GLOBAL LEADERS STRATEGY REVIEW AND OUTLOOK

Brown ADVISORY
Thoughtful Investing.

AS OF JUNE 30, 2026

The Global Leaders Strategy is focused on targeting attractive long-term performance by investing in a concentrated portfolio of companies that can uniquely solve a problem for their customers and generate attractive economics for shareholders. Given its concentrated nature the Global Leaders Strategy's performance is primarily an output of investment selection. As a reminder, we are primarily absolute return investors that seek compound double digit returns. It's important to remember that over the long-term equities reflect GDP growth and productivity. Euphoria and capital cycles are transient – topics we'll return to later. Nevertheless, during the second quarter, and more broadly over the trailing one-year period, the Strategy lagged its benchmark. There remains a stark contrast between the strategy's performance, which has been weak relative to the benchmark, and the underlying fundamentals of many portfolio companies, which remain strong. In this commentary, we discuss four related issues: what drove recent performance, why the benchmark and factor backdrop have become more challenging, how artificial intelligence (AI) is changing both opportunity and risk, and how we have repositioned the portfolio while remaining consistent with our quality and valuation discipline.

During the second quarter of 2026, the Strategy delivered positive absolute performance but underperformed its benchmark, the MSCI ACWI Net Return Index. The main detractors were the Strategy's underexposure to parts of the technology sector and our investments within financials. In technology, underperformance was driven by both what we owned and what we did not own. Several companies in the benchmark that we do not own delivered very strong returns, particularly memory-chip producers and CPU manufacturers. At the same time, our investments across software and cloud-service providers were weak, including Microsoft, Autodesk and Workday. We exited Autodesk and Workday during the quarter. Financials were another detractor. Our investments in financial-market infrastructure, including Deutsche Boerse, London Stock Exchange Group and B3, as well as payments companies Visa and Mastercard, trailed both the benchmark and asset-heavy global and European banks. These banks led sector performance but are not owned in the Strategy. We have historically struggled to invest in these interest-rate-sensitive banks, which we believe typically lack differentiation in penetrated markets, struggle to create superior customer outcomes and lack durable competitive advantages. The pricing of borrowing and lending is mostly outside management's control, as it is largely determined by interest rates set by central banks and markets. In our view, this gives core banking products commodity-like characteristics. Sectors to which we do not have exposure, including Energy, added positively to the benchmark performance.

Over the trailing 12 months, the impact of AI on the Strategy's performance has been most pronounced. Quality as a style has faced multiple years of headwinds. While the Strategy continued to deliver on its objectives of protecting capital and generating five-year double-digit returns until June 2025, which also translated into outperformance against the benchmark, there has been a material inflection in relative performance over the last 12 months. We believe the main reason the Strategy held up well until mid-2025 was our disciplined approach to valuation. Since then, our underperformance against the benchmark has mainly been driven by the impact of AI, particularly through our underweight to semiconductors and technology hardware. Our primary error of omission was underestimating the magnitude and duration of the AI infrastructure build-out.

Clients have understandably asked whether quality investing still makes sense in this environment. We believe our version does. Buying durable compounding engines at discounts to intrinsic value should result in attractive long term absolute and relative returns. When we think about the core principles of our investment approach, we look for businesses that create value for their customers, translate that value into highly profitable revenue streams and convert those profits into free cash flow. On this basis, we do not believe that our brand of quality investing is challenged. Rather, we believe we need to remain patient and allow the market to recognise these cash flows over time. Patience is a rare commodity in an impatient world. Valuation discipline remains central to our process. We value companies by consistently applying the same discounted cash flow (DCF) framework across all investments in the research pipeline and in the portfolio. Within this framework, we apply a minimum 10% WACC, or weighted average cost of capital, assumption, with a higher rate used for emerging markets. We use a 10-year cash-flow projection and a 3% nominal terminal cash-flow growth rate. We estimate bull, bear and base-case scenarios to create a picture of potential value generation. What we are looking for are double-digit absolute annualised five-year IRRs. If we can underwrite companies at this level, we believe we can deliver returns significantly above the 7.4% long-term MSCI ACWI net total return rate from December 2000 when our access to the data series begins up until the end of 2Q26. We do not expect to be able to do this every year. The flip side of valuation discipline and not buying every quality company we would like to own — companies that pass our quality tests and are on our ready-to-buy list whilst we wait patiently for the right entry price — is that this framework has historically kept us out of investments that might have looked "cheap" under other investors' frameworks, especially when a lower cost of funding was applied than our 10% cost-of-capital hurdle. We believe that overpaying for quality is one of the biggest risks to our investors' returns.

(Continued on the following page)

GLOBAL LEADERS STRATEGY REVIEW AND OUTLOOK

Brown ADVISORY
Thoughtful Investing.

AS OF JUNE 30, 2026

Since the middle of last year, and most materially since last quarter, the narrowness of the market, the benchmark's exposure to semiconductors and technology hardware, and the high correlation between risk factors have all exacerbated the Strategy's relative underperformance. We discussed market narrowness in our investment letter Darwinian Investing (link here). In 2Q26 only 27% of companies within the MSCI ACWI benchmark outperformed the index. In fact, since the end of 3Q in 2022, right before ChatGPT was released to the public, only one in four (25.6%) companies in the MSCI ACWI index at that time had beaten the benchmark return - this is historically narrow and a difficult environment for fundamental bottom-up active investors.

