Mid-Cap Growth

QUARTERLY STRATEGY UPDATE

Brown ADVISORY
Thoughtful Investing.

Second Quarter 2018

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COMPOSITE PERFORMANCE (%)

	COMPOSITE GROSS OF FEES	COMPOSITE NET OF FEES	RUSSELL MIDCAP® GROWTH INDEX®
3 MOS.	6.18	6.05	3.16
YTD	11.22	10.94	5.40
1 YR.	20.49	19.82	18.52
3 YR.	14.78	14.01	10.73
5 YR.	16.20	15.41	13.37
ITD (02/29/2012)	16.53	15.75	13.42

The composite performance shown above reflects the Brown Advisory Mid-Cap Growth Equity 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

	MID-CAP GROWTH REP. ACCT.	RUSSELL MIDCAP® GROWTH INDEX
Weighted Avg. Market Cap.	$15.2B	$15.4B
P/E Ratio (FY2 Est.)	22.5x	19.4x
Dividend Yield	0.6%	0.8%

REP. ACCOUNT TOP 10 PORTFOLIO HOLDINGS

SECURITY	% PORTFOLIO
Waste Connections Inc	3.8
TransUnion	2.7
Cogent Communications Group, Inc.	2.7
Edwards Lifesciences Corp.	2.6
Catalent, Inc.	2.5
Electronic Arts, Inc.	2.5
Ecolab, Inc.	2.4
Genpact Ltd.	2.4
Marriott International, Inc.	2.3
Aptiv PLC	2.3
TOTAL	**26.1**

Review & Outlook

The Mid-Cap Growth Strategy outpaced its benchmark, the Russell Midcap® Growth Index, during the second quarter by a similar margin as it did in the first quarter. Positive stock selection across most sectors drove our relative gains, with particular success in technology, health care and financial services.

Volatility settled in the quarter, and our benchmark climbed higher for the 11th straight quarter. Health care and technology stocks, which led the first three months of the year, reverted to the middle of the pack, while energy and consumer discretionary companies forged ahead. Cyclicals in the producer durables and materials sectors still lagged. Mid-cap performance was balanced across valuation tiers; in the first quarter, high price-to-sales stocks drove returns. Nonetheless, a shift toward small-cap growth companies continued.

As it did in the first quarter, the market environment likely helped our relative performance due to our small-cap tilt, but stock selection still explains most of our gains. Several positions across sectors and market caps—including Cotiviti, TransUnion, Cogent Communications, Electronic Arts and Mimecast—contributed meaningfully to our outperformance. We were particularly pleased that we bought (or added meaningfully to) four of the top five year-to-date contributors in the past 18 months (Cotiviti, Mimecast, Electronic Arts and HealthEquity).

Business conditions remain favorable for domestic U.S. companies, evidenced by 2% to 4% real GDP growth and a declining unemployment rate. More importantly for us as bottom-up investors, we see steady results from most of the companies that we own. Whether it is Marriott's growing hotel occupancy and daily room rates; a subtle acceleration in TransUnion's new personal credit inquiries; SiteOne's comments on bulging construction backlogs; Cintas', GoDaddy's and Intuit's growth from small-business customers; or Heico and Woodward's strength in aerospace—the U.S. economy seems to be on stable footing. As has been the case many times in the last three years, consensus estimates call for midteens earnings growth, and the Russell Midcap Growth Index is trading near the upper end of its historical valuation range.

Besides the announced acquisition of Cotiviti, the first half of 2018 was devoid of major events in the portfolio, bad or good. With a healthy year-to-date lead on the Index and few major "stock stories" to regale, we highlight an often-overlooked part of our process—trade analysis. While we invest in companies with a long-term view, activity affects the portfolio. Every good process involves self-reflection and scrutiny. How else does one learn and improve? This takes many forms for us—including after-action reviews following meaningful exits, portfolio exposure examinations, as well as decision and trade analyses both by us and by a third party. Looking at our trade diary, changes to the portfolio (in aggregate) have added to relative performance over the last two years. Not everything, however, has gone right.

Our new ideas (and purchase transactions in aggregate) have added meaningfully to relative performance. SiteOne, C.R. Bard, Edwards Lifesciences, Bright Horizons, Cogent Communications and Fico in 2016; Catalent, Mimecast, GoDaddy, Electronic Arts and Webster Financial in 2017; even HealthEquity, Calavo Growers and Booz Allen Hamilton in 2018 have helped. Some purchases have been neutral, including BWXT, Welbilt, Aptiv and Cooper Companies, while others have detracted, including Ball Corp and Allegion. Nonetheless, the data clearly tell us we should continue to seek new ideas in the same fashion. The portfolio has also benefited from adding on weakness, which we do when there's no evidence of fundamental failure.

