



INDEPENDENCE

BROWN ADVISORY ANNUAL REPORT



Independence

This principle has special meaning as we celebrate our 25th anniversary as a private and independent firm. At the most fundamental level, our independence—from the pressures of a short-term-focused public market or a profit-focused bank—matters for our **clients**, as it enables us to make only those decisions that are in their best interest. It would be hard for us to say “we are client first” if we were otherwise situated.

We have the space to listen—seeking those perspectives that will help us make the best decisions. We have the space to be patient—orienting toward the long term to generate an edge in delivering investment performance. We have the space to innovate—embracing humility and the idea that mistakes help us improve. We have the space to determine our own structure of accountability—supported by an informed, driven and thoughtful board of directors.

Our independence matters for our **colleagues**. Every one of us is an equity owner of the firm. None of us owns more than 5%—an intentional decision so that we can remain private and independent in perpetuity. This ownership structure has helped us attract and retain high-performing professionals who believe that a partnership spirit best supports a culture of challenging one another and holding everyone accountable.

Our independence also matters for our **communities**. A deep understanding of the responsibility we have to the places and people that surround our firm has been part of our DNA since day one. Rather than being told what and who to support and when, we are able to encourage our offices and colleagues to establish their own community roots and networks, and focus on what they consider to be the most important local needs.

In this annual report, you will read about these essential characteristics of our firm, which we believe flow from our choice to be independent.



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Our independence
is the backbone of
everything we do.

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We are privileged to serve an inspiring group of individuals, families, family offices, nonprofits, charities, institutions and financial intermediaries around the world. For each, we work to deliver first-rate investment performance, thoughtful strategic advice and the highest level of service to help them get to wherever it is they want to go.

For private clients—individuals and families with various types of financial complexity—we assemble a team of portfolio managers, strategic advisors and client service professionals to build relationships

For endowments, foundations, charities and other nonprofits, we provide investment solutions, strategic advice, policy consultation and guidance on mission-aligned investing to help them fulfill their organizational missions. Whether they are seeking a specific investment solution or a fully outsourced chief investment officer (OCIO), our teams partner with organizations’ management and investment committees to execute their investment objectives, navigate their fiduciary challenges and consult with their many stakeholders.

Our mission is to make a material and positive difference in the lives of our clients.

around clients’ long-term goals. Everything we do stems from listening closely to the values, aspirations, interests and family circumstances of our clients so that we can best invest and plan for their collective futures.

For family offices, we draw on our experience working with multigenerational families to design creative strategies that can range from a specific area of investment expertise to comprehensive financial oversight. Whether families need help streamlining their financial lives for peace of mind or have a professional family office already in place, we know that a customized approach is the only way to help them reach their goals.

For institutions, consultants, banks, advisors or any group investing for others, we offer a broad range of equity and fixed income investment solutions rooted in our bottom-up, fundamental research process. We manage these concentrated portfolios with a focus on long-term compounding and preservation of capital.

We are pleased to share a few examples, which you will find throughout the report, of the clients with whom we work and how, together, we are striving to raise the future.

Letter from the CEO

Dear Friends:

This June 30 will mark the 25th anniversary of the launch of Brown Advisory as a private and independent investment and strategic advisory firm. There are many thoughts that come immediately to our minds, but the overwhelming and dominant feeling is one of extraordinary gratitude for the support and interest of so many people.

We start with our clients—we have been privileged to serve a wonderful group of individuals, families, endowments, foundations, charitable organizations, financial intermediaries, and public and private pensions. In many cases, we are now working with the third generation of our individual and family clients, as well as multiple successors to the investors and fiduciaries overseeing our institutional clients who originally made the decision to engage Brown Advisory. Our clients bring experiences and expertise that have greatly enriched our development as investment, strategic advisory and client service professionals and, without a doubt, our ability to serve all of our clients. **We are sincerely grateful.**

We also salute our colleagues over the past 25 years! They have put forth an enormous effort on behalf of our clients. They are amazing individuals and valuable members of the Brown Advisory team. During this period, Brown Advisory has grown from 65 colleagues based solely in Baltimore to 848 colleagues who live and work in a number of cities around the world. Since 1998, we have added 12 offices in the U.S.—Washington, D.C.; Chapel Hill and Charlotte, North Carolina;

Norfolk, Richmond and Charlottesville, Virginia; Wilmington, Delaware; New York City; Boston; Austin; San Francisco; and this past year, Nashville, Tennessee. In 2007, with a specific mission of working with colleagues who would bring a global outlook, we opened our office in London. The team there is now 80-colleagues strong and includes investment and business development colleagues as well as “around-the-clock” technology, operational and client service support. To London, we have added Brown Advisory offices in Frankfurt, Singapore and, just recently, Tokyo.

In prior annual reports, we have reflected on the importance of having offices in different locations. We are able to attract colleagues with diverse perspectives. We are able to stay in close touch with clients and respond more quickly and effectively to their questions. We are able to learn about and contribute to the communities where our clients live and work. We are able to offer flexibility and improve our colleagues’ work-life balance by allowing them to be closer to family members. Importantly, however, there is a common thread that links all Brown Advisory colleagues regardless of where they call home—they demonstrate a deep commitment first to our clients but also to each other. They spend a significant amount of time mentoring and training younger colleagues. They reach out to colleagues who might be going through challenges in their personal lives. They look out for each other. All of these elements of Brown Advisory’s “DNA” have resulted in a shared vision that is behind the flywheel we wrote about just a year ago: We believe deeply in working as a team. **Together, we best serve our clients.**

We began writing these reports in 2011, and each year, we have picked a theme that seemed to dominate our thinking at the time. Often, our focus began as an inquiry to answer or address an important question or challenge. The process has been helpful and, in some cases, cathartic. We have reflected on our purpose; the connections and network among our clients, colleagues and shareholders; our responsibility to each other and as a corporate citizen; and our commitment to continued reinvestment in our business. This year, our annual report is dedicated to our commitment to being an independent firm—what it has meant over the last 25 years, what it means today and what we think it will mean for the future.

We have written about our independent ownership structure in the past and its significance. Nothing has changed in our belief that this structure—with approximately 70 percent of Brown Advisory shares being owned by our colleagues, every single one of them owning equity, and with an essential group of outside shareholders owning the remaining shares—is the best structure to allow us always to put our clients first. **Our independence is the backbone of everything we do.** However, the latitude and depth of its impact are greater than we appreciated 25 years ago. It has played a much more substantive and nuanced role than we could have ever imagined.

Our independence has allowed us to think long-term. We have been able to pursue strategies and services that our clients are seeking without worrying about the impact on the firm’s profitability in the short run. An example that dates back to our launch in 1998 is our strategic advisory team. These are colleagues with expertise in fiduciary and tax matters, advice to entrepreneurs, philanthropy, and generational opportunities and challenges, as well as both sustainable and values-aligned investing, who are standing members of a client’s team and often serve as a critical sounding board. We now have 36 colleagues on our strategic advisory team and provide these services without charging additional fees to our clients—it is part and parcel of our belief that our clients are best served with a well-rounded team.



Mike Hankin, President and CEO

Another important example of thinking long-term is the launch of new investment strategies in response to a client interest matching a particular expertise and passion of certain colleagues. There are many important elements to launching a new strategy—colleagues with the right investment and research expertise, trading, operational and business development support, and an understanding of perhaps unique risk management and compliance issues. But, we also know that absolutely critical is an understanding that it takes time—nothing worthwhile can be developed overnight. So, in each case, we set a long-term plan to develop and evaluate the success of these initiatives with our first “check-in” milestones at three and five years out. This focus has led to the creation and growth of some very important investment strategies, including but not limited to: Small-Cap Fundamental Value, Large-Cap Sustainable Growth and Global Leaders. We have used this same methodology to develop offerings in the private investment space. It is incredible to me that we are now investing the 11th vintage of our Private Equity Partners (PEP) program, our diversified private equity annual “sleeve”

vehicle, and our private investments team now comprises venture, credit and real estate vehicles as well as a fourth NextGen Venture Partners fund. We are also enthusiastic about investment opportunities sourced and researched by members of our Investment Solutions Group (ISG) and other members of our balanced portfolio management team who have particular expertise in a segment of the financial markets.

Our independence has clearly been important when we have an idea or strategy in front of us that we want to pursue. But, it is even more critical when, as is often the case, there seem to be more unknowns in the world than certainty. We know that we need time to carry out thoughtful research, to ask tough questions, to reach out to contacts in our network for their sense of things, and to just think and reflect. Over the last 25 years, we faced seemingly once-in-a-lifetime events such as the terrorist attacks in 2001 and subsequent wars in Afghanistan and Iraq, the financial system collapse in 2008–2009, the COVID-19 pandemic, and the invasion of Ukraine by Russia. There is no end to the consequences of any one of these events or the more recognizable, “run-of-the-mill” sources of volatility in the economy and financial markets. Our independence affords us what to some is a luxury but to us is a necessity—the ability to focus only on our clients’ best interests and to help navigate a very complex world on their behalf.

We are also aware that many of the complexities that we face emanate from serious and often polarizing challenges. Our commitment to our clients is to respond to their questions, to help them understand how their assets are invested and to provide data as context for how their portfolios align with their beliefs and objectives—we know we have a responsibility to help those who

choose to make an impact with their financial and investment resources. Our commitment to our clients and our colleagues is to understand how these issues affect them, to be a leader in the effort to tackle the challenges that we face, and to build a diverse, equitable and inclusive Brown Advisory team. We understand that we are uniquely positioned to make a material and positive difference for both our clients and colleagues.

Our independence has also been essential to how we approach our financials. Every aspect of our thinking is derived from a focus on our clients. We ask ourselves: What decisions should we make today so that we have the resources, strategies and capabilities in place to serve our clients well five and 10 years from now? Our discussions of financial metrics almost always concern annual and longer-term goals—rather than quarterly ones. As an example, the profit margins that we set in consultation with our independent board of directors are determined solely by how much of a bottom line we need to fund our current and future operations—and not by targets set by Wall Street analysts. This is helpful in good years—such as 2021 where the combination of significant new business, high client retention and a strong equity market allowed us to invest in technology and infrastructure instead of pushing more to the bottom line. It is also critical in years where the markets are a significant headwind such as 2022; we purposefully allowed our margins to erode so that we could focus our compensation philosophy on attracting and retaining colleagues, and to increasing, rather than cutting, our strategic investments.

Perhaps one of the most significant components of our independence is our board of directors and governance structure. First, as investors, we believe strongly in the role of an independent board of directors. Independent thinkers—confident in the significance of their role, knowledgeable in the applicable laws and regulations, and representative of diverse backgrounds and interests—are essential to an effective corporate governance structure. Thus, from day one, we knew it was important for Brown Advisory to be governed by an independent board of directors with well-functioning, independent audit, finance, governance and compensation committees. In addition, it is critical that the board be led by an independent director who chairs executive sessions and ensures that there is an open, frank and productive dialogue

Client assets:

\$133 billion

Run-rate revenue:

\$525 million

10-year client retention:

98.2%

Number of colleagues:

848

between the independent board members and the leadership of the firm. All of these are as important to allowing our firm and colleagues to focus on our North Star—our clients—as any other foundational building block. We have been fortunate over the years to have an impressive group of individuals serving on our board. Over time, the board has added new members and had the opportunity to thank those who have served well in the past. Healthy turnover is another sign of effective corporate governance. It is hard to believe that in the last 25 years, 30 individuals have served on our board. We are grateful to each of them. We have learned a great deal and have benefited from their experience, expertise and contacts around the world. They have come from a variety of backgrounds and represent very different perspectives, but they do carry some common traits—they have all been shareholders and thus

Data are as of March 31, 2023. “Client assets” include business that is considered won but not yet funded. “10-year client retention” is calculated at year-end as of December 31, 2022.

aligned with the success of our clients. Most have been clients themselves, and therefore understand our strengths and where we need to improve. They are all good and generous people who are very open to sharing their thoughts and challenging our team. We wouldn’t be the firm we are today without their combined wisdom and guidance.

The rest of this report is dedicated to reflecting on the themes above and how our commitment to independence supports our clients, colleagues, communities and culture. The criticality of our independence is revealed in many ways.

