

# LARGE-CAP GROWTH REVIEW AND OUTLOOK

Second Quarter 2024

The Brown Advisory Large-Cap Growth strategy posted a positive return during the period but underperformed the Russell 1000<sup>®</sup> Growth Index benchmark, which was up 8.3% in the second quarter.

The concentration of returns in the Russell 1000 Growth Index reached unprecedented levels during the second quarter. The ‘Magnificent 7’<sup>1</sup> accounted for 99.8% of the Index’s return and now represents more than 50% of the Index following the annual Russell reconstitution. While the market’s focus in recent quarters has been on this group of mega-cap stocks, our best-in-breed, premium growth companies have exhibited strong fundamentals (all portfolio holdings saw their next 12 months earnings estimates increase during the quarter) which have been rewarded broader market environments. Most recently, from June 17 to June 30, our portfolio outperformed by more than 150 basis points (bp), net of fees, and ranked highly amongst peers, despite minimal company-specific news flow. Similarly, to close out 2023, from November 10 through year-end, our strategy outperformed the Russell 1000 Growth Index by more than 530 bps, net of fees. Our strategy looks different than the benchmark which creates the opportunity for significant outperformance in these types of market environments.

From a sector perspective, Information Technology, was the most significant detractor to relative performance during the quarter. Within the technology sector, the largest relative detractors were Apple, a company that does not meet our growth criteria, and NVIDIA (NVDA), a leading semiconductor chip provider. NVIDIA is one of our largest positions but our underweight (10.3% of the benchmark as of 6/30/24) relative to the Index detracted from relative performance. The software industry, also, broadly, faced pressure during the quarter due to short-term macroeconomic fears and questions as to how enterprise-level Artificial Intelligence (AI) experimentation might be impacting broader software budgets. We are confident that AI experiments are not replacing the need for the mission-critical products that our software companies offer. We are also pleased to see that our software companies are well positioned with multi-year contracts, high recurring revenue streams, and industry-leading retention rates. These companies are also continuing to invest throughout this cycle- positioning them to gain market share in the future.

Consumer Staples emerged as the best-performing sector during the period, driven by strong stock selection and excellent execution at Costco Wholesale (COST). Costco, one of our largest positions, reported quarterly results that exceeded Wall Street consensus expectations and propelled the stock to an all-time high in June. We remain impressed with the company’s membership growth, customer traffic in-store and online, sales growth, and member retention rate, even in a challenging macroeconomic environment.

We initiated positions in two new companies: TransDigm (TDG) and Cadence Design Systems (CDNS). TransDigm is a leading provider of aftermarket and OEM parts in the aviation industry, with the majority of its revenues coming from proprietary parts that have undergone rigorous regulatory approval by organizations like the FAA. Cadence Design Systems is a leading provider of electronic design automation (EDA) software used to design semiconductor chips.

We also exited 3 positions during the quarter: Lululemon (LULU), SBA Communications (SBAC), and Match Group (MTCH). While Lululemon has posted strong results over the last three years across nearly every segment, geography, and channel, the company’s successes during COVID, combined with a recent slowdown in consumer- spending have called into question the long-term growth rate. We exited the position due to this probable slowdown in growth.

While the focus on the “Magnificent 7” has created a challenging relative performance environment for active large-cap growth managers, we remain committed to implementing the philosophy and process that have been hallmarks of this strategy for more than 25 years. Our portfolio has performed well in the market environments where individual companies’ fundamental results matter more than interest rates and the Federal Reserve’s next move. We remain steadfast in the consistent application of our process and are excited about both the growth prospects of our holdings, as well as the return profile of our investments in the portfolio.

<sup>1</sup>Magnificent Seven stocks: Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla.

Source: FactSet<sup>®</sup>. 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. Sectors are based on the Global Industry Classification Standard (GICS<sup>®</sup>) classification system. The performance shown above reflects the Large-Cap Growth Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Past performance is not indicative of future results. 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

- The strategy's allocation to Information Technology increased during the period, primarily from the addition of Cadence Design Systems. The sector remains the largest relative underweight due to the lack of exposure to hardware and not owning Apple (the 2<sup>nd</sup> largest constituent in the benchmark at 10.8%). The software industry remains our largest allocation within the portfolio and overweight within the Information Technology sector.
- Our underweight to Consumer Discretionary increased during the period due to our exit from Lululemon. While many large-cap consumer companies have reported a slowdown in discretionary spending, Costco, one of the portfolio's largest holdings in the portfolio, continues to post strong results, even while navigating a difficult macroeconomic environment.

