

Brown Advisory Mid-Cap Growth Strategy

We believe that our strategy can produce excess risk-adjusted returns through a portfolio of diversified companies with above-average earnings growth purchased at attractive valuations. We systematically seek to exploit an inefficient market by investing in companies with durable growth, sound governance and scalable go-to-market strategies.

March 2018 Monthly Report

Performance Contributors

TOP FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
BR	Broadridge Financial Solutions, Inc.	Information Technology	2.58	9.64	0.23
DXCM	Dexcom, Inc.	Health Care	0.57	32.10	0.16
SBAC	SBA Communications Corp. Class A	Real Estate	1.86	8.68	0.15
ACXM	Acxiom Corporation	Information Technology	0.69	15.31	0.14
ECL	Ecolab Inc.	Materials	2.44	5.39	0.12

BOTTOM FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
CAVM	Cavium, Inc.	Information Technology	2.43	-10.85	-0.27
APTV	Aptiv PLC	Consumer Discretionary	2.01	-6.96	-0.15
MAR	Marriott International, Inc. Class A	Consumer Discretionary	2.69	-3.70	-0.11
APH	Amphenol Corporation Class A	Information Technology	1.32	-5.56	-0.08
FWONA	Liberty Media Corporation Series A Liberty Formula One	Consumer Discretionary	1.03	-7.22	-0.07

Top 10 Equity Holdings (%)

Cash and equivalents: 2.1%

1. Waste Connections Inc	3.9	6. Cotiviti Holdings, Inc.	2.6
2. Broadridge Financial Solutions, Inc.	2.6	7. Ball Corp.	2.5
3. Edwards Lifesciences Corp.	2.6	8. Ecolab, Inc.	2.5
4. Marriott International, Inc.	2.6	9. Cogent Communications Group, Inc.	2.3
5. Catalent, Inc.	2.6	10. TransUnion	2.3



CHRIS BERRIER
Portfolio Manager



GEORGE SAKELLARIS, CFA
Portfolio Manager

INSIDE THE STRATEGY: FACTS & TYPICAL PORTFOLIO FIGURES

Strategy Inception: 02/29/2012	Benchmark: Russell Midcap® Growth Index
Portfolio: 50–80 Holdings	Position Size: 0.5%–5.0%
Top 10 Weight: 20%–40%	Cash Position: 0%–10%

Portfolio Comments

The Brown Advisory Mid-Cap Growth Composite rose 1.1% (net of fees) during the month of March, outperforming its benchmark, the Russell Midcap® Growth Index, which fell 0.2%.

Relative outperformance was driven by stock selection within the health care, information technology, and materials sectors. Broadridge Financial Solutions, Inc. had the most significant contribution to return during the month. Dexcom, Inc. was also a top contributor for the month.

The portfolio's largest detractor was Cavium, Inc., who designs and develops semiconductor processors for intelligent and secure networks. The stock slid almost 11% in March.

We added two new names and removed four names during the month. [18](#)

*Source: FactSet®. 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. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. The security returns listed represent the period of when the security was held during the month. Top five and bottom five contributors exclude cash and cash equivalents. Contribution to return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return for the reporting period. The top 10 equity holdings include cash and equivalents. The portfolio information provided is based on a representative Mid-Cap Growth account and is provided as supplemental information. This representative account may differ from specific client portfolios. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. Past performance is not indicative of future results. The composite performance shown above reflects the Mid-Cap Growth Composite, 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 Mid-Cap Growth disclosure statement at the end of this presentation for a GIPS compliant presentation.

Brown Advisory Mid-Cap 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)
2016	9.3	8.6	7.3	11.0	12.2	Five or fewer	N/A	2	30,417
2015	7.1	6.3	-0.2	10.7	11.3	Five or fewer	N/A	1	43,746
2014	8.8	8.0	11.9	N/A	N/A	Five or fewer	N/A	2	44,772
2013	38.3	37.3	35.7	N/A	N/A	Five or fewer	N/A	1	40,739
2012	8.5	8.0	3.4	N/A	N/A	Five or fewer	N/A	1	26,794

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, 2016. 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.

The Mid Cap Growth Composite is comprised of all discretionary accounts with no material investment restrictions, which invest primarily in the common stock of U.S. medium market capitalization companies. The strategy seeks capital appreciation by managing a concentrated portfolio of companies that offer long-term growth potential. There is not a minimum account market value required for composite inclusion. Prior to September 1 2016 the composite was named Mid Cap Composite, there was no change in investment strategy.

3. This composite was created in 2014.

Disclosures

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. Please see composite disclosure statements for additional information.

The Russell Midcap® Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market.

4. The benchmark is the Russell Mid Cap Growth – Total Return Index. The Russell Midcap Growth – Total Return Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Growth – Total Return Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market. The Russell Mid Cap Growth – Total Return 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: 0.90% on the first \$25 million; 0.80% on the next \$25 million; 0.70% on the next \$50 million; and 0.60% on the balance over \$100 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, 2014, and prior, because 36 monthly 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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Terms and Definitions for Representative Account Calculations

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. **Contribution To Return** is calculated by multiplying a security's beginning portfolio weight by its daily return and geometrically linking the security's daily contribution to return over the entire reporting period.