Our selling, on the other hand, has been approximately neutral to relative returns. Despite selling TripAdvisor, Chipotle and trimming Dexcom this year for fundamental reasons before each recovered (perhaps examples of bad outcomes from a good process), our sales due to fundamental concerns have helped performance thanks to ditching companies like Stericycle, Zayo, Incyte, Dentsply, Under Armour, TreeHouse Foods and MACOM in the last two years before periods of underperformance.

So what makes our selling look inconsequential? Our valuation sensitivity—selling shares of Idexx Labs, Broadridge Financial, SiteOne, Heico and others after they breached our price targets, only to see their multiples expand and their share prices grind higher. In hindsight, this is not surprising. Looking back over the last two years, momentum factors have driven market returns more than valuation. We are not momentum investors, so this is likely a byproduct of our approach in the current market environment rather than a "mistake." Valuation discipline is one of three critical ways we try to create attractive downside protection over a multiyear period—we are not changing that. Eventually, investors will once again focus more on price and value.

As always, we remain committed to achieving attractive risk-adjusted returns over a full market cycle by owning a diversified portfolio of companies that we believe could one day grow much larger. We are grateful for your support and look forward to updating you at the conclusion of the third quarter.

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

Sector Diversification

The Mid-Cap Growth Strategy employs a bottom-up, fundamental approach. Thus, our sector weights result from our opportunity set and research effort. Over the long run, stock selection drives our results. Nonetheless, we believe this analysis helps describe when the strategy's returns might experience a headwind or a tailwind relative to its benchmark over short periods.

- The strategy is underweight consumer discretionary, with less exposure to retail and apparel companies.
- While we have no direct investments in energy, the strategy is exposed to oil price fluctuations through fuel card operator **WEX** (in financial services).
- Within the financials sector, we lean toward consumer financials and data services companies and away from REITs, insurance companies and brokerage firms. We do not believe that the strategy expresses a bet for, or against, rising interest rates.
- Health care, represents one of our largest overweight, with broad exposure to services, devices and pharma/biotech.
- With the June 2018 changes in our benchmark, we are now slightly overweight materials. Within the sector, our holdings tilt larger-cap and less cyclical.
- According to our internal classifications, we are overweight producer durables. **Waste Connections**, unassigned by Russell Global, is listed within producer durables in our internal classification. Nonetheless, we believe our holdings are less cyclical than those of our benchmark.
- Technology is an underweight, though not by as much as it seems. Internally, we reclassify **Genpact** from producer durables to the technology sector. Within technology, we have a tilt away from high-multiple stocks.
- Internet provider **Cogent** is our only position in utilities.

RUSSELL GLOBAL SECTORS	MID-CAP GROWTH REP. ACCOUNT (%)	RUSSELL MIDCAP® GROWTH INDEX (%)	DIFFERENCE (%)	MID-CAP GROWTH REP. ACCOUNT (%)	
	Q2 '18	Q2 '18	Q2 '18	Q1 '18	Q2 '17
Consumer Discretionary	15.59	18.78	-3.19	14.82	18.78
Consumer Staples	3.73	3.48	0.25	4.15	4.50
Energy	--	1.78	-1.78	--	--
Financial Services	16.21	16.39	-0.19	19.05	19.34
Health Care	17.26	13.46	3.80	17.36	17.00
Materials & Processing	6.12	5.52	0.60	6.69	6.54
Producer Durables	17.19	15.48	1.71	15.91	10.84
Technology	17.26	24.86	-7.60	15.67	17.13
Utilities	2.75	0.25	2.50	2.39	2.04
Unassigned	3.90	--	3.90	3.96	3.82

Quarterly Attribution Detail by Sector

- Positive selection effects in most sectors drove our outperformance during the second quarter, with particular success in technology, health care and financial services.
- Relative gains in technology were driven by **Electronic Arts**, **Mimecast** and **Intuit**. The announced acquisition of **Cotiviti** and broad outperformance of other holdings drove gains in health care.
- **Marriott** and **Liberty Broadband** drove mild underperformance in the consumer discretionary sector during the second quarter.