This anniversary will be a special one for us, and we will encourage our colleagues to take a moment to reflect on what each of them thinks has been critical to our evolution as a firm and their development as individuals. Then, we will return to our commitment to the future—our sincere and enthusiastic focus on clients and colleagues. Certainly, there is ample evidence that we have significant challenges ahead of us. We believe that as Brown Advisory team members, and with a continued commitment to being a private and independent firm, we will be able to navigate—and raise—the future.

Thank you for your support and interest. We are so grateful.

Sincerely,

Mike Hankin

NOW

NAVIGATING OUR WORLD

“Navigating Our World”—NOW for short—started as the theme of Brown Advisory’s first client conference, held in 2008 to celebrate our 10th anniversary as an independent firm. Fifteen years on, as we recognize our 25th anniversary, the intention and force behind our desire to help our clients and colleagues navigate our world remain just as important as ever.

The stage on which our clients and colleagues live their lives, on which communities gather together, and on which we conduct our business feels as crowded, noisy and, at times, contentious as it has ever been. The polarization of so many issues and the pressure from both sides to “win” have pushed people and organizations to yell louder and to be more absolute in their positions. “Always” and “never” signal strength and conviction, whereas the ideas of compromise and nuance indicate weakness.

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In this time when we see what other people are struggling with, including in places such as Ukraine, Turkey and Syria, we have a lot to be thankful for. We’re in a position to make a difference, so try to help people who are having a tough time—however you are able, do it.

Terry Beaty
Portfolio Manager

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We see this dogmatism in many of the issues that consume the investment news cycle: inflation and the measures needed to control it; the banking crisis and measures to mitigate future liquidity issues; the war in Ukraine and how best to support the sovereignty of its people; sustainable investing and the politicization of the practice; and working from home and how to maintain a connected culture, among so many others. Entrenchment on these issues is celebrated and amplified across the media and political landscape—anger and outrage are great ways to generate attention, clicks and money.



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Skepticism and scrutiny of sustainable investing are entirely appropriate. We must remain vigilant of greenwashing and, at the same time, raise the bar on what we can expect from our investments. We believe that some of the most exciting business models in today’s market are those that are helping to solve some of our thorniest sustainability challenges. Meanwhile, because businesses—and hence investment returns—depend on natural resources, a stable climate and stable societies, the long-term sustainability of these elements should be a key consideration in capital allocation. As investors, we would argue that assessing all of the information about a potential investment generates better returns for our clients.

Karina Funk, CFA
Chair of Sustainable Investing and Co-Portfolio Manager,
Large-Cap Sustainable Growth Strategy

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Our job as a firm and thus as colleagues is to resist these pressures. We must think practically, rationally and without bias when making decisions for, and on behalf of, our clients’ best interests—not based on any personal agenda. This takes practice, patience and humility—we need to make intentional efforts to *listen*. This is the foundation of what NOW has become for us, and the value it can provide for clients—a forum and outlet for us to challenge our convictions, to seek outside and diversifying perspectives, and to test the first principles we use in our decision-making.

We will continue to share our thoughts on these issues for clients through our NOW podcast, regional NOW conferences and in written publications. Just as importantly, we need to give our colleagues the right forums to talk about them—our morning meeting is one space that works particularly well.

The quotes you see here are two examples of how we are attempting to provide context to these issues. The quote from Karina Funk, our Chair of Sustainable Investing and the Co-Portfolio Manager of our Large-Cap Sustainable Growth strategy, comes from an article she wrote late in 2022 as attacks on environmental, social and governance (ESG) investing intensified. It also reflects on the opposite pressure to ride its momentum for commercial gain by “greenwashing” investment products. The quote from Terry Beaty, a portfolio manager in our Washington, D.C., office, comes from our morning meeting on February 16, 2023, where he shared reflections on his more than five decades of experience investing for clients.

Not one of us has all the answers. We are convinced that the most effective way to navigate these challenging times and complex markets is to seek fresh perspectives, challenge established convictions, and above all, listen and reflect. Through collaboration, innovation and humility, we can raise the future—for all of us—together.

Independence powers listening

Our independence allows us to listen to our clients and prioritize their needs rather than being beholden to the direction of a majority interest.

Listening—to each client—allows us to deliver the highest level of investment performance, strategic advice and individualized service. It happens in conversation, but also in paying close attention to what is left unsaid. This chapter reflects on the importance of partnership and teamwork to the listening process.

PARTNERSHIP

At Brown Advisory, client relationships are built on honest and transparent communication and a relentless focus on long-term goals and objectives.

For each and every client, we commit to bringing to bear the resources of our entire firm to help them get to wherever it is they want to go. Each client's "where" is different, so the solution we develop to help them get there will be different—no two client relationships look exactly the same. Likewise, no client relationship remains static; often, there are multigenerational priorities with objectives and needs that evolve over time. Effective listening puts us in a position to lead that evolution rather than react to it.



Doug Godine, CFA, Head of Private Client Business Development



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Our secret sauce is partnering with clients, meeting them where they are and creating totally customized solutions for often very complex situations—which we know will evolve over time.

Dune Thorne

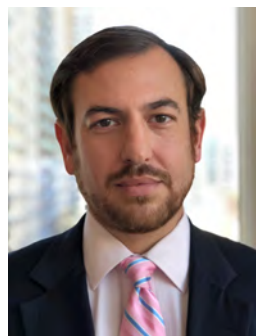
Chief Strategy Officer for U.S. Private Client,
Endowments and Foundations

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Our family office clients look to us for a wide range of support, from managing sophisticated investment portfolios to complex financial accounting. These families find the firm’s ownership structure compelling—they like the fact that we are building Brown Advisory for generations, and they are attracted to our multigenerational client teams who can grow with their families. Increasingly, we are working with family offices that have multi-national, cross-border considerations. New family office clients—many coming to us through word-of-mouth referrals—are often based in the U.S. and U.K., but also include a growing list of cities such as Copenhagen, Hong Kong, Tokyo and Dubai.



Brandon Parrish, CFA, CAIA, Portfolio Manager; Thad Glowacki, Portfolio Manager; Adela Skenderasi, CFA, Portfolio Manager



Adam Martin, CFA, Portfolio Manager

For the nonprofits and charities with whom we work, partnership is paramount. They often rely on us not only to oversee their investment assets but also to provide policy guidance and strategic advice in the face of their many market-related and governance challenges. We find that our clients appreciate an independent perspective and a partner that can engage both in their local community and with very large, multi-jurisdiction organizations whose complex financial needs require the most sophisticated investment solutions.

Serving entrepreneurs was part of our day-one DNA. Today, we support entrepreneurs at every stage of the business cycle and of their lives—constructing investment programs, providing strategic planning guidance, and making connections with our network of advisors and potential investors.



Tom Geddes, Head of Family Office Solutions



Brett Gibson, Head of Washington, D.C., Office

Leveraging Our Network for Learning

“Lunch and Learns” are a mainstay at Brown Advisory—we believe embracing diverse viewpoints and learning from experts across disciplines make us more effective professionals and better contributors to our communities.



As part of our Black History Month celebration, our Black and African American Colleague Resource Group hosted a captivating conversation with Brown Advisory board member, David Robinson. After an illustrious NBA career with the San Antonio Spurs, winning multiple championships, David was inducted into the Naismith Memorial Basketball Hall of Fame in September 2009. And yet, the impact that David has had on the people around him and on his community is so much greater than basketball. Regarded as one of the preeminent philanthropists in professional sports, David is the co-founder of Admiral Capital Group (now Vero Capital), a real estate and private equity firm, and the founder of IDEA Carver Academy, a public charter school in San Antonio, Texas. In recognition of David’s philanthropic leadership, the NBA named its annual community service award the “David Robinson Plaque.”

The Lunch and Learn was moderated by Brown Advisory Portfolio Manager (and former NFL player) Victor Abiamiri. Among numerous topics, Victor and David discussed David’s philosophy of mentorship.

“Mentorship is so critically important. Really good business people understand that. They understand they have to put their lives into the people coming up. And if those people are better than them, guess what? They’ve got to let them do their thing. That kind of mentorship is important—understanding that if somebody can do something better than you, you need to put them in a position to succeed. That mentality creates success for the whole team.” – David Robinson

U.S.-connected clients living outside of the country have specialized cross-border investment, financial and tax needs that tend to require highly personalized solutions. Our portfolio management, strategic advisory and client service teams have worked with these clients for many years trying to help them manage the intricacies that come with operating in multiple jurisdictions. Our holistic approach strives to address complexity around tax, estate planning (including trust planning), currency management, charitable giving and family governance, to deliver customized investment plans that address each client's unique needs.



Quintin Ings-Chambers, Head of International Private Clients and Charities; Georgina Guy, Head of International Strategic Advisory; Andrew Blair, Director of Business Development, International Private Clients and Charities

We built our firm around the idea that an investment program is most helpful when integrated with broader strategic advice. For private clients, our strategic advisors engage in long-term conversations with them to optimize tax, estate, business and philanthropic planning. They help guide families through generational planning and governance, taking into account all aspects of a family's individual values and capital—human, intellectual, social and financial. Especially in the face of today's often stressful and changing geopolitical and economic environments, strategic advisors help clients rise above emotions of the moment to focus on durable plans that advance goals for legacy, impact or philanthropy.



Sandi Moffet, Head of Baltimore Private Client and Co-Head of Strategic Advisory; Craig Standish, Head of Boston Office and Co-Head of Strategic Advisory



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Our ownership structure makes all the difference. When we are working with clients—whether they are families, nonprofits or charities, small foundations or very large pension funds—the fact that we are all equity owners means that we only do well if our clients are thrilled with their experience of the firm.

Charlie Constable

Head of U.S. Private Client, Endowments and Foundations

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John Poulton, Strategic Advisor

Our client service professionals play a pivotal role in the client partnership. With specific skillsets as MBAs, CFAs, CAIAs, Masters of Taxation, Masters of Trust and Wealth Management, Certified Financial Planners, Certified Trust and Fiduciary Advisors, and attorneys, they are the backbone of the client team. They combine technical expertise—in investments, fiduciary oversight, trust management, estate administration, tax compliance, philanthropy, portfolio analysis and more—with the attention to detail and execution that clients need and deserve. Client service team members are typically clients' first call when they have a question, concern or news to share.



Chris Chalke, Head of Private Client, Endowments and Foundations Client Service

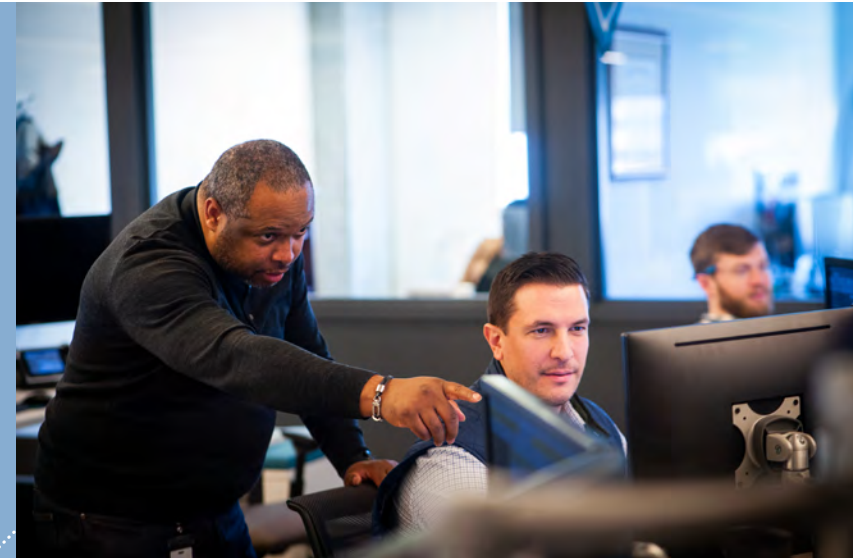


Brown Advisory colleagues brainstorm during a strategy session.

