

BROWN ADVISORY LIMITED

STEWARDSHIP CODE

The UK Financial Conduct Authority (**FCA**) requires Brown Advisory Limited to disclose on its website the nature of its commitment to the Financial Reporting Council's Stewardship Code (the **Code**).

The Code aims to enhance the quality of engagement between asset managers and companies to help improve long-term risk-adjusted returns to shareholders. The Code sets out a number of areas of good practice to which the Financial Reporting Council (**FRC**) believes institutional investors should aspire.

The Code is voluntary in nature and consists of seven key principles. Specifically, institutional investors should:

- publicly disclose their policy on how they will discharge their stewardship responsibilities.
- have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.
- monitor their investee companies.
- establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.
- be willing to act collectively with other investors where appropriate.
- have a clear policy on voting and disclosure of voting activity.
- report periodically on their stewardship and voting activities.

Brown Advisory Limited provides discretionary portfolio management services to both institutional and private clients. The provision of these services utilises not just the expertise of the portfolio managers based in the UK and employed by Brown Advisory Limited, but also of the broader investment and research team of the Brown Advisory group (**Brown Advisory**).

Brown Advisory is supportive of the aims of the Code and seeks to embody the principles within its investment practices. The manner in which this is achieved is set out in the following table.

	Principle	Brown Advisory Approach
Principle 1	Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.	Brown Advisory's approach to stewardship is disclosed in this document (available on the Brown Advisory website at www.brownadvisory.com).
Principle 2	Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.	Brown Advisory maintains policies and procedures to identify and manage conflicts of interest in accordance with applicable regulatory requirements.

	Principle	Brown Advisory Approach
		In all instances, we seek to act in the best interests of our clients. Our Conflicts of Interest Policy is disclosed to clients and is subject to regular review and monitoring.
Principle 3	Institutional investors should monitor their investee companies.	<p>The Brown Advisory investment and research team conducts extensive due diligence on investee companies, which includes onsite reviews and meetings with management.</p> <p>Brown Advisory relies primarily on in-house, fundamental research and the relevant analysts will maintain ongoing oversight of the investment throughout the period that it is held.</p>
Principle 4	Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.	Brown Advisory will consider intervention on a case-by-case basis. Serious concerns will be raised directly with the investee company's management. In all instances, Brown Advisory will seek to ensure that the interests of its clients are protected and in some instances, it may be in the clients' best interests to exit an investment where the management or direction of an investee company may not be aligned with our clients' investment objectives.
Principle 5	Institutional investors should be willing to act collectively with other investors where appropriate.	Brown Advisory would consider on a case-by-case basis whether joint action with other investors would be an appropriate and proportionate response to ensure the interests of Brown Advisory's clients are protected.
Principle 6	Institutional investors should have a clear policy on voting and disclosure of voting activity.	Brown Advisory maintains a Proxy Voting Policy which is set out and published on the website (www.brownadvisory.com) in the Brown Advisory Limited Form ADV Part 2A Brochure and is summarised in investment management agreements with clients.
Principle 7	Institutional investors should report periodically on their stewardship and voting activities.	Reporting on stewardship and voting activities is provided to clients on request.