

NOTICE TO BROWN ADVISORY CLIENTS

March 2009

At Brown Advisory, we believe that you deserve frank and open communication on all aspects of our relationship. In this spirit, we provide this annual summary of our policies relating to confidentiality and privacy of client information, mutual funds, conflicts of interest, trading commissions, proxy voting and Form ADV annual notice.

CONFIDENTIALITY AND PRIVACY POLICY

Brown Advisory takes the confidentiality of your personal information and the privacy of your account very seriously. Our commitment to safeguard your personal information goes beyond our legal obligation to process your transactions accurately and securely. Whether we serve you online, in person, on the telephone or by mail, the principles that guide the way in which we conduct business are built upon the core values of trust and integrity.

We limit access to your personal information to only those employees with a business reason to know such information. We train and consistently remind all employees to respect client privacy and to recognize the importance of the confidentiality of such information. Those who violate our privacy policy are subject to disciplinary action. This commitment also applies to the sharing of information among Brown Advisory and its affiliates.

We maintain physical, electronic and procedural safeguards that comply with applicable laws and regulations to protect your personal information, including various measures to protect your personal information while it is stored electronically.

Federal law requires us to inform you that we have on record personal information about you and that we obtain such information from you directly (e.g., information you provide to us on account applications and other forms, such as your name, address, social security number, occupation, assets and income) and indirectly (e.g., information on our computer systems about your transactions with us, such as your account balance and account holdings). Any personal information you choose to provide is kept confidential and allows us to: (i) provide better and more complete investment and strategic advice; (ii) develop new services that meet additional needs you may have; and, (iii) comply with legal and regulatory requirements.

In addition, in the normal conduct of our business, it may become necessary for us to share information relating to our clients that we have on record, as described above, with companies not affiliated with us who are under contract to perform services on our behalf. For example, we have contracted with companies to assist us in complying with anti-terrorist and anti-money laundering statutory requirements (including the identification and reporting of activities that may involve terrorist acts or money laundering activities), companies that provide clearing services, and other vendors that provide services directly related to your account relationship with us. Our agreements with these companies require that they keep your information confidential and not use such information for any unrelated purpose.

We do not sell information about you to third parties, and we do not otherwise disclose information to third parties without your permission or unless required by law.

CERTAIN ISSUES RELATING TO MUTUAL FUNDS

Brown Advisory's mutual funds are used primarily in connection with clients who have existing relationships with Brown Investment Advisory & Trust Company, Brown Advisory Securities, LLC, Brown Advisory LLC or Alex. Brown Investment Management, LLC.

When clients hold these funds in an account that is charged an investment advisory fee by Brown Investment Advisory & Trust Company, Brown Advisory LLC or Alex. Brown Investment Management, LLC, Brown Advisory credits the client's pro rata share of the investment advisory fee paid to any of the foregoing by the fund or funds as an offset against the client's advisory fee. The portion of the advisory fee paid to an unrelated sub-advisor to the fund or funds is not subject to the credit. Separately Brown Investment Advisory & Trust Company receives from each Brown Advisory Fund a fee of 0.05% of the Fund's average daily net assets for sub-accounting responsibilities that Brown Advisory has assumed on behalf of the Fund. Brown Investment Advisory & Trust Company also acts as the custodian for certain of the Brown Advisory Funds and safeguards and controls the Funds' cash and securities, determines income and collects interest and dividends on Fund investments. For its services as custodian, Brown Investment Advisory & Trust Company receives a fee not to exceed 0.01% of a Fund's assets.

In order to deter "market timing" in the Brown Advisory Funds, each Brown Advisory Fund imposes a 1% redemption fee when shares are sold within 14 days of purchase.

In addition, when Brown Investment Advisory & Trust Company serves as custodian of a client's assets, it uses money market funds managed by Deutsche Asset Management for short-term cash investments. Currently, Brown Investment Advisory & Trust Company receives a shareholder services fee from Deutsche Asset Management as compensation for sub-

accounting responsibilities that Brown Advisory has assumed on behalf of Deutsche Asset Management. Other mutual funds may be held by our clients in their Brown Advisory accounts; however, Brown Advisory does not have any direct relationship with these other funds or fund managers.

CONFLICTS OF INTEREST

Since our inception, it has been our policy to avoid any practice that is adverse in any respect to our clients' interests or is the result of a conflict of interest. This policy is evident in our strict code of ethics which applies to all investments by our employees for their own accounts. While we strive to avoid conflicts, we are cognizant that conflicts will nevertheless arise, and it is our policy to fully and fairly disclose these conflicts to you.

TRADING COMMISSIONS

When Brown Advisory places orders for the execution of portfolio transactions for a client, we allocate transactions to unaffiliated broker/dealers for execution on markets at prices and commission rates which, in the good-faith judgment of Brown Advisory, will be in the best interests of the client. It is Brown Advisory's long-standing practice not to allocate commissions to any person or company on the basis of business they might direct to us. In the selection of such broker/dealers, Brown Advisory takes into consideration not only the available prices of securities and rates of brokerage commissions, but also other relevant factors such as execution capabilities, research and other services provided by such broker/dealers which are expected to enhance the general portfolio management capabilities of Brown Advisory. If research services are a factor in selecting a broker/dealer, Brown Advisory makes a good-faith determination that the amount of commission paid is reasonable in relation to the value of the brokerage and research services provided by the broker/dealer. The types of research services received from broker/dealers include fundamental analysis of particular companies or securities, technical research, economic information, market news services, securities quotation and data systems, and other relevant materials affecting investment decisions. To the extent that research and related services of value are provided by broker/dealers with whom Brown Advisory executes portfolio transactions, Brown Advisory may be credited for payment of expenses which might otherwise be charged directly to Brown Advisory. Research provided by such broker/dealers is used for a broad range of accounts for which Brown Advisory has investment management responsibility; Brown Advisory does not require that such research be limited to or used by the accounts which generated the commissions that were allocated to such broker/dealers. However, if a client specifically directs the use of a specific broker-dealer for execution of securities transactions, we will direct such transactions to the specified broker-dealer including our affiliate.

PROXY VOTING

Brown Advisory's policy governing the voting of proxies is designed to ensure that the firm votes client securities in the best interest of its clients. Brown Advisory seeks to vote proxies so as to promote the long-term economic value of the underlying securities. Each proxy proposal will be considered on its own merits, and an independent determination will be made whether to support or oppose management's position. Although Brown Advisory believes that the recommendation of management should be given substantial weight, Brown Advisory will not support management proposals that we believe may be detrimental to the underlying value of client positions.

FORM ADV

Our registered investment advisor entities, Brown Investment Advisory Incorporated, Brown Advisory LLC, Brown Advisory Securities, LLC and Alex. Brown Investment Management, LLC, are required annually to advise clients that we will provide a copy of Part II of the Form ADV to any client who makes a written request to Nancy Denney, our Chief Compliance Officer, at our Baltimore address. Furthermore, if there have been any changes in your financial situation or investment objectives, or if you wish to impose or modify any reasonable restrictions on the management of your account, please notify your portfolio manager.

We hope that this explanation of certain of our policies is helpful to you. If you have any questions concerning any of these policies, please do not hesitate to call me.

Michael D. Hankin
Chief Executive Officer



BROWN ADVISORY

www.brownadvisory.com



Brown Advisory is the trade name of Brown Investment Advisory & Trust Company, Brown Advisory Securities, LLC, Brown Advisory LLC and Alex. Brown Investment Management, LLC

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