FLEXIBLE EQUITY REVIEW AND OUTLOOK

Brown ADVISORY
Thoughtful Investing.

Second Quarter 2024

The Flexible Equity strategy's returns for the quarter were positive but fell short of the S&P 500® Index, which was up 4.3%. The strategy is up in the mid-teens, net of fees, for the 6-month period, again modestly behind the returns of 15.3% for the S&P 500 Index. However, on a 12-month basis, it is nicely above the 24.5% return of the S&P 500 Index.

The first half of 2024 has been excellent for U.S. equity investors, with the S&P 500 Index surpassing the 5,500 mark for the first time. The largest market capitalization companies continue to dominate investors' interest and have led the returns in the marketplace. Microsoft Corp. (MSFT), NVIDIA Corp. (NVDA), and Apple Inc. (AAPL) each surpassed a $3 trillion market valuation, a feat unimaginable just a few years ago. So far this year, investors have favored larger capitalization companies over smaller ones. Within the larger capitalization category, growth stocks have significantly outperformed value stocks.

These market gains are set against the backdrop of a slowing but still robust economy. Investors have raised their expectations for the 12-month earnings per share (EPS) for the S&P 500 Index throughout the year. Wall Street analysts are projecting above-average EPS growth of 11% to 12% for both 2024 and 2025. If these projections materialize, there is little reason to worry about a recession or a sustained dramatic pullback in U.S. equities.

During our conversations with clients and prospects last quarter, the question we were asked the most was about NVIDIA. It's understandable as NVIDIA briefly took the mantle of being the largest cap company in the S&P 500 Index and is not currently held in the portfolio. NVIDIA's ascent is unprecedented, and the stock has been a significant contributor to the S&P 500 Index returns. So much so that some in media this year seem to have shifted from last year's moniker of the "Magnificent Seven" to the "Magnificent One," with NVIDIA being the One.

We have received both "praise" as well as "criticism" for not owning NVIDIA. The praise stems from our commitment to sticking with our investment process rather than chasing the stock or buying a small position just to "pretty up" the portfolio and avoid the difficult discussion about not holding NVIDIA. Our clients appreciate that we have many other successes within the portfolio, which has allowed us to nearly keep pace with the benchmark despite not owning NVIDIA.

The criticism we have received is: how could we miss such a significant upside in NVIDIA? There's no denying that in our pursuit of finding stocks at bargain prices and avoiding overly optimistic projections, we vastly underestimated the stock's potential and the insatiable demand for NVIDIA's chips in the new age of AI. To put this into perspective, NVIDIA's revenue in 2024 alone is expected to be nearly $120 billion. In contrast, NVIDIA generated a cumulative revenue of a similar amount—$124 billion, to be more precise—over the entire 10-year period from 2013 to 2022, prior to the dawn of generative AI. The dramatic revenue growth and corresponding stock price appreciation are simply astounding!

So, should we be investing in NVIDIA today out of fear of missing out (FOMO) on further gains? Let's examine NVIDIA through the lens of the simplified version of our investment philosophy: Is it a good business, and is it a bargain?

There is no doubt that NVIDIA is a good business. In fact, calling NVIDIA merely a good business is a gross understatement. After all, all roads related to the massive spend on AI currently lead to NVIDIA, as they are largely the sole supplier of the graphic processors that serve as the de facto computing platform for current Large Language Models (LLMs). NVIDIA's competitive advantages are evident in their exceptional top-line growth and unbeatable margins. Simply put, we believe NVIDIA has pricing power!

What gives us a pause is whether NVIDIA's stock is still a bargain. Based on Wall Street's estimates, the stock does not appear cheap as it trades at nearly 40 times its earnings. That would make NVIDIA one of the most expensive stocks in our portfolio if we were to buy it now. We have almost never bought a stock trading at such a high multiple unless we strongly believed that the company was significantly under-earning and that the current earnings multiple reflected in the stock price was artificially inflated. With NVIDIA's pre-tax income margins approaching 65% (based on current estimates for 2024), versus approximately 35% two years ago, it is difficult to imagine a further dramatic increase in margins in the coming years.

