

Large-Cap Growth Review and Outlook

Cracks have started to develop in the market for initial public stock offerings, which, historically, has been one of several indicators of an aging bull market. Simultaneously, the broader market experienced several days of heightened volatility during the quarter, culminating in a short but vociferous rotation into low-growth value stocks. Despite this and a plethora of geopolitical concerns, our benchmark, the Russell 1000® Growth Index, delivered another quarter with a positive return. Growth has become more difficult to come by for many companies. But that is not to say it is impossible, as we held a number of companies that managed to deliver attractive results, exceeding the expectations set for them, and subsequently, their stocks were rewarded. It was on the backs these stocks that helped the Large-Cap Growth Strategy outperform the benchmark for the quarter.

Once again, health care was a big contributor on a relative basis to the portfolio. Zoetis, one of our health care holdings, is one of the largest animal health companies. The company boasts a best-in-class portfolio of pharmaceuticals for companion and production animals. Zoetis' growth is led by two new drugs for atopic dermatitis (itchy skin), Apoquel and Cytopoint, a segment of the market where it is the only manufacturer in this class. These drugs have exceptional efficacy, fewer side effects and are easy to administer. We continue to see strong demand growth and pricing power for these drugs. The company recently announced expectations to be the first to launch a new, best-in-class combination drug, Simparica Trio, in early 2020 that will more effectively treat ticks, fleas and heartworm. We have long had a favorable view toward the animal health segment due to the propensity of pet owners spending on the health needs of their pets, even during periods of tougher economic cycles. Animal health care is mostly a cash pay market, does not face quirky reimbursement rules of insurance companies and bears less risk around new drug approvals.

Industrials and technology created the biggest drag on the portfolio from a relative perspective. As the market rotated into slower-growing, highly cyclical stocks, these two sectors bore the brunt of the negative

impacts. While two of our industrials, Cintas and BWX Technologies, put up strong quarters, it was not enough to offset the factor rotation going on within the sectors. Technology was also caught up in this phenomenon. Thematic investors pared back on many of the software names that have been outperforming year to date and snapped up semiconductor stocks, regardless of any discernable improvement in their fundamental outlook. Apple benefited from this and the buzz around the launch of a new iPhone, which tends to give the stock a marginal lift. Despite beating expectations for the quarter, Autodesk sold off as it reduced guidance in the name of conservatism. The company is seeing continued weakness in the European economy, especially in German manufacturers. However, the adjustment was as much due to currency expectations as it was to weakening market demand. Autodesk continues to move to a more consistent software-as-a-service business model, which should help reduce the amplitude of its cyclicity going forward.

Sector Diversification

- While several health care holdings were trimmed this quarter, the portfolio weighting to health care increased due to the addition of Illumina as well as the relative outperformance of the sector.
- The portfolio exposure to technology decreased by about 2.5%. Several technology names were trimmed, and FleetCor was sold outright in order to fund the purchase of Illumina. Technology remains the largest absolute sector weighting in the portfolio, but the technology weight in the benchmark continues to climb, and the sector is now the largest relative underweight in the portfolio.

GICS SECTOR	REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT (%)	RUSSELL 1000® GROWTH INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT (%)	
	Q3'19	Q3'19	Q3'19	Q2'19	Q3'18
Communication Services	6.44	11.41	-4.97	6.04	10.05
Consumer Discretionary	11.34	14.44	-3.10	11.71	13.36
Consumer Staples	8.28	4.93	3.35	7.64	5.55
Energy	--	0.27	-0.27	--	--
Financials	--	3.16	-3.16	--	--
Health Care	22.45	14.21	8.24	20.88	21.19
Industrials	11.48	9.96	1.52	12.00	12.88
Information Technology	32.04	37.58	-5.54	34.55	30.43
Materials	3.73	1.47	2.27	3.16	3.41
Real Estate	4.24	2.58	1.66	4.02	3.12
Utilities	--	--	--	--	--

