

# SUSTAINABLE INCOME REVIEW AND OUTLOOK

## Second Quarter 2023

During the second quarter, the strategy slightly trailed its benchmark, the S&P 500® Divided Aristocrats® Index. The attention of investors seemed to shift rapidly and dramatically during the quarter, away from shorter-term economic concerns, and toward the long-term growth potential of the emerging technology of generative AI. This sudden shift and narrowing of investor enthusiasm seemed to crest during the month of May, when a small cohort of tech-related companies accounted for virtually all the market's positive performance.

During the period, information technology was by far the best-performing sector for the strategy on both an absolute and relative basis. The strong returns of important holdings such as Broadcom and Microsoft were largely spurred by excitement about generative AI. Through its partnership with OpenAI, Microsoft is already integrating generative AI technology into many of its well-know software products. Meanwhile, a growing amount of Broadcom's sales are being driven by customers eager to use the company's semiconductors for their own generative AI efforts.

The health care sector was the largest detractor from relative performance during the period. Pharmaceutical-related holdings such as Merck and Novartis performed well during the quarter, thanks to strong sales of many of the two companies' key branded drug franchises. But that strength was not enough to offset the share price weakness of other health care holdings such as AbbVie and CVS Health.

Weaker holdings overshadowing stronger holdings was also a theme in several of the strategy's other sectors. In financials, higher interest rates continued to pose a near-term hurdle for holdings such as Truist and Hannon Armstrong Sustainable Infrastructure Capital and masked positive performance elsewhere in the sector from Mastercard and Blackstone. And in industrials, worries about an impending summertime strike by the drivers at United Parcel Service hurt that stock and overshadowed gains by heating and air conditioning equipment maker Carrier during the quarter.

There were no additions or deletions to the portfolio during the quarter. Several of the strategy's holdings announced dividend increases; however, we have noticed that the rate of absolute dividend growth has slowed so far this year

compared to recent years. This may reflect the uncertain macroeconomic environment as management teams continue to adjust to operating in a world of higher inflation and interest rates. We will closely monitor this trend given our emphasis on dividend growth in our investment process.

The potentially transformational shift to generative AI and the outlook for potentially slower near-term dividend and earnings growth adds to a challenging backdrop for this strategy as we look for investment opportunities during the remaining months of the year. As always, the Sustainable Income strategy favors investing in fundamentally strong businesses that are run by management teams who are committed to sustainable business practices and to paying consistent dividends to shareholders.

# SECTOR DIVERSIFICATION

Second Quarter 2023

- Our consumer staples weighting declined because of unfavorable stock price performance. The strategy remains underweight to consumer staples.
- Our information technology weighting increased because of favorable stock price performance. The strategy remains overweight to information technology.
- Our financials weighting declined because of unfavorable stock price performance. The strategy remains overweight to financials.
- Our health care weighting declined because of unfavorable stock price performance. The strategy remains overweight to health care.
- The strategy does not have any exposure to the energy sector. When considering potential investments in the sector, we will closely consider characteristics such as current and future carbon emission levels, the use of science-based targets, examples of sustainable business improvement, and the potential for engagement opportunities

SECTOR	REPRESENTATIVE SUSTAINABLE INCOME ACCOUNT (%)	S&P 500® DIVIDEND ARISTOCRATS INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE SUSTAINABLE INCOME ACCOUNT (%)
	Q2'23	Q2'23	Q2'23	Q1'23
Communication Services	4.31	--	4.31	4.12
Consumer Discretionary	6.88	4.60	2.17	6.88
Consumer Staples	10.60	23.05	-12.45	11.30
Energy	--	2.75	-2.75	--
Financials	12.26	10.65	1.61	12.63
Health Care	18.01	10.49	7.52	18.66
Industrials	10.12	23.76	-13.64	10.44
Information Technology	27.74	3.17	24.57	25.14
Materials	4.96	12.78	-7.82	4.91
Real Estate	3.10	4.52	-1.42	3.53
Utilities	2.12	4.23	-2.21	2.63

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 Sustainable Income account and is provided as Supplemental Information. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# ATTRIBUTION DETAIL BY SECTOR