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It appears that investors in NVIDIA today are primarily banking on topline growth and stock buybacks. Major cloud providers like Microsoft Azure, Amazon, and Alphabet, as well as nation-states, have accelerated their deployment of their Cloud offerings geared towards AI that almost exclusively use NVIDIA's chips. However, it is anyone's guess as to what the trajectory of spending will look like since we have yet to witness a "killer" application for AI with wide applicability.

By not investing in NVIDIA as it stands today, we are by no means betting against AI. In fact, we believe our portfolio is very well positioned for the age of AI. Several companies within our portfolio, such as Microsoft, Alphabet, Meta, and Apple, are at the forefront of investing in AI and are generally regarded as leaders in this emerging area. Additionally, other software companies in our portfolio, like Adobe, Intuit, and Autodesk, are beginning to offer AI capabilities to their customers. Several other portfolio companies, including UnitedHealth, Elevance, Uber, and Progressive, stand to gain significantly from the proprietary data sets unique to them in the age of AI.

Reviewing our holdings, it becomes clear that this isn't your grandfather's portfolio; we believe that the companies within are at the forefront of change and innovation and are well-positioned to thrive in the future.

A few of us on the equity research team attended the Berkshire Hathaway Shareholder Meeting, our yearly ritual. We dearly missed the presence of Charlie Munger on stage. We are pleased to share the notes compiled by our colleague Hutch Vernon.

We always close our commentaries with the following statement to remind our clients and ourselves of what we do as investors and what to expect over time.

The Flexible Equity team searches for investment bargains among long-term attractive businesses with shareholder-oriented managers – those with productive assets and productive managers. These businesses should have or develop competitive advantages that result in good business economics, managers who allocate capital well, capacity to adjust to changes in the world and the ability to grow business value over time. Bargains in these types of stocks can arise for various reasons, but are often due to short-term investor perceptions, temporary business challenges that will improve, company or industry changes for the better or as-yet-unrecognized potential for long-term growth and development. Despite the occasional investment that will go awry, and stretches when the general stock market, or our investment selection, is unrewarding, we are optimistic about the long-term outlook for equities of good businesses purchased at reasonable prices and our ability to find them.

SECTOR DIVERSIFICATION

Second Quarter 2024

- We base our investment approach on individual company selection and seek to incorporate a reasonable balance of sector exposure as part of our risk management process. We believe that companies in the same sectors can vary as greatly in their business economics and profiles as companies in completely different sectors.
- We eliminated Pinterest in the Communications Services sector. The remaining holdings rose in the quarter increasing the weighting.
- The Consumer Discretionary sector overall declined slightly reducing the weighting. The share price declines in Amer Sports, CarMax and Lowes Companies were impactful to the return.
- In the Consumer Staples sector, the only holding, Nomad Foods, declined in the quarter reducing the weighting.
- The Financials sector declined in the quarter and the weighting was lower. We sold American International Group on price strength and added back to the holding after the price fell. We added to Fiserv and trimmed Bank of America.
- We added to UnitedHealth Group in Health Care. The sector declined in the quarter impacting the weighting.
- The Industrials sector was weak in the quarter. We added to Canadian National Railway, Carrier Global and Uber. We trimmed GE Aerospace and eliminated GE Vernova.
- Information Technology was the best performing sector for the quarter. We added to Adobe and invested in new holding Autodesk.

SECTOR	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	S&P 500® INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%)	
	Q2'24	Q2'24	Q2'24	Q1'24	Q2'23
Communication Services	13.20	9.34	3.86	13.00	12.85
Consumer Discretionary	11.96	9.95	2.01	12.55	12.00
Consumer Staples	1.03	5.77	-4.73	1.28	1.42
Energy	2.96	3.65	-0.69	2.97	3.32
Financials	27.19	12.42	14.77	28.77	26.42
Health Care	12.17	11.72	0.45	12.93	13.63
Industrials	8.84	8.13	0.70	9.24	7.50
Information Technology	21.83	32.45	-10.62	18.32	21.60
Materials	--	2.15	-2.15	--	--
Real Estate	0.82	2.15	-1.33	0.94	1.25
Utilities	--	2.26	-2.26	--	--

QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

Second Quarter 2024 Representative Flexible Equity Account

	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT	S&P 500® INDEX	ATTRIBUTION ANALYSIS		
SECTOR	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	13.11	9.28	0.19	0.37	0.56
Consumer Discretionary	12.06	10.08	-0.07	-0.15	-0.21
Consumer Staples	1.18	5.98	0.14	-0.21	-0.07
Energy	3.02	3.90	0.05	0.22	0.28
Financials	28.06	12.87	-0.95	-0.18	-1.13
Health Care	12.67	12.06	-0.03	-0.35	-0.38
Industrials	9.08	8.60	-0.06	-0.09	-0.14
Information Technology	19.97	30.40	-0.90	-0.28	-1.18
Materials	--	2.31	0.21	--	0.21
Real Estate	0.86	2.17	0.08	-0.07	0.02
Utilities	--	2.34	-0.01	--	-0.01
Total	100.00	100.00	**-1.34**	**-0.73**	**-2.06**

- Attribution is a tool that calculates the effect of sector allocation and stock selection relative to market and sector benchmarks of performance. This tool does not reflect how we manage investments, and we believe it has meaningful limitations. However, it is frequently requested, so we share it for that reason.
- The portfolio return trailed the S&P 500 Index in the quarter, on a net basis. Sector allocation had a larger effect than security selection.
- Communication Services and Energy contributed the most to relative return. These sectors had a higher return than the Index. Communication Services had both a higher return and a higher weighting than the Index. The Energy sector had a positive return in the portfolio and a lower weighting as compared to the Index.
- Financials and Information Technology detracted the most from the results as compared to the Index. These sectors had a lower return than the Index. Financials had a higher weighting and the sector declined in the quarter. The Information Technology return was positive, but the weighting was lower than in the Index.

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 Flexible Equity account and is provided as Supplemental Information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Attribution Analysis shown is calculated on a gross of fees basis. Sector attribution is gross of fees and excludes cash and cash equivalents. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

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Second Quarter 2024 Representative Flexible Equity Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)
TSM	Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Manufactures, distributes and tests integrated circuits, silicon wafers, diodes and related semiconductor components	3.26
GOOG	Alphabet Inc. Class A & C	Operates as a holding company with interests in google search, network, advertising and cloud services	6.72
AAPL	Apple Inc.	Designs, manufactures smartphones, personal computers, tablets, wearables and accessories	2.91
MSFT	Microsoft Corporation	Develops, manufactures and distributes software products	7.54
AMZN	Amazon.com, Inc.	Provides online retail shopping services	4.13

- Taiwan Semiconductor (TSM) was higher in the quarter on a beat-and-raise for the first quarter results, as well as positive investor sentiment and outlook for the 2nm (N2 technology) launch in 2025.
- Alphabet (A & C) (GOOG) had a solid first quarter result and has dispelled fears around their GenAI capabilities, at least for now. In the first quarter, management showcased their ability to “durably reengineer the cost base” by producing operating margins of 31.6%. Google Services operating margins came in at 39.6%, well ahead of consensus expectations in the mid-thirties. Revenue growth accelerated in all geographies and Search grew. In addition, the company has found a new CFO, Anat Ashkenazi, to replace Ruth Porat who will remain with the company as President and Chief Investment Officer. Google has been showing excellent execution, although the stock is now running up against our price target.
- Apple (AAPL) rallied in the second quarter after weak performance in the first on better investor expectations for a strong device refresh cycle driven by AI features discussed at the company’s Worldwide Developers Conference.
- Microsoft (MSFT) continues to execute well. Microsoft Azure reaccelerated revenue growth (both due to the core business and AI), driving 23% year over year growth in Microsoft’s Commercial Cloud. Forward demand looks healthy as well given Microsoft’s strong bookings and capital expenditure expectations. Gross margins outperformed internal expectations, while operating expense growth remains muted. This drove a significant growth, and outperformance, of operating income and earnings.
- Amazon (AMZN) reported another big beat on profitability with EBIT margin expanding significantly driven by across-the-board improvements in North America retail, International retail, and Amazon Web Services (AWS). The company saw strength in advertising. Free cash flow growth accelerated as well.

QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

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Second Quarter 2024 Representative Flexible Equity Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)
MA	Mastercard Incorporated Class A	Offers credit & debit cards and payment solutions	4.65
ALGN	Align Technology, Inc.	Designs, manufactures and markets the invisalign system for treating malocclusion	1.33
AS	Amer Sports, Inc.	Manufactures and sells sports equipment, footwear, apparel & accessories	1.15
V	Visa Inc. Class A	Operates as a global payments technology	4.72
URI	United Rentals, Inc.	Operates as a holding company whose subsidiaries engages in the rental of construction, aerial, industrial and light equipment & general tools	2.29

- Mastercard (MA) shares traded lower despite the current quarter results which were ahead of expectations. Total Net Revenue guidance for Q2 was modestly below projections and was lowered for 2024 due to FX headwinds because of a strengthening US dollar. Irrespective, it's clear that long-term trends remain healthy and the change in guidance was purely driven by the FX impact.
- Align (ALGN) stock declined on concerns that weakening consumer confidence in the past several weeks may mean that the company fails to achieve its FY24 revenue guidance.
- Amer Sports (AS) has been weighed down by bearish sentiment around outdoor sportswear and China exposure. While Amer's direct to consumer driven soft goods growth outperformed, wholesale-driven equipment business continued to work through inventory de-stocking.
- Visa (V) shares fell modestly primarily due to revenue growth concerns both secular and cyclical.
- United Rentals (URI) shares have been pressured along with other non-residential construction-driven companies. This has been driven by weak readings of the Architecture Billings Index (ABI), which has now been indicated as a contraction for 16 consecutive months. Construction activity weakness usually follows ABI weakness at a delay of 12-18 months. We continue to be strong believers in the long-term growth of URI as the market share leader in equipment rental.

QUARTER-TO-DATE ADDITIONS/DELETIONS

Second Quarter 2024 Representative Flexible Equity Account Portfolio Activity

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- We invested in one new holding, Autodesk (ADSK), and eliminated two, GE Vernova (GEV) and Pinterest (PINS), in the quarter.
- ADSK creates design software for architecture, engineering, construction, and manufacturing sectors. The company has a loyal customer base and a recurring revenue model. It is a high-margin business, with over 90% gross margins and more than 30% operating margins, and it requires minimal capital investment. The stock has been sideways as cash flows will be artificially suppressed over the next two years due to business model changes. Investor concerns stemming from a delayed 10-K filing and a weakening economy presented us with a bargain opportunity.
- GEV is a spin-off from GE Aerospace. Since we didn't intend to add to the holding, we eliminated it due to its tiny weighting in the portfolio.
- PINS has rebounded from its lows, due to improved operating discipline and some bold moves under new management. However, we have some doubts regarding its potential for durable growth and profitability. We reallocated the proceeds to a more promising investment opportunity.

SYMBOL	ADDITIONS	SECTOR
ADSK	Autodesk, Inc.	Information Technology

SYMBOL	DELETIONS	SECTOR
PINS	Pinterest, Inc. Class A	Communication Services

SYMBOL	ADDS & DELS	SECTOR
GEV	GE Vernova Inc.	Industrials

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 Flexible Equity account and is provided as Supplemental Information. 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.

