

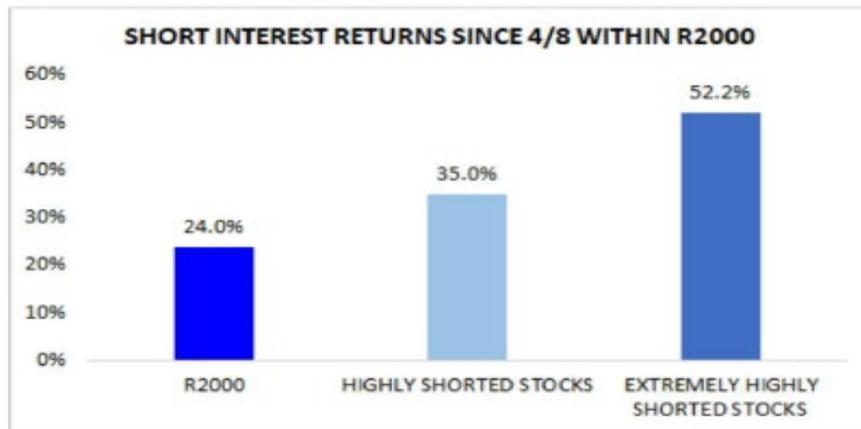
# SMALL-CAP GROWTH REVIEW AND OUTLOOK

AS OF JUNE 30, 2025

A crescendo of Trump Administration policy concerns punctuated by “Liberation Day” tariffs opened the second quarter of 2025. The Volatility Index (VIX) leapt to COVID-19 pandemic and Great Financial Crisis levels, prompting an equity market sell off. The remainder of the period was a dynamic contrast as the President conducted a diminuendo of risk sentiment by dramatically changing his tune toward international trade. Stock prices ended on a high note.

The Brown Advisory Small-Cap Growth strategy posted results consistent with its history during the first half of the year. In the first quarter of 2025, the portfolio proved resilient, outperforming the -9.5% and -11.1% declines of the Russell 2000® Index and the Russell 2000® Growth Index, respectively. However, in the second quarter of 2025, unprofitable companies in the Russell 2000 Index outperformed profitable ones by over 600 basis points after underperforming by over 800 basis points in the prior quarter. With our higher quality bias and a rally since April 8<sup>th</sup> marked by leadership from high short interest (see Exhibit I), low share price, loss-makers, and micro capitalization issues, it is not surprising portfolio returns lagged. With its higher concentration of the aforementioned, the Russell 2000 Growth Index bested the Russell 2000 Value Index by approximately 700 basis points.

## Exhibit I: Performance of High Short Interest Stocks from 4/8 Market Bottom



Source: Furey Research Partners and FactSet. As of 6/30/25. Based upon short interest as of 3/31/25. "Highly Shorted": 10% or higher short interest; "Extremely Highly Shorted": 20% or higher short interest.

With an assessment of the short-term past complete, let's review where small-caps stand in a historical context. Coming off a growth-led bubble in 2021 and then suffering through almost three years of declining earnings, the asset class is searching for solid ground. As the pace of technological change has accelerated and the capital intensity of progress has increased, small-caps have been increasingly crowded out from the top-down. A winner take all (or at least most) view of the world has prevailed, leading to an equity market of “haves” and “have nots”. The following facts are illustrative of the extremes being reached – the only imperfect corollary is the 1990s technology bubble:

- The S&P 500® Index technology market capitalization as a percentage of the index's total market cap was 31% at the peak of the .com bubble and is 32% today.
- At >\$3.8T in market capitalization, NVIDIA (NVDA) is the S&P 500's largest company, which currently equates to roughly 126% of the entire Russell 2000's market capitalization. To put this in perspective, the pre-COVID mean, and median was ~30%.
- The largest five names in the S&P 500 Index are about 5x the entire Russell 2000 Index market capitalization.
- The Russell 2000 Index total market capitalization as a percentage of the S&P 500 Index total market capitalization is roughly 5.5%, a new all-time low.
- The Russell 2000 Index total market capitalization as a percentage of the Russell 3000® Index hit a new low of almost 3%, a level not witnessed since the 1930s.
- Retail investors are >20% of total equity market volume and >25% are in names trading below \$5.
- Small-cap absolute valuations appear to be bouncing around their averages over the past couple decades, while relative valuation grows increasingly attractive. The Jefferies small vs. large valuation model shows small-caps in the 5<sup>th</sup> percentile (1=cheap, 99=expensive), a level last seen in 2001.

The long-term state of small-caps and the tariff induced sell-off drove ample portfolio activity. We have deployed capital into 11 new names year-to-date and increased several weighting with an emphasis on Industrials and Information Technology. The temporary scare in Artificial Intelligence (AI) did allow us to embrace the thematic when price + quality aligned. Our team is preparing for the next bout of volatility that is sure to come. We will strive to act with the speed and aggression necessary in today's boom/bust dynamic.

# SECTOR DIVERSIFICATION

AS OF JUNE 30, 2025

- Information Technology and Communication Services represented >200 basis point combined overweight compared to the benchmark. Notably, our Information Technology weight jumped nearly 5% sequentially as meaningful capital was deployed in the area during the early year sell-off.
- Consumer Discretionary and Staples remains an underweight.
- Energy is a modest overweight although we anticipate the exit of a position soon due to the completion of an acquisition.
- Financials is the portfolio's most sizeable underweight following the Russell benchmark reconstitution.
- Health Care is an optical underweight, although over 400 basis points of the allocation resides in companies that could arguably fall into Information Technology or Consumer Services/Financials.
- Industrials is our largest overweight. As stated in prior reports, we have a meaningful allocation to waste management services and aerospace & defense businesses, resulting in a far less cyclical disposition than the benchmark. Interestingly, our overweight to the space is almost exactly equal to our combined underweight to Consumer and Financial services.
- Materials, Utilities, and Real Estate, the smaller Index sectors, are underweighted.

