MOONEY, CFA
Analyst: Consumer

ADI PADVA
Analyst: Industrials & Basic Materials

SUNG PARK, CFA
Analyst: Health Care

SIMON PATERSON, CFA
Analyst: Industrials & Basic Materials

MICHAEL POGGI, CFA
Analyst: Small-Cap Generalist

GEORGE SAKELLARIS, CFA
Associate Portfolio Manager/Portfolio Manager, Small/Mid-Cap Growth
Analyst: Small-Cap Generalist

EMILY WACHTMEISTER, CFA
Analyst: Technology

RODDY SEYMOUR-WILLIAMS
Analyst: Generalist

JAMIE WYATT
Analyst: Industrials & Basic Materials

ALEX TREVINO
Analyst: Consumer

BERTIE THOMSON
Portfolio Manager, Global Leaders
Analyst: Industrials & Consumer

KARINA FUNK, CFA
Portfolio Manager

Karina joined Brown Advisory in 2009 and has extensive environmentally oriented investment experience spanning early-stage ventures to debt and public equities. She was previously an equity research analyst for Winslow Management Company, a principal at Charles River Ventures and an investment manager at the Massachusetts Renewable Energy Trust.

DAVID POWELL, CFA
Portfolio Manager

David joined Brown Advisory in 1999 as an equity research analyst focused on identifying and recommending investment opportunities in the industrials and energy sectors. Prior to joining, David held a position in investor relations at T. Rowe Price.

Long-Term Oriented, High-Active-Share Approach

Source: FactSet and eVestment

Duration (Years) Holding period based on portfolio turnover for the last 12 months

| | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 09/30/2018 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Brown Advisory LCSG Rep. Account | 3.49 | 4.14 | 2.52 | 3.57 | 2.56 | 4.01 | 3.34 |
| Peer Comparison: eVestment U.S. Large-Cap Growth Equity Universe | | | | | | | |
| 5th Percentile | 765 | 10.28 | 9.01 | 8.94 | 10.65 | 15.01 | 11.74 |
| 25th Percentile | 2.86 | 3.55 | 4.00 | 3.57 | 3.86 | 4.75 | 5.06 |
| Median | 1.79 | 2.04 | 2.08 | 2.04 | 2.24 | 2.73 | 2.86 |
| 75th Percentile | 1.05 | 1.32 | 1.26 | 1.30 | 1.36 | 1.52 | 1.61 |
| 95th Percentile | 0.48 | 0.56 | 0.66 | 0.66 | 0.70 | 0.85 | 0.83 |
| # of Managers in Universe | 239 | 233 | 259 | 271 | 246 | 199 | 162 |

Example: As of 09/30/2018, a Brown Advisory Large-Cap Sustainable Growth representative account had a longer average holding period and higher active share than the median U.S. large-cap growth equity manager, according to eVestment.

The eVestment U.S. Large-Cap Growth Equity universe classification ("universe") includes U.S. equity strategies that invest primarily in large capitalization stocks with fundamental growth characteristics or products that invest in growth stocks/sectors. The expected benchmarks for this universe would include the Russell 1000®, or S&P 500. Managers in this category will typically indicate a "Primary Capitalization Emphasis" equal to Large-Cap and a "Primary Style Emphasis" equal to Growth. The minimum criteria necessary for inclusion in an eVestment Universe are 1) minimum of one year of performance history, and 2) updated portfolio characteristics for the product. All products meeting the criteria are evaluated for inclusion. Managers voluntarily populate performance data into the database for inclusion, and the number of managers in each period consists only of managers that provided that data point and were in the universe for that entire period. For example, the number of managers that provided turnover and active share statistics as of 12/31/2012 differed from 239 to 34, respectively, despite representing the same eVestment U.S. large-cap growth equity universe. Historical manager data for active share, which has become more widely used since 2009, is notably limited prior to 2014.

The analysis is provided as supplemental information. Please see the Brown Advisory Large-Cap Sustainable Growth compliant presentation on the last page for additional information and a complete list of terms and definitions.

