

U.S. Sustainable Growth Fund

QUARTERLY UPDATE

First Quarter 2019

UCITS FUND PERFORMANCE (%)

	RETURNS NET OF FEES*	RUSSELL 1000® GROWTH INDEX
3 Mos.	18.46	15.99
1 YR	18.84	12.31
ITD (04/03/2017)	21.59	16.63

*U.S. Sustainable Growth Fund C USD share class

COMPOSITE PERFORMANCE (%)

	COMPOSITE GROSS OF FEES	COMPOSITE NET OF FEES	RUSSELL 1000® GROWTH INDEX
3 Mos.	18.40	18.28	16.10
1 YR	19.22	18.64	12.75
3 YR	19.95	19.33	16.53
5 YR	16.05	15.43	13.50
ITD (12/31/2009)	16.96	16.38	14.54

UCITS FUND CHARACTERISTICS

	U.S. SUSTAINABLE GROWTH FUND	RUSSELL 1000® GROWTH INDEX
Weighted Avg. Market Cap.	\$190.6 B	\$290.6 B
EV/FCF (FY2) (Weighted Avg.)	25.0x	22.5x
Earnings Growth 3-5 Year Est.	15.8%	14.7%
PEG Ratio	1.5x	1.3x

TOP 10 UCITS FUND HOLDINGS

SECURITY	% PORTFOLIO
Danaher Corporation	5.1
Microsoft Corporation	5.0
American Tower Corporation	4.9
Amazon.com, Inc.	4.8
Visa Inc. Class A	4.6
Intuit Inc.	4.6
Thermo Fisher Scientific Inc.	4.4
Alphabet Inc. Class A	4.3
Verisk Analytics Inc.	3.7
UnitedHealth Group Incorporated	3.7
TOTAL	45.1

Characteristics and Holdings include cash and cash equivalents.

Review & Outlook

Our U.S. Sustainable Growth UCITS Fund passed it's 2-year anniversary on 3rd April 2019. Portfolio Managers Karina Funk and David Powell have managed the Large-Cap Sustainable Growth strategy since 31/12/2009, now with \$2.2bn in assets.

During the first quarter, the fund outperformed its benchmark, the Russell 1000® Growth Index. Strong stock selection in health care, materials and consumer discretionary more than offset underperformance in information technology and consumer services. Even some of our companies that are in the midst of a challenging demand cycle (e.g., Aptiv in auto and Marvell in semiconductors) are gaining share and/or entering new markets to set themselves up for growth going forward.

The broader equity markets generally performed well in the first quarter. Investor sentiment markedly improved from the fourth quarter. As trade tensions ostensibly have eased and the Federal Reserve seems intent on maintaining a dovish stance, investor optimism has returned. The U.S. economy continues to march ahead, driven by low unemployment and benign inflation. Even wage growth appears to have accelerated. While growth in Europe remains tepid and China continues to slow, investors may look back at the downward move in the fourth quarter as a tremendous buying opportunity.

There were a number of positive developments within our health care names that drove strong performance during the quarter. First, Danaher agreed to buy GE Life Science's biopharma business for \$21 billion. We believe this acquisition solidifies Danaher's leadership position in the bioproduction value chain. Danaher should now be able to offer an end-to-end solution by combining its dominant filtration position with GE's leadership in downstream chromatography. We believe that the bioprocessing market has a long runway of growth ahead as the market transitions from small molecules to biologics. Danaher's organic growth should inflect upward given this capital deployment.

The second favorable development was Edwards Lifesciences' positive clinical trial announcement regarding the treatment of severe symptomatic aortic stenosis. Data presented at the American Cardiology Conference in March was overwhelmingly positive for transcatheter aortic valve replacement (TAVR), demonstrating improved safety, efficacy and quality of life outcomes relative to surgery for low-risk patients. We believe the announcement should drive strong growth for Edwards' TAVR market-leading franchise for many years going forward.

