

Brown Advisory U.S. Smaller Companies Strategy

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

February 2020 Monthly Report

Performance Contributors

TOP FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
ETSY	Etsy, Inc.	Consumer Discretionary	1.69	18.44	0.30
ZNGA	Zynga Inc. Class A	Communication Services	2.57	11.48	0.22
IOVA	Iovance Biotherapeutics Inc	Health Care	0.37	51.38	0.15
DT	Dynatrace, Inc.	Information Technology	1.36	3.16	0.04
HQY	HealthEquity Inc	Health Care	1.03	7.46	0.04

BOTTOM FIVE CONTRIBUTORS*

TICKER	NAME	SECTOR	AVG. WEIGHT (%)	MONTHLY RETURN (%)	CONTRIBUTION TO RETURN (%)
MIME	Mimecast Limited	Information Technology	2.63	-22.42	-0.59
G	Genpact Limited	Information Technology	4.10	-13.12	-0.55
CTLT	Catalent Inc	Health Care	2.07	-15.66	-0.32
PRO	PROS Holdings, Inc.	Information Technology	1.23	-24.07	-0.30
BWXT	BWX Technologies, Inc.	Industrials	2.08	-13.76	-0.29

Top 10 Equity Holdings (%)

1. Waste Connections Inc	4.7	6. Zynga, Inc.	2.7
2. Genpact Ltd.	3.8	7. SiteOne Landscape Supply, Inc.	2.7
3. Bright Horizons Family Solution, Inc.	3.5	8. National Vision Holdings, Inc.	2.4
4. Charles River Laboratories International, Inc.	3.3	9. Evo Payments, Inc. CI A	2.3
5. GCI Liberty, Inc. CI A	2.8	10. Mimecast, Ltd.	2.2

Cash and equivalents: 5.7%



CHRIS BERRIER
Portfolio Manager



GEORGE SAKELLARIS, CFA
Associate Portfolio Manager

INSIDE THE STRATEGY: FACTS & TYPICAL PORTFOLIO FIGURES

Strategy Inception: 02/28/1993	Benchmark: Russell 2000® Growth Index
Portfolio Manager: Christopher Berrier	Manager Tenure: PM since 2006
Portfolio: 50–80 Holdings	Position Size: 0.5%–5.0%
Top 10 Weight: 20%–40%	Cash Position: 0%–10%

Portfolio Comments

The Brown Advisory U.S. Smaller Companies Composite fell 5.9% (net of fees) during February, outperforming its benchmark, the Russell 2000® Growth Index, which was down 7.2%.

Our relative outperformance comes at a time of heightened volatility in the market due to concerns over the spread of the novel coronavirus. During the month, the strategy's downside protection was largely driven by strong stock selection.

The portfolio's top contributor for the month was Zynga, a mobile game development and distribution platform. In February, Zynga reported their highest quarterly and annual revenue in addition to bookings in the company's history. Etsy and Waste Connections also positively contributed to performance.

The portfolio's top detractor for the month was Mimecast Limited, an international email and data security company specializing in cloud-based services. The company's shares fell after reporting fiscal year 2020 revenue growth guidance slightly below 20% at the midpoint. Following a positive analyst day a couple of weeks later, we believe the company remains well positioned for the future. Genpact Limited, a global professional services firm focused on delivering digital transformation, also trailed during the month.

Over the course of the month, we eliminated one position and added one position. **B**

Source: FactSet. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. The security returns listed represent the period of when the security was held during the month. Top five and bottom five contributors exclude cash and cash equivalents. Contribution to return is calculated by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return for the reporting period. The top 10 equity holdings include cash and equivalents. The portfolio information provided is based on a representative U.S. Smaller Companies account and is provided as supplemental information. This representative account may differ from specific client portfolios. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. Past performance is not indicative of future results. The composite performance shown above reflects the U.S. Smaller Companies 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 disclosure statement at the end of this presentation for a GIPS compliant presentation.

Strategy 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 Firms Assets (\$USD Millions) *
2018	-3.3	-4.0	-9.3	13.5	16.5	29	0.3	2,204	30,529
2017	18.8	18.1	22.2	12.2	14.6	33	0.2	2,301	33,155
2016	11.4	10.7	11.3	14.0	16.7	30	0.3	1,797	30,417
2015	8.9	8.2	-1.4	13.1	15.0	32	0.4	1,311	43,746
2014	1.4	0.8	5.6	11.8	13.8	32	0.3	1,597	44,772
2013	42.6	41.8	43.3	15.4	17.3	44	0.7	1,830	40,739
2012	16.0	15.4	14.6	18.3	20.7	32	0.6	1,178	26,794
2011	-1.7	-2.4	-2.9	20.6	24.3	29	0.5	1,023	19,962
2010	30.8	29.8	29.1	27.1	27.7	25	0.1	993	16,859
2009	43.1	41.9	34.5	25.2	24.9	16	1.0	481	11,058
2008	-38.9	-39.4	-38.5	23.3	21.3	17	0.2	323	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.

1. *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.

2. The Small-Cap Growth Equity Composite includes all discretionary portfolios invested in U.S. equities with strong earnings growth characteristics and small 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.

3. This composite was created in 1997.

4. The benchmark is the Russell 2000® Growth Index. The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-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 2000® 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.

5. The dispersion of annual returns is measured by the equal weighted standard deviation of portfolio returns. Prior to 2003 the dispersion of annual returns is measured by the range between the high and low portfolio returns.

6. Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: The standard management fee schedule is as follows: 1.00% on the first \$25 million; 0.90% on the next \$25 million; 0.80% on the next \$50 million; and 0.70% on the balance over \$100 million. Further information regarding investment advisory fees is described in Part II A of the firm's form ADV. Actual fees paid by accounts in the composite may differ from the current fee schedule.

7. The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36-month period ended on December 31.

8. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.

9. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request..

10. Past performance does not indicate future results.

11. This piece is provided for informational purposes only and should not be construed as a research report, a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell or hold any of the securities mentioned, including any mutual fund managed by Brown Advisory.

Disclosures

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

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Terms and Definitions for Representative Account Calculations

The **Average Weight** of a position or sector refers to the daily average for the period covered in this report of a stock's value as a percentage of the portfolio. The **Total Return** of an equity security is the sum of the return from price movement and the return due to dividend payments or other sources of income. Standard benchmark-, sector- and portfolio-level returns are the sums of the weights of each security multiplied by its return, summed and calculated daily and summed over the period covered by the report or by an otherwise-noted period. **Contribution To Return** is calculated by multiplying a security's beginning portfolio weight by its daily return and geometrically linking the security's daily contribution to return over the entire reporting period.