TEAMWORK

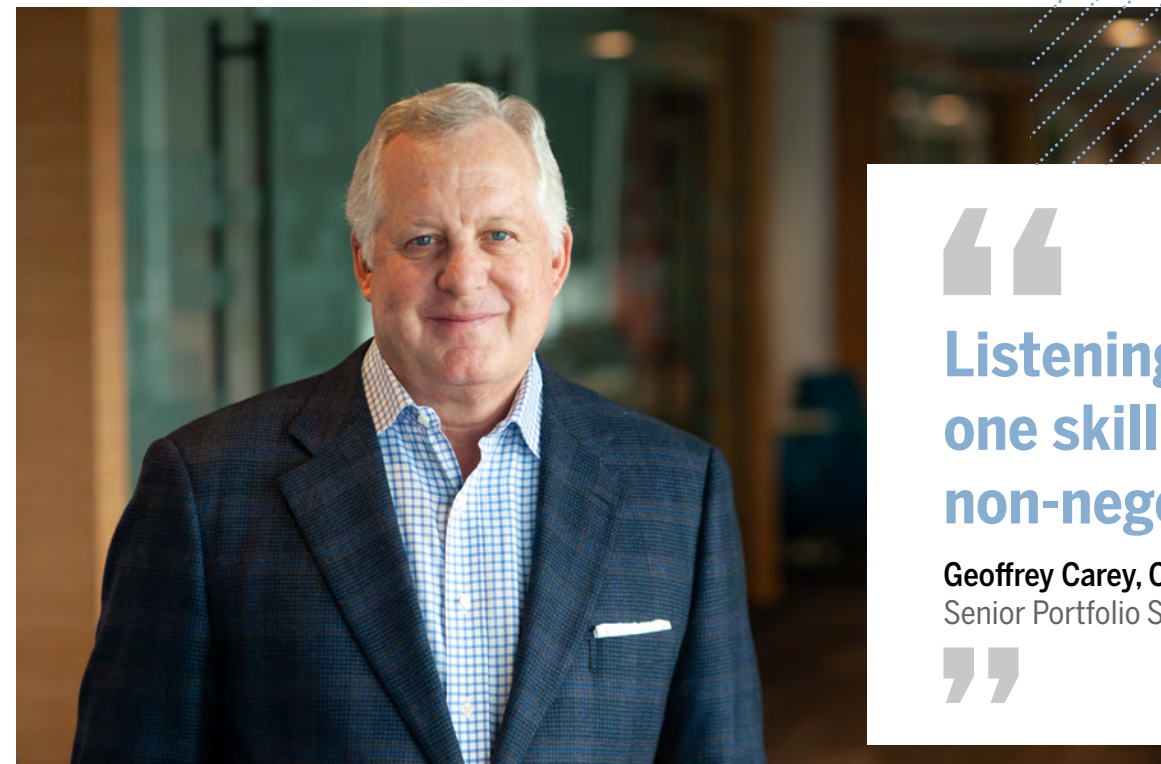
You will hear us say that we “team” well. Teamwork is the Brown Advisory way. While perhaps not always the most efficient approach, we believe working as a team—spending intentional time to listen to, challenge and collaborate with each other—is the most effective way to make decisions for and with clients.

Our firm structure supports this team-based approach. As collective owners, we are incentivized to push each other—not to settle for the easy or obvious answer, but to continue to ask “what if” questions until we arrive at the decision that we think will most benefit a client’s situation.



Anthony Bethea, Senior Institutional Portfolio Analyst; Connor Reyman, Institutional Portfolio Analyst

Teamwork is at the heart of our promise to deliver the highest level of performance, advice and service to clients. Our client and research teams are often—sometimes notoriously—large. We believe the cost of multiple sets of eyes, ears and thoughts is worth it if the result is better outcomes for clients.



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**Listening is the
one skill that is
non-negotiable.**

Geoffrey Carey, CFA
Senior Portfolio Strategist

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CLIENT STORY

Chip Linehan

Together We Rise



“If you say ‘I can’t do this,’ that’s actually just you limiting yourself. That’s something that they teach us basically every day.

Illianys De Leon Rivera
Sophomore, Building 21 Allentown

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Chip Linehan has always felt driven to make the world substantively better. He speculates that this drive was forged through challenging personal circumstances, from feeling like an outsider as a kid and, importantly, from his parents’ passion for civic involvement.

While building his career at New Enterprise Associates, one of the world’s largest venture capital firms where he became the youngest person to be named partner and co-managed the firm’s health care practice, Chip co-founded a nonprofit in San Francisco to help students overcome systemic barriers to achieving college degrees. When thinking back to the beginning of SMART—which remains a thriving, high-impact nonprofit—Chip says of his co-founders, “We were in our mid-twenties, and we were too naïve to realize that it might be difficult, so we just did it.”

Two decades later, Chip felt it was time to do more. He enrolled in Harvard’s Doctorate of Education Leadership Program. As part of his coursework, Chip reimagined what a public high school could look like. That assignment turned into the vision for Building 21, a nonprofit committed to designing school models that adapt to meet learners where they are, help them to pursue their interests and passions, and create pathways to college and career success.

Since its launch in 2014, Building 21 has opened two lab schools in Philadelphia and Allentown, Pennsylvania. With no admissions criteria other than district residency, the high schools are built on a three-pronged foundation: 1) relationships are paramount—young people learn best when they feel connected to and valued by others; 2) permeable infrastructure—students are pushed out into the surrounding community for “real world” experiences, and community leaders engage with students within the school walls; and 3) competency-based education—students track learning progress based on mastery of competencies that measure post-secondary readiness, rather than the time they have spent in a certain course or grade.



In some ways, Building 21 echoes Chip’s career in the Silicon Valley venture ecosystem: Chip has been—in part, out of necessity—entrepreneurial every step of the way.

One of the biggest challenges with competency-based education is measurement and communication—so the Building 21 team created a platform that uses a portfolio model instead of a traditional credit model. Chip and Building 21 are committed to sharing knowledge, so the platform is completely open source.

When Chip and his partners realized how much they had learned through the lab schools, they created the Learning Innovation Network to significantly scale their impact. Today, Building 21 supports more than 30 schools and districts that are striving to deliver more personalized, human-centered education.



Chip Linehan and Building 21 students

When they didn’t see solutions for the employment gaps experienced by people of color from underserved communities, the Building 21 team created Launchpad—which seeks to directly connect young people to living-wage jobs in upwardly mobile careers. “It was soul-crushing to see these talented, hard-working young people get stranded after high school,” says Chip. Through Launchpad, students “learn and earn”—they don’t have to choose between supporting their family and investing in their future.

Says Chip, “Building 21 is the work of my life. My team at Brown Advisory has set up my investment plan so that I can pursue it. They have supported me—with expert advice, an investment framework and careful listening to what matters to me and my family—throughout this journey.”

Independence powers performance

“Thoughtful Investing” is a dedication to rigorous, fundamental research to gain a deeper understanding of the businesses, issuers and managers in which we invest our clients’ capital. It is the patience to allow the quality of strategies, companies and allocators to compound our clients’ capital over time. It is the humility needed to make objective, unbiased decisions—even under pressure—and to learn from our mistakes. It is an appreciation of context so that ideas can be kept in proper perspective. It is a focus on sustainability as a means to outperform. Thoughtful investing is the belief that teams—through diversity, collaboration and a willingness to challenge one another—best deliver the first-rate performance that we promise to each and every client.

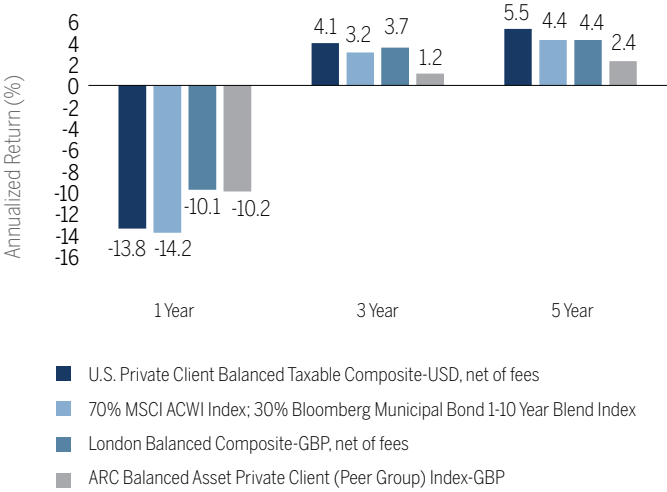
MULTI-ASSET PORTFOLIO SOLUTIONS

For our private clients, endowments, foundations and charities, portfolio management teams build investment programs tailored to their specific needs, circumstances and goals. We do not use cookie-cutter model portfolios, but rather invest across asset classes in accordance with each client’s long-term objectives and tolerance for risk.

While we do not use models to construct portfolios, it can be helpful to aggregate similar portfolios to gain a sense of general performance.

REPRESENTATIVE PERFORMANCE

On a net-of-fees basis, our U.S. and U.K. teams have delivered strong relative performance in the trailing one-, three- and five-year periods.



As of December 31, 2022

BROWN ADVISORY’S
THREE-BUCKET APPROACH:
A BALANCE OF LIQUIDITY, STABILITY AND GROWTH IS
ESSENTIAL.

OPERATING ACCOUNT

Provides liquidity

Invested in cash and cash equivalents—reserved for near-term needs.

CORE PORTFOLIO

Pursues long-term targets

Core mix of stability and growth assets—the foundation of an investment program. Allocations will vary depending on client circumstance.

OPPORTUNISTIC ALLOCATION

Allows for timely investments

Generally characterized by greater potential risk and reward—typically involves a near-term catalyst, although the time horizon is generally at least one year.

The Investment Solutions Group (ISG) supports our team of portfolio managers and analysts. With expertise centered on asset allocation and manager research, the ISG team uses rigorous fundamental analysis to analyze and monitor external managers across geographies and asset classes. With more than 100 managers on its “recommended” list—gleaned from more than 1,000 assessments annually—the ISG team’s exactitude helps ensure that clients end up with best-in-class solutions across the entire public market asset spectrum in their portfolios.



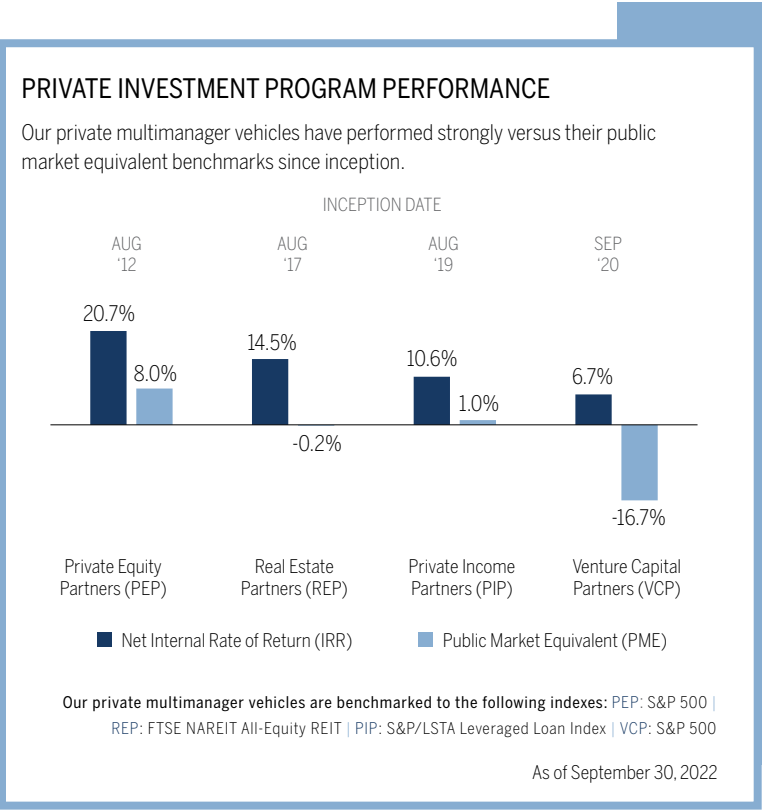
ISG team members

PRIVATE INVESTMENT SOLUTIONS

Since day one, private investment expertise has been a pillar of our ability to create value for clients—many of our first clients were founders and executives who built significant private companies and were in the process of going public.

Private assets are proving to be increasingly important in driving long-term investment performance. We continue to refine and expand our private investment offerings so that we can deliver a fully integrated private market platform to clients.

Today, we have clients who invest in our fund-of-funds, NextGen Venture Partners and direct company investment programs.



Keith Stone, Private Equity Portfolio Manager; Elise Liberto, Private Equity Portfolio Manager; Peter Whitney, CFA, CAIA, Head of Private Investment Research; Jon Bassett, Managing Partner, NextGen Venture Partners; Jacob Hodes, CIO for Private Investments

BROWN ADVISORY PRIVATE INVESTMENT PLATFORM

FUND-OF-FUNDS

Our multimanager strategies offer clients access to concentrated portfolios of high-conviction ideas across private market asset classes—including venture capital, buyout, real estate and private credit. Our flagship fund-of-funds program, Private Equity Partners (PEP), celebrated its 10th anniversary last year.