RUSSELL GLOBAL SECTORS	MID-CAP GROWTH REP. ACCOUNT		RUSSELL MIDCAP® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION AND INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Consumer Discretionary	14.97	3.33	17.65	6.91	-0.08	-0.53	-0.61
Consumer Staples	3.62	1.84	3.85	1.23	0.04	0.07	0.11
Energy	--	--	2.39	14.34	-0.23	--	-0.23
Financial Services	17.55	7.71	17.87	3.28	-0.01	0.79	0.77
Health Care	17.19	11.14	12.57	6.24	0.16	0.78	0.94
Materials & Processing	6.54	-2.20	7.21	-0.84	0.05	-0.07	-0.03
Producer Durables	16.53	1.94	16.20	-0.86	0.01	0.47	0.49
Technology	17.04	8.86	21.82	2.15	0.04	1.12	1.16
Utilities	2.61	24.30	0.26	5.62	0.06	0.44	0.50
Unassigned	3.95	5.13	0.16	6.17	0.05	0.03	0.08
Total	**100.00**	**6.34**	**100.00**	**3.15**	**0.10**	**3.09**	**3.18**

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Quarterly Contribution to Return

- On June 19, **Cotiviti's** private equity-backed competitor, Verscend, announced it would acquire Cotiviti for $44.75, a 32% premium to the company's pre-rumor share price on June 4.
- **TransUnion** continues to benefit from a shift to more comprehensive credit profiles, which include individual consumer credit trends and alternative credit information, as well as international expansion and Equifax's issues surrounding that competitor's well-publicized data breach.
- Shares of **Cogent Communications** snapped back in the second quarter as expectations surfaced for acceleration in its most incrementally profitable business line—selling bulk internet access to net-centric firms.
- **Electronic Arts** continued to post solid results thanks to double-digit growth in live services.
- **Mimecast** reported commendable quarterly results and guidance thanks to trends that favor cloud-based and advanced email security in the U.S. and abroad.
- **Ball Corp** suffered from a de-rating of low-growth consumer staples-related stocks that was compounded by a slowdown in two of its major markets: big beer in the U.S. and Brazil due to a trucking strike.
- First quarter 2018 earnings created concerns about **Genpact's** gross margin sustainability. We believe that these issues are transitory and represent a combination of near-term rupee appreciation and seasonally lower usage of its consulting business. We expect these headwinds to lessen and then reverse throughout the rest of the year.
- Following a strong run since last September, **Marriott** pulled back in concert with other lodging stocks in the quarter.
- Charter Communications, **Liberty Broadband's** main asset, took a hit following a weak quarter in which residential net customer additions missed the mark, flaming fears of heightened competition from internet-television alternatives and the pending competition from fixed-wireless alternatives (5G).
- **Sensata** has been hit by the twin fears of the potential impact of a trade war—particularly retaliatory tariffs on automobiles—and on the decline of diesel engine penetration in cars globally; the latter has been driven by shifts to cleaner propulsion technologies.

MID-CAP GROWTH REP. ACCOUNT TOP FIVE CONTRIBUTORS				
TICKER	NAME	AVG. WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
COTV	Cotiviti Holdings, Inc.	2.53	28.14	0.66
TRU	TransUnion	2.63	26.31	0.62
CCOI	Cogent Communications Holdings Inc	2.61	24.30	0.58
EA	Electronic Arts Inc.	2.35	16.31	0.37
MIME	Mimecast Limited	2.07	16.31	0.33
MID-CAP GROWTH REP. ACCOUNT BOTTOM FIVE CONTRIBUTORS				
BLL	Ball Corporation	2.38	-10.23	-0.25
G	Genpact Limited	2.22	-9.34	-0.22
MAR	Marriott International, Inc. Class A	2.55	-6.62	-0.16
LBRDA	Liberty Broadband Corp. Class A	1.13	-10.80	-0.16
ST	Sensata Technologies Holding PLC	1.13	-8.20	-0.09

Portfolio Activity

- **Autodesk** is transitioning from a perpetual software licensing model to subscription. Through various initiatives, including new products, subscription bundles and piracy control, we think Autodesk will push more durable revenue and free cash flow growth over the next three years beyond current expectations.
- **Etsy's** new managers are implementing a number of new initiatives we believe will accelerate its top-line growth and further scale its powerful two-sided marketplace model.
- **Marvell** announced its intentions to buy Cavium in late 2017 in a cash and stock deal. We sold our position in **Cavium** to fund a direct investment in shares of Marvell.
- We believe **National Vision Holdings Inc.** will continue to gain share as the low-cost/low-priced competitor in the optical retail space (eye care and eyewear). We believe a consistent pattern within new-store results and a newly introduced national ad campaign will help push durable same-store sales growth for years.
- We sold small positions in **FleetCor**, **Liberty Formula One** and **Prosperity Bancshares** to fund other opportunities.