Active Share

| | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 09/30/2018 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Brown Advisory LCSG Rep. Account | 82.08 | 85.35 | 87.00 | 84.61 | 79.06 | 76.92 | 74.50 |
| Peer Comparison: eVestment U.S. Large-Cap Growth Equity Universe | | | | | | | |
| 5th Percentile | 91.79 | 88.61 | 89.80 | 88.68 | 87.58 | 86.62 | 83.30 |
| 25th Percentile | 79.17 | 82.30 | 83.75 | 80.88 | 80.22 | 78.83 | 77.99 |
| Median | 74.12 | 76.89 | 77.62 | 73.02 | 72.55 | 69.41 | 68.51 |
| 75th Percentile | 66.88 | 67.42 | 69.80 | 66.46 | 66.28 | 61.87 | 59.85 |
| 95th Percentile | 58.79 | 55.79 | 62.23 | 55.21 | 55.47 | 53.54 | 51.08 |
| # of Managers in Universe | 34 | 97 | 145 | 206 | 188 | 188 | 140 |

Active Management Provides Risk-Adjusted Results

Source: eVestment, Quarterly, 12/31/2009-09/30/2018

Performance Metrics as of 09/30/2018 for the since-inception period beginning 12/31/2009

| | Sharpe Ratio | Treynor Ratio | Information Ratio | Annualized Alpha |
|--|---------------|---------------|-------------------|------------------|
| Brown Advisory LCSG Composite (gross) | 1.45 | 18.76 | 0.44 | 2.85 |
| Peer Comparison: eVestment U.S. Large-Cap Growth Equity Universe | | | | |
| Brown Advisory LCSG Peer Rank (%) | Top 2% | Top 2% | Top 4% | Top 2% |
| 5th Percentile | 1.35 | 17.25 | 0.42 | 1.70 |
| 25th Percentile | 1.20 | 15.48 | 0.10 | 0.08 |
| Median | 1.11 | 14.31 | -0.19 | -1.01 |
| 75th Percentile | 1.03 | 13.20 | -0.46 | -2.10 |
| 95th Percentile | 0.88 | 11.36 | -1.13 | -3.84 |
| # of Managers in Universe | 266 | 266 | 266 | 266 |

Example: As of 09/30/2018, Brown Advisory Large-Cap Sustainable Growth composite (gross of fees) ranked in the top 4% or better for sharpe ratio, treynor ratio, information ratio and alpha generation, out of 266 U.S. large-cap growth equity managers since its 12/31/2009 inception, according to eVestment.

Source: eVestment. Composite performance characteristics shown are as of 09/30/2018 and are based on the Brown Advisory Large-Cap Sustainable Growth Composite (gross of fees) for its 12/31/2009 since-inception period. It is shown as supplemental information to the Brown Advisory Large-Cap Sustainable Growth compliant presentation on the last page. The composite performance shown above reflects the Brown Advisory Large-Cap Sustainable Growth composite managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Past performance is not indicative of future results.

Upside Participation, Downside Protection

Source: eVestment, Monthly, 12/31/2009-09/30/2018

| Market Capture | 3-Year | | 5-Year | | Since Inception (12/31/2009) | |
|--|-------------------|---------------------|-------------------|---------------------|------------------------------|---------------------|
| | Up-Market Capture | Down-Market Capture | Up-Market Capture | Down-Market Capture | Up-Market Capture | Down-Market Capture |
| Brown Advisory LCSG Composite (gross) | 94.75 | 80.65 | 95.63 | 86.00 | 100.10 | 87.66 |
| Peer Comparison: eVestment U.S. Large-Cap Growth Equity Universe | | | | | | |
| Brown Advisory LCSG Peer Rank (%) | 53% | Top 13% | 54% | Top 12% | 50% | Top 7% |
| 5th Percentile | 116.98 | 73.02 | 112.51 | 83.20 | 115.10 | 85.20 |
| 25th Percentile | 102.49 | 89.86 | 102.62 | 92.95 | 105.29 | 97.82 |
| Median | 95.75 | 103.94 | 96.70 | 101.15 | 100.08 | 104.90 |
| 75th Percentile | 86.16 | 114.90 | 89.71 | 108.78 | 94.07 | 110.88 |
| 95th Percentile | 72.02 | 135.66 | 76.90 | 121.56 | 82.76 | 119.27 |
| # of Managers in Universe | 297 | 297 | 297 | 297 | 254 | 254 |