NEXTGEN VENTURE PARTNERS

We launch and scale private market strategies to meet client demand across thematic investment opportunities. NextGen Venture Partners, our early-stage investment strategy powered by the collective knowledge of a vast entrepreneur network, is celebrating its fifth anniversary as part of Brown Advisory.

DIRECT COMPANY INVESTMENTS

We invest directly in companies and entrepreneurs throughout the company lifecycle—from early- to growth-stage. We make direct investment opportunities available to individuals, families and institutions who seek to generate investment alpha in concentrated private market positions.



Ryan Myerberg, Portfolio Manager and Co-Head of Global Taxable Fixed Income; Anna Rudgard, Fixed Income ESG Research Analyst; Yacine El-Mohri, Global Financials Credit Research Analyst; Henry Hou, CFA, Global Fixed Income Trader

INSTITUTIONAL INVESTMENT MANAGEMENT

In our actively managed equity and fixed income portfolios, we strive to generate outperformance through rigorous research, high-conviction ideas and a repeatable process that is focused on long-term, risk-adjusted returns.

We believe that a bottom-up, fundamental approach to investing delivers outperformance over time. This belief remains as strong today as when we began investing on behalf of clients 25 years ago. Our independence as a firm supports this approach: We are able to focus intently on creating, and adhering to, the investment philosophy and processes that we believe will deliver results for our clients over the long term.



We have the privilege of working with really thoughtful clients around the world. Their diverse perspectives are an important part of the feedback loop as we push ourselves to outperform and deliver a best-in-class experience that is meaningful to each client.

Nicole Nesbitt
Head of U.S. Institutional Sales and Service



Eric Cha, CFA, Equity Research Analyst; Lauren Cahalan, Investigative Research Analyst; Victoria Avara, ESG Equity Research Analyst

Research Collaboration

Collecting and assimilating disparate points of view is central to developing an independent investment perspective. This is the driving force behind the intense collaboration that we pursue across all of our research disciplines—equities, fixed income, private investments and our external manager platform.

On the equity research team, fundamental, ESG and investigative analysts collaborate to gain a nuanced understanding of businesses and the complex, global landscape in which they operate. Our coverage of Amazon is one example. Led by Eric Cha, Victoria Avara, Katherine Kroll, Angie Wilson and Lauren Cahalan, the research team assesses the company's investment risks holistically, including antitrust regulation, consumer trust and labor, as well as our fundamental upside-downside analysis. The factors are intertwined, and our view on the company benefits from continual communication among the analysts, as well as multifaceted research methods—such as interviewing third-party sellers and union experts, delving into E.U. antitrust proceedings, evaluating data center sustainability, and engaging with the management team.

Our institutional clients hire us to build and manage portfolios of companies and issuers, often with high active share, based on the collective, collaborative assessment—which not infrequently involves heated debate—of our investment team. Especially during volatile markets, as we experienced during the past year, our bottom-up approach, founded on valuation discipline, presents buying opportunities; volatility yields opportunity as we strive to optimize performance.

For our sustainable strategies, our bottom-up research process includes ESG analysis—from risk and opportunity perspectives—as part of our intensive pursuit to understand companies and issuers thoroughly and to identify factors that the market may have overlooked. Our clients tell us—both verbally and by entrusting their assets to us—that the performance track record of our sustainable investing strategies, some more than 10 years long, has validated our claim that thinking about sustainability issues can be additive to investment decision-making. In the U.K., Europe and Asia, 78% of new assets during 2022 were in sustainable strategies.

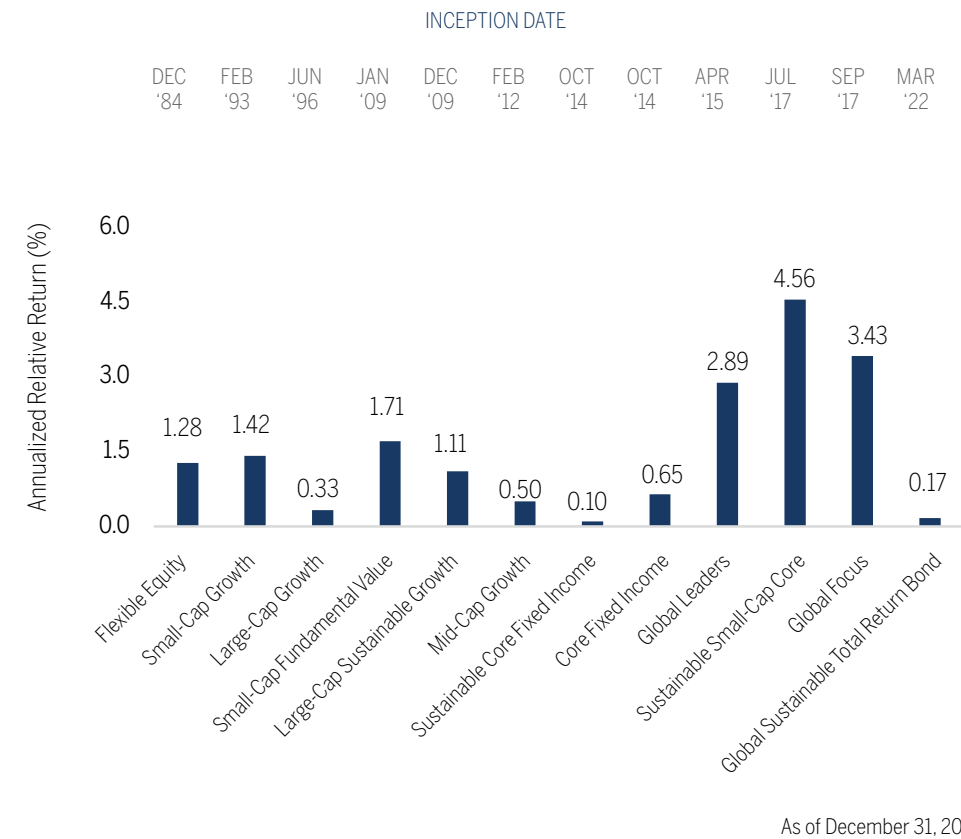
We have invested significantly in our global fixed income platform over the past several years. Last year, we launched the Global Sustainable Total Return Bond strategy, which is designed to serve as a core fixed income strategy for investors. Taking a global, sustainable and dynamic approach to fixed income, the strategy seeks to offer investors access to an attractive stream of income and risk-adjusted returns while simultaneously generating a positive impact on global sustainability issues. It aims to deliver total returns over an economic cycle and act as a complement and counterbalance to equities in client portfolios.



We continue to widen the aperture and expand our capabilities to deliver fixed income options to clients globally. Lisa Fillingame Abraham, Director of Fixed Income ESG Research, spoke at the PRI Conference in Barcelona on “The New Geopolitics of Responsible Investment.” Lisa is a global thought leader on investing in sovereign bonds and has originated a research framework to help understand geopolitical risks that uses ESG factors and associated risk indicators.

SELECT STRATEGY PERFORMANCE RELATIVE TO BENCHMARKS

On a net-of-fees basis, the 12 strategies below have delivered meaningful annualized outperformance over their benchmark since inception.



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Our singular focus on teamwork enables our investment professionals, across equity and fixed income strategies, to gain a deeper understanding of the companies and issuers in which we invest our clients’ capital. We think our collaborative approach helps us as we strive for excellence and outperformance—today and as our clients’ needs change over time.

Chris Bartlett (right)
CIO for Investment Risk and Co-Head of Institutional Business

Tim Hathaway, CFA
CIO for Institutional Investments and Co-Head of Institutional Business

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WHY DOES OUR INDEPENDENCE MATTER FOR PROFESSIONAL INVESTOR CLIENTS?

To understand why Brown Advisory's independence—in terms of both firm structure and investment decision-making—matters to the institutional clients for whom we manage single equity and fixed income strategies, we asked colleagues who focus on these clients in three different regions: John Davis, CFA, Director of U.S. Financial Intermediaries in Baltimore; Madison Freeze, Regional Investment Consultant in Austin; and Charlie van Straubenzee, Head of European Institutional Sales in London.



John Davis, CFA



Madison Freeze



Charlie van Straubenzee

How do you talk about the firm's independent structure with clients and prospective clients?

Madison: Our independence is our biggest differentiator. It's the foundation of how we start discussing the firm and who we are. Clients really care about our widespread ownership—the fact that we all have an ownership stake—and how it leads to collaboration.

John: Yes, collaboration and alignment really matter to clients. And they see that our ownership structure creates a sense of intensity in how we approach the investment process.

Madison: I would add that clients really appreciate that being independent means that we are not focused on quarterly results, that we are in this together with them for the long term.

Charlie: Right—as a private company, we have the advantage of being able to have a long-term mindset without being beholden to the next quarter's results. We don't work on commission—we do well when our clients do well. We are aligned in investing in each other's futures.

John: Exactly. Clients appreciate that we are their partners. We don't just talk about alignment; we exhibit it. Clients don't want us to come to them every week with a new strategy; they know that we will only share ideas that we are planning to support over the long term. We're constantly trying to do what's right for the client. Independence allows us to do that.

How does independence factor into the investment process?

Charlie: We can afford to be long-term oriented. Global Leaders is a good example. During COVID-19, a lot of company valuations fell dramatically, prompting shorter-term investors to sell out. We added to a number of positions on the basis that the environment was temporary, and those have been some of our best-performing holdings since. We can ignore short-term noise and stick with tomorrow's winners.

John: We believe in our process, asking whether a company or issuer will be a good investment over the long term. We give ourselves time to do diligent analysis and then we let that analysis play out.

Madison: We have the good fortune to be able to focus on quality not quantity—on best ideas, not just getting names into portfolios. We can be partners with the companies and issuers we're investing in. Because of our long-term philosophy, we can create a meaningful dialogue with management teams; we're not just transactional investors.

Charlie: Partnership is key. We partner with the companies and issuers we invest in, and we also partner with our clients. For example, we think very hard about how we can help clients achieve their ESG goals. This is something we've been doing for many years—it's not just a trend that we jumped on. I remember for the first five years after we launched Large-Cap Sustainable Growth, now arguably the flagship strategy in its asset class, we could barely find

an investor who was interested. They kept asking us: Is it a growth strategy or is it a sustainable strategy? The answer was: both! We stuck to it and demonstrated that it is possible for ESG integration to drive performance.

We often talk about the firm's flat management structure—which flows from our ownership structure. How does that fit in for clients?

Madison: Clients appreciate that our flat structure can give us a research edge—portfolio managers and analysts are all involved in the investment dialogue. It comes back to our collaborative approach: Fundamental, ESG and investigative analysts are assessing a company or issuer from different perspectives, which gives us a more complete picture of the risks and opportunities.

“
We listen before we react;
we reflect on what will be
best for a client's needs.
It comes back to being
thoughtful.”

John: We talk a lot about diversity of thought, and this really resonates with clients. We look at holdings and potential holdings from multiple angles. Everyone around the table has a voice.

Reflecting on Brown Advisory's culture more broadly, what do clients especially care about?

John: Clients appreciate colleague loyalty. Madison, Charlie and I have grown up with the firm. That's pretty unusual. We started in our early 20s, and now we've all been here for 11 years and are in leadership roles. Sometimes it seems hard to believe how quickly the time has gone! The firm is unusual in how loyal colleagues are to our clients and to each other.

Madison: Each person on the team makes a difference. We're able to strike a balance between having a global footprint while still being small and nimble.

Charlie: Even though we are a small team, we are very diverse, with lots of nationalities, languages and cultural backgrounds.

Madison: And our team orientation really matters for clients—not only in how we collaborate with each other, but in the consultative approach we take with our clients. For example, clients are trying to understand what it means for them to build an ESG portfolio, so they love our ability to connect them with thought leaders—like Katherine Kroll, Amy Hauter and Lisa Abraham. The fact that our colleagues are willing to contribute time to educate clients and help them grow—beyond just executing an investment mandate—makes a difference.