Third Quarter 2019

Quarter-to-Date Attribution Detail by Sector



REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT			RUSSELL 1000® GROWTH INDEX		ATTRIBUTION ANALYSIS		
GICS SECTOR	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	6.04	4.78	11.56	0.85	0.02	0.23	0.26
Consumer Discretionary	11.85	-1.14	14.62	-0.49	0.04	-0.07	-0.03
Consumer Staples	7.91	10.45	4.82	5.98	0.12	0.34	0.46
Energy	--	--	0.30	-7.73	0.03	--	0.03
Financials	--	--	3.20	0.76	0.02	--	0.02
Health Care	21.86	4.44	14.38	-2.55	-0.27	1.57	1.30
Industrials	11.56	-0.24	9.73	3.37	0.02	-0.39	-0.37
Information Technology	32.98	-1.08	37.45	2.61	-0.04	-1.20	-1.24
Materials	3.46	20.24	1.41	5.90	0.09	0.43	0.52
Real Estate	4.35	7.42	2.52	7.50	0.12	-0.02	0.10
Utilities	--	--	--	--	--	--	--
Total	100.00	2.54	100.00	1.49	0.16	0.89	1.05

- Along with health care, defensive sectors—such as consumer staples and materials—were the biggest contributors to performance for the quarter on both a relative and absolute basis.
- Technology was the biggest drag this quarter. The rotation to more cyclical value stocks shifted to semiconductor and networking equipment stocks, which are underweight in the portfolio given their growth profiles. Additionally, several of the portfolio's technology holdings, such as Autodesk, reacted negatively to concerns of a slowing global economy.

Source: FactSet. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. Total portfolio return figures provided above reflect the sum of the returns of the equity holdings in the representative account portfolio due to price movements and dividend payments or other sources of income, and exclude cash. The portfolio information provided is based on a representative Large-Cap Growth account and is provided as supplemental information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Sector attribution excludes cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Quarter-to-Date Top Five Contributors to Return

Representative Large-Cap Growth Account

Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
SHW	Sherwin-Williams Company	Engages in the development, manufacturing, distribution and sale of paint, coatings and related products	3.46	20.24	0.63
EW	Edwards Lifesciences Corporation	Designs, develops, manufactures and markets products to treat late-stage cardiovascular disease	2.75	19.04	0.46
ZTS	Zoetis Inc. Class A	Develops animal vaccines and prescription medicines	4.44	9.91	0.44
GOOG	Alphabet Inc. Class C	Operates as a holding company with interests in software, health care, transportation and other technologies	3.29	12.78	0.37
CTAS	Cintas Corporation	Provides rental and servicing of uniforms and other garments	3.06	12.97	0.37

- Sherwin-Williams, our lone materials company, reported attractive results for the most recent quarter. Investors had been concerned that wet weather earlier in the year would crimp results. This reversed as the weather became more cooperative and the delays turned to sales, putting results back on track.
- Edwards Lifesciences reported better-than-expected earnings due to an increased demand for its minimally invasive heart valve therapy. Additionally, the company reported strong clinical data supporting the use of its device for low-risk patients, which expands the addressable market.
- Zoetis beat expectations across the board in both U.S. and international markets.
- Despite the headlines of an antitrust investigation, Alphabet's fundamentals remain quite strong. The company reported accelerating revenues across all regions of the world. Margins remain subdued as the company continues to invest in its cloud computing capabilities.
- Cintas put up another strong quarter, beating expectations for organic revenue growth as well as profit margins.

Source: FactSet. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. The portfolio information provided is based on a representative Large-Cap Growth account and is provided as supplemental information. Top five contributors exclude cash and cash equivalents. The security returns listed represent the period of when the security was held during the quarter. Contribution to return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return for the reporting period. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Quarter-to-Date Bottom Five Contributors to Return

Representative Large-Cap Growth Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
FTV	Fortive Corp.	Owns and operates industrial units that manufacture testing and measurement equipment	2.72	-15.81	-0.48
PYPL	PayPal Holdings Inc.	Provides digital and mobile payments on behalf of consumers and merchants	3.93	-9.50	-0.38
AMZN	Amazon.com Inc.	Provides online retail shopping services	4.37	-8.33	-0.37
ADSK	Autodesk Inc.	Designs and develops multimedia software products	3.04	-9.34	-0.30
ADBE	Adobe Inc.	Develops software solutions for web and print publishing	2.43	-6.21	-0.15

- Industrial company Fortive, pulled back full-year guidance, reflecting weakness in some of its short-cycle segments. The company announced plans to spin off some of these businesses into a new company.
- PayPal reported a solid quarter, but it modestly reduced revenue guidance for the year, due in part to several transitory issues, such as the delay in the integration of a new product and the impact of foreign currencies.
- Revenue growth at Amazon recovered, but operating income has not remained as stable as some investors would like. This trend is particularly notable in light of the improvement demonstrated in the first quarter.
- Autodesk beat expectations for the quarter but reduced its full-year guidance to account for expected weakness in Europe and currency headwinds.
- Adobe sold off alongside many software names as investors pared positions in stocks that had been performing better. The company reported toward the end of the quarter that it had experienced some disappointing results in its digital experience segment, which is a relatively new business unit.