Example: As of 09/30/2018, Brown Advisory Large-Cap Sustainable Growth composite (gross of fees) provided meaningful downside protection since its 12/31/2009 inception and ranked in the top 7% of 254 U.S. large-cap growth equity managers for the period, according to eVestment. Conversely, the Brown Advisory Large-Cap Sustainable Growth composite (gross of fees) has provided 100.1% up-market capture for the same period and ranks 50% in the same universe, according to eVestment.

Source: eVestment. Composite performance characteristics shown are as of 09/30/2018 and are based on the Brown Advisory Large-Cap Sustainable Growth Composite (gross of fees) for its 3-and 5-year, and 12/31/2009 since-inception periods. Note that a negative down-market capture ratio means that the strategy's returns were positive when the Index returns were negative for that specified period. It is shown as supplemental information to the Brown Advisory Large-Cap Sustainable Growth compliant presentation on the last page. Past performance is not indicative of future results.

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.

U.S. INSTITUTIONAL BUSINESS DEVELOPMENT & CONSULTANT RELATIONS

Christopher "Topher" Fearey
cfearey@brownadvisory.com
(410) 537-5549

FINANCIAL INTERMEDIARIES

Matt Pedicino
mpedicino@brownadvisory.com
(443) 873-5252

ENDOWMENTS AND FOUNDATIONS

Doug Godine, CFA
dgodine@brownadvisory.com
(410) 537-5585

Brown Advisory U.S. Large-Cap Sustainable 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 | 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 | NA | NA | 21 | 0.3 | 37 | 19,962 |

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 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.
- 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.
- 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.
- 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.
- 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 IIA 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. The 3 year annualized standard deviation is not presented as of December 31, 2010 and December 31, 2011 because 36 monthly returns for the composite were not available (NA).
- 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. **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). **Enterprise Value/Free Cash Flow (EV/FCF)** is the enterprise value of a company (defined as market value plus debt minus cash and minority interests) divided by its free cash flow (defined as operating cash flow minus net capital expenditure). EV/FCF 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. **Dividend Yield** is the ratio of a stock's projected annual dividend payment per share for the fiscal year currently in progress, divided by the stock's price. 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. **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 the period, shown on page one for the three-year period, calculated on a monthly basis. **Duration** is calculated as one over the portfolio turnover rate for the last 12 months, which shows on average the time in years that a manager holds a typical investment in the portfolio. **Active Share** is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two. **Sharpe Ratio** is defined as average return earned in excess of the risk-free rate (Citigroup 3-Month T-Bill) per unit of volatility or total risk. **Treynor Ratio** is a measurement of the returns earned in excess of that which could have been earned on an investment that has no diversifiable risk per each unit of market risk assumed. **Information Ratio** is the measure of the risk-adjusted return of a portfolio defined as expected active return divided by tracking error, where active return is the difference between the return of the portfolio and the return of a selected benchmark index, and tracking error is the standard deviation of the active return. **Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a portfolio and compares its risk-adjusted performance to a benchmark index. **Upside Capture** is defined as how well a portfolio performs in time periods where the benchmark's returns are greater than zero. **Downside Capture** is defined as how well a portfolio performs in time periods where the benchmark's returns are less than zero. The upside/downside capture ratio is based on the Brown Advisory Large-Cap Sustainable Growth Composite returns (gross of fees) and the Russell 1000® Growth Index returns for its since-inception period. It is provided as supplemental information to the Large-Cap Sustainable Growth composite above. Past performance is not indicative of future results. The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. Past performance is not a guarantee of future performance and you may not get back the amount invested. 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. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. This piece is intended solely for our clients and prospective clients, is for informational purposes only, and is not individually tailored for or directed to any particular client or prospective client.