During the second quarter of 2026, the Philadelphia Stock Exchange Semiconductor Index, the leading industry index for the semiconductor market, increased by 88%. Within our benchmark, the MSCI Semiconductor & Semiconductor Equipment Index increased by 58%. The weighting to semiconductors and technology hardware within the MSCI ACWI increased from 19.8% to 26.1% in the second quarter alone! This is a significant move within a global benchmark in just 13 weeks. More than a quarter of this global index now consists of semiconductor and technology-hardware companies, an increase of almost exactly 1,000 basis points from June 2025. This change has implications for our capital allocation process, where risk analysis informs position sizing and portfolio construction. Our process includes a regular review of the portfolio's risk factors against the MSCI ACWI Index as an additional layer of risk management. This analysis is conducted weekly during our capital allocation meetings and serves as a sense check to confirm the bottom-up diversification achieved in the portfolio. The goal is to ensure that returns are driven by idiosyncratic risk while maintaining a clear understanding of factor risks. At the beginning of 2025, the largest factor risk in the Strategy was the geographical underweight to the US. Since then, the underweights to momentum and semiconductors have overtaken the US underweight as the top risk factors in the Strategy. Typically, factor risks are mostly independent. However, over the course of 2026 the correlation between the momentum and semiconductor factors has increased dramatically, resulting in a factor clustering effect. This change in risk drivers gives important context to relative performance. From an attribution perspective, the Strategy's factor exposures, including underweights to semiconductors, momentum and the US as of June 2026, explain 95% of underperformance over the trailing 12 months using a factor-based attribution model. The remaining 5% is explained by selection effects. Importantly, while we are acutely aware of these dynamics, factor analysis is a sense check in our investment process that complements our bottom-up research. It is not an automated rule. We do not intend to buy companies solely to fill factor gaps in isolation. We only invest in companies that meet our four tests on business-model quality and valuation. Ultimately, we believe the main risk to investors in a concentrated bottom-up Strategy is anything that prevents us from achieving our 10% underwriting target, which would be reflected in a permanent destruction of capital. We believe the five key fundamental investment risks are: competition (a risk to margins), substitution (a risk to growth and the main driver of AI-related risk), regulation, management teams' capital allocation (risk of financial vandalism), and overpaying.

Our Strategy has significant investments in AI. We are invested across all layers of the AI technology stack, including technical infrastructure, hyperscalers, LLMs (indirectly via the hyperscalers), and the top application layer. Within the infrastructure layer, as of June 30, 2026, the Strategy had 15.9% exposure to companies that we believe are essential to this development, dominant in their markets and relatively less exposed to technology risk. This includes our new investment in Siemens Energy during the second quarter. Siemens Energy is a key architect of the infrastructure electrification needed to support the AI technology build-out. This 15.9% exposure excludes our large investments in the hyperscalers Alphabet and Microsoft. Nonetheless, as noted above, the MSCI ACWI benchmark has approximately 26% exposure to semiconductors and technology hardware today, so we remain underweight versus the index.

We have been invested in TSMC since the inception of the Global Leaders Strategy in 2015. As we have moved through 2026, we have continued to see TSMC raise its capex plans. We attended TSMC's Capital Markets Day in Phoenix in April, held at its new US-based fabs. These increases in capex needs are driven in part by demand from its leading customer, Nvidia. Another Global Leaders investment, ASML, is expecting meaningful order-book growth over the next few years, supporting our new revenue estimates further up the semiconductor supply chain at Nvidia. Further up the AI technology stack again, we have witnessed Anthropic's tenfold increase in annual recurring revenue, or ARR, over five months to approximately $45 billion of ARR in May 2026, as well as the hyperscalers' AI cloud business growth. These are further impressive proof points of how AI monetisation is accelerating. Nonetheless we watch warily for "optimisation" of spend as end companies look to see meaningful ROI, not just tokenmaxxing. The team has undertaken ongoing, deep fundamental research, including a large AI-driven data project to understand the consistency of our assumptions across the wider AI supply chain. The outcome of this work on fast-evolving semiconductor end markets was the initiation of an investment in Nvidia in Global Leaders in June. Over the last four years, Nvidia has positioned itself as the leader across all parts of the technical component layer within the AI technology stack, including AI silicon, networking, cooling and total rack systems. It has also invested heavily in seeding an AI ecosystem based on Nvidia technology within the application, model and cloud-compute layers, helping to drive usage of its infrastructure products. This has resulted in market expansion far beyond our original base-case estimates, which we have continuously revised upwards over time.

(Continued on the following page)

Past performance may not be a reliable guide to future performance and investors may not get back the amount invested. 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. The MSCI ACWI (All Country World Index), MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across developed and emerging markets. All MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries.

*It is important for investors to understand that the data informing this process is derived from third party sources, including companies themselves. Although we believe our process is reasonably designed, such data is inherently subject to interpretation, restatement, delay and omission outside of our control.

Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Commentary on company information is as of each company's fiscal year. Commentary regarding an investment's contribution to return and relative performance has been assessed on a gross performance basis. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. Past performance is not indicative of future results and you may not get back the amount invested.

GLOBAL LEADERS STRATEGY REVIEW AND OUTLOOK

Brown ADVISORY Thoughtful Investing.

AS OF JUNE 30, 2026

The Compute & Networking segment at Nvidia has increased from 41% of revenue in FY2022 to roughly 90% in FY2026, with operating margins rising from 37% to over 60% over the same timeframe, an outcome of meaningful operating leverage. The free cash flow margin has risen from approximately 30% to closer to 45% over this period. This is among the highest free cash flow margins in the S&P 500. In our view, this has reshaped the business from consumer and professional GPU cyclicality toward data-centre infrastructure platform economics. One question we have been concerned about for Nvidia is potential share loss within AI inference, given Nvidia already dominates AI training. We are seeing all three leading AI cloud providers, of which we are invested in Google and Microsoft, developing internal custom ASIC semiconductors, primarily to lower the cost of inference. OpenAI has also been developing a custom semiconductor with Broadcom, and there are rumours that Anthropic is exploring designing its own ASICs. Nonetheless, so far this year we have seen Nvidia's share of inference increase to over 75%, despite the wider availability of rival options. Supply-side risk — the risk that someone captures the customer or offers a lower-cost solution — remains a critical risk we are focused on. We are monitoring this carefully and are conscious that market-share gains in inference could be temporary due to shortages elsewhere in AI supply chains. We have updated our estimates right through the technical infrastructure layer, including TSMC's new capex expansion plans noted above, and they are supportive of our new base-case estimates for Nvidia to reach a double-digit five-year IRR. This does not change our view on the overall cyclicality of the semiconductor industry, as discussed in our investment letter from 2022 on The Capital Cycle (link here). We continue to evaluate the sizing of Nvidia and our overall semiconductor exposure in a portfolio-construction context.