Finally, Thermo Fisher announced its intention to acquire privately held Brammer Bio for \$1.7 billion. Brammer is a contract development and manufacturing organization (CDMO) with leading expertise in cell and gene therapies. While the market is relatively small today, it is growing at an extremely fast rate. This acquisition enhances Thermo's competitive position in the CDMO industry and builds upon the successful Patheon acquisition completed in 2017. We believe this tuck-in acquisition should accelerate Thermo's growth rate going forward given the large number of the gene and cell therapies on file with the FDA.

Turning to activity in the quarter, we made very few changes to the portfolio, as valuations appear elevated given the market's sharp upward move. We stuck to our discipline of trimming position sizes above 5% by pulling back on American Tower and redeployed the proceeds into a few names that we believe have much better risk/reward prospects, including JB Hunt, UnitedHealth and IDEXX Laboratories. We also added to Aptiv and Fortive on weakness at the beginning of the quarter. After attending the Consumer Electronics Show in Las Vegas, we are increasingly bullish on Aptiv's leadership position in auto safety and autonomy, and believe the company will continue to take share going forward. Fortive's recent acquisition of Johnson & Johnson's Advanced Sterilization Products business provides the company with a much higher percentage of predictable, recurring revenue, which, we believe, should increase Fortive's valuation multiple going forward.

We remain fully invested and disciplined in our process of finding investment opportunities at the intersection of strong fundamentals, sustainable business advantages and attractive valuation. This philosophy has served us well over the last nine years, and we believe it will continue to do so in the years ahead.

KARINA FUNK, CFA
Portfolio Manager



DAVID POWELL, CFA
Portfolio Manager

Sector Diversification

- Sector allocation in both absolute and relative terms did not change notably during the quarter.
- Consistent with prior quarters, the portfolio is overweight industrials and underweight consumer staples, energy and financials. The portfolio is also underweight communication services and overweight health care and materials. We do not use sector rotation as a driver of return; our sector weightings are primarily determined by where we find opportunities in our bottom-up stock selection process.
- As we have previously noted, many of our industrial and information technology holdings could be categorized within other sectors. Several of our industrial firms primarily serve in the health care sector, while several technology holdings are involved in financial services.

SECTOR	U.S. SUSTAINABLE GROWTH FUND (%)	RUSSELL 1000® GROWTH INDEX (%)	DIFFERENCE (%)	U.S. SUSTAINABLE GROWTH FUND (%)	
	Q1 '19	Q1 '19	Q1 '19	Q4 '18	Q1 '18
Communication Services	4.34	12.06	-7.72	4.60	6.91
Consumer Discretionary	11.92	15.08	-3.16	11.09	12.95
Consumer Staples	--	5.75	-5.75	--	--
Energy	--	0.74	-0.74	--	--
Financials	--	4.27	-4.27	--	--
Health Care	25.58	13.18	12.40	26.25	22.04
Industrials	14.65	11.76	2.90	14.41	17.71
Information Technology	33.27	32.96	0.31	32.41	31.08
Materials	3.15	1.81	1.34	2.97	1.68
Real Estate	4.93	2.39	2.54	4.86	4.53
Utilities	--	--	--	--	--
Cash	2.16	--	2.16	3.41	3.10

Sector diversification includes cash and cash equivalents.

Quarterly Attribution Detail by Sector

- Stock selection (as opposed to sector allocation) drove outperformance during the quarter. As noted in the prior quarter's commentary, we do not take a top-down view of any sector but rather build the portfolio from the bottom up on a stock-by-stock basis.
- Health care was our strongest sector and remains our largest relative overweight. **Danaher** and **Thermo Fisher** performed well and both made acquisitions during the quarter to bolster their biopharma businesses. As drug discovery, development and manufacturing move further away from small molecules toward biopharma and cell therapies, we expect many of our health care holdings to benefit.
- Our underweight in communication services hurt us in the quarter, as the sector outperformed the Russell 1000 Growth Index. Moreover, despite strong performance from our information technology names, we slightly trailed the sector's overall return.