Source: FactSet. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. The portfolio information provided is based on a representative Large-Cap Growth account and is provided as supplemental information. Bottom five contributors exclude cash and cash equivalents. The security returns listed represent the period of when the security was held during the quarter. Contribution to return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return for the reporting period. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Quarter-to-Date Additions/Deletions

- We initiated a new position in Illumina during the third quarter. Illumina is a leading company in the development and application of DNA sequencing for uses in medical research and clinical applications. We believe that the addressable market for genetic analysis is larger than the current revenue base, and that the adoption rate of gene sequencing should continue to rise. Individuals, medical professionals and government entities are just beginning to employ genetic research to predictive tests, disease treatment and population health projects. The stock pulled back as street expectations got a bit lofty, in our view, creating an opportunity to initiate our position.
- The new position was funded by the sale of our position in FleetCor. While FleetCor was a fine investment for the strategy over the four-year holding period, in order to adhere to our one in, one out discipline, we chose to eliminate it from the portfolio in favor of Illumina, which we view as a much more attractive opportunity.

Representative Large-Cap Growth Account Portfolio Activity

SYMBOL	ADDITIONS	GICS SECTOR
ILMN	Illumina Inc.	Health Care

SYMBOL	DELETIONS	GICS SECTOR
FLT	FleetCor Technologies Inc.	Information Technology

Third Quarter 2019

Portfolio Characteristics

As of 09/30/2019



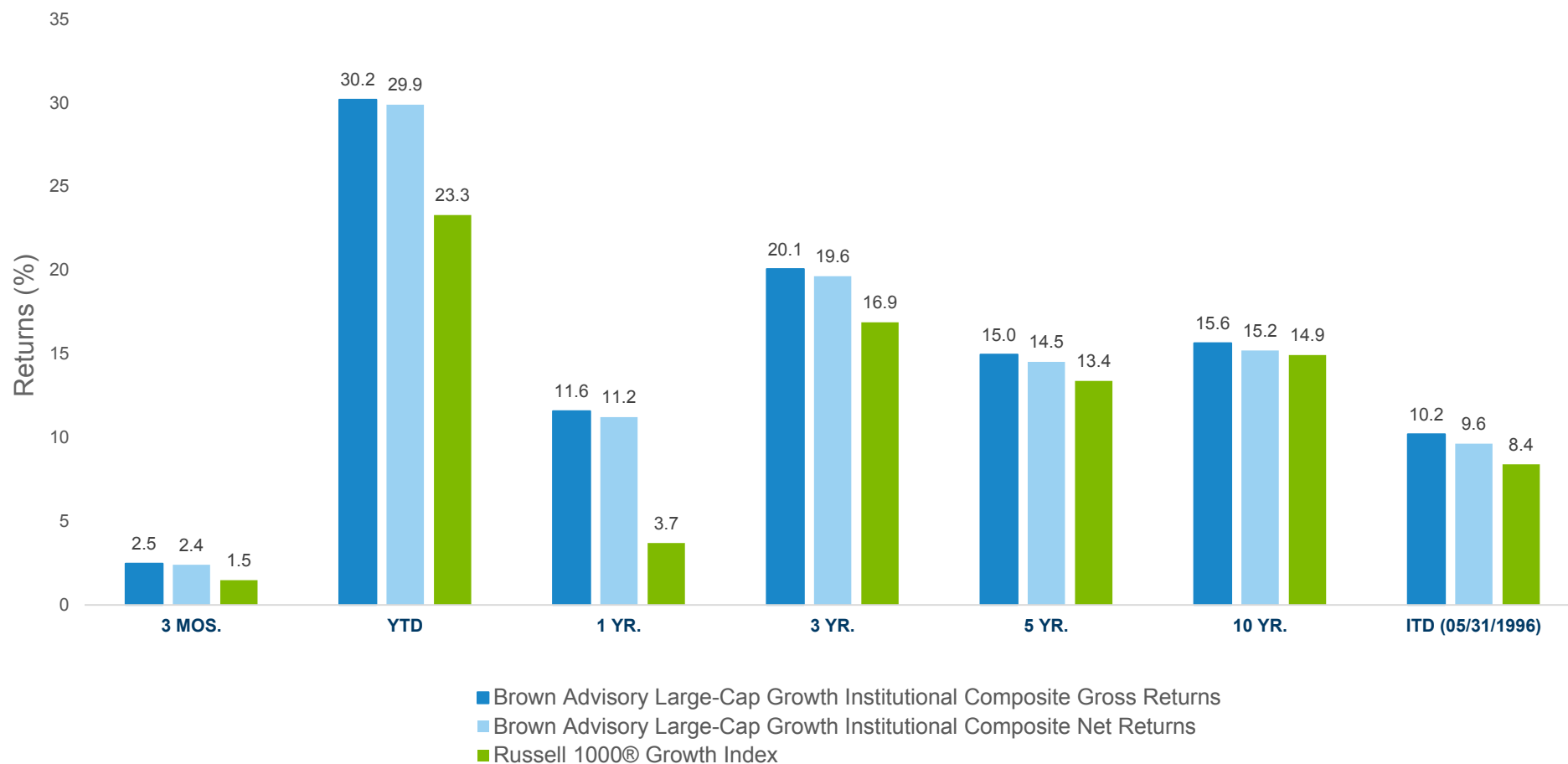
	REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT	RUSSELL 1000® GROWTH INDEX
Number of Holdings	32	531
Market Capitalization (\$ B)		
Weighted Average	189.6	329.7
Weighted Median	62.2	120.8
Maximum	1,062.6	1,062.6
Minimum	5.4	0.4
P/E Ratio FY2 Est.	26.9	20.5
Earnings Growth 3-5 Yr. Consensus Est. (%)	15.8	15.0
PEG Ratio	1.7	1.4
Dividend Yield (%)	0.5	1.2
Top 10 Equity Holdings (%)	40.9	35.1
Three-Year Annualized Portfolio Turnover (%)	26.2	--