SECTOR	REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT (%)	RUSSELL 1000® GROWTH INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT (%)	
	Q2'24	Q2'24	Q2'24	Q1'24	Q2'23
Communication Services	4.13	12.66	-8.52	5.95	5.79
Consumer Discretionary	9.23	14.07	-4.84	9.71	9.02
Consumer Staples	4.87	3.77	1.10	4.57	6.98
Energy	--	0.46	-0.46	--	--
Financials	11.09	5.66	5.44	11.20	10.08
Health Care	16.41	10.07	6.35	17.35	21.95
Industrials	14.81	5.10	9.71	13.30	8.47
Information Technology	36.63	46.81	-10.18	32.18	31.53
Materials	--	0.61	-0.61	--	--
Real Estate	2.83	0.74	2.08	5.74	6.19
Utilities	--	0.06	-0.06	--	--

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. The portfolio information provided is based on a representative Large-Cap Growth 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.

# QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

Second Quarter 2024

SECTOR	REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT	RUSSELL 1000® GROWTH INDEX	ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	5.45	12.67	-0.31	-0.17	-0.48
Consumer Discretionary	8.63	14.49	0.40	0.13	0.53
Consumer Staples	4.91	3.99	-0.08	0.74	0.66
Energy	--	0.47	0.02	--	0.02
Financials	11.40	6.16	-0.68	0.37	-0.31
Health Care	16.83	10.30	-0.34	-1.42	-1.76
Industrials	14.94	5.52	-1.36	0.73	-0.63
Information Technology	34.29	44.89	-0.67	-3.25	-3.91
Materials	--	0.67	0.11	--	0.11
Real Estate	3.54	0.78	-0.40	-0.68	-1.08
Utilities	--	0.06	--	--	--
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>-3.32</b>	<b>-3.54</b>	<b>-6.86</b>

- Consumer Staples was the top relative performing sector during the quarter, driven by positive stock selection. Costco Wholesale, the membership-warehouse retailer, climbed to an all-time high during the period. The company's most recent quarterly results exceeded Wall Street expectations and highlighted resilient membership growth, sales growth, and member retention, even in a difficult consumer-spending environment.
- Information Technology was the largest detractor to relative performance during the quarter. Apple, a company that we do not own since it does not meet our growth criteria, and our underweight position in NVIDIA were the two most significant relative detractors within the sector. Consistent with our strategy's philosophy since inception, we maintain a maximum position size of 5%, an important risk mitigation tool. This ensures that portfolio performance is driven by the combination of all of our high-conviction ideas.
- The strategy's underweight to Consumer Discretionary also benefited relative performance. Many management teams of consumer-oriented companies have suggested a challenging spending environment. We believe our holdings, Amazon and Hilton, are well-positioned to benefit from a combination of competitive advantages and longer-term consumer trends.

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. The portfolio information provided is based on a representative Large-Cap Growth account and is provided as Supplemental Information. Sectors are based on the Global Industry Classification Standard (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.

# QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

## Second Quarter 2024 Representative Large-Cap Growth Account Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)
NVDA	NVIDIA Corporation	Designs and manufactures computer graphics processors, chipsets, and related multimedia software	5.12
GOOG	Alphabet Inc. Class C	Operates as a holding company with interests in google search, network, advertising and cloud services	4.16
COST	Costco Wholesale Corporation	Operates as a membership warehouse club that sells foods and sundries	4.91
ISRG	Intuitive Surgical, Inc.	Designs, manufactures and markets robotic technologies used for surgeries	4.06
AMZN	Amazon.com, Inc.	Provides online retail shopping services	5.07