The other side of AI is substitution risk. From an absolute-performance perspective, including errors of commission, we saw meaningful weakness in our software, credit bureau, payments and data analytics exposure. We also had specific errors of commission in Zoetis and Workday, both of which have now been exited. We would categorise our exit from Marvell Technology in this category too. The performance of what the market perceives as "AI losers", and the impact that substitution from AI challengers has had on our holdings and their valuations, has dominated our underwriting discussions this year. We discussed the importance of a systematic process for underwriting losers in our first-quarter Strategy commentary. We call this process the drawdown review. It is designed to avoid loss aversion in the portfolio when an investment's share price has declined by 20% from initiation or has underperformed our benchmark by 20% over the previous 12 months. At the point of drawdown, we conduct a full review of the investment case, including a formal devil's advocate challenge to our thesis. If we conclude that the investment thesis remains intact, then it is a "bargain moment" and we buy more. If not, we exit. The exceptional share-price impact on a large part of the portfolio in the first quarter of this year meant that we conducted eight drawdown reviews on perceived "AI losers". This was the largest cluster of drawdowns in such a short period of time, reminding us of the Covid drawdown period.

The next quarter will provide the complete set of results on these drawdowns for us to analyse.

We have come away from these discussions with a number of important takeaways. One relates to the evolving nature of business models, and how companies enter and exit our quality universe. Another is the increasing importance of substitution risk as the defining risk in this AI era. For many companies where risk has increased, the major threat is no longer from a like-for-like competitor but from a new solution that has replaced the job they were previously doing for their customer. Throughout history, the job that customers look to have done by companies has typically been more enduring than the specific solutions those companies provide. Companies that fail to innovate, or fail to disrupt themselves, more often get replaced by better products that satisfy their customers' needs. Substitution risk can be amplified by disruptive business models and by incumbents being paralysed due to counter-positioning. Concerns over this growing cocktail of risks are one reason why, as of June 30, 2026, the Strategy no longer has exposure to software aside from Microsoft, which we feel has unique distribution power and an infrastructure role in the enterprise. Software is an industry that entered our quality universe as it improved through a transition from a one-off perpetual licence-fee model (dominated by lumpy revenue streams and heavily discounted contract negotiations) to a highly profitable, non-deferrable and recurring revenue software-as-a-service business model. Today, however, software is at the forefront of AI disruption risk. This industry is now facing meaningful uncertainty and substitution risk, making it a less natural fit for our Strategy. These changes in business-model quality over time are often the result of technological change. Consumer Staples are another example. They were considered high quality and defensive 15 years ago, but internet technology weakened their distribution advantage in supermarkets and their scale advantage in media buying, leading to a decade of low growth. Local newspaper monopolies are another canonical example. Quality companies and industries change over time, and we have been, and will continue to be, actively positioning the Strategy in a fast-changing environment.

Coming back to our core principles, we continue to see companies in the portfolio doing something exceptional for their customers, creating high switching costs, generating high levels of profitability and translating these profits into free cash flow. We therefore need to remain confident in our process and wait until these cash flows are recognised by the market through higher share prices. This is what will drive our long-term returns. Where we do not see fundamental strength, a positive moat trajectory or a five-year risk/reward profile that meets our threshold, we need to allocate to better opportunities for our investors. This thinking has driven elevated activity in the Strategy recently. It is also very much linked to what we consider a broad and attractive opportunity set today, with the number of companies on our ready-to-buy list reaching their entry price at its highest level since Covid.

(Continued on the following page)

GLOBAL LEADERS STRATEGY REVIEW AND OUTLOOK

Brown ADVISORY
Thoughtful Investing.

AS OF JUNE 30, 2026

We believe this is a rare moment of opportunity to underwrite high-probability five-year returns across a diverse set of investments in our universe. We have added five new companies in 2026, including four new investments during the second quarter: Compass Group, Siemens Energy, Progressive Corporation and Nvidia. We funded these investments by exiting Unilever, Workday, Zoetis and Autodesk. As of today, we see opportunity across differentiated business models within healthcare, aerospace, ratings agencies and insurance. There is no guarantee we will invest in any of these areas, but a lot of good companies have been left behind in the AI infrastructure feeding frenzy. At the same time, we estimate the average five-year absolute base-case IRR within Global Leaders to be in the 12–13% p.a. range on our numbers. We believe the current market environment is attractive for active stock-pickers like us, and we have been leaning in, adding to positions where we see fundamentals tracking in line with our thesis.

Since the inception of the Global Leaders Strategy, we have looked for high-quality companies with superior customer outcomes that we believe are able to pass on price increases, generate high levels of recurring revenue and require low financial leverage. This approach helps us focus on the long term and on capital preservation. We believe this focus on long-term thinking, intrinsic value and mitigating the damaging impact of loss aversion in decision-making is especially valuable in the current environment. We continue to work diligently through the impact AI is having on the business-model quality of investments in the portfolio and our universe. We are striving to calibrate both the opportunities and risks associated with AI, and we acknowledge the very fast pace of technological development today. We believe the market is still early in understanding the positions of incumbents in certain industries. Indiscriminate selling can provide opportunities for long-term investors with a differentiated view, but it can also expose genuine changes in business-model quality. Our task is to distinguish between the two with discipline. The recent increase in portfolio activity should therefore be seen as a continuation of our process, not a departure from it. We have made mistakes of omission and commission, and we are responding to them through fundamental research, valuation discipline and active capital allocation. We remain focused on owning companies that create exceptional value for customers, convert that value into durable cash flows and can generate attractive five-year returns for our investors.