SECTOR	U.S. SUSTAINABLE GROWTH FUND (%)		RUSSELL 1000® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION AND INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	4.46	12.63	12.24	16.69	-0.05	-0.18	-0.24
Consumer Discretionary	11.82	19.43	15.07	15.39	0.02	0.48	0.50
Consumer Staples	--	--	5.70	10.92	0.35	--	0.35
Energy	--	--	0.77	14.43	0.02	--	0.02
Financials	--	--	4.39	13.25	0.13	--	0.13
Health Care	25.33	17.53	13.79	7.43	-0.92	2.30	1.38
Industrials	14.72	18.35	12.03	16.30	0.04	0.27	0.30
Information Technology	33.14	20.15	31.87	21.36	0.09	-0.27	-0.18
Materials	3.08	26.07	1.82	14.92	0.01	0.32	0.32
Real Estate	4.91	24.57	2.32	18.86	0.07	0.25	0.32
Utilities	--	--	--	--	--	--	--
Cash	2.53	0.59	--	--	-0.43	--	-0.43
Total	100.00	18.58	100.00	16.10	-0.68	3.16	2.48

Sector attribution includes cash and cash equivalents.

Quarterly Contribution to Return

- **Intuit's** recent innovations in its consumer and small business units should accelerate growth in the years ahead. Within consumer, TurboTax Live is expected to expand the market opportunity, increase customer retention and boost pricing. Within the next two years, we expect the company will offer a similar live video communication tool for QuickBooks to accomplish a similar goal.
- During the period, **Danaher** announced its intentions to acquire the biopharma business from General Electric for roughly \$21 billion. The deal will expand Danaher's presence in multiple fast-growing areas of life sciences, including research, discovery, process development and manufacturing workflows of biopharmaceuticals. Investors responded positively to the proposed deal, which, along with the spinoff of the company's dental unit, should accelerate the company's organic growth rate going forward.
- **American Tower** posted strong growth in the U.S. as carrier spending remains robust. Going forward, we expect domestic carrier spending to remain elevated given the move to 5G. On another positive note, it appears that the slowdown in India due to carrier consolidation should conclude in the next 12 months setting the stage for growth to resume in 2020 and beyond.
- **Amazon.com** recorded attractive results in its most recent quarter. The company's cloud business (AWS) once again posted impressive revenue growth which exceeded expectations. Growth in the company's first-party retail unit accelerated from last quarter, and operating margins expanded. Amazon remains a core holding given its low penetration in large markets, including e-commerce, cloud and digital advertising.
- **Thermo Fisher** beat expectations in its most recent quarter and offered strong guidance for 2019. The company's end markets are healthy; biopharma, which accounts for 40% of total revenue, remains particularly strong. Of particular note, over the last few years, Thermo has taken share in mass spectrometry with its Orbitrap franchise and in cryo-electron microscopy with its acquisition of FEI in 2016. During the quarter, the company announced its intentions to acquire Brammer Bio for \$1.7 billion. Brammer adds contract manufacturing expertise in gene and cell therapy.
- **UnitedHealth Group's** stock declined in the quarter due to fears surrounding proposed changes to the broader health care landscape and the threat of Medicare Part D rebate elimination for pharmacy benefit managers. Clearly, health care remains a hot-button topic for political officials, and we trimmed our position last year in anticipation of negative headline risks. However, we added back to our position during the first quarter because UnitedHealth remains the industry leader, ultimately focused on reducing the cost of care and improving the quality of care to consumers. While headline risks will undoubtedly remain, we do not anticipate a large-scale dismantling of the private insurance industry and will continue to look for opportunities to add to our position on headline fears.
- **Illumina** disappointed investors by missing its NovaSeq equipment placement goal in 2018. The company is taking a very patient approach to equipment placements, which we believe is the right strategy. Over the longer term, as the cost of genetic sequencing continues to fall, we believe Illumina's solutions will serve a critical role in the standard of care. We added to our position during the quarter.
- **Tyler Technologies'** organic growth disappointed investors in the fourth quarter. The company remains the leading provider of local government software and has spent the last few years bolstering its presence in areas such as public safety, e-filing and health and human services. Going forward, while we anticipate slower growth relative to the past given the company's increased size, we expect the company to remain the industry leader and a key partner to local governments seeking to modernize their information technology systems.