- NVIDIA Corporation (NVDA), a market leader in advanced graphic processing units, unsurprisingly, reported a beat-and-raise in the month of May. Results out of the company's Data Center business carried the day (up more than 4x YoY) but all segments posted growth over the trailing 12 months. The recently announced Blackwell, a successor to Hopper, is in volume production and shipping in small volume this quarter. The company expects the production to ramp up significantly in October and January, giving investors comfort around Data Center growth in 2025.
- Alphabet (GOOG) has continued its impressive run on the heels of strong quarterly results in April and following its user conference, I/O, in May. The company highlighted its AI platform, Gemini, which boosted the stock during the period.
- Costco Wholesale's (COST) stock has been rewarded following results that highlighted positive customer traffic trends, both in-store and online. Nearly all categories (food and sundries, fresh foods and non-foods, etc.) posted positive year over year growth, even in a challenging macroeconomic environment.
- Intuitive Surgical (ISRG) reported strong financial results this year which were driven by better-than-expected procedure growth of 21% and 16%. Early feedback on the newest generation of the da Vinci surgical robot has also been positive. This early feedback, we believe, highlights the robot's value proposition for surgeons and should lead to increased adoption and usage of the robot.
- Amazon.com's (AMZN) strong performance continued into the second quarter. The company delivered better-than-anticipated margins driven by broad improvements across North America retail, International retail, and Amazon Web Services.

# QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

## Second Quarter 2024 Representative Large-Cap Growth Account Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)
ALGN	Align Technology, Inc.	Designs, manufactures and markets the invisalign system for treating malocclusion	2.56
CSGP	CoStar Group, Inc.	Provides information, analytics and marketing services	3.01
VEEV	Veeva Systems Inc Class A	Provides cloud-based software and data solutions	1.87
MA	Mastercard Incorporated Class A	Offers credit & debit cards and payment solutions	4.04
WDAY	Workday, Inc. Class A	Provides software-based enterprise business solutions	1.78

- Align Technology (ALGN), a market leader in clear dental aligners, reported quarterly results that came in ahead of Wall Street expectations. The company traded down, however, on concerns that weakening consumer confidence may impact their near-term results. We believe the company is well-positioned for continued long-term clear aligner case growth and the company should benefit from the launch of its intraoral scanner, iTero Lumina.
- CoStar Group (CSGP), a company focused on providing real estate data across the commercial, multifamily, and residential spaces, traded down during the quarter on concerns of continued commercial real estate weakness and as investors await validation of continued progress for Homes.com adoption. We believe that CoStar continues to be well positioned within its verticals and is set up for long-term share again within Homes.com.
- Veeva Systems (VEEV) reported healthy financial results but called out an elongation of sales cycles and some macroeconomic pressure at the low end of their customer base, both of which may impact this year's subscription and professional services revenues. While the macroeconomic environment has weighed on the company's short-term outlook, we remain confident in the company's competitive position and are pleased with the progress within Vault CRM.
- Despite reporting quarterly results that beat Wall Street consensus expectations, Mastercard's (MA) net revenue guidance for 2024 was lowered due to foreign exchange headwinds from a strengthening dollar. It is clear, however, that the long-term trends for the company remain healthy.
- Workday (WDAY), a provider of enterprise-level finance and human resources software, is a relatively new name in the portfolio and reported inline quarterly results but lowered guidance for fiscal year 2025. Longer sales cycles and slower employment growth at their end customers are weighing on near-term results. We believe this is a function of the macroeconomic environment and not competition.

# QUARTER-TO-DATE ADDITIONS/DELETIONS

## Second Quarter 2024 Representative Large-Cap Growth Account Portfolio Activity

- Cadence (CDNS) is a leader in electronic design automation (EDA) software, which helps semiconductor and electronics system designers create new product designs.
- TransDigm (TDG) is a provider of aerospace components. Their business is weighted to highly regulated and predictable aftermarket and repair demand, which is set to benefit for the coming years from constrained new aircraft production by Boeing and Airbus. The critical nature of these components, typically where TransDigm is the sole provider, drives pricing power and an attractive margin profile.
- Lululemon (LULU) has posted strong results over the last three years across nearly every segment, geography, and channel. Growing, however, on such a large base becomes increasingly challenging. While partly expected, the deceleration was worse than feared as competition intensified and consumer- spending slowed in the U.S., which accounts for more than 70% of the company's revenues.
- While most of Match Group's (MTCH) underlying dating brands have executed well, Tinder, the company's largest brand, has struggled to grow its user base in recent quarters. Even with product enhancements and advertising campaigns, the timeline for reinvigorated user growth is uncertain, leading us to exit of the position.
- We exited SBA Communications (SBAC) for one of the more common reasons we sell a name in this portfolio- we believe the company no longer meets the growth criteria for this portfolio. We also used these proceeds to initiate a position in a company we have been following for years, TransDigm.