John: I think our creativity matters too. If they can't find something in the marketplace, we process their feedback and work diligently to develop a potential solution. For example, that was one of the driving forces behind the Large-Cap Sustainable Value strategy that we recently launched.

Charlie: I'd say clients care about the relationships we build and our commitment to help them succeed. This resonates with investors all over the globe. Our presence in Frankfurt, Singapore and now Japan shows a real commitment to the DACH [Germany, Austria and Switzerland] and APAC [Asia Pacific] regions. Likewise, we've made significant investments in our global equity and global sustainable fixed income platforms. Frankly, being private makes it easier to invest in the future. We can do what is best for our clients and invest in the long term; we don't have to report quarterly financial results to outside shareholders.

Anything else that you would like to add?

Charlie: We pride ourselves on not being all things to all people. We want to do a handful of things really well.

John: It's about humility. We try to listen more than we talk. Our goal is to get to know our clients really well, to build deep relationships, to understand their pain points—when we call a client, they know it is going to be a substantive conversation.

Madison: We listen before we react; we reflect on what will be best for a client's needs. It comes back to being thoughtful. [B](#)

INVESTING WITH A TEAM-BASED APPROACH

As investors, first and foremost, we know that performance is paramount. We believe that teams best deliver the first-rate performance that we promise to each and every client. Perhaps no characteristic distinguishes Brown Advisory more than this team-based approach. We believe that we are able to optimize investment decisions when we listen to an array of thoughtful perspectives, embrace diverse opinions and challenge each other's assumptions.



David Schuster, Portfolio Manager, Small-Cap Fundamental Value Strategy;
Christopher Berrier, Portfolio Manager, Small-Cap Growth Strategy;
Emmy Wachtmeister, CFA, Equity Research Analyst and Associate Portfolio Manager,
Mid-Cap Growth Strategy

As CIO for International Private Client, Endowments and Foundations, Christopher (Kif) Hancock speaks continually with some of the most thoughtful investors across asset classes and around the world. In his periodic Hearing, Seeing and Thinking (HST) publication, Kif analyzes the forces shaping the markets—in the latest edition of HST, he does a deep dive into the global banking system.



Christopher Hancock, CFA, CIO for International Private Client, Endowments and Foundations



Investing in this environment is challenging. We have terrific investors throughout the firm doing deep research across public and private asset classes. Our CIOs have the responsibility of challenging and sharing their thinking, which allows us to be thoughtful and opportunistic as we all construct client portfolios.

Sid Ahl, CFA
CIO for U.S. Private Client, Endowments and Foundations



Elizabeth Hiss, Equity Research Analyst; Erika Pagel, CIO for Sustainable Investing

Investing in the Energy Transition

Russia's invasion of Ukraine, pandemic-driven supply chain disruptions and severe climate events are shining a spotlight on the world's "energy trilemma"—the need to ensure access to reliable, affordable and sustainable energy. In the U.S., historic public policy legislation provides catalysts for companies and governments to pursue low-carbon projects. The President of the European Commission has committed to the rapid deployment of renewables. Against this backdrop, we expect considerable capital to flow to tangible solutions—and that the global transition to clean energy represents significant, secular, long-term investment opportunities across public and private markets.

Erika Pagel, Chief Investment Officer for Sustainable Investing, and Elizabeth Hiss, Equity Research Analyst, are among our thought leaders on the investment implications of the energy transition. Erika hosted a NOW podcast series to explore the energy transition with policy experts and corporate innovators.



CLIENT STORY

Nissay Asset Management

A Good Investment for the Future

Nissay Asset Management (NAM), one of Brown Advisory's partners in Japan, is responsible for a significant portion of the country's pension assets—and the future of many Japanese families.

NAM takes this fiduciary responsibility very seriously. To achieve the long-term returns that its clients expect, NAM has built a research-intensive investment process. Much like Brown Advisory, the NAM investment team is research-driven, industry sector-focused and practices substantive engagement with the management teams in which they invest.



When the team at NAM were looking for an external manager with whom to partner on a global equity solution, they liked what they found in the Brown Advisory Global Leaders strategy. They were looking for a differentiated investment approach, and Global Leaders' focus on investing in companies with exceptional customer outcomes stood out to the NAM team. "With our external managers, we need to be able to explain the people, process and philosophy. Global Leaders has a very understandable investment approach that allows it to be represented clearly and thoroughly to our clients," says Hiroyuki Shoji, General Manager & Head of International Product Management at NAM.

Moreover, Global Leaders' integrated ESG approach—which evaluates how sustainability drives a company's revenue growth, cost savings and/or enhanced franchise value—resonated with NAM's commitment to providing "A Good Investment for the Future." Both firms believe that investing in companies with sustainable drivers will produce outperformance over the long term.

The Global Leaders portfolio management team, led by Mick Dillon and Bertie Thomson, and their diligent investment process made an impact. "At the end of the day," says Akira Miyake, Chief Portfolio Advisor, International Product Management Department at NAM, "it is human minds that make investment decisions. Bertie and Mick have a deeply thoughtful mindset; their commitment to examining every portfolio decision and to constantly improving helps us learn and understand how our team can get better."

Walter Beckett, Head of Asia Pacific, who leads the relationship, arranged for the NAM team to visit Brown Advisory in Baltimore and Boston. They joined the morning meeting, spent time with Karina Funk, Chair of Sustainable Investing, and other investment team members, and assessed the client service team to be sure they would receive the high level of service that they demand from their partners. According to Shoji-san, "We realized that we had found a partner that could generate results for our clients and with which we had an unusual degree of cultural compatibility."



Our corporate slogan, 'A Good Investment for the Future,' is very meaningful for us. 'Good' symbolizes investments that are valuable not only for the investment performance of our clients but also for the environment, our society and our employees. 'Future' incorporates the future of our clients, our planet and of Nissay Asset Management itself.

Hiroshi Ozeki
President and CEO, Nissay Asset Management



Independence powers innovation

Independence orients us toward the future—on a course that lifts our clients, colleagues and communities. For sure, we have not always gotten it right. Yet, we think that the practice of asking where we need to be in five and 10 years pushes us to be better investors and stewards of our clients' capital. Twenty-five years on, our firm still has a start-up mindset. We are a collection of entrepreneurs, continually asking ourselves, "How can we get better?" We know that we must evolve to reflect our clients' expanding needs and the rapidly changing world in which we invest.



CROSSBOUNDARY

We invested in CrossBoundary, our frontier markets partner, to help us understand the opportunities for private investment capital in historically underserved markets. Today, CrossBoundary—with 23 offices on five continents—co-locates in our London office, which has allowed us to find new ways to collaborate and increase our mutual understanding of global investment opportunities—from sovereign bonds to nature-based finance to solar-powered mini grids.

CrossBoundary provided support for Norrsken2—an Africa-focused technology growth fund—for its investment in Autochek, a used-car platform that is building digital infrastructure for Africa's automotive industry. The investment will help scale long-term economic growth by enabling Autochek to increase the number of used cars sold through its platform, increase access to financing solutions to facilitate affordability, and enhance its suite of value-added services.

EVOLUTION

Being independent provides the financial flexibility to invest in areas that we believe will bear fruit for our clients—but whose positive impact they may not feel for years.

Since 1998, when we established Brown Advisory as a private, independent firm, the financial markets have certainly increased in complexity, and our clients' need for sophisticated financial solutions has grown substantially. To meet these needs, we have significantly expanded our investment capabilities and global reach. When we think about the growth of our firm, it is expressly driven by listening to our clients' needs rather than our own.

For example, we recently enhanced our presence in Asia with the opening of our Tokyo office to expand our existing partnerships with local asset managers.



Walter Beckett, Head of Asia Pacific; Serena Sim, Head of Intermediary Sales, Asia

We are thrilled to welcome Toshiyuki (Toshi) Murasawa, who will lead our Japan-based business. Additionally, Serena Sim, an experienced investment professional, joined Walter Beckett in our Singapore office, to deepen existing relationships and serve clients across Southeast Asia. We now oversee more than \$1 billion in assets from clients in the Asia Pacific region, who invest in the firm's U.S. and global equity and fixed income strategies and who are particularly interested in our sustainable investing expertise.



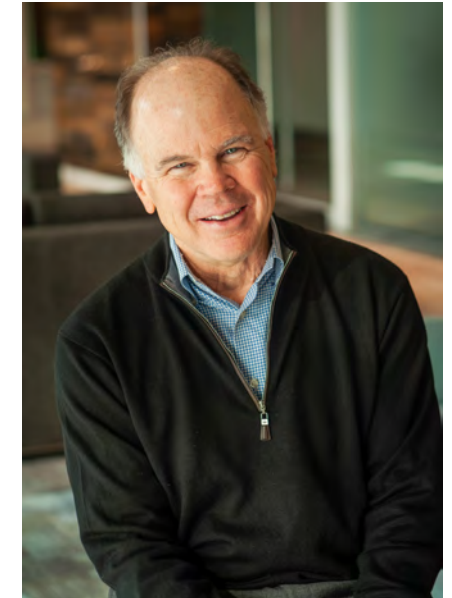
When we think about opening an office to support local clients, we are very careful to wait until we find people with trusted local networks, with a deep understanding of our business and the respective region, and whose DNA will contribute to our culture.

Logie Fitzwilliams

Head of International Business and Global Head of Sales



In the U.S., we opened an office in Nashville to support our growing client base in Tennessee and beyond. Tom Curtis, an experienced portfolio manager who has deep roots in the local business and nonprofit communities, joined to lead our Nashville effort, with the support of Jon Price and Craig Martin. To say that we are “careful” when we make hires to lead important initiatives is an understatement; when we find someone—like Tom—who embraces integrity, excellence and inclusivity at levels to which we aspire, we are genuinely elated to welcome them to the Brown Advisory team.



Tom Curtis, Head of Nashville Office

Likewise, when we launch new investment strategies, we are responding to what our clients tell us they need. Our newest institutional strategy, Large-Cap Sustainable Value, is a case in point. A number of clients asked us to provide a high-quality solution in an asset class where there were few options. Managed by Mike Poggi, the Large-Cap Sustainable Value strategy builds on the firm's history in large-cap investing, value-investing, ESG research and sustainable investing, and seeks to invest in companies with Sustainable Cash Flow Advantages (SCFA) that have been overlooked by the market. The strategy is supported by a team of sector and ESG specialists including Director of Equity ESG Research and Strategy, Katherine Kroll.

Here too, our independence and ownership mindset play a meaningful role. Alongside some very supportive clients, many Brown Advisory partners helped seed the Large-Cap Sustainable Value strategy with their own capital based on their conviction in its tenets and in the portfolio management team. From our beginnings, our colleagues have invested alongside our clients—because this keeps us aligned with our clients and demonstrates our belief in the long-term performance opportunities of our investment strategies.



Mike Poggi, CFA, Portfolio Manager; Katherine Kroll, Director of Equity ESG Research and Strategy

THE ANCHOR INVESTOR NETWORK

Private investments often play an important role in driving long-term investment results. At the same time, compelling direct private investments can be challenging from a timing and process standpoint. We developed a solution that would respond to client demand for access to attractive direct investment opportunities in growth-stage private companies, which are often fast-moving and capacity-constrained.

The Anchor Investor Network is the result—offering first-mover investors priority allocations to oversubscribed deals. Investors “pledge” a capital commitment per vetted deal—an “anchor commitment”—in exchange for a priority allocation. Investors can opt out or (where capacity permits) double down on specific opportunities to retain deal-by-deal decision-making. One such investment was Thrive Earlier Detection Corp., founded by cancer research pioneers at Johns Hopkins.



Thrive Earlier Detection Corp. was launched at the Science and Technology Park at Johns Hopkins, the home of Johns Hopkins Technology Ventures, one of our private investment partners.



Brigid Peterson, Head of Endowments and Foundations (second from right), speaks at Mission Investors Exchange

We had the privilege of participating in and guiding the 2022 Mission Investors Exchange (MIE) National Conference, which was held in Baltimore. MIE is one of the most important gatherings for investors in the foundation and philanthropy arena. Brigid Peterson, Head of Endowments and Foundations, spoke on a panel entitled “Making the Case: Starting or Growing an Impact Investing Program,” and Elise Liberto, Private Equity Portfolio Manager, moderated “Equitech and Beyond: Building through Incubators, Inclusion and Impact Investing.”