U.S. SUSTAINABLE GROWTH FUND TOP FIVE CONTRIBUTORS				
TICKER	NAME	AVG. WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
INTU	Intuit Inc.	4.34	33.10	1.33
DHR	Danaher Corporation	4.90	28.19	1.27
AMT	American Tower Corporation	4.91	24.57	1.16
AMZN	Amazon.com, Inc.	4.77	18.56	0.92
TMO	Thermo Fisher Scientific Inc.	4.20	22.40	0.89
U.S. SUSTAINABLE GROWTH FUND BOTTOM FIVE CONTRIBUTORS				
UNH	UnitedHealth Group Incorporated	4.10	-0.37	0.03
ILMN	Illumina, Inc.	2.61	3.59	0.13
TYL	Tyler Technologies, Inc.	2.32	10.00	0.24
HD	Home Depot, Inc.	2.07	12.52	0.27
NDSN	Nordson Corporation	2.59	11.32	0.31

Contribution includes cash and cash equivalents.

- **Home Depot's** most recent quarterly comp store sales were below expectations yet remain solid. We believe that even in a stable housing market environment, Home Depot can still grow its bottom line by double digits given its strengthening value to the customer and its robust cash flow deployment.
- **Nordson** performed well in the quarter, however performance lagged the benchmark. First quarter revenue and earnings performance was down YoY as the company digests significant growth this time last year, when revenue growth was over 35%.

Portfolio Activity

- We did not make any new additions or deletions in the period.
- In keeping with our discipline of redeploying capital to the names with the most attractive risk/reward ratios, we made a number of small moves in the portfolio during the first quarter. We added to our position in **Marvell Technologies** given the company's improving prospects in 5G. Marvell should begin to deploy its baseband and embedded processor chips along with its switches for Samsung's wireless infrastructure network equipment in the latter part of this year. The company has also won new business with another large, global carrier, which is expected to start in 2020. Given Marvell's leadership position in energy-efficient chips for the communications and data center industries, we are confident in the company's prospects going forward.
- As previously mentioned, we added to our position in **Fortive** during the period. We believe the management team has done a tremendous job reshaping the company into a higher-growth, more profitable and less volatile enterprise through a series of acquisitions. Fortive's largest acquisition to date of Advanced Sterilization Products closed just after the end of the first quarter and is expected to be highly accretive to earnings.
- We trimmed our position in **American Tower** due to the position size exceeding 5%. We also trimmed our position in **West Pharmaceutical Services** given the company's effort to align its supply chain with its largest customer's inventory expectations, which appears to be taking longer than expected.

U.S. SUSTAINABLE GROWTH UCITS FUND PORTFOLIO ACTIVITY		
ADDITIONS		SECTOR
	None	
DELETIONS		SECTOR
	None	

ESG Screens

Our fundamental, bottom-up research process enjoys a large universe of opportunities. Our stock selection is ultimately tested against back-end screens to avoid certain controversial business involvement.

The UCITS Fund excludes companies that:

- Defy the United Nations Global Compact Principles
- Derive any of their revenues from controversial weapons
- Conduct animal testing for non-medical purposes
- Own fossil fuel reserves; are utilities that generate power from fossil fuels

The UCITS Fund imposes limits on the following business activities:

- <3% turnover (by company) from adult entertainment
- <5% turnover (by company) from military equipment
- <5% turnover (by company) from alcohol
- <5% turnover (by company) from tobacco products
- <5% turnover (by company) from gambling

The exclusions from the U.S. Sustainable Growth Fund at the end of the first quarter are as follows:

- **Ecolab, Inc.:** involvement in non-medical animal testing.
- **Unilever:** involvement in non-medical animal testing.
- **Marriott International:** >5% turnover from alcohol

Large-Cap Sustainable Growth Composite

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Composite 3-Yr Annualized Standard Deviation (%)	Benchmark 3-Yr Annualized Standard Deviation (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$USD Millions)	GIPS Firm Assets (\$USD Millions)*
2017	29.1	28.4	30.2	10.6	10.5	32	0.2	762	33,155
2016	6.6	6.0	7.1	11.5	11.2	32	0.1	503	30,417
2015	13.7	13.1	5.7	11.1	10.7	23	0.3	405	43,746
2014	7.1	6.5	13.1	9.9	9.6	25	0.1	303	44,772
2013	34.5	33.7	33.5	12.1	15.5	24	0.2	288	40,739
2012	16.5	15.9	15.3	15.7	15.7	22	0.3	211	26,794
2011	5.4	5.0	2.6	NA	NA	21	0.3	37	19,962
2010	23.5	23.1	16.7	NA	NA	18	N/A	13	16,859

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2017. The Verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. GIPS® is a registered trademark owned by CFA Institute.