SYMBOL	ADDITIONS	SECTOR
CDNS	Cadence Design Systems, Inc.	Information Technology
TDG	TransDigm Group Incorporated	Industrials

SYMBOL	DELETIONS	SECTOR
LULU	lululemon athletica inc.	Consumer Discretionary
MTCH	Match Group, Inc.	Communication Services
SBAC	SBA Communications Corp. Class A	Real Estate

# PORTFOLIO CHARACTERISTICS & TOP 10 HOLDINGS

Second Quarter 2024



## Characteristics

	REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT	RUSSELL 1000® GROWTH INDEX
Number of Holdings	31	440
Market Capitalization (\$ B)		
Weighted Average	624.6	1511.6
Historical 3-Yr Sales Growth	19.4	19.6
EV/FCF (FY2)	28.5	28.4
Active Share	73.2	--
Three-Year Annualized Portfolio Turnover (%)	24.5	--

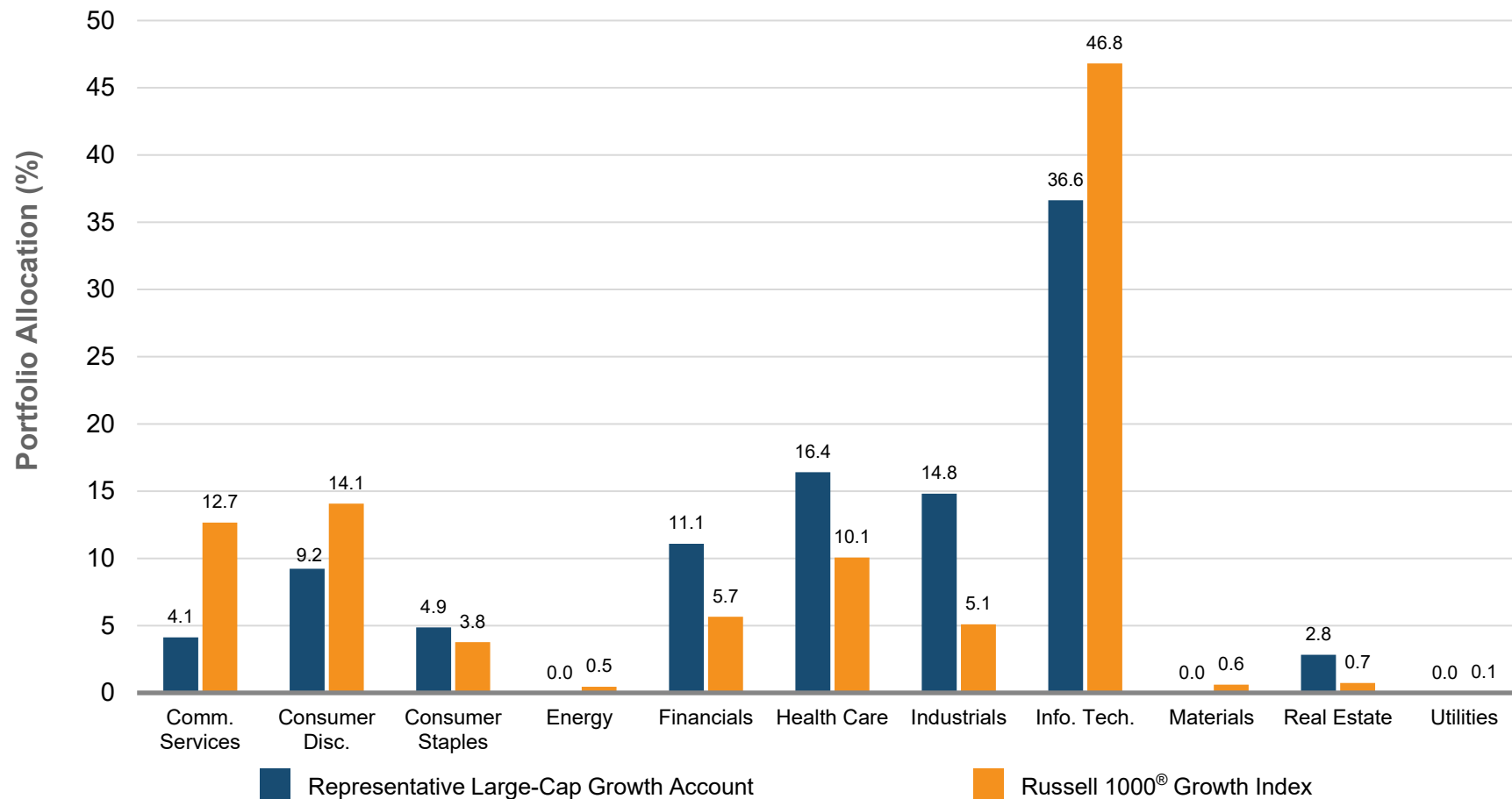
## Top 10 Portfolio Holdings

REPRESENTATIVE LARGE-CAP GROWTH ACCOUNT TOP 10 HOLDINGS	% OF PORTFOLIO
Amazon.com, Inc.	5.0
Microsoft Corp.	4.9
NVIDIA Corp.	4.8
Costco Wholesale Corp.	4.7
ServiceNow, Inc.	4.2
Intuitive Surgical, Inc.	4.2
Intuit, Inc.	4.0
Alphabet, Inc. Cl C	4.0
Hilton, Inc.	3.9
Mastercard, Inc.	3.7
<b>Total</b>	<b>43.6</b>

Source: FactSet. The portfolio information provided is based on a representative Large-Cap Growth 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 3.3% as of 06/30/2024. 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. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions. Figures in table may not total due to rounding.

# SECTOR DIVERSIFICATION

Second Quarter 2024 Global Industry Classification Standard (GICS) as of 06/30/2024