PORTFOLIO CHARACTERISTICS

Second Quarter 2024

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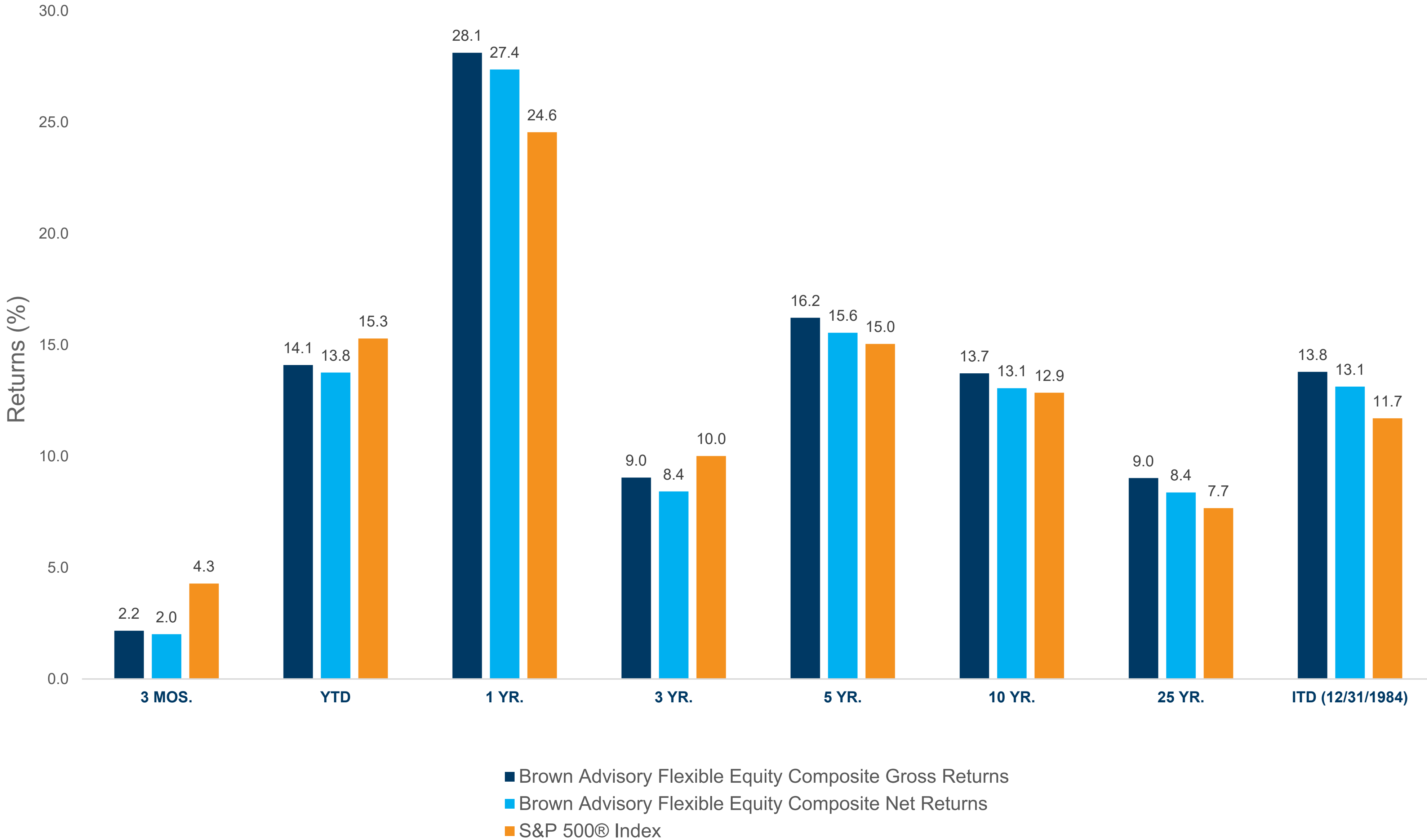
	REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT	S&P 500® INDEX
Number of Holdings	46	503
Market Capitalization ($ B)		
Weighted Average	842.0	1010.5
Weighted Median	249.4	274.2
Maximum	3322.2	3322.2
Minimum	2.7	6.7
P/E Ratio FY1 Est. (x)	22.2	22.7
P/E Ratio FY2 Est. (x)	19.5	19.9
Earnings Growth 3-5 Yr. Consensus Est. (%)	17.9	16.3
Dividend Yield (%)	0.8	1.3
Top 10 Equity Holdings (%)	43.4	35.8
Three-Year Annualized Portfolio Turnover (%)	11.4	--

Source: FactSet. The portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Portfolio characteristics exclude cash and cash equivalents with the exception of Top 10 portfolio holdings. Top 10 portfolio holdings include cash and equivalents which was 2.2% as of 06/30/2024. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions. Holdings exclude cash and cash equivalents.

COMPOSITE PERFORMANCE

Second Quarter 2024 as of 06/30/2024



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 Institutional Flexible Equity 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 Institutional Flexible Equity Composite GIPS Report at the end of this presentation.