SECTOR DIVERSIFICATION

AS OF JUNE 30, 2026

Brown ADVISORY
Thoughtful Investing.

- Global Leaders is a concentrated global equity Strategy that focuses on investing in a small number of franchises that we believe can deliver exceptional outcomes for their customers and outstanding economics for shareholders. Accordingly, sector and country diversification is an output of stock picking, with the team more focused on business models and end-market economics than which sector a company is classified as.
- At the same time, the Strategy seeks differentiated exposures but should not compromise philosophically. The Portfolio Managers are happy to have no exposure in certain areas, such as energy, real estate or utilities, that do not satisfy their investment criteria.
- The Strategy's exposure to financials – its largest exposure – is via companies with strong, structural growth trends and predominantly through financial market infrastructure companies and differentiated financials in emerging markets as well as large payment providers.

SECTOR	REP. BROWN ADVISORY GLOBAL LEADERS ACCOUNT (%)	MSCI ACWI INDEX (%)	DIFFERENCE (%)	REP. BROWN ADVISORY GLOBAL LEADERS ACCOUNT (%)	
	Q2'26	Q2'26	Q2'26	Q1'26	Q2'25
Communication Services	8.24	7.82	0.43	6.54	5.39
Consumer Discretionary	8.79	8.70	0.09	6.79	4.50
Consumer Staples	--	4.72	-4.72	3.57	3.84
Energy	--	3.53	-3.53	--	--
Financials	30.37	16.18	14.19	33.20	32.82
Health Care	6.88	8.27	-1.39	8.76	8.11
Industrials	23.47	11.04	12.43	21.37	18.92
Information Technology	19.98	32.09	-12.11	19.16	22.79
Materials	--	3.56	-3.56	--	1.46
Real Estate	--	1.59	-1.59	--	--
Utilities	--	2.51	-2.51	--	--

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 Global Leaders Account. Sector diversification includes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

AS OF JUNE 30, 2026

Brown ADVISORY
Thoughtful Investing.

	REPRESENTATIVE GLOBAL LEADERS ACCOUNT		MSCI ACWI NET INDEX		ATTRIBUTION ANALYSIS		
SECTOR	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Communication Services	8.10	19.52	8.39	5.96	-0.12	1.00	0.88
Consumer Discretionary	8.16	2.81	9.13	6.50	0.05	-0.27	-0.23
Consumer Staples	1.38	4.64	4.94	1.61	0.36	0.11	0.47
Energy	--	--	3.97	-13.03	1.25	--	1.25
Financials	32.69	-2.82	16.25	11.24	-0.64	-4.73	-5.37
Health Care	7.75	-3.00	8.09	6.54	-0.06	-0.77	-0.82
Industrials	22.73	6.75	11.05	12.61	-0.24	-1.28	-1.52
Information Technology	19.19	16.28	30.09	39.09	-2.16	-3.80	-5.96
Materials	--	--	3.82	0.04	0.56	--	0.56
Real Estate	--	--	1.69	5.71	0.15	--	0.15
Utilities	--	--	2.58	0.04	0.41	--	0.41
Total	**100.00**	**4.76**	**100.00**	**14.93**	**-0.43**	**-9.74**	**-10.17**

- The main drivers of underperformance were the Strategy's exposure to the technology sector through a combination of investments across software and cloud that were weak, including Microsoft, Autodesk and Workday. We exited the latter two companies during the quarter. Underperformance was also driven by companies in the benchmark that we do not own but that delivered very strong returns, particularly memory-chip producers and CPU manufacturers.
- Another detractor was our exposure to Financials, where portfolio investments in financial-market infrastructure, including Deutsche Boerse, London Stock Exchange Group and B3, as well as payments companies, fell behind traditional global and European banks. These banks led sector performance and are not owned in the strategy.
- Sectors to which we do not have exposure, including Energy, added to performance.

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 Global Leaders 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

REPRESENTATIVE GLOBAL LEADERS ACCOUNT TOP FIVE CONTRIBUTORS AS OF JUNE 30, 2026

SYMBOL	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
TSM	Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Manufactures, distributes and tests integrated circuits, silicon wafers, diodes and related semiconductor components	5.64	41.74	1.95
B929F4	ASML Holding NV	Develops, manufactures and markets EUV & DUV lithography systems, metrology and inspection systems & related software solutions	3.31	51.80	1.47
GOOG	Alphabet Inc. Class C	Operates as a holding company with interests in google search, network, advertising and cloud services	6.83	23.14	1.10
B058TZ	Safran SA	Designs, manufactures and markets aircraft, defense and communication equipment	4.06	23.55	0.98
V	Visa Inc. Class A	Provides data processing, visa payment, international transactions and value-added services	5.67	13.75	0.73

- Taiwan Semiconductor Manufacturing benefits from its leadership in advanced node manufacturing, which allows it to gain market share and benefit from strong demand for high-performance computing and AI infrastructure. As we have moved through 2026, TSMC has continued to raise its capex plans, supported in part by demand from Nvidia and other leading AI customers.
- ASML continues to benefit from the build-out of AI infrastructure and remains a critical enabler of leading-edge semiconductor manufacturing. ASML's dominant position in Extreme Ultraviolet (EUV) lithography, where it holds a monopoly in the equipment required for leading-edge semiconductor manufacturing, positions it well to benefit from continued AI-driven capacity expansion and meaningful long-term revenue growth.
- Alphabet continues to benefit from its full-stack position across Search, Cloud, and model infrastructure. Alphabet's recent results suggest its AI investments are bearing fruit. Alphabet's equity raise in June will support its AI capex buildout and related growth opportunities and was well received by the market.
- Safran continues to perform strongly, supported by robust aerospace aftermarket demand and higher original equipment deliveries. Management indicated that the company is tracking toward the upper end of full year guidance, supported by continued strength in maintenance, repair, and overhaul demand, with little impact from geopolitical events due to optimism regarding a sustained ceasefire and its effect on jet fuel prices, as well as structural support from demand still outstripping supply for spares and service capacity. Additionally, engine retirements remain below historic levels, which is a positive driver for aftermarket returns.
- Visa delivers strong revenue growth, with value-added services (VAS) and new payment flows being major contributors. We believe that the acceptance, security, and trust that the Visa network provides, combined with ongoing investment in innovation, can make agentic commerce and stablecoins future growth drivers for the company.

QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

REPRESENTATIVE GLOBAL LEADERS ACCOUNT BOTTOM FIVE CONTRIBUTORS AS OF JUNE 30, 2026

SYMBOL	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	GROSS RETURN (%)	CONTRIBUTION TO RETURN (%)
ZTS	Zoetis, Inc. Class A	Develops animal vaccines and prescriptions medicines	1.30	-32.53	-0.79
BG36ZK	B3 SA - Brasil, Bolsa, Balcao	Provides exchange trading, clearing and other trade services	2.58	-19.61	-0.50
B01C1P	PT Bank Central Asia Tbk	Provides commercial banking services	1.63	-25.18	-0.45
ADSK	Autodesk, Inc.	Designs and develops multimedia software products	1.83	-19.34	-0.44
B4TX8S	AIA Group Limited	Provides life and health insurance services	2.65	-14.18	-0.39

- Zoetis observed increased competition across its main franchises and most recently also saw generic competition in therapeutic categories. We exited the company during the quarter (see additions/deletions section).
- B3's share price was weak during the quarter despite strong underlying fundamentals. Both cash equity and derivatives delivered strong volume growth. The potentially tighter monetary environment negatively impacted sentiment. B3 also had a CEO transition during the quarter, with the new CEO, Christian Egan, approved in May. B3 continues to diversify its product portfolio and retains exposure to structural growth opportunities in Brazil. The company maintains a virtual monopoly across 90% of its business lines.
- PT Bank Central Asia: Increased macroeconomic and political impacts have been affecting the investment environment in Indonesia. In our view, the share price was mainly impacted by this macroeconomic volatility driven by concerns about potential repercussions of higher oil prices on credit growth and asset quality in oil-importing countries such as Indonesia. This was paired with MSCI's review of Indonesia's Emerging Market status, something we would not position for. Meanwhile, BCA reported strong results, with mid-teens loan growth and maintained 8-10% 2026 loan book growth guidance.
- Autodesk's share price has been impacted by market concerns about increased competition from AI challengers, including the potential impact of world models replacing large parts of the 3D creation stack. We exited the company during the quarter (see additions/deletions section).
- AIA Group: Similar to our other EM investments, AIA Group's share price was impacted by the challenging macro environment, which was pricing in a path of monetary tightening that led to FX weakening of EM currencies against the USD. AIA Group's fundamentals remained strong, with growing premiums across the majority of regions and particularly strong momentum in its largest market, China. We continue to see broad-based strength in Value Of New Business (VONB) growth at strong margins.

QUARTER-TO-DATE ADDITIONS/DELETIONS

REPRESENTATIVE GLOBAL LEADERS ACCOUNT PORTFOLIO ACTIVITY AS OF JUNE 30, 2026

- We initiated a position in **Compass Group** in April. Compass Group is the largest global food services operator, with a 12% market share. Its U.S. and local scale advantage across regions drive industry-leading, high-single digit operating margins for its food business. The food services industry is highly fragmented, Compass Group leads in this market, which benefits from ongoing, structural growth from the ongoing outsourcing trend—especially within healthcare and education, its largest end markets, and in Europe. Compass Group combines global scale with a sector-focused model, maintaining local brands for over 25 sub-sectors, this helps the company build strong customer relationships, win new contracts and hold client retention rates of around 96%. One key competitive advantage in Compass' business model has been "Food Buy", its procurement platform through which Compass is able to drive profitability through scale and visibility into the supply chain, creating value for customers through lower prices. We expect the company to continue driving contract wins, supported by its strategy of establishing local scale, providing strong value to clients, and gaining exposure to large, still underpenetrated end markets. We had the opportunity to initiate a position at a 10%+ five-year base case IRR, due to market concerns about Compass's exposure to AI risk from increasing white-collar unemployment. While this is a risk at the margin, the company's business model has only marginal exposure to entry-level white-collar workers, while also servicing clear AI beneficiaries in the technology and data centre sectors.

- We initiated a position in **Siemens Energy** in April. Siemens Energy is a leading provider of power generation equipment and grid infrastructure with strong positions across large gas turbines, high voltage transmission and broader electrification technologies. The company operates across structurally attractive end markets with high barriers to entry given decades of technology investments and 1/3 of revenues coming from aftermarket servicing and upgrades. Across Gas & Grid, Siemens Energy operates within oligopolistic and capacity constrained markets which are benefitting from a meaningful shift in end market demand driven by the electrification of industrial and consumer processes and the use of gas turbines within AI orientated data centres. The business overall is entering a period of FCF harvest as capacity linked capex normalises into 2027 whilst the revenues and margins of the recent backlog expansion lead to elevated FCF growth past 2030. Alongside this, we expect Siemens Energy to materially increase their dividend and share buybacks over the coming years, acting as a further tailwind to FCF/share growth. We have followed the company closely since our ownership of peer GE Vernova through General Electric since 2023. We were able to initiate a position at a double-digit 5-year base case IRR during a period of market volatility.

- We exited our investment in **Unilever** in May. Unilever has been a day-one investment in the Strategy, with a holding period of 11 years. Over that time, while compounding at mid-single digits and contributing positively to the strategy's absolute returns, it fell behind our double-digit annualized return target.