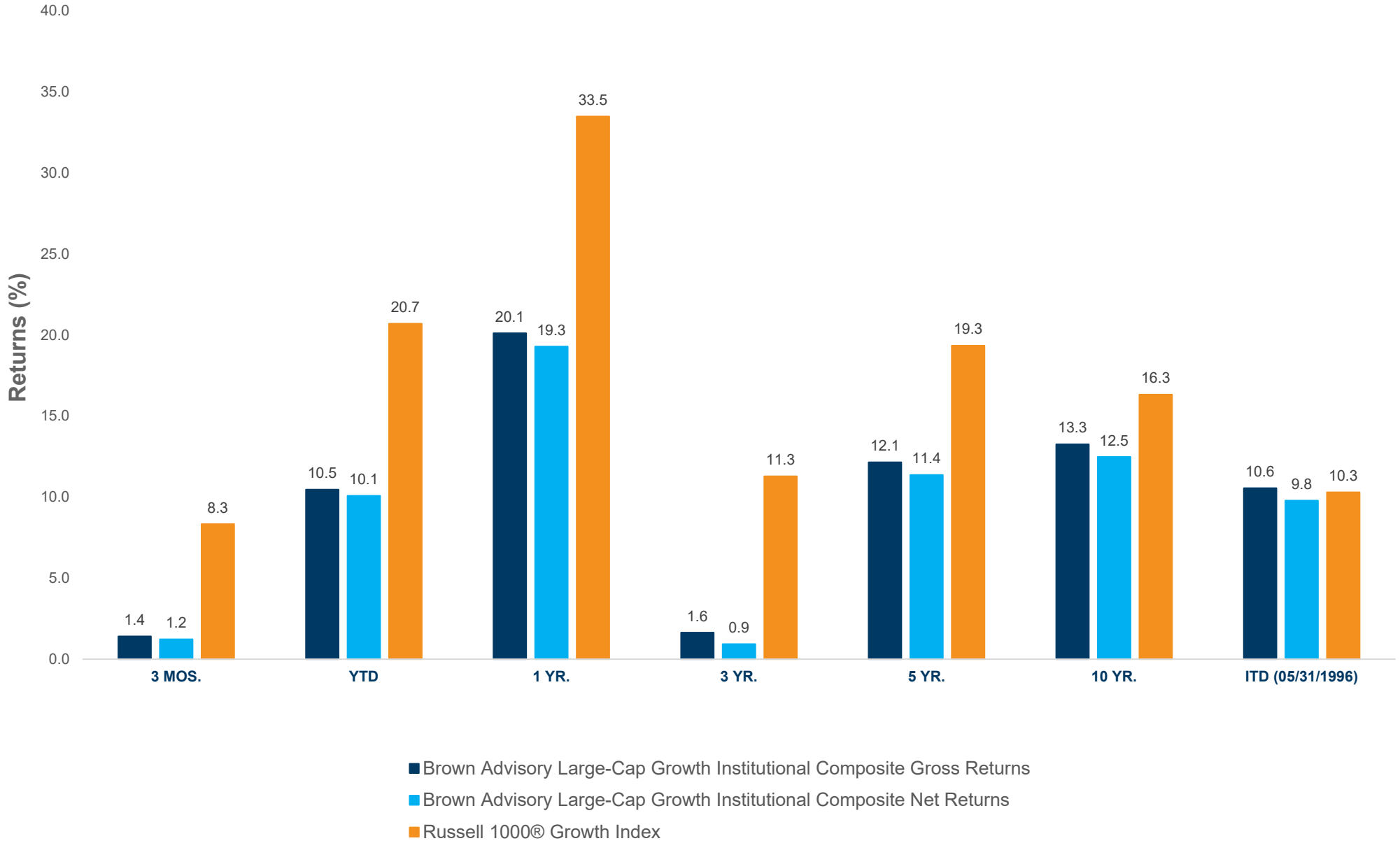


Source: FactSet. The portfolio information provided is based on a representative Large-Cap Growth account and is provided as Supplemental Information. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS) classification system.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



# 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 Large-Cap Growth Institutional 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 Large-Cap Growth Institutional Composite GIPS Report at the end of this presentation.

# 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 **Russell 1000<sup>®</sup> Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000<sup>®</sup> Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000<sup>®</sup> 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 that new and growing equities are included and that the represented companies continue to reflect growth characteristics. Russell<sup>®</sup> and other service marks and trademarks related to the Russell indexes are trademarks of the London Stock Exchange Group Companies. An investor cannot invest directly into an index.

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Global Industry Classification Standard (GICS) and “GICS” are service makers/trademarks of MSCI and Standard & Poor’s.

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.

**Active Share** is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

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.

**Enterprise Value / Free Cash Flow (EV/FCF)** compares company valuation with its potential to create positive cash flow statements.

**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.

**Sales Growth** is the percent growth in the net sales of a business from one fiscal period of another.

**Free Cash Flow (FCF)** is a measurement of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in the working capital from the balance sheet

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.