Second Quarter 2023

SECTOR	REPRESENTATIVE SUSTAINABLE INCOME ACCOUNT	S&P 500® DIVIDEND ARISTOCRATS INDEX	ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	4.27	--	0.21	--	0.21
Consumer Discretionary	6.80	4.57	0.08	-0.36	-0.28
Consumer Staples	11.23	24.25	0.57	-0.30	0.26
Energy	0.00	2.86	0.17	--	0.17
Financials	12.39	10.49	0.01	-0.48	-0.47
Health Care	18.90	10.76	0.26	-1.40	-1.14
Industrials	9.93	22.93	-0.26	-0.56	-0.82
Information Technology	25.93	3.06	0.55	1.86	2.41
Materials	4.96	12.17	-0.25	-0.12	-0.37
Real Estate	3.31	4.44	0.01	-0.40	-0.38
Utilities	2.30	4.47	0.12	-0.13	-0.01
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>1.47</b>	<b>-1.89</b>	<b>-0.42</b>

- Information technology was the best-performing sector for the strategy during the quarter and the largest contributor to relative performance because of favorable stock selection.
- Health care was the best performing sector for the Index during the quarter. The sector detracted from relative performance because of unfavorable stock selection. Financials and industrials also detracted from relative performance during the period because of unfavorable stock selection.
- Communication services and energy contributed to relative performance during the period because of the strategy's relative allocations to both sectors. The Index does not have any exposure to communications services, while the strategy does not have any exposure to energy. Energy was the worst performing sector for the Index during the quarter.

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 Sustainable Income account and is provided as Supplemental Information. Past performance is not indicative of future results. Sectors are based on the GICS Classification system. Sector attribution is gross of fees and excludes cash and cash equivalents. Attribution Analysis shown is calculated on a gross of fees basis. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# TOP FIVE CONTRIBUTORS TO RETURN

## Second Quarter 2023 Representative Sustainable Income Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)
AVGO	Broadcom Inc.	Manufactures digital and analog semiconductor products	4.88
MSFT	Microsoft Corporation	Develops, manufactures and distributes software products	5.00
AAPL	Apple Inc.	Designs, manufactures and markets mobile communication, media devices, personal computers, and portable digital music players	3.77
NVS	Novartis AG Sponsored ADR	Manufactures and markets health care and nutritional products	3.06
MRK	Merck & Co., Inc.	Discovers, develops and markets human and animal health products	3.20

- Semiconductor designer Broadcom (AVGO) gained after reporting quarterly results above expectations, driven in part by customer spending for generative AI. The company estimated that its AI-related revenues will be around 10% of its total revenues in the current fiscal year, but that figure is forecasted to jump to 25% in the next fiscal year.
- Software maker Microsoft (MSFT) rose after reporting quarterly results that were ahead of expectations. We believe the company is well-positioned in the emerging field of generative AI and, through its partnership with industry leader OpenAI, is incorporating the technology into its existing products such as Azure. Microsoft has been an industry leader in exploring responsible AI practices, having established its AI principles in 2016—a set of internal standards that are upheld via regular internal audits.
- iPhone maker Apple (AAPL) gained after reporting quarterly results that were ahead of consensus expectations, driven largely by solid iPhone sales during the quarter. Aligned with its 2030 goal to be carbon neutral across its supply chain and device lifecycle, Apple recently announced that its global manufacturing partners collectively increased renewable energy usage by 30% since last year. Apple also recently committed to sourcing more recycled materials in its products, announcing plans for all Apple- designed batteries to include 100% recycled cobalt by 2025—and hopes to use recycled and renewable materials in all products in the future.
- Pharmaceutical developer Novartis (NVS) gained after reporting quarterly results that were ahead of consensus expectations. The company benefited from strong demand for several of its key branded drugs as its management team executed on its plan to be a more focused and innovative company.
- Pharmaceutical maker Merck (MRK) rose after reporting quarterly results that were ahead of consensus expectations. The company noted strong sales of its key drugs Keytruda and Gardasil during the quarter and raised its revenue guidance for the full-year.