TOP 10 EQUITY HOLDINGS

Representative Flexible Equity Account as of 06/30/2024

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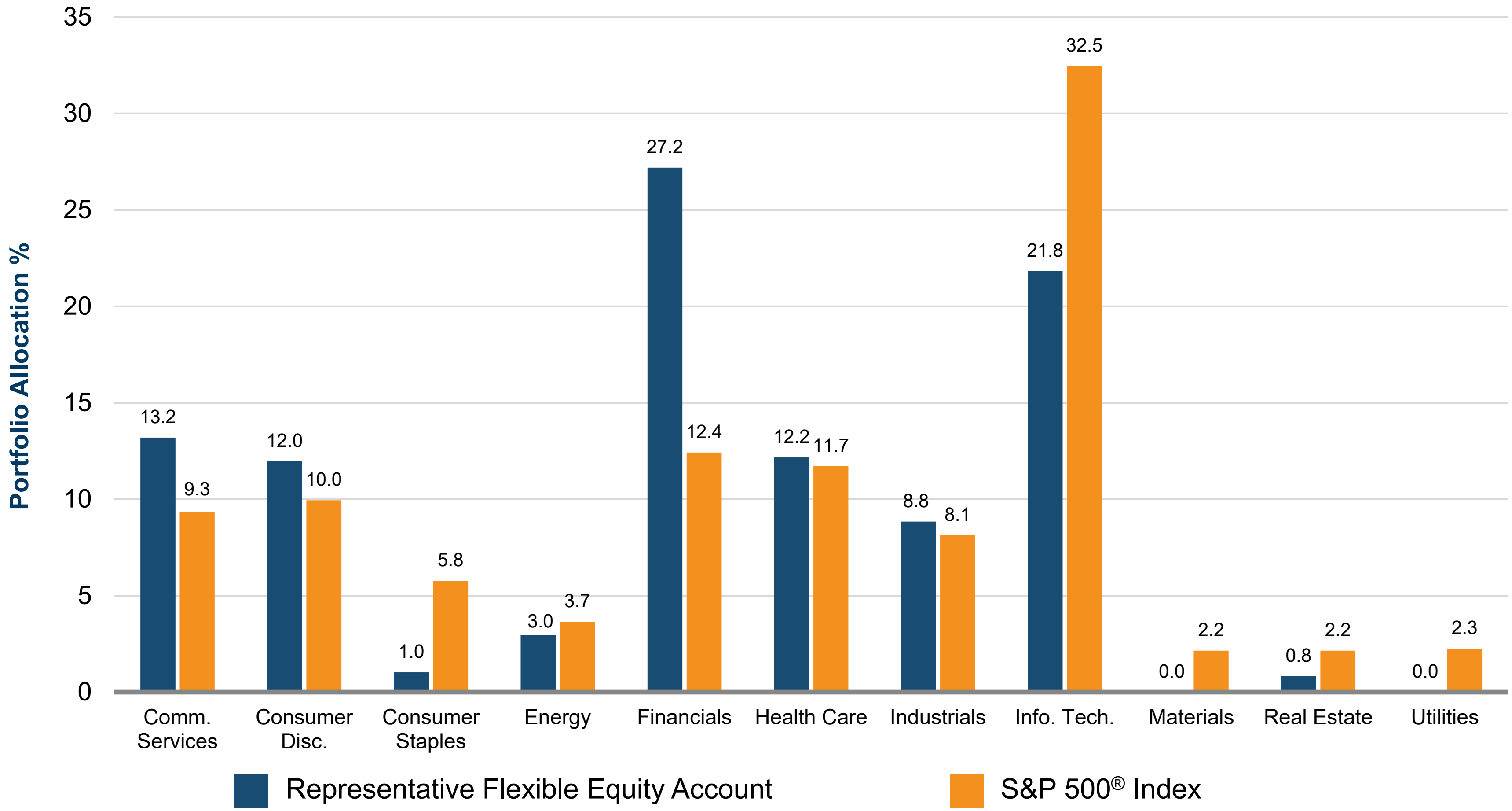
Top 10 Portfolio Holdings

TOP 10 HOLDINGS	% OF PORTFOLIO
Microsoft Corp.	7.5
Alphabet Inc.* (A & C)	6.9
Meta Platforms, Inc.	4.7
Visa, Inc.	4.3
Mastercard, Inc.	4.2
Amazon.com, Inc.	4.1
Berkshire Hathaway, Inc. Cl B	3.9
KKR & Co., Inc	3.8
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	3.5
UnitedHealth Group, Inc.	3.3
Total	**46.4**

Source: FactSet. *Alphabet Inc. represents a 2.9% holding position in class A and 3.9% in class C shares of the stock. 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 Flexible Equity account and is provided as Supplemental Information. Figures in chart may not total due to rounding. Holdings include cash and cash equivalents which was 2.2% as of 06/30/2024. 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 2024 Global Industry Classification Standard (GICS) as of 06/30/2024



Source: FactSet. The portfolio information provided is based on a representative Flexible Equity 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.