MID-CAP GROWTH REP. ACCOUNT PORTFOLIO ACTIVITY		
ADDITIONS		SECTOR
ADSK	Autodesk, Inc.	Information Technology
ETSY	Etsy, Inc.	Information Technology
MRVL	Marvell Technology Group Ltd.	Information Technology
EYE	National Vision Holdings, Inc.	Consumer Discretionary
DELETIONS		SECTOR
CAVM	Cavium, Inc.	Information Technology
FLT	FleetCor Technologies, Inc.	Information Technology
FWONA	Liberty Media Corporation Series A Liberty Formula One	Consumer Discretionary
PB	Prosperity Bancshares, Inc.(R)	Financials

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GICS Sector Diversification

SECTOR	MID-CAP GROWTH REP. ACCOUNT (%)	RUSSELL MIDCAP® GROWTH INDEX (%)	DIFFERENCE (%)	MID-CAP GROWTH REP. ACCOUNT (%)	
	Q2 '18	Q2 '18	Q2 '18	Q1 '18	Q2 '17
Consumer Discretionary	11.87	18.33	-6.47	11.81	13.60
Consumer Staples	4.49	3.48	1.01	5.01	6.15
Energy	--	1.78	-1.78	--	--
Financials	3.10	7.35	-4.24	3.48	1.57
Health Care	17.26	14.43	2.83	17.32	17.00
Industrials	22.76	15.64	7.12	21.44	19.07
Information Technology	30.10	32.58	-2.48	30.21	32.11
Materials	4.57	3.99	0.59	5.08	4.42
Real Estate	1.99	2.19	-0.20	1.95	2.98
Telecommunication Services	3.86	0.25	3.61	3.71	3.11
Utilities	--	--	--	--	--

GICS Quarterly Attribution Detail by Sector

SECTOR	MID-CAP GROWTH REP. ACCOUNT		RUSSELL MIDCAP® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION AND INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Consumer Discretionary	12.11	4.98	17.26	7.16	-0.18	-0.24	-0.42
Consumer Staples	4.43	1.02	3.89	1.33	0.02	0.02	0.04
Energy	--	--	2.40	14.34	-0.23	--	-0.23
Financials	3.28	8.21	7.41	-0.99	0.18	0.31	0.49
Health Care	17.19	11.14	13.47	5.74	0.11	0.86	0.98
Industrials	22.24	6.19	16.79	-1.34	-0.23	1.66	1.43
Information Technology	30.24	6.39	29.84	3.46	0.02	0.85	0.87
Materials	4.93	-3.82	5.65	0.24	0.05	-0.20	-0.15
Real Estate	1.84	-3.39	3.02	5.54	0.01	-0.17	-0.15
Telecommunication Services	3.74	11.77	0.21	6.79	0.14	0.16	0.31
Utilities	--	--	0.05	1.70	0.01	--	0.01
Total	**100.00**	**6.34**	**100.00**	**3.16**	**-0.09**	**3.27**	**3.18**

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Mid-Cap Growth Equity 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	23.9	23.1	25.3	9.8	10.9	Five or fewer	N/A	48	33,155
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	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	3.4	N/A	N/A	Five or fewer	N/A	1	26,794

*Return is for period March 1, 2012 through December 31, 2012.

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 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.
3. Effective 1/1/17, a significant cash flow policy was implemented for the Mid Cap Growth composite. Accounts with greater than or equal to 15% external cash flows will be removed from the composite for the entire month that the external cash flow occurred. The account will be added back to the composite the following month, if it meets the composite inclusion requirements. The external cash flow percentage is calculated using beginning market value.
4. Prior to September 1 2016 the composite was named Mid Cap Composite, there was no change in investment strategy.
5. This composite was created in 2014.
6. 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.
7. 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.
8. 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.
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. The 3 year annualized standard deviation is not presented as of December 31, 2014, and prior, because 36 month returns for the composite were not available (NA.)
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.

Disclosures

Past performance is not a guarantee of future performance and you may not get back the amount invested.

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Composite performance is based on the Brown Advisory Mid-Cap 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 Mid-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 Mid-Cap Growth account and is provided as supplemental information. The information provided in this material should not be considered a recommendation to buy or sell 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. 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. 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 Russell Global Sectors and the Global Industry Classification Standard (GICS®) classification systems. Russell® is a registered trademark of the London Stock Exchange Group. 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.

The Russell Midcap® Growth Index s an unmanaged index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Value Index is an unmanaged index considered representative of includes mid-cap value stocks. The Russell Midcap® Growth Index, the Russell Midcap® Value Index and Russell® are trademark/service marks of the London Stock Exchange Group Companies.

Please see composite disclosure statement 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**: 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. **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.

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. The portfolio and benchmark returns provided reflect the sum of the returns of the equity holdings in the portfolio and the benchmark, respectively. The returns exclude cash. 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. **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.