Source: FactSet. The portfolio information provided is based on a representative Large-Cap Growth account and is provided as supplemental information. Portfolio characteristics exclude cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Third Quarter 2019

Composite Performance

As of 09/30/2019



Source FactSet. All returns greater than one year are annualized. Past performance is not indicative of future results. The composite performance shown above reflects the Large-Cap Growth Institutional Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Please see the Brown Advisory Large-Cap Growth Institutional disclosure statement at the end of this presentation for a GIPS compliant presentation.

Third Quarter 2019



Top 10 Portfolio Holdings

Representative Large-Cap Growth Account

As of 09/30/2019

Top 10 Portfolio Holdings

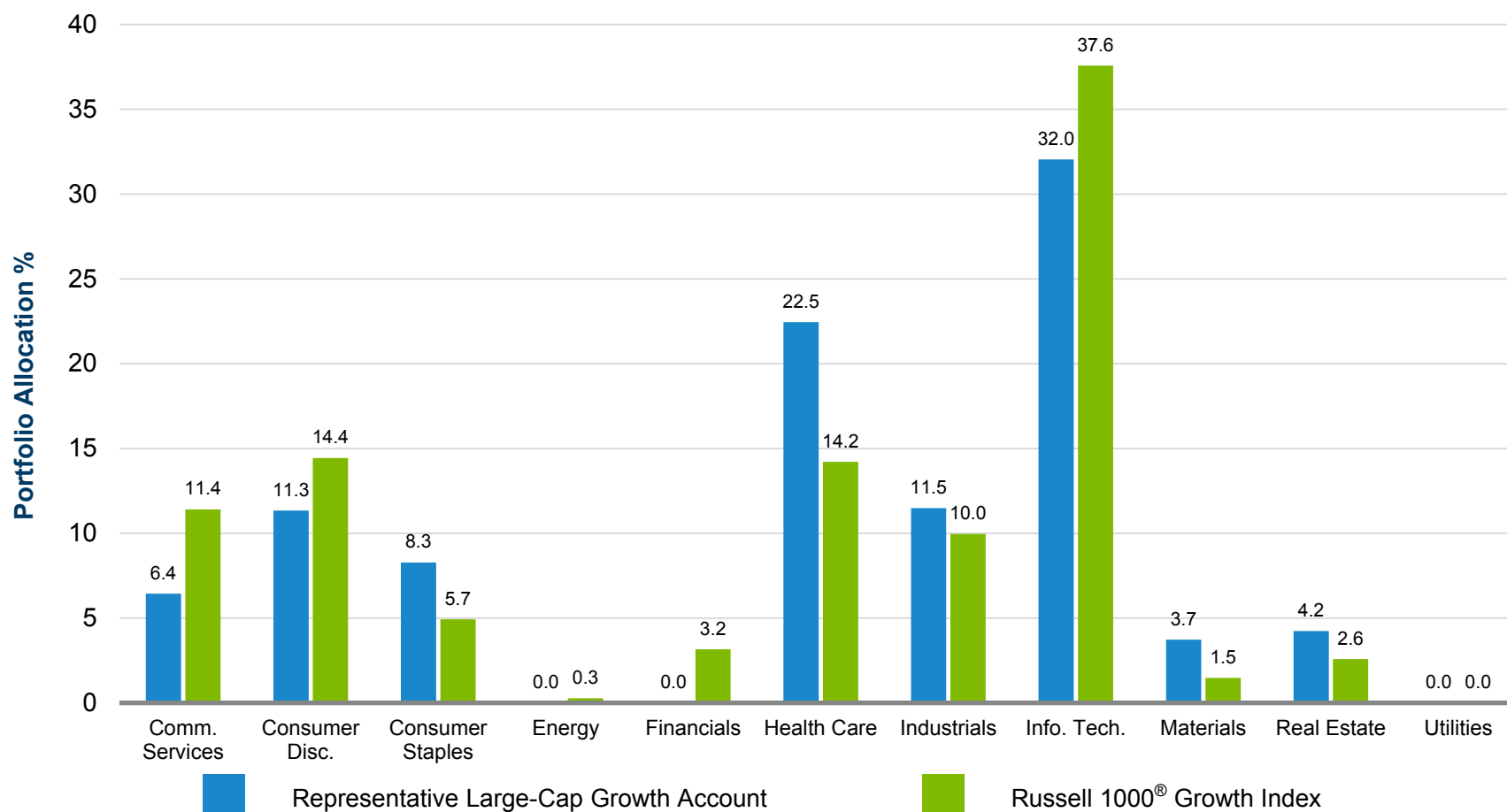
TOP 10 HOLDINGS	% OF PORTFOLIO
Microsoft Corp.	4.8
Zoetis, Inc.	4.4
Visa, Inc.	4.3
SBA Communications Corp.	4.1
Amazon.com, Inc.	3.9
Thermo Fisher Scientific, Inc.	3.7
Roper Technologies, Inc.	3.7
Sherwin-Williams Co.	3.6
PayPal Holdings, Inc	3.6
Cash & Equivalents	3.5
Total	39.5%

Source: FactSet. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Portfolio information is based on a representative Large-Cap Growth account, includes cash and is provided as supplemental information. Please see disclosure statement at the end of this presentation for additional information. Figures in table may not total due to rounding.

Third Quarter 2019

Sector Diversification

Global Industry Classification Standard (GICS)
as of 09/30/2019



Disclosures, Terms and Definitions

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

For Institutional Investors Only.

The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. This piece is intended solely for our clients and prospective clients, is for informational purposes only, and is not individually tailored for or directed to any particular client or prospective client.

The **Russell 1000® Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure that new and growing equities are included and that the represented companies continue to reflect growth characteristics. Russell® and other service marks and trademarks related to the Russell indexes are trademarks of the London Stock Exchange Group Companies. An investor cannot invest directly into an index.

FactSet® is a registered trademark of Factset Research Systems Inc.

Global Industry Classification Standard (GICS) and "GICS" are service makers/trademarks of MSCI and Standard & Poor's.

Figures shown on sector diversification and quarterly attribution by detail slides may not total due to rounding.

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted.

The **Average Weight** of a position or sector refers to the daily average for the period covered in this report of a stock's value as a percentage of the portfolio.

The **Total Return** of an equity security is the sum of the return from price movement and the return due to dividend payments or other sources of income.

Standard benchmark-, sector- and portfolio-level returns are the sums of the weights of each security multiplied by its return, summed and calculated daily and summed over the period covered by the report or by an otherwise-noted period.

Allocation Effect measures the impact of the decision to allocate assets differently than those in the benchmark.