SYMBOL	ADDITIONS	SECTOR
BD6K45	Compass Group PLC	Consumer Discretionary
NVDA	NVIDIA Corporation	Information Technology
PGR	Progressive Corporation	Financials
BMTVQK	Siemens Energy AG	Industrials

SYMBOL	DELETION	SECTOR
ADSK	Autodesk, Inc.	Information Technology
B10RZP	Unilever PLC	Consumer Stables
WDAY	Workday, Inc. Class A	Information Technology
ZTS	Zoetis, Inc. Class A	Health Care

- Unilever continued: We have been patient with the investment and the turnaround strategy of Unilever's new management team. However, despite the turnaround progressing successfully and in line with our thesis—with Unilever growing revenues at mid-single digits and thereby leading its consumer peers over the last two years—we have failed to see the levels of returns and compounding we target in the Strategy. While valuation looks attractive—and has for a long time—we are ultimately exiting due to what we assess as a less attractive industry, as the moats have narrowed over time despite good execution by management. The company has started to execute the new strategy very well. Volume growth recovered after 2022 to low single digits, supported by 1–3% price growth, with overall organic growth in the mid-single digits. This was in line with our expectations. Unilever also regained market share, outperforming its peers in consumer staples over the last two years, driven by a refocus on its power brands. Management separated its tea business in 2022, followed by the spin-off of ice cream in December 2025 and the subsequent announcement of the separation and combination of its food business with McCormick in March 2026—all strategic decisions that sharpened the focus on its core consumer and beauty brands. We think Unilever is making the right strategic moves. We expected that a separation of Foods would unlock value, and McCormick is a logical partner. This appears to be the last significant strategic step in Unilever's development. However, the market is not rewarding this. After years of restructuring and cleaning up a matrix hodgepodge structure, our assessment of the value in Unilever is not shared by the market, and we seem to be wrong—our investment in Unilever has not worked. We see better opportunities to allocate capital elsewhere and have exited Unilever in favour of our new investment in global food caterer Compass Group.

(Continued on the following page)

QUARTER-TO-DATE ADDITIONS/DELETIONS

REPRESENTATIVE GLOBAL LEADERS ACCOUNT PORTFOLIO ACTIVITY AS OF JUNE 30, 2026

- We exited our position in **Workday** during May after a relatively brief holding period of approximately eight months. Several fundamental factors have changed since our initial investment in September of last year, prompting us to revise both our growth and margin estimates for Workday. These revisions have led us to conclude that we can no longer achieve the IRR targets embedded in our base case. Most crucially—and the ultimate trigger for a thesis break in this case—were the recent changes in the management team. When the CEO stepped down and co-founder Aneel Bhusri was re-appointed, we expected, and already see, a change in capital allocation discipline at Workday, as evidenced by the immediate moderation of the company's margin targets. This, paired with the expected reduced discipline around stock-based compensation, materially impacted key inputs into our investment thesis. Our view on the inherent customer acquisition cost advantages that incumbents possess remains unchanged, as does our belief that "systems of record" in software are particularly resistant to disruption by AI. We did, however, adjust our estimates to reflect the expected need to ramp up investments in an environment characterized by increased competition from AI-driven challengers. Ultimately, taking into account management changes, our revised estimates, and a widening range of possible outcomes, we decided to cut our losses and exit the position. The funds have been allocated to build out a new investment in Siemens Energy.

- We exited **Zoetis** in May. We were attracted to the investment due to its position as the largest pure-play animal health company, benefiting from significant scale in R&D and as the highest-quality marketer to veterinarians and livestock producers, which increases switching costs. The company had further shifted its business mix meaningfully toward a higher and more profitable contribution from its companion animal segment. Our investment in Zoetis began to face increased growth headwinds in 2025 due to incremental competition in its industry-leading dermatology and Simparica Trio products. Additionally, the launch of Librela—the first available therapy for osteoarthritis pain in dogs—underperformed our expectations. Furthermore, we have observed increased competition across Zoetis's main franchises and, most recently, Zoetis also saw generic competition in therapeutic categories. Several concerns have emerged: (1) despite the high barriers to entry in animal health, competition in the sector has intensified during our ownership; (2) we do not have enough visibility on their pipeline to assess the path of future contribution at this point; and (3) we misinterpreted Zoetis's ability to contribute to the portfolio from a deferrable demand perspective, as it did not deliver the defensiveness we expected. As such, we see our investment thesis in Zoetis as broken and have fully exited the position.

- We initiated a position in **Nvidia** in June. Over the last four years, Nvidia has positioned itself as the leader across all parts of the technical component layer within the AI technology stack, including AI silicon, networking, cooling and total rack systems. Meanwhile, it has invested heavily in seeding an AI ecosystem based on Nvidia technology within the application, model and cloud compute layers, helping to drive usage of its infrastructure products. Nvidia has reshaped its business from consumer and professional GPU cyclicality toward data-centre infrastructure platform economics. This has resulted in market expansion far beyond our original base case estimates. As part of our ongoing analysis of semiconductor end market demand across the entire value chain, we observed that every part of the technical infrastructure around Nvidia including optical networking demand, lasers, CPUs, TSMC's capex plans, wafer fab equipment demand, and the contract manufacturers assembling Nvidia's racks all implied that demand for Nvidia equipment remains very robust and likely underestimated. We have updated our estimates to derive new base case estimates for Nvidia to reach a double-digit five-year IRR.

- We initiated a position in **Progressive Corporation** in June. Progressive is a dominant property and casualty (P&C) personal insurance carrier in the US and the leading auto insurance carrier. Its scale advantage is driven by its' low-cost offering to customers, which allows it to reinvest in product enhancements, offer more competitive prices, and benefit from marketing scale. In addition, Progressive's ability to leverage data for customer segmentation has resulted in consistent market share gains, in both hard and soft insurance pricing markets, and consistent profitability. The currently soft insurance market, characterized by generally lower premium levels and greater availability of insurance, has provided us with an attractive entry point to purchase the industry leader at a double-digit, five-year IRR. We expect the company to gain market share, drive 10% FCF growth, and offer a non-deferrable demand profile within the Strategy.