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# BOTTOM FIVE CONTRIBUTORS TO RETURN

## Second Quarter 2023 Representative Sustainable Income Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	
	TGT	Target Corporation	Operates department and discount stores	2.29
	ABBV	AbbVie, Inc.	Engages in the research and development, manufacturing, commercialization & sale of immunology medicines and therapies	3.25
	WPC	W. P. Carey Inc.	Operates as a real estate investment trust which invests in retail stores, industrial warehouses and self-storage properties	1.94
	UPS	United Parcel Service, Inc. Class B	Provides global package delivery and supply chain management solutions	2.49
	TFC	Truist Financial Corporation	Operates as a bank holding company	1.59

- General merchandise retailer Target (TGT) dropped after forecasting a slowdown in same-store sales because of weaker near-term consumer traffic, which was exacerbated by a social media-driven boycott of its stores during the quarter. In its earnings call, Target discussed its investments in the company's employees, including enhanced wages, health benefits, a tuition-free college educational program, and career development opportunities, all of which Target says help to enhance store operations and customer experience.
- Pharmaceutical maker AbbVie (ABBV) declined on expectations that biosimilar versions of its key drug Humira will be priced lower than expected in the U.S. The company said it has been expecting heavy discounting as the rival biosimilars roll out, and it has not adjusted its near-term guidance as a result.
- Corporate and industrial real estate operator W.P. Carey (WPC) declined despite reporting quarterly financial results that were in line with expectations. However, investors are increasingly concerned about the uncertain macroeconomic outlook and the impact that higher interest rates could have on real estate companies such as W.P. Carey. During the quarter, W.P. Carey released its sustainability report where it reported green leases covering nearly 10% of the company's square footage, earning a spot for the second year as a "Green Lease Leader" by the Department of Energy.
- Package delivery company United Parcel Service (UPS) fell after its large Teamsters union authorized a strike if the company and the union cannot negotiate a new contract before the expiration of the current contract on July 31. During the quarter, UPS provided an update to its 2050 carbon neutrality goal, reporting a reduction in scope 1, 2, and 3 emissions during 2022 that can be attributed in part by the company's expanded use of alternative fuel vehicles, with alternative fuels now representing over a quarter of the company's ground fuel usage.
- Banking company Truist Financial (TFC) dropped after reporting quarterly financial results that were below expectations. The company also reduced its revenue growth for the full year because of higher funding costs related to the current interest rate environment.

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# ADDITIONS/DELETIONS

## Second Quarter 2023 Representative Sustainable Income Account Portfolio Activity

- There were no additions or deletions to the portfolio during the quarter.