Selection and Interaction Effect reflects the combination of selection effect and interaction effect. Selection effect measures the effect of choosing securities that may or may not outperform those of the benchmark. Interaction effect measures the effect of allocation and selection decisions (i.e., did we overweight the sectors in which we underperformed).

Total Effect reflects the combination of allocation, selection and interaction effects. Totals may not equal due to rounding.

Contribution To Return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return to the reporting period.

Market Capitalization refers to the aggregate value of a company's publicly traded stock. Statistics are calculated as follows: Weighted Average: the average of each holding's market cap, weighted by its relative position size in the portfolio (in such a weighting scheme, larger positions have a greater influence on the calculation); Weighted Median: the value at which half the portfolio's market capitalization weight falls above and half falls below; Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

Price-Earnings Ratio (P/E Ratio) is the ratio of the share of a company's stock compared to its per-share earnings. P/E calculations presented use FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1.

Earnings Growth 3-5 Year Est. is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokerage firms, calculated according to each broker's methodology.

P/E / Growth Ratio, or PEG Ratio, is the ratio of a portfolio's P/E Ratio divided by its Est. 3-5 Yr. EPS Growth rate.

Dividend Yield is the ratio of a stock's projected annual dividend payment per share for the fiscal year currently in progress, divided by the stock's price.

Portfolio Turnover is the ratio of the lesser of the portfolio's aggregate purchases or sales during a given period, divided by the average value of the portfolio during that period, calculated on a monthly basis. Portfolio turnover is provided for a three-year trailing period.

All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holding, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.

Large-Cap Growth Institutional Composite

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Composite 3-Yr Annualized Standard Deviation (%)	Benchmark 3-Yr Annualized Standard Deviation (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$USD Millions)*	GIPS Firm Assets (\$USD Millions)*
2018	5.9	5.5	-1.5	13.0	12.1	88	0.3	9,285	30,529
2017	31.7	31.2	30.2	11.5	10.5	119	0.3	10,005	33,155
2016	-2.3	-2.7	7.1	11.2	11.2	148	0.1	9,786	30,417
2015	7.8	7.4	5.7	10.2	10.7	168	0.3	12,583	43,746
2014	7.1	6.6	13.1	11.0	9.6	181	0.2	14,674	44,772
2013	30.3	29.7	33.5	15.5	12.2	212	0.3	15,740	40,739
2012	16.7	16.2	15.3	18.7	15.7	148	0.4	8,525	26,794
2011	0.4	0.0	2.6	19.7	17.8	102	0.3	5,622	19,962
2010	25.7	25.3	16.7	22.5	22.1	65	0.5	3,936	16,859
2009	53.3	53.0	37.2	20.0	19.7	41	0.6	1,191	11,058
2008	-35.7	-36.3	-38.4	16.5	16.4	32	0.3	120	8,547

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2018. The Verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. GIPS® is a registered trademark owned by CFA Institute.

- *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
- The Large-Cap Growth Institutional Composite includes all discretionary institutional portfolios (and carve-outs through 2009) invested in U.S. equities with strong earnings growth characteristics and large market capitalizations. This composite has been examined for the periods from January 1, 2006 through December 31, 2009. The examination reports are available upon request. The minimum account market value required for composite inclusion is \$1.5 million.
- Through 2009, cash was allocated to carve-outs based on a strategic asset allocation percentage. For calendar year end 2006-2009, the percent of the composite composed of carve-outs was 85%, 38%, 33% and 5% respectively.
- This composite was created in 1997.
- The composite dispersion presented is an equal-weighted standard deviation of portfolio returns calculated for the accounts in the composite for the entire calendar year period.
- The benchmark is the Russell 1000® Growth Index. The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. The Russell 1000® Growth Index and Russell® are trademarks/service marks of the London Stock Exchange Group companies. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
- Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 0.80% on the first \$10 million; 0.65% on the next \$15 million; 0.50% on the next \$25 million; and 0.40% on the balance over \$50 million. Further information regarding investment advisory fees is described in Part II A of the firm's Form ADV. Actual fees paid by accounts in the composite may differ from the current fee schedule.
- The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36-month period ended on December 31.
- Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
- A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- Past performance does not indicate future results.
- This piece is provided for informational purposes only and should not be construed as a research report, a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell or hold any of the securities mentioned, including any mutual fund managed by Brown Advisory.