- We exited **Autodesk** in June. Since our first-quarter drawdown review, we have continued our research and discussions around substitution risk for Autodesk, with a particular focus on the potential impact of world models replacing large parts of the 3D creation stack. At the same time, we have seen physical-AI startups, such as Jeff Bezos' Prometheus, investing heavily in developing engineering-grade physical models. (Prometheus closed a successful funding round in June, valuing the company at a level broadly comparable to Autodesk's market capitalization.) The competitive environment for Autodesk is intensifying. As we see substitution risk increasing and the range of outcomes for software companies widening, we have decided to allocate capital elsewhere, funding our initiations in Nvidia and Progressive Corporation.

PORTFOLIO CHARACTERISTICS

GLOBAL LEADERS REPRESENTATIVE ACCOUNT AS OF JUNE 30, 2026

Brown ADVISORY
Thoughtful Investing.

	GLOBAL LEADERS REPRESENTATIVE ACCOUNT	MSCI ACWI NET INDEX
ROIC (LFY ex. financials) Median (%)	22.0	10.5
3 YR. growth CAGR Median (%)	9.3	6.4
FCF Yield ex. financials (NTM Median) (%)	4.1	3.8
Volatility	14.9	14.7
Alpha (Net of fees)	1.3	--
Net Debt to EBITDA ex. Financials*	0.3	1.1

*Median Figure as of 03/31/2026
Source: FactSet®. Past performance is not indicative of future results. The portfolio information provided is based on a representative Global Leaders account and is provided as Supplemental Information. Portfolio characteristics include cash and cash equivalents and are based on gross returns. Calculations for ROIC, FCF Yield and Net Debt to EBITDA exclude Banks and Insurance. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

COMPOSITE PERFORMANCE

AS OF JUNE 30, 2026

Source: FactSet®. All returns greater than one year are annualized. Past performance is not indicative of future results and you may not get back the amount invested. The composite performance shown above reflects the Global Leaders 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 Global Leaders GIPS Report at the end of this presentation.

TOP 10 EQUITY HOLDINGS

GLOBAL LEADERS REPRESENTATIVE ACCOUNT AS OF JUNE 30, 2026

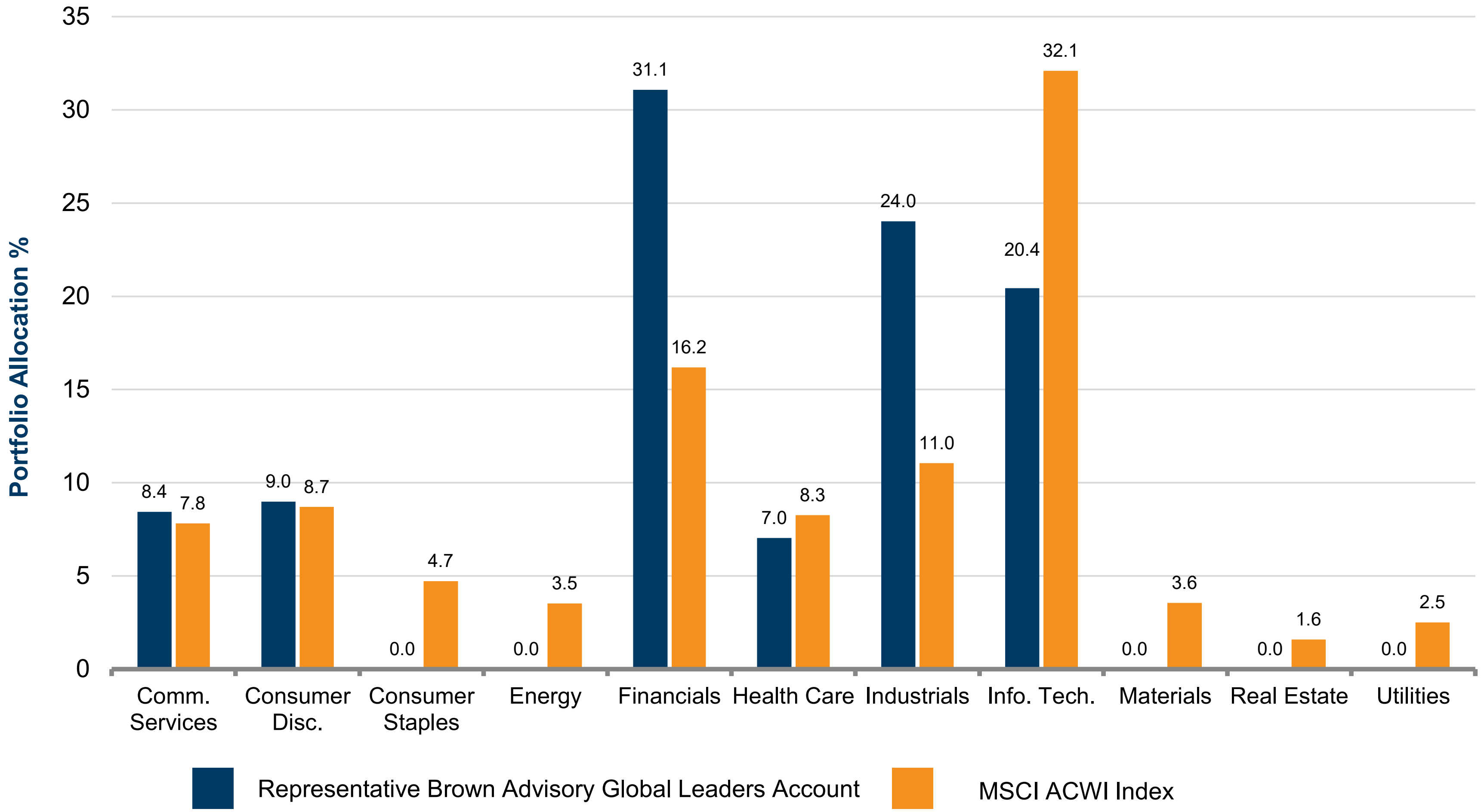
Brown ADVISORY
Thoughtful Investing.