symbol	Additions	Sector
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symbol	Deletion	Sector
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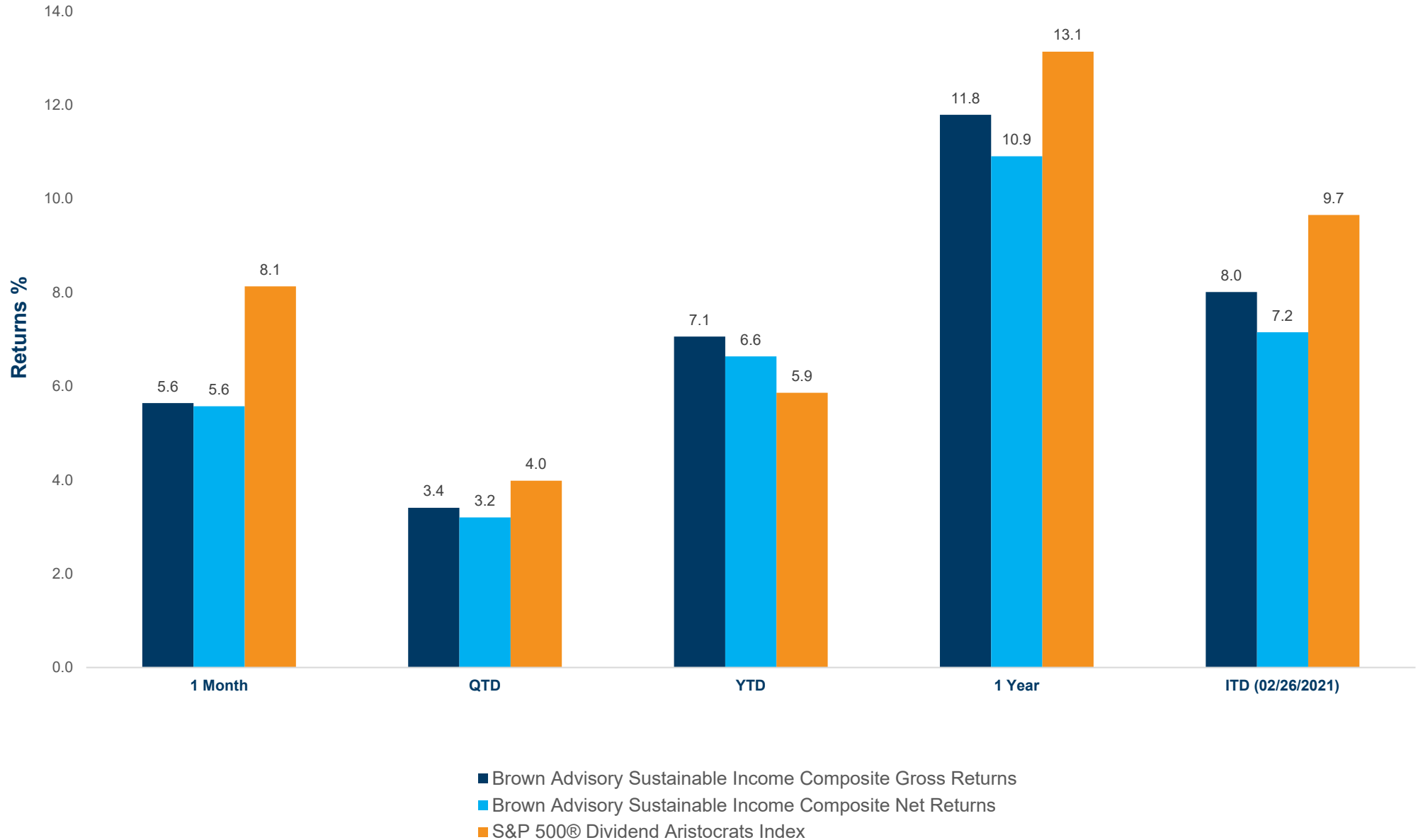
# PORTFOLIO CHARACTERISTICS

Second Quarter 2023

	REPRESENTATIVE SUSTAINABLE INCOME ACCOUNT	S&P 500 DIVIDEND ARISTOCRATS INDEX
Number of Holdings	40	66
Dividend Yield (%)	2.6	2.4
P/E Ratio FY2 Est. (x)	16.4	17.9
Top 10 Equity Holdings (%)	38.4	17.3
Active Share (%)	88.7	--
Market Capitalization (\$ B)		
Weighted Average	419.9	86.1
Maximum	3,049.9	433.6
Minimum	2.2	7.9
One-Year Annualized Portfolio Turnover (%)	6.2	--

# COMPOSITE PERFORMANCE

Second Quarter 2023 as of 06/30/2023



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 Sustainable Income 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 Sustainable Income Composite GIPS Report at the end of this presentation.