DISCLOSURES

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 **S&P 500® Index** represents the large-cap segment of the U.S. equity markets and consists of approximately 500 leading companies in leading industries of the U.S. economy. Criteria evaluated include market capitalization, financial viability, liquidity, public float, sector representation and corporate structure. An index constituent must also be considered a U.S. company. Standard & Poor's, S&P, and S&P 500® are trademarks/service marks of MSCI and Standard & Poor's.

The AIA/Deltek Architecture Billings Index (ABI) is a leading monthly economic indicator for nonresidential construction activity.

An investor cannot invest directly into an index.

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

DISCLOSURES

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.

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); Weighted Median: the value at which half the portfolio's market capitalization weight falls above and half falls below; Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

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. Calculated as a weighted harmonic average.

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. Calculated as weighted average.

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. Calculated as weighted average.

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.

Free cash flow (FCF) represents the cash a company generates after cash outflows to support operations and maintain its capital assets. Unlike earnings or net income, free cash flow is a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital.

Earnings per share (EPS) is a company's net income subtracted by preferred dividends and then divided by the average number of common shares outstanding.

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.

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INSTITUTIONAL FLEXIBLE EQUITY 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)*
2023	35.2	34.4	26.3	18.2	17.3	40	0.4	3,171	81,325
2022	-20.8	-21.3	-18.1	22.1	20.9	40	0.2	2,476	58,575
2021	25.7	25.0	28.7	18.8	17.2	41	0.3	3,198	79,715
2020	20.8	20.1	18.4	20.1	18.5	41	0.3	2,550	59,683
2019	37.3	36.5	31.5	12.8	11.9	42	0.4	2,196	42,426
2018	-3.3	-3.9	-4.4	12.3	10.8	41	0.3	2,263	30.529
2017	25.1	24.3	21.8	11.4	9.9	50	0.3	2,912	33,155
2016	9.9	9.4	12.0	12.1	10.6	52	0.2	2,883	30,417
2015	-2.0	-2.6	1.4	11.1	10.5	56	0.2	2,686	43,746
2014	14.0	13.3	13.7	9.2	9.0	49	0.2	3,195	44,772
2013	37.5	36.7	32.4	11.9	11.9	44	0.4	2,247	40,739

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, 2023. The Verification reports are available upon request. 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.

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 Institutional Flexible Equity Composite (the Composite) includes all actual, discretionary, institutional accounts with a flexible value equity objective of 100%. The strategy seeks bargains in "value" as well as "growth" stocks and invests primarily in the common stock of domestic companies with market capitalizations greater than $2 billion at the time of purchase. As of January 1, 2013, the minimum account market value required for Composite inclusion is $1.5 million.
3. Sustainable investment 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. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The Flexible Equity Strategy ("Strategy") seeks to identify companies that it believes may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. 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 excluded from other strategies that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The Strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.
4. The Composite was created in 1985. The Composite inception date is January 1, 1985.
5. The benchmark is the S&P 500® Index. The S&P 500 Index is a capitalization-weighted index of 500 stocks that is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Index returns assume reinvestment of dividends and do not reflect any fees or expenses. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers. Standard & Poor's, S&P ®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"), a subsidiary of S&P Global Inc.
6. 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.
7. 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: For accounts below $150 million, 0.60% on the first $25 million; 0.50% on the next $25 million; and 0.45% on the next $25 million, and 0.35% on the next $50 million. For accounts over $150 million, 0.45% on the first $150 million; 0.275% on the next $100 million; 0.25% on the next $250 million; and 0.20% on the balance over $500 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.
8. 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.
9. 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.
10. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
11. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
12. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
13. Past performance is not indicative of future results.
14. This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subscription documents.
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