Developing an Independent Investment Perspective

Looking back on our 25 years as an independent firm, we have the opportunity to reflect on lots of decisions—some certainly ill-advised or mistimed, but plenty that laid the groundwork for the firm we are today. Our decision to build an equity research team falls into the latter camp.

Back in the late 1990s, with assets of about \$3 billion and fewer than 80 colleagues, deciding to invest in a team of equity analysts who could cover the full gamut of industry sectors was a lofty aspiration. Not to be deterred, Paul Chew—now our Chief Investment Officer, but then a young technology analyst—was elevated to Director of Equity Research to take on the task. Paul reflects: “We were committed to developing independent thought processes and to eliminating bias as much as we possibly could. We felt that building our own intellectual investment engine, one that could collect and evaluate multiple external and internal perspectives, was the only way to make the best long-term decisions for clients.”

The practices that the fledgling equity research team developed are still important parts of our investment processes. According to Paul, “we felt if we could build the right frameworks from the beginning, we could make fewer emotional decisions and minimize the impact of our mistakes.” Those frameworks—including our upside-downside and risk-reward analyses—are central now not only to our equity decision-making but also to the way we assess fixed income, asset allocation, external managers and private investments.



Thinking back to those early days, Paul remembers telling research team members that they had to be the nicest, most respectful partners to everyone they encountered—from management teams to sell-side firms to third-party data providers. “We were so small that the only way we could get access was to be genuinely nice. I think that’s just part of our DNA today.”



James Harding, Editor and Co-Founder, Tortoise Media; and The Rt Hon George Osborne, Partner, Robey Warshaw LLP and Former Chancellor of the Exchequer; in conversation at the Responsible Investment Forum

RESPONSIBLE INVESTMENT FORUM

We are proud to be the founding partner of the Responsible Investment Forum, hosted by the Rothschild Foundation and Tortoise Media. The Forum convened for the first time at Waddesdon Manor in Aylesbury, England, last October, bringing together some of the most thoughtful and innovative business leaders, academics and investors for thought-provoking debate, respectful disagreement and mutual learning. Karina Funk, Brown Advisory’s Chair of Sustainable Investing and Co-Portfolio Manager of the Large-Cap Sustainable Growth Strategy, serves as an advisory board member. We view the Forum as a new kind of venue to discuss the role of finance and investment capital in solving our sustainability challenges—in a way that will genuinely make a difference.

ARIS

We developed our proprietary ARIS (Alignment, Risk, Impact and Sustainability) analysis and reporting tool to provide visibility into a portfolio’s exposure to a range of factors—including climate risk, corporate diversity, corporate governance, religious values and certain business practices, as well as positive impact. ARIS enables clients to understand their portfolio exposure at a granular level and supports substantive discussions around sustainability risks, opportunity for impact and progress over time.



Our start-up mindset keeps us pushing ourselves to focus on continual growth—asking what our clients will need in three, five, eight years and how we will need to evolve as an organization to support them.

Brian Cobb
Chief Technology Officer



B.INNOVATIVE

B.Innovative is our “in-house” program for purpose-driven startups, investors and ecosystem-builders to catalyze entrepreneurial activity and thought leadership across underserved stakeholders. We provide collaborative workspace and wraparound services to help our resident innovators raise the future. Located in our Baltimore and Austin offices—so far—B.Innovative enables us to invest in our communities and, equally importantly, brings our colleagues into the flow of new ideas, fresh thinking and diverse perspectives.



Jeff Cherry, Founder and CEO of Conscious Venture Labs, leads the early-stage accelerator from B.Innovative in Baltimore—developing companies and leaders who embrace capitalism as a catalyst for positive impact on society.



2023 Techstars Equitech class with **Mac Conwell**, Founder and Managing Partner, RareBreed Ventures (fourth from right)



Preston James, CEO, DivInc (third from right), and DivInc team members

We value the opportunity to convene innovators. In Baltimore, TechStars Equitech uses our space for demo days and other events. In Austin, we support the local start-up ecosystem with events during SXSW and throughout the year.

CLIENT STORY

Victoria Stapleton

Timeless Authenticity



Victoria Stapleton

Authentic. This word comes to mind repeatedly upon talking with Victoria Stapleton, Founder and Creative Director of Brora, the Scottish cashmere company. Her down-to-earth nature mirrors the values that she has embedded in the company she launched 30 years ago from her spare bedroom in London.

Victoria set out to make contemporary, sustainable, high-quality Scottish cashmere, created by talented artisans in local mills. Today, the artisans that Victoria employs keep those traditional skills alive—very often using techniques that have been passed down through generations of families in the Scottish borders.

The company has grown substantially since the days when Victoria had one phone line and sales were all mail order. “I own 100% of the business, which means decision-making can be very nimble. Over the years, I’ve reinvested profits back into the business to help us grow, but it’s been steady and organic.”

Today, the offering extends beyond cashmere to brightly colored prints and a full line of women’s clothing, as well as men’s and children’s collections. There are 10 retail stores across the U.K. and in New York, including the first shop that Victoria opened in the Kings Road in Chelsea with a £300 budget.

The ethos, aesthetic and personal style of Brora has stayed constant, with designs often inspired by Victoria’s vintage finds from early morning trips to the Portobello Road market and the many art exhibitions she visits, as a former art history student, wherever she travels.

Says Victoria, “Our idea is to make pieces with love, care and thoughtful details that can be passed down from one generation to the next—timeless designs with a nod to the trends. We produce slow fashion; sometimes it can take 50 processes to make one cashmere cardigan. There is a great deal of hand linking and hand sewing. We have so many customers whose collections go back the full 30 years!”

Victoria credits her success to the trusted relationships she has built over many years—with cashmere, linen and wool suppliers; with photographers and models; with her dedicated employees; and especially with her customers, whom she regularly meets and greets in Brora stores.

When she was looking for an investment manager, finding people and a firm with whom she could build a trusted relationship was paramount. “Markets go up and markets go down, but my Brown Advisory team, led by Quintin Ings-Chambers, is focused on the long term, which is my outlook too. We have very dynamic and inspiring conversations—about the companies in my portfolio, about investment opportunities, about future financial planning. That personal interaction is important to me.”

For Victoria, it comes back to being authentic and to building for the long term.

Independence powers accountability

Our firm's structure, where every colleague is an equity owner, breeds accountability—to our clients, to our colleagues, to our community and to our culture. This interconnectedness imbues our work with meaning, inspires us to outperform—for our clients and each other—and drives us to raise the future.

Holding ourselves and each other accountable is central to our DNA. Given our ownership mindset, it is baked into the decisions we make and the care we take—of our clients and of each other. We are focused on creating a world-class environment for our colleagues to thrive over the long term because we believe this is the only way to deliver the highest level of performance, advice and service to our clients. It is on all of us to strive continually to make Brown Advisory a place that attracts and retains the best and brightest professionals—colleagues who contribute to sustaining our collaborative culture and challenge each other to get better.



Kellie Zesch Weir, CFA, Portfolio Manager and Head of Austin Office; Ken Stuzin, CFA, Portfolio Manager, Large-Cap Growth Strategy



Shannon Pierce, Controller

INDEPENDENT BOARD OF DIRECTORS

When we established our firm 25 years ago, we elected to engage an outside board of directors, even though there was no regulation or even convention for a private firm to do so. Today, we are even more passionate about the accountability and benefits that an outside board provides—for all of our stakeholders. Our directors share diverse perspectives on strategic issues, question our assumptions and challenge us to be the best.



Matthew Cutts
Chair, Audit Committee



Doug Eu



Lead Director
Robert J. Flanagan
Chair, Governance Committee



Christine Fox



President and CEO
Michael D. Hankin



Beatrice H.M. Hollond
Chair, Compensation Committee



Katherine Kalin



Charles Linehan



Robert S. Murley
Chair, Finance Committee



Charles E. Noell III
Chair, Investment Committee



David Robinson

UNDERSCORING ACCOUNTABILITY

To ensure absolute accountability and to underscore the importance of independence in protecting our clients, our Internal Audit function reports directly to the Audit Committee of the Board of Directors.



“

The Board has been a pillar of our independence for 25 years—they have been invaluable in holding us accountable to our clients’ best interests.

Dave Churchill
CFO, COO

”

In addition to the directors of Brown Advisory Incorporated, who are listed here and govern our entire business, we have boards that oversee specific areas, including boards of directors for Brown Advisory Limited (our international business), Brown Advisory Funds (our U.S. mutual fund business), Brown Advisory Funds plc (our UCITS business), Brown Advisory Trust Company of Delaware, Brown Investment Advisory & Trust Company, Brown Advisory (Bermuda) Limited and Brown Advisory (Ireland) Limited; and advisory boards for our Sustainable Investing and International businesses.

While only some of these boards are regulatory in nature, they all share our firm’s commitment to maximizing accountability and transparency for the benefit of our clients.

See pages 64-65 for a list of all our board members, and please visit www.brownadvisory.com for board member biographies.



Sarah Penne, Internal Audit Supervisor; Linda Tan, Head of Internal Audit; Uche Ogbuokiri, Internal Audit Supervisor

OUR DNA

Brown Advisory's DNA is not just one thing; it is the culture created by our 800+ colleagues working together to **raise the future**.

- Part of our DNA is our client-first culture—our mission is to make a material, positive difference in the lives of our clients—and we are focused on putting clients first, always.
- Part of it is our ownership structure and ownership mindset—every one of our full-time colleagues is an equity owner, and no colleague owns more than 5% of the firm.
- Part of it is our purpose—to raise the future for and with our clients, our colleagues and our communities—we think a lot about how we can best impact and take care of all of our stakeholders.
- Part of it is our appreciation of humility—knowing that we don't have all the answers, listening more than talking, searching for new and better solutions, celebrating learning and curiosity—because we believe this produces the best results for clients.
- Part of it is our leadership in sustainable investing—which has been an important focus for more than 12 years.
- Part of it is our commitment to diversity, equity and inclusion (DEI)—we simply cannot be an innovative firm without a pronounced dedication to and investment in DEI.

We use “the Four Cs”—clients, colleagues, community and culture—as a framework to reflect our DNA. We focus on clients, always. We take care of each other. We find material ways to help our communities thrive. And we strive to invest in, nurture and cultivate a culture that can support a special focus on the first three Cs.

CLIENT FIRST

Helping clients get “there” defines our mission.

COLLEAGUE DRIVEN

Uncompromising commitment to integrity, excellence and inclusivity guides our way.

COMMUNITY FOCUSED

Recognition of our responsibility for the future inspires our purpose.

CULTURE LED

Shared passion and beliefs translate to our clients' success.



Brown Advisory is an intense place. We work hard to deliver results for our clients. But being in it together means that while we are challenging each other, we are also looking out for each other. We're a team—we have each other's backs.

Brien White

Chief Operating Officer of U.S. Private Client, Endowments and Foundations Business



MORNING MEETING MINDSET

Four days a week, the entire firm gathers to listen to our investment teams discuss topics that are influencing their investment thinking—from macro issues, such as asset allocation and consumer trends, to deep dives into private investment opportunities and engagement with management teams around sustainable business practices. These meetings bring us together physically—each office gathers in person, and we are all connected via video—as well as intellectually and emotionally, and keep us accountable to each other.

INFORMATION SECURITY AND TECHNOLOGY

Ensuring the security and privacy of our clients' information has never been more important—or more in focus. We invest heavily in security architecture, while continuing to ask: Are our current tools and partners supporting us effectively? Are there any areas that we need to reinforce? Are we keeping pace with emerging threats? We implemented 31 security projects in 2022 and have more than 40 planned for 2023. As a private and independent firm, we have the ability to answer “yes, always,” when we are considering the deployment of a new security project.

Meanwhile, our technology team is laser-focused on making sure that our clients and colleagues are supported by best-in-class technology across our businesses. In addition to rolling out a new client relationship management system so that we can communicate optimally with clients, the tech team deployed more than 125 projects last year across private investments, equity research, fixed income, sustainable investing, legal and human resources.



Tayo Okunseinde, Director, Application Development and Support; Charles Severn, Director, Application Integration and Support; Gus de Los Reyes, Chief Information Security Officer; Teresa Pollet, Senior Project Manager; Brian Cobb, Chief Technology Officer

INVESTING IN HUMAN CAPITAL

In many ways, we are in the human capital business. We cannot achieve our mission—to make a material, positive difference for our clients—without recruiting, investing in, nurturing, challenging and elevating a world-class team of thoughtful, collaborative and inclusive colleagues. In 2022, we focused on two key efforts—finding, developing and retaining top talent; and remaining steadfast in protecting our culture.