# TOP 10 PORTFOLIO HOLDINGS

Representative Sustainable Income Account as of 06/30/2023

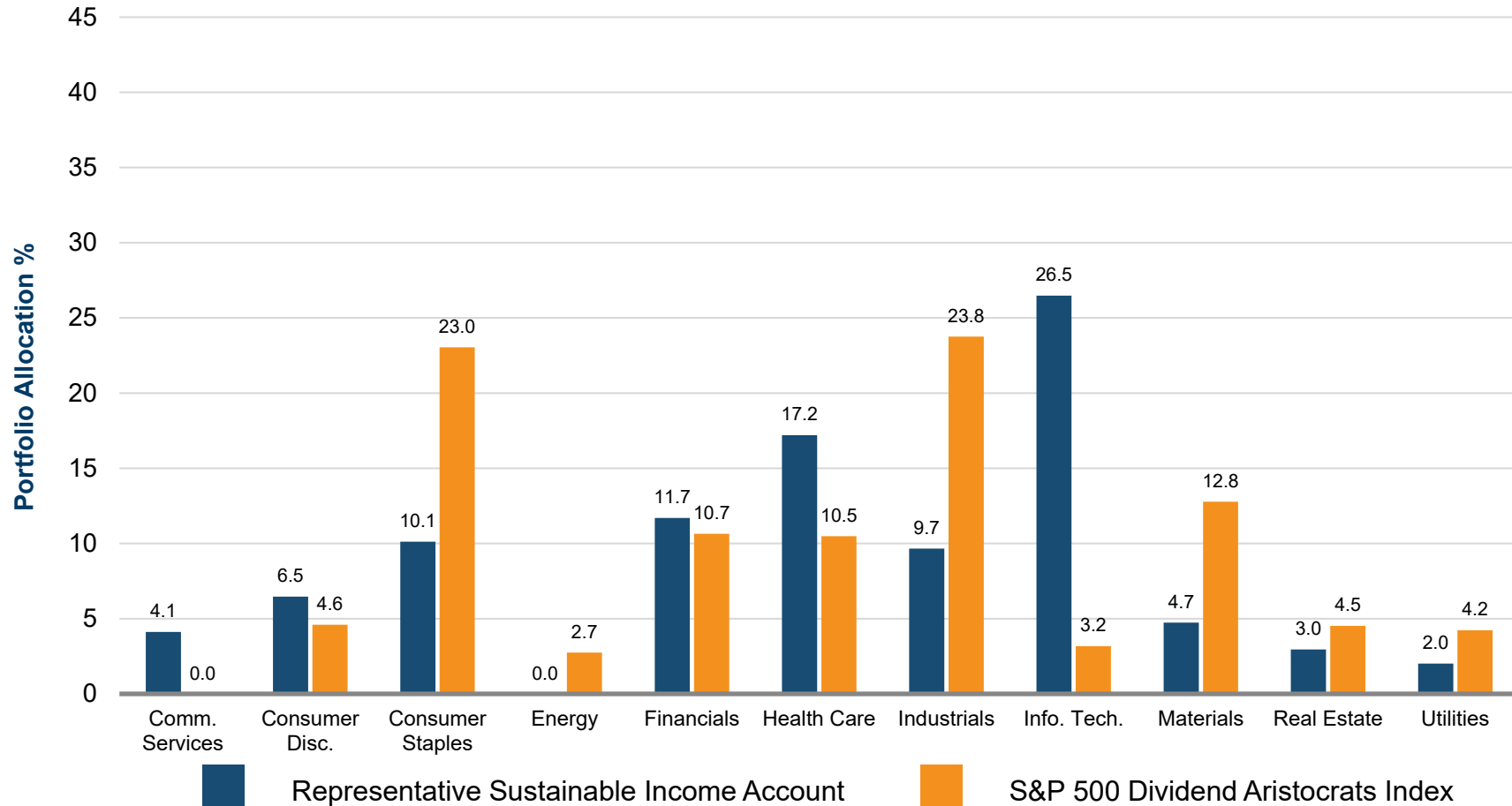
## Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Broadcom Inc.	5.5
Microsoft Corporation	5.0
Apple Inc.	3.9
Intuit Inc.	3.5
Linde plc	3.4
Automatic Data Processing, Inc.	3.2
Mastercard Incorporated Class A	3.1
PepsiCo, Inc.	3.1
Merck & Co., Inc.	3.0
Procter & Gamble Company	2.9
<b>Total</b>	<b>36.6</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. Portfolio information is based on a representative Sustainable Income account and is provided as Supplemental Information. Figures in chart may not total due to rounding. Top 10 portfolio holdings includes cash and equivalents which was 4.5% as of 06/30/2023. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# SECTOR DIVERSIFICATION

Second Quarter 2023 Global Industry Classification Standard (GICS) as of 06/30/2023



Source: FactSet. The portfolio information provided is based on a representative Sustainable Income account and is provided as Supplemental Information. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

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.