- *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 Sustainable Growth Composite includes all discretionary portfolios invested in the Sustainable Large Cap Strategy. The strategy invests primarily in large market capitalization companies with financially and environmentally sustainable business models. The minimum account market value required for composite inclusion is \$1.5 million. Prior to 2012, the minimum was \$100,000.
- This composite was created in 2010. Prior to 3/31/13, the strategy was named Large-Cap Sustainability. Prior to 12/31/2011 the strategy was named Winslow Green Large Cap. No changes have been made to the strategy since inception.
- 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.
- The dispersion of annual returns is measured by the equal weighted standard deviation of portfolio returns. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the composite for the entire period.
- 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. The 3 year annualized standard deviation is not presented as of December 31, 2010 and December 31, 2011 because 36 monthly returns for the composite were not available (NA).
- 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.

Disclosures

Past performance may not be a reliable guide to future performance and you may not get back the amount invested.

For institutional investors and professional clients only.

Performance data relates to the Brown Advisory U.S. Sustainable Growth Fund. The performance is net of management fees and operating expenses. Changes in exchange rates may have an adverse effect on the value price or income of the product. The difference at any one time between the sale and repurchase price of units in the UCITS means that the investment should be viewed as medium to long term. This review is issued by Brown Advisory Limited, authorised and regulated by the Financial Conduct Authority. This is not an invitation to subscribe and is by way of information only.

Cancellation rights do not apply and UK regulatory complaints and compensation arrangements may not apply. This is not intended as investment advice. Investment decisions should not be made on the basis of this Review. You should read the Fund's prospectus in full to understand the features and risks associated with this Fund. The Fund's prospectus and Key Investor Information Document are available by calling 020 3301 8130 or visiting the Fund website.

The Brown Advisory U.S. Sustainable Growth Fund is a sub-fund of Brown Advisory Funds plc, an umbrella fund with segregated liability between sub-funds. The Fund is authorised in Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations, 2011 as may be amended, supplemented or consolidated from time to time) and a recognised collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000. The Fund is managed by Brown Advisory LLC.

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. Past performance is not a guarantee of future performance and you may not get back the amount invested. 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 Fund will be available for subscription only in jurisdictions where they have been registered for distribution or may otherwise be distributed lawfully.

Composite performance is based on the Brown Advisory Large-Cap Sustainable Growth Composite and was obtained through FactSet®. All information and returns shown are as of 12/31/2017 for each period. Returns greater than one year are annualized. Past performance is not indicative of future results. Characteristics and top 10 holdings were obtained through FactSet. This information is based on the UCITS Fund account and is provided as supplemental information. Account characteristics include cash and cash equivalents; top 10 holdings list includes cash and cash equivalents; Top five and bottom five contributors include cash and cash equivalents. Sector diversification includes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. GICS® is a registered trademark of MSCI and Standard & Poor's Financial Services LLC. The individual amounts shown for top ten holdings, sector diversification and quarterly attribution may not sum to the total amount shown due to rounding. FactSet® is a registered trademark of FactSet Research Systems, Inc.

References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. The security returns listed represent the period of when the security was held during the quarter. Please see composite disclosure statements above for additional information.

Terms and Definitions For Representative Account Calculations

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted. **Market Capitalization** refers to the aggregate value of a company's publicly traded stock. **Weighted Average Market Cap** refers to the average of each holding's market cap, weighted by its relative position size in the portfolio (in such a weighting scheme, larger positions have a greater influence on the calculation). **Price-Earnings Ratio (P/E Ratio)** is the ratio of the share of a company's stock compared to its per-share earnings. P/E calculations presented use FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1. **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 Earnings Growth 3-5 Year Est. **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. 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 as a percentage of a portfolio by that security's return for the period covered in the report.