# LARGE-CAP GROWTH INSTITUTIONAL 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	34.5	33.6	42.7	22.3	20.5	50	0.2	9,444	81,325
2022	-33.4	-33.9	-29.1	23.4	23.5	63	0.3	8,725	58,575
2021	20.0	19.5	27.6	17.8	18.2	88	0.3	16,148	79,715
2020	33.8	32.9	38.5	18.6	19.6	95	0.5	16,467	59,683
2019	41.9	40.9	36.4	13.4	13.1	92	0.3	13,175	42,426
2018	5.9	5.2	-1.5	13.0	12.1	88	0.3	9,285	30,529
2017	31.7	30.8	30.2	11.5	10.5	119	0.3	10,005	33,155
2016	-2.3	-3.0	7.1	11.2	11.2	148	0.1	9,786	30,417
2015	7.8	7.1	5.7	10.2	10.7	168	0.3	12,583	43,746
2014	7.1	6.4	13.1	11.0	9.6	181	0.2	14,674	44,772

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.

- \*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 Growth Institutional Composite (the Composite) includes all discretionary institutional portfolios invested in U.S. equities with strong earnings growth characteristics and large market capitalizations. The minimum account market value required for Composite inclusion is \$1.5 million.
- The Composite was created in 1997. The Composite inception date is June 1, 1996.
- 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 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.
- 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, 0.70% on the first \$25 million; 0.50% on the next \$25 million; and 0.40% on the next \$100 million. For accounts over \$150 million, 0.465% on the first \$150 million; 0.30% 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.
- 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.
- 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 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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