ESG considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. ESG analysis may not be performed for every holding in the strategy. All investments involve risk. The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned. ESG considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify companies that it believes may have desirable ESG outcomes, but investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, the strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The strategy may also invest in companies that would otherwise be screened out of other ESG oriented funds. Security selection will be impacted by the combined focus on ESG assessments and forecasts of return and risk. The strategy intends to invest in companies with measurable ESG outcomes, as determined by Brown Advisory. Brown Advisory relies on First parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.

The benchmark is the S&P 500<sup>®</sup> Dividend Aristocrats<sup>®</sup> Index. The S&P 500 Dividend Aristocrats Index is designed to measure the performance of S&P 500 companies that have increased dividends every year for the last 25 consecutive years. S&P<sup>®</sup> and S&P 500<sup>®</sup> are registered trademarks of Standard & Poor's Financial Services LLC.

An investor cannot invest directly into an index.

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

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

# TERMS AND DEFINITIONS

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.

**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.

**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.

**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.

**Active Share** measures the percentage of holdings in a manager's portfolio that differ from those in the benchmark index. An active share of 0% means that the portfolio is identical to the benchmark, while an active share of 100% means that the portfolio has no common holdings with the benchmark.

**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); Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

**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's holding, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.

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)*
2022	-12.4	-13.1	-6.2	N/A	N/A	16	0.2	88	58,575
2021**	27.7	26.8	24.9	N/A	N/A	13	N/A	56	79,715

\*\*Return is for period March 1, 2021 through December 31, 2021.

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, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

- \*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 Brown Advisory Sustainable Income Composite (the Composite) is composed of discretionary portfolios which invest in the common stocks of U.S. medium & large market capitalization companies. The strategy seeks to deliver strong risk-adjusted returns through a concentrated portfolio of securities that have both an attractive dividend yield, as well as compelling ESG profiles, with a particular focus on identifying those with strong or improving Sustainable Business Advantage Drivers. The minimum account market value required for Composite inclusion is \$150,000.
- ESG Factors are not used for the purposes of absolute negative screening in Composite accounts. ESG considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify issuers and securities that it believes may have desirable ESG outcomes, but investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, the strategy may invest in securities that do not reflect the beliefs and values of any particular investor. The strategy may also invest in securities that would otherwise be screened out of other ESG oriented funds. Security selection will be impacted by the combined focus on ESG assessments and forecasts of return and risk. The strategy intends to invest in securities with measurable ESG outcomes, as determined by Brown Advisory, and seeks to screen out particular issuers and industries. Brown Advisory relies on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.
- The Composite creation date is March 15, 2021. The Composite inception date is March 1, 2021.
- The benchmark is the S&P 500 Dividend Aristocrats® Index. The index measures the performance of S&P 500 companies that have increased dividends every year for the last 25 consecutive years. The Index treats each constituent as a distinct investment opportunity without regard to its size by equally weighting each company. Standard & Poor's, S&P®, and S&P 500 Dividend Aristocrats® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"), a subsidiary of S&P Global Inc. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
- As of July 31, 2021, the Composite benchmark was changed from the S&P High Yield Dividend Aristocrats® Index to the S&P 500 Dividend Aristocrats® Index. The change was applied retroactively from the Composite inception date. The Adviser has determined that the S&P 500 Dividend Aristocrats Index is better aligned with the strategy based on current and expected sector weightings.
- The composite dispersion presented is an equal-weighted standard deviation of portfolio gross returns calculated for the accounts in the Composite for the entire calendar year period. 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-fees performance returns are calculated by adjusting the gross-of-fees performance return by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis. Certain accounts in the Composite may pay asset-based custody fees that include commissions. For these accounts, gross returns are also net of custody fees. 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 2A of the firm's Form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- Effective July 1, 2023, the firm transitioned from using actual account fees in the calculation of net performance returns to applying the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV. The net performance track record was revised back to Composite inception.
- 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 three-year annualized standard deviation is not presented as of December 31, 2021 and December 31, 2022 because 36 month returns for the Composite were not available (N/A).
- 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 and broad distribution and limited distribution pooled funds is available upon request.
- Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- Past performance is not indicative of 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.