TOP 10 HOLDINGS	% OF PORTFOLIO
Alphabet Inc. Class C	7.1
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	6.9
Microsoft Corporation	6.2
Visa Inc. Class A	5.5
Mastercard Incorporated Class A	5.2
Safran SA	4.8
ASML Holding NV	4.5
Deutsche Boerse AG	4.3
Experian PLC	3.8
Roche Holding Ltd	3.7
Total	**51.9**

Source: FactSet®. Top 10 Equity Holdings includes cash and cash equivalents which was 2.3% as of 06/30/2026. 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 Global Leaders Representative account and is provided as Supplemental Information. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions. Figures in chart may not total due to rounding.

SECTOR DIVERSIFICATION

GLOBAL INDUSTRY CLASSIFICATION STANDARD (GICS) AS OF JUNE 30, 2026



Source: FactSet®. The portfolio information provided is based on a representative Global Leaders 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

For institutional investors and professional clients only.

Past performance may not be a reliable guide to future performance and investors may not get back the amount invested. 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.

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.

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 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 funds 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.

The Fund uses the MSCI ACWI Net Index as a comparator benchmark to compare performance. The Fund is actively managed and not constrained by any benchmark. The MSCI ACWI® (All Country World Index), captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries.With 2,514 constituents, the index covers approximately 85% of the global investable equity opportunity set (as of February 27, 2026). All MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries. An investor cannot invest directly into an index.

FactSet ® is a registered trademark of FactSet Research Systems, Inc

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.

Brown Advisory is the marketing name for Brown Advisory LLC, Brown Investment Advisory & Trust Company, Brown Advisory Ltd., Brown Advisory Trust Company of Delaware, LLC, Brown Advisory Investment Solutions Group LLC, Marylebone Partners LLP, Rock Creek Group LLC, and Signature Financial Management, Inc.

GIPS® is a registered trademark owned by CFA Institute.

CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

TERMS AND DEFINITIONS

Alpha is a measure of performance on a risk-adjusted, net of fees basis . Alpha takes the volatility (price risk) of a portfolio and compares its risk-adjusted performance to a benchmark.

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.

RoIC is a measure of determining a company's financial performance. ROIC = NOPAT / IC. NOPAT = EBIT + Amortization of acquired intangibles - Cash tax paid. IC = Total Debt + Total Equity + Total unfunded pension liabilities - Excess Cash. ROIC ex financials excludes Banks and Insurance companies.

Free Cash Flow (FCF) yield is a measure of financial performance calculated as operating cash flow minus capital expenditures. FCF yield ex. financials calculations presented use the median NTM (Next Twelve Months) and exclude Banks and Insurance companies.

Sales growth rate is based on reported company revenue for the past three years at the end of the current quarter, provided as a historical average.

Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index.

Net debt-to-EBITDA (earnings before interest depreciation and amortization) ratio is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The calculation presented excludes Banks and Insurance companies.

Free Cash Flow (FCF) is a measure of financial performance calculated as operating cash flow minus capital expenditures. Free cash flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base. Free cash flow is important because it allows a company to pursue opportunities that enhance shareholder value. Without cash, it's tough to develop new products, make acquisitions, pay dividends and reduce debt.

IRR (internal rate of return) is the annual rate of growth that an investment is expected to generate.

The **cost of acquisition (CAC)** is the total expense a business incurs to acquire a new client or asset, encompassing all related costs such as purchase price, shipping, installation, and marketing expenses.

Cost of goods sold (COGS) represents the direct costs of producing or acquiring goods sold by a business, including materials, labour, and production-related overheads.

Return on Equity (ROE) is equal to a company's net income for a full fiscal year, divided by total shareholder equity. All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holdings, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.

The return on assets (ROA) ratio shows how efficiently a company uses its assets to generate profits. It reveals what earnings are generated from invested capital.

Traffic acquisition costs (TAC) are payments made to third parties such as search engines, affiliates or online platforms to attract users to a company's digital properties.

Brown Advisory

GLOBAL LEADERS 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)*
2025	16.1	15.2	22.3	11.9	11.2	7	N/A	8,267	83,812
2024	15.0	14.1	17.5	16.9	16.2	Five or fewer	N/A	6,391	88,323
2023	27.0	26.0	22.2	17.7	16.3	Five or fewer	N/A	5,046	78,241
2022	-19.0	-19.7	-18.4	20.6	19.9	Five or fewer	N/A	3,680	57,575
2021	17.6	16.7	18.5	17.2	16.8	Five or fewer	N/A	4,368	79,715
2020	21.0	20.0	16.3	18.1	18.1	Five or fewer	N/A	2,428	59,683
2019	35.1	34.0	26.6	11.6	11.2	Five or fewer	N/A	731	42,426
2018	-2.2	-2.8	-9.4	11.0	10.5	Five or fewer	N/A	303	30,529
2017	35.1	34.0	24.0	N/A	N/A	Five or fewer	N/A	77	33,155
2016	-0.6	-1.4	7.9	N/A	N/A	Five or fewer	N/A	38	30,417

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, 2025. 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 Global Leaders Composite (the Composite) aims to achieve capital appreciation by investing primarily in global equities. The strategy will invest in equity securities of companies that the portfolio manager believes are leaders within their industry or country, as demonstrated by an ability to deliver high relative return on invested capital over time. 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 Global Leaders 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 creation date is August 26, 2015. The Composite inception date is May 1, 2015.
5. The benchmark is the MSCI ACWI Net Index. The MSCI ACWI Net Index captures large and mid cap representation across Developed Markets (DM) and Emerging Markets (EM) countries. The Index covers approximately 85% of the global investable equity opportunity set. All MSCI indexes and products are trademarks and service marks of MSCI or its subsidiaries. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
6. Composite dispersion 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.
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: 0.80% on the first $50 million; 0.55% on the next $50 million; 0.45% on the next $50 million; and 0.40% on the balance over $150 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. The 3 year annualized standard deviation is not presented as of December 31, 2016 and December 31, 2017 because the 36 month returns were not available for the Composite (N/A).
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 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.