A hallmark of Brown Advisory is investing in, developing and promoting our own talent. We believe in challenging our colleagues with new opportunities and, with proper support, have seen time and again that they bring fresh perspectives and insightful approaches that benefit our clients. Many of the innovations described in these pages have been created, launched and led by colleagues who joined the firm as recent college graduates in entry-level positions. Driven by entrepreneurial spirit and nurtured by mentors, they continue to seek out new and better ways to serve clients. They hold us accountable for ensuring the continued evolution of the firm.

We launched our first firmwide engagement survey, administered by a third party, to ensure that we remain accountable for our colleagues' experiences. It allowed us to assess how we compare to our peers and translate survey results into actionable business goals. We learned some things that made us feel pretty good—89% of colleagues said Brown Advisory was a great place to work, and 88% believe “the firm shows care and concern for colleagues.” From an absolute perspective, these are strong marks, and they are well above our industry's average. At the same time, we learned plenty about where we need to improve, which includes but is not limited to: training for colleagues and visibility for colleagues into their future pathways at the firm. We plan to conduct this survey each year over the near term to measure our progress.



Rebecca Sugarman, Chief Human Resources Officer

An important part of the engagement survey was continuing our firmwide DEI assessments that we began in 2018. Our commitment to creating an environment where all colleagues feel they belong is stronger than ever. We know that diverse experiences, backgrounds and thinking are essential to serving our clients and to helping all of our stakeholders raise the future.

DEI is now embedded in our business goals and across all levels of recruiting. Using data from the engagement survey, each group head is accountable for achieving specific objectives.

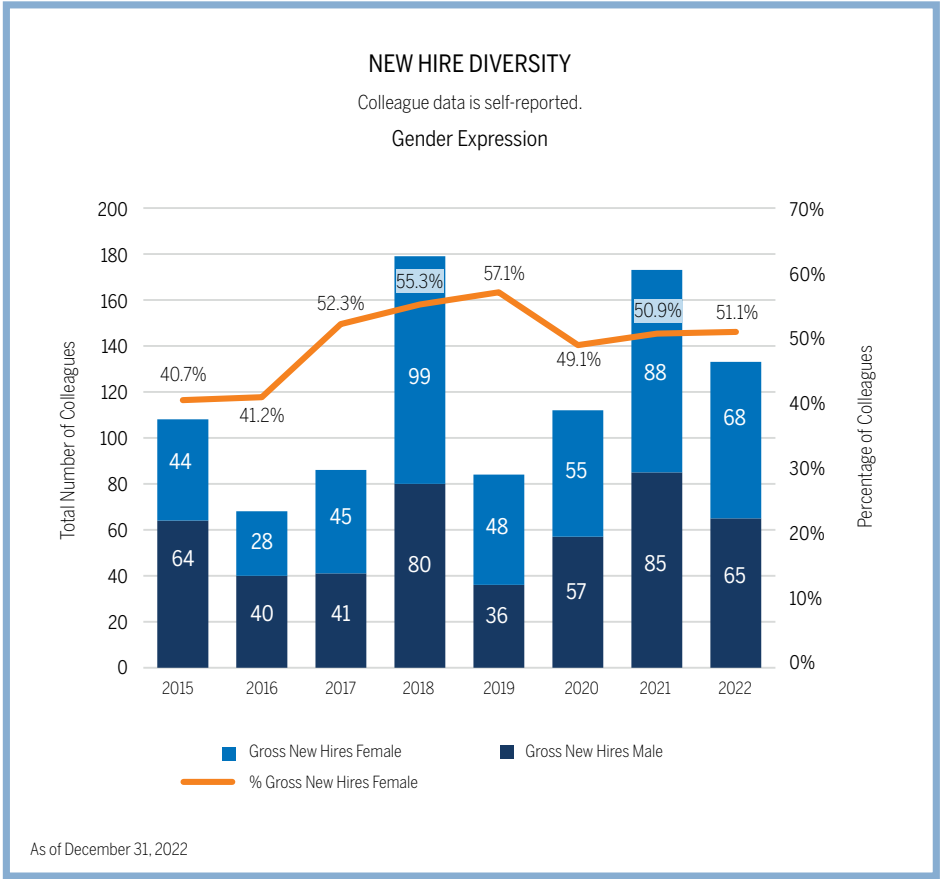
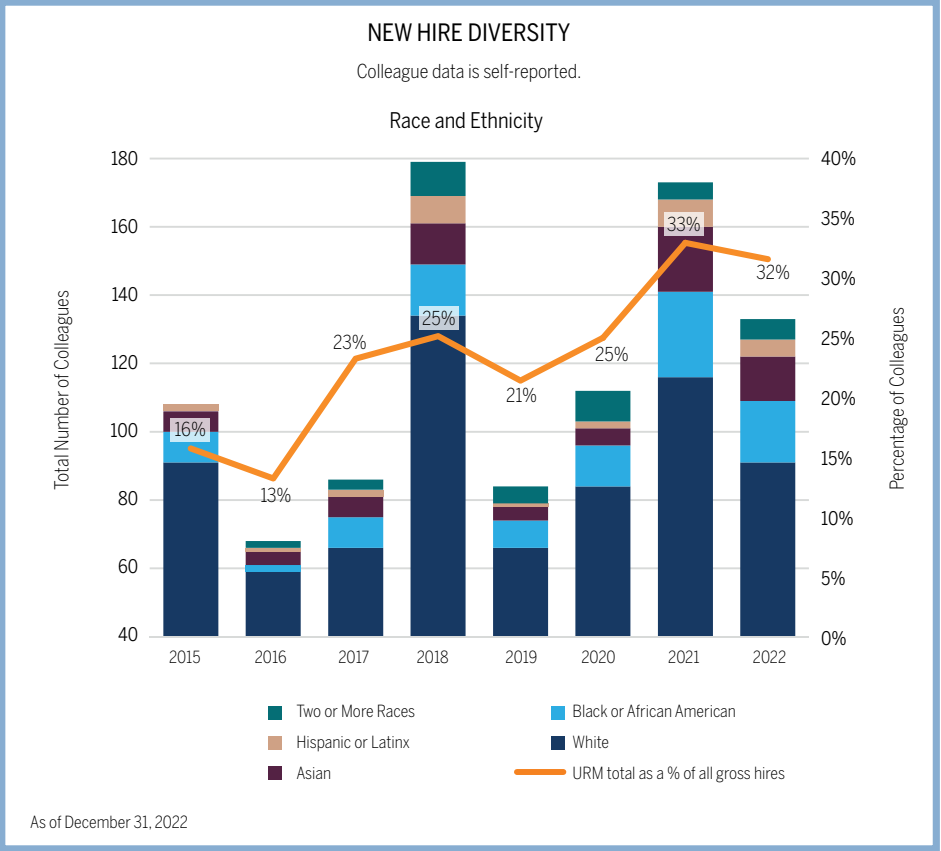
Under the leadership of Mia Contreras, Director of DEI and Learning & Development, we broadened our partnerships to source the best and brightest talent, working with Historically Black Colleges and Universities (HBCUs) and other community partners such as Invest in Girls, Modern Guild, Association of Latino Professionals For America (ALPFA), The Mom Project, Hiring Our Heroes, the Ron Brown Scholar Program, Girls Are

INvestors (GAIN), YearUp and Black Women in Asset Management. In addition to expanding our external talent acquisition network, we strengthened our internal network, integrating an anti-bias framework into our Principal and Partner promotion process. For the third year in a row, we earned a perfect score of 100 on the Human Rights Campaign's Corporate Equality Index, the national benchmark for corporate policies and practices to support LGBTQ+ colleagues.

In 2022, 32% of new hires were underrepresented minorities, compared with 21% in 2019 and 13% in 2016. While we have work to do at the partner level, in 2022, 15% of partners were underrepresented minorities, compared with 9% in 2020—and over 70% of new partner hires in 2021 and 2022 were underrepresented minorities.



Mia Contreras, Director of DEI and Learning & Development



CLIENT STORY

Ryan Bennett

Investing in Resilience



Ryan Bennett has always been interested in working within industries that “could do good in the world.”

Starting out as a geologist, Ryan became intrigued by the intersection of business and the environment when he got a dual MBA and Master of Environmental Management from Yale. For the past 20 years, he has focused on renewable energy. He got his training while working in wind energy at the Tehachapi Pass in Southern California, the site of some of the first large-scale wind farms in the U.S. “Tehachapi is where the U.S. wind industry really started,” says Ryan. “It’s like a monument to wind energy.”

After working on wind projects across Canada, Ryan moved to Northern California and became interested in the investment opportunities that solar energy offered—as well as the positive environmental impact.

He launched 38 Degrees North in 2015 to invest in solar and battery storage projects across the U.S. The firm has a significant focus on community solar, a regulated energy category where residents can subscribe to a nearby solar farm and save money on their electricity costs. “Community solar allows broad participation in solar cost savings,” says Ryan. “We can get solar closer to people who might not have the ability to put it on their roofs, and we can build larger projects on the ground at a lower unit cost than on the roof of a home.”

Ryan shares that this is the most interesting period that he has ever experienced in the renewables landscape. “Across renewable sectors—wind, solar, batteries, clean hydrogen—the Inflation Reduction Act provides stability in terms of tax credits and incentives on which the industry can rely. Projects typically take two to four years to turn into real assets. As an industry, we now have a 10-year runway that we can depend on.”

He adds that the energy transition should provide significant investment opportunity. “We’re seeing tons of capital being deployed in this space. The electricity demands—because of the EV revolution and the need for infrastructure and charging networks—are going to keep growing. We’re going to have to invest materially in grid resilience so that all of this works, and not just when the sun is shining.”

Together with his family, Ryan has been a Brown Advisory client for 12 years. “We’ve grown as a family with the firm,” says Ryan. “Our relationship, which is led by Chris Bartlett and Alice Paik, initially focused on my mother’s estate plan, but now, all my siblings are involved. It has been really helpful for all of us, given our different situations, to have such personalized support. For me, sustainable investing is really important—and we have all benefited from guidance around investing in different asset classes, thinking about risk tolerance, tax efficiency and estate planning.”



Ryan Bennett

OUR COMMUNITIES

We recognize that we are accountable for the current and future health of our communities. Our responsibility takes numerous forms: climate stewardship, catalyzing local mission-driven businesses, providing nonprofit leadership and volunteer service, and charitable giving.

You will often hear colleagues share that our community focus attracted them to Brown Advisory. Indeed, demonstrated leadership in the community is one of the criteria for promotion to Principal and Partner. Across our offices, you will find colleagues contributing financially, intellectually and through hands-on partnership to local organizations of their choice—all of which are encouraged and supported by the firm.



Nature Sacred works with communities to create public green spaces—called Sacred Spaces—that are designed to improve mental health, unify communities and engender peace.

Bard Prison Initiative

For the past two years, the firm has had the privilege of supporting the Bard Prison Initiative (BPI) through our charitable foundation. For more than 20 years, BPI has created groundbreaking opportunities within America's prison systems. These college programs mitigate the negative impacts of incarceration and create transformative access to high-quality liberal arts education.

Brown Advisory's relationship with BPI is emblematic of our broader entrepreneurial mindset. Two colleagues from New York—Rima Parikh and Katie Kelley—met the BPI team and were convinced of the alignment between our two organizations. They facilitated the New York team's and then the broader firm's introduction to BPI and continue to shepherd our multiple touchpoints and connections. After a recent Lunch and Learn with the BPI leadership team, Dyjuan Tatro, BPI '18, said, "the level of engagement from across your firm was truly a marvel."



CHARITABLE GIVING

In 2022, Brown Advisory contributed more than \$2 million to a range of nonprofits and charities across the communities where we live and work. Our focus is supporting local organizations that are important to our clients and colleagues, in addition to our strategic giving areas: the environment, gender equity and justice.

We are pleased to share a few of these organizations that are working to raise the future.

Environment:

The nonprofits and charities with which we partner strive to solve the complex environmental challenges threatening our world, such as climate change, water scarcity and quality, biodiversity, sustainable agriculture, and environmental justice. We believe that these issues are interconnected with their social and systemic counterparts, and that addressing them requires a holistic approach to balance urgency with long-term solutions.

