

April 15, 2020

Dear Clients,

When we left our offices on March 13, few of us would have imagined that after a month of working from home, our return date would still be unknown. Like many of you, our first month was focused on making sure that we were able to function—carry on business, look after our families, participate in meetings and, in general, just get things done. For the most part, we have proved that we can function “operationally” in this manner for an extended period. This, of course, has a clinical tone to it that belies the tremendous cost that the COVID-19 pandemic is exacting from our society. We have all watched family members, friends and colleagues endure cases of the virus—some mild, some more serious. The outcomes, sadly, have been tragic for far too many across the globe. Our health care workers have been heroic, and we are told that their seemingly endless hours on the frontline are as physically and emotionally draining as those who have served on the battlefield. We think of them daily and extend to them our gratitude and wishes for their own safety and health.

As we have moved into our second month of seclusion, and while we know there are tremendous challenges ahead, we sense a discernible change in what we are hearing from our clients. Without knowing exactly when this period will end, people are looking beyond. The catalysts for these feelings may include reading about the number of research teams working on vaccines and treatments, the creativity and ingenuity of the many companies shifting their manufacturing from core products to medical supplies and equipment, or just the optimism we perceive from a person in the struggle of their life. For a growing number of people across the world, the initial shock has worn off and their focus has shifted to the future.

As discussed last week, we are experiencing this same shift at Brown Advisory. We continue to see an uptick in client interest in allocating to companies we expect to improve on, or maintain, their position of strength as we come out of this challenging period. Future-based optimism is especially apparent in strategies pointed at Sustainable or ESG Investing. As the pandemic moved into Europe, Great Britain and the U.S., much was written on whether the growing interest in “sustainable investing” would take a back seat to concerns about the virus and the economy. In fact, just the opposite seems to be happening—ESG or sustainability-based strategies are performing well and we are observing a steady and even increased interest in them. Linked [here](#) is an article—“Big Problems Require Big Solutions”—we contributed to *Citywire* on how public market investors can pursue impact with their capital.

There is much talk in the media and at various levels of government about how our societies can move into the next phase of responding to this pandemic and attempt to return to what we used to consider as normal. As a firm, we are starting to press forward by turning some focus to how we will bring our colleagues and communities “back together.” Getting people back into workplaces and re-opening businesses impacted by the pandemic is a necessary step, and will help our economies if done in a thoughtful way.

As such, we have created a sub-group of our COVID-19 Task Force to build a plan for our path forward on the basis of guidance from governments and health organizations, and as much scientific and medical information as is made available to us. Many factors will come into play, but two things will be paramount: (1) the safety and well-being of our colleagues and their families, and (2) our ability to deliver uninterrupted performance, advice and service. We sincerely hope that we are approaching the end of the worst phase of infection rates and hospitalizations around the world. As we move ahead, we will share our thoughts with you, and would appreciate hearing about your own approaches to this topic.

Our Brown Advisory team continues to perform at a very high level, one that we hope is apparent in our communications with you, in your interaction with your client team and by your engagement in our various webinars and podcasts. This week, we thought we would highlight a few pieces for your attention.

- The just-released [trailer](#) for our NOW 2020 podcast—you will be able to subscribe to the podcast on various platforms (Apple, Google, Spotify, Stitcher, etc.) in the next few days. Episode 1, and an accompanying “foreword”, drops next Tuesday, April 21.

- A Sustainable Investing [webinar](#) featuring our CIO of Sustainable Investing, Erika Pagel, as she leads a conversation with colleagues Elizabeth Hiss and Elise Liberto about how the COVID-19 crisis is affecting sustainable investing strategies and how various managers are navigating the volatility. They also discuss some of the sustainable investment opportunities we are exploring with our individual, family, endowment and foundation clients.
- Two curated lists of companies in client portfolios that have leaned into the crisis to pursue better outcomes for people around the world—private company list [here](#); public company list [here](#).
- The opportunity to sign up for two upcoming webinars from our NextGen Venture Partners team. The first—“Cutting Costs During COVID-19”—will take place on Friday, you can register [here](#). The second—“Cybercrime amid COVID-19”—will take place on Thursday, April 23, and you can register [here](#).

Lastly, we want you to know how much we care about each of you and hope that you and your families are in good health. Please do not hesitate to reach out to any of us if we can be helpful to you.

Sincerely,



Mike Hankin
President & CEO



Dave Churchill
CFO & COO