Baltimore Healthy Harbor Project | Chesapeake Bay Foundation | The Nature Conservancy | Nature Sacred | Royal Botanic Gardens, Kew

Gender Equity:

We partner with organizations dedicated to helping and empowering women and girls, especially those in underrepresented groups. Their work focuses on inclusion, education, health and social services, and includes closing the gender gap in business and government, mentoring, furthering and supporting women's rights, preventing abuse, and providing direct services to people in need.

Girls Are INvestors (GAIN) | HM Treasury's Women in Finance Charter | Him For Her | Invest in Girls



Girls are INvestors (GAIN) inspires and prepares young women for careers in the investment management industry.

Justice:

We support charitable organizations that address social injustice and racial inequity. These organizations provide support and services to underrepresented and economically disadvantaged groups, work to dismantle systemic barriers to racial equity, and build deliberate systems to achieve and sustain racial equity.

10,000 Black Interns | Anti-Defamation League | Bard Prison Initiative | Roca | Ron Brown Scholar Program

CLIMATE

The four Cs—our clients, colleagues, community and culture—guide all our activities, including our work on climate. As a business, we believe we have a responsibility to understand our climate impact.

As an investment firm, we view climate decisions through the lens of our fiduciary duty to generate attractive investment returns that help our clients achieve their goals over the long term. This long-term lens, we believe, requires an appreciation of how climate and other sustainability challenges will strengthen or weaken an investment case. Given our role as investment advisor, we have a responsibility to identify all data—which include climate-related risks, costs and opportunities—relevant to driving investment performance.



Carey Buxton, Head of Sustainable Investing Business

Operational Carbon Footprint

From an operational perspective, our focus is on monitoring and reducing emissions and contributing financially to climate-positive projects that can help offset emissions that are unavoidable in the course of serving our clients. All of our newly developed office space must meet the highest levels of LEED and BREEAM certifications.

Our operational carbon emissions in 2022 were approximately 4,750 metric tons of CO₂e. This number is attributed to about 1,150 mt CO₂e of Scope 2 emissions related to electricity in our offices and 3,600 mt CO₂e of Scope 3 coming from air travel to connect with clients and colleagues. Consistent with prior years, we purchased Renewable Energy Certificates (RECs) to match electricity use for the year related to Scope 2 emissions and offset projects to address Scope 3 emissions.

In an effort to offset our emissions, we strive for a diversified portfolio of high-quality projects that are backed by rigorous science and monitoring and incorporate secondary benefits such as biodiversity and human health. This year, we invested in the following climate-positive projects:

- **Seeing the Forest for the Trees:** This project mitigates forest exploitation in Mexico. All members of the community within the project area are involved in the effort to sustainably manage and increase the carbon stocks in the forests—conserving forests, increasing biodiversity, and providing education and jobs to local residents.
- **Doo Doo Does More:** This project installs biodigesters in rural Indian homes that convert cow dung into clean methane gas for cooking. The biodigesters replace inefficient wood-burning stoves—preventing the depletion of already-scarce local forest resources and reducing emissions from methane, a greenhouse gas that would otherwise be released into the air from decaying cow dung.
- **The Giving Trees:** This project supports reforestation and sustainable development among small groups of farmers in Kenya, Uganda, Tanzania and India. The trees help break the cycle of deforestation, drought and famine. The profits earned through the sale of carbon offsets provide capital for tree planting, as well as leadership opportunities for women, and income to address agricultural and nutritional deficiencies, HIV/AIDS, clean cooking, and fuel availability.





CLIENT STORY

Zamorano University

The Transformative Power of Education

Zamorano changes lives and transforms communities.

While that may seem like hyperbole, everyone who interacts with the Honduras-based agricultural university seems to come away with that opinion. Since its founding 80 years ago, Zamorano has educated students from across Latin America and the Caribbean to become agricultural and agribusiness entrepreneurs and leaders.

While many universities may talk about educating students to be future leaders, Zamorano's approach is distinctive. "You have to go to Zamorano to understand Zamorano," says Erik Peterson, Chairman of the Zamorano Board of Trustees. "When you actually see the students, you grasp what a profound experience this is for them."

Most of Zamorano's students live at or below the poverty line, and most are only able to attend the university because of scholarship funds. According to Erik, "Educating a single student can break the cycle of poverty. It can transform an entire community." The students bring skills, knowledge and environmental awareness back to their communities and countries that can help create businesses, grow economies and provide leadership to build sustainable agri-food systems. Alumni go on to run multinational organizations, large farms that employ hundreds of people, and governmental agencies—indeed, the current Secretary of Agriculture and Livestock in Honduras (the first woman in the country's history in that role) is a graduate and former professor of the university.

A Zamorano education is focused on "learning by doing" and is based on the school's belief that students build knowledge through practical work and collaboration in agriculture-based business. The students—one-third of whom are women—spend half the day in the fields learning experientially and attend classes during the other half. Students are expected to work hard; they start their day no later than 5:00 a.m. and all lights are out by 11:00 p.m. Not only do they receive excellent hands-on practical training, but they also receive a world-class education. In addition to offering its own master's programs,

approximately 30% of Zamorano students go on to attend graduate programs at other institutions, including elite universities such as Cornell, University of Texas, Purdue, and other schools in the U.S. and Europe.

Internships are another aspect of the experiential learning program. Students travel internationally to pursue internships at other academic institutions or in industry. As Ana Maier, Acting President of Zamorano, says, "These kids have often never left their communities. The opportunity to travel internationally can completely transform their perspective and what they think is possible."

Zamorano's endowment plays a pivotal role in facilitating this potential for transformation, providing the bulk of financial support for most students. When the university was looking for a new OCIO (Outsourced Chief Investment Officer), cultural alignment was important. Erik commented, "The Brown Advisory team, led by Brandon Parrish and Amy Seto, was committed to the power of education and to sustainability, which was meaningful to us. They have spent time getting to know us and to understand how much our endowment matters to our mission."

“

At Zamorano, we are committed to educating future leaders and innovators capable of tackling global challenges, such as achieving food security, improving nutrition through sustainable agriculture, combating climate change, and building resilient communities across Latin America and the world.

Ana Maier
Acting President, Zamorano University

”

SPOTLIGHT ON COLLEAGUES

It is a supreme challenge to tell the stories of just a few colleagues when our firm is characterized by teams of remarkable, high-performing people who care deeply about our clients and each other. We could cover many pages with the contributions of colleagues across the firm. Here are just a few:



Francis Brown, Strategic Advisor; Alex Tanouye, Head of Fiduciary Services

Elevating Research Colleagues to Leadership Roles

As our clients' needs evolve and the complexity of our business grows, we continually assess our leadership structure to ensure that we are positioned to deliver first-rate performance, advice and service. In our Institutional business, we elevated four team members across equity and fixed income to new leadership roles.

Recruiting New Strategic Advisors

We continue to add strategic advisory expertise across the firm. Most recently, two senior strategic advisors, Alex Tanouye and Francis Brown, joined us in Washington, D.C. As Head of Fiduciary Services, Alex is responsible for the oversight of all trust and fiduciary relationships and for the delivery of fiduciary services and advice to solve our clients' complex legacy planning objectives. Francis brings decades of experience working with business owners and families on complex planning issues.



Katherine Kroll, Director of Equity ESG Research and Strategy



Daniel Mooney, CFA, Director of Equity Research



Colby Stilson, Co-Head of Global Taxable Fixed Income



Amy Hauter, CFA, Global Head of Fixed Income Sustainability

COLLEAGUE OF THE YEAR



Sydney Shapiro, Administrative Business Partner

Sydney's colleagues noted:

"Sydney is not only willing to lend a helping hand, but she goes above and beyond what is asked of her. She will take on any task and then take complete ownership of it. She is one of the most proactive colleagues I have had the pleasure of working with and is brilliant at thinking ahead. She is able to juggle her many, many different roles and hats, all while maintaining the best personality and outlook."

"There isn't a hill that Sydney is not willing to climb. Even better, she shows others the way."

"She makes all of us better at our jobs."

"She has emerged as a thought leader and sought-after resource on how to structure, organize and support our business."

"Sydney doesn't know the meaning of 'not my job.' Not only does she willingly contribute to any project when asked, but she does so with extreme competence and an unusually positive and enthusiastic attitude. Every interaction with Sydney is a pleasure—and every task she touches is completed with excellence."

PROMOTIONS

Partner

Nicholas Andjel | Danielle Barrett | Walter Beckett
Erik Briggs | Chris Chalke | Peter Curteis
Emily Dwyer | Michael Gaughan | Amanda Gift
Ted Hanks | Sanjeev Joshi | Kathleen Mack
Billy Mathews | Olachi Opara | Brandon Parrish
Nick Taylor | Ashley Webb

Principal

Victoria Avara | James Boisture | Bryan Carney
Brian Castagna | Becky Cheney | Ernest Coleman
Chris Delfino | Joseph Elefante | Bridget Fitzgerald
Glenn Garven | Brian Gordon | Kristin Grady Olinyk
Matthew Greenspan | Jawad Hamid | Laura Kirby
Lauren Kurtzweil | Glen Lambinicio | Charlie Larsen
Jack MacDonald | Poppy Maltby | Rebecka Markland
Matt Metsch | Susanne Reisch | Angela Rizzo
JR Rodrigo | Chris Roof | Bryan Scanlon
Roddy Seymour-Williams | John Sharkey
Daniel Silcock | Ben Wagner | Laura Watt
Alexander Weber | Angela Wilson
Brandon Woodland

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Brown Advisory Incorporated

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Doug Eu

Robert J. Flanagan
Lead Director

Christine Fox

Michael D. Hankin*

Beatrice H.M. Hollond

Katherine Kalin

Charles Linehan

Robert S. Murley

Charles E. Noell III

David Robinson

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Kyle P. Legg

Thomas F. O’Neil III
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Neal F. Triplett

Brown Advisory Limited

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David M. Churchill*

Logie Fitzwilliams*

Michael D. Hankin*

Peter G.C. Mallinson

Simon Peck

Richard Thomason*

Brown Advisory Funds plc

Mary Canning

David M. Churchill*
Chair

Barbara Healy

Brett D. Rogers*

Adrian Waters

Brown Advisory Bermuda Limited

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Dawn C. Griffiths

Brett D. Rogers*

Derek Stapley
Chair

Brown Advisory (Ireland)

Mary Canning

David M. Churchill*
Chair

Barbara Healy

Brett D. Rogers*

Adrian Waters

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Mamie Parker

Beth Richtman

Truman T. Semans*

Dune Thorne, CTFA, CWS*

Herta Von Stiegel

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Beatrice H.M. Hollond

Peter G.C. Mallinson

Robin Niblett

Jamie W.J. Ritblat

Robert Waley-Cohen

*Brown Advisory colleague

COLLEAGUE RESOURCE GROUPS

The firm’s Colleague Resource Groups provide important opportunities for colleagues to connect with each other. Our CRGs support colleagues and allies who identify as: Asian and Pacific Islander, Black and African American, Hispanic and Latinx, LGBTQ+, Military and First Responders, Parents and Caregivers, and Women.



CRGs host educational and social events across Brown Advisory offices for colleagues to learn and connect.



We hope you come away from reading this report with an understanding of our aspiration to improve—as partners of the clients we are privileged to serve, as investors, as teammates and as community members.

In this respect, we want to hear from you. Please share any feedback, questions, concerns and ideas with us at annualreport@brownadvisory.com. Know that we will carefully read your comments and direct your inquiry to the most appropriate person. Thank you in advance for helping us

raise the future.

Certain of the information contained in this annual report represents or is based upon forward-looking statements or information. Forward-looking statements are inherently uncertain, and changing factors, such as those affecting the markets generally, or those affecting particular industries or issuers, may cause events or results to differ from those discussed.

References to funds or individual securities or issuers are intended to illustrate the application of Brown Advisory’s investment process only and should not be viewed as a recommendation of any particular fund, security or issuer. This annual report is provided for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any security or any interest in any investment vehicle. Any such offer or solicitation will be made only pursuant to a prospectus.

All performance data quoted are as of March 31, 2023, unless otherwise indicated. Past performance does not guarantee future results. The investments and strategies described in this report do not represent all the investments and strategies offered by Brown Advisory.

Raise
the Future



Client-first investment management,
advice and service.