GICS SECTORS	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	RUSSELL 2000® GROWTH INDEX (%)	DIFFERENCE (%)	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT (%)	
	Q2'25	Q2'25	Q2'25	Q2'25	Q2'24
Communication Services	3.19	2.77	0.42	3.99	3.22
Consumer Discretionary	6.46	9.78	-3.32	7.89	7.36
Consumer Staples	2.56	2.61	-0.04	3.10	3.10
Energy	4.48	3.08	1.41	5.15	3.98
Financials	4.15	11.45	-7.30	4.34	4.71
Health Care	21.49	22.81	-1.32	22.96	22.88
Industrials	31.24	20.42	10.82	30.87	27.24
Information Technology	23.28	21.40	1.88	18.48	19.92
Materials	1.16	3.07	-1.91	1.17	3.36
Real Estate	1.99	2.05	-0.06	2.07	1.94
Utilities	--	0.55	-0.55	--	--
Unassigned*	--	0.01	-0.01	--	2.28

Source: FactSet ©. \*Unassigned represents the SPDR S&P BIOTECH ETF holding in the Small-Cap Growth strategy. 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 Small-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

REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT AS OF JUNE 30, 2025

SECTOR	REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT		RUSSELL 2000® GROWTH INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (GROSS %)	AVERAGE WEIGHT (%)	RETURN (GROSS %)	ALLOCATION EFFECT (GROSS %)	SELECTION & INTERACTION EFFECT (GROSS %)	TOTAL EFFECT (GROSS %)
Communication Services	3.54	-0.38	2.04	8.26	-0.06	-0.32	-0.38
Consumer Discretionary	7.35	-9.34	9.59	11.14	0.04	-1.63	-1.58
Consumer Staples	2.83	17.75	3.81	1.89	0.13	0.39	0.52
Energy	4.47	-10.48	3.08	1.61	-0.19	-0.61	-0.80
Financials	4.24	3.58	9.13	13.75	-0.10	-0.43	-0.53
Health Care	21.82	6.56	23.98	3.26	0.25	0.65	0.90
Industrials	30.81	13.01	23.23	19.12	0.54	-1.77	-1.23
Information Technology	21.78	12.66	19.21	19.76	0.22	-1.39	-1.17
Materials	1.13	7.62	3.91	14.17	-0.06	-0.08	-0.14
Real Estate	2.03	-1.57	1.50	-0.80	-0.06	-0.02	-0.08
Utilities	--	--	0.49	-1.11	0.07	--	0.07
Unassigned*	--	--	0.04	13.60	-0.01	--	-0.01
<b>Total</b>	<b>100.00</b>	<b>7.53</b>	<b>100.00</b>	<b>11.97</b>	<b>0.76</b>	<b>-5.20</b>	<b>-4.44</b>

- Our portfolio construction compared to the benchmark is decidedly different. We have a heavy quality bias and a massive underweight to unprofitable, heavily shorted, low price, and micro capitalization stocks. Due to the low-quality nature of the second quarter of 2025 rally, it is not surprising that our holdings lagged. Directionally, our incremental allocations to Industrials and Information Technology, resulting in a current meaningful overweight, was correct, but certain of our more stable, predictable positions did not fall or bounce nearly as acutely as the benchmark constituents during the first half of the year.

Source: FactSet ®. \*Unassigned represents the SPDR S&P BIOTECH ETF holding in the Small-Cap Growth strategy. 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 Small-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 TOP FIVE CONTRIBUTORS TO RETURN



REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT TOP FIVE CONTRIBUTORS AS OF JUNE 30, 2025

SYMBOL	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
CW	Curtiss-Wright Corporation	Provides high tech, critical function products, systems and services to the commercial, industrial, defense and power markets	2.23	54.15	1.06
MIR	Mirion Technologies, Inc. Class A	Manufactures radiation detection, measurement and monitoring products	1.90	48.71	0.84
HQY	HealthEquity Inc	Provides range of solutions for managing health care accounts	3.42	18.80	0.67
FLR	Fluor Corporation	Operates as a holding company whose subsidiaries provides engineering, procurement, construction and project management services	1.53	43.13	0.60
SITM	SiTime Corporation	Develops and manufactures analog semiconductors	1.53	39.46	0.58

- Curtiss-Wright Corp. (CW) posted first quarter results ahead of consensus and raised its guidance for the full year. Double digit organic revenue growth is being driven by both its aerospace & defense and commercial nuclear services businesses and led to record new orders of roughly \$1.0B. Visibility remains high due to the “long cycle” nature of CW’s end markets.
- Mirion Technologies, Inc. (MIR) delivered accelerating revenue growth in the first quarter across their nuclear energy business, driving incremental investor interest.
- HealthEquity Inc. (HQY) continues to execute well, gaining share in its primary business, managing health savings accounts. Higher-for-longer interest rates and the potential for legislation to drive HSA eligibility expansion bodes well for future earnings power.
- Fluor Corp. (FLR) rallied on strong results from NuScale Power, the nuclear small modular reactor in which the company owns a significant stake.
- SiTime Corp. (SITM) rallied strongly on improved first quarter results and guidance was solid as its Compute/Data Center end market is benefitting from growth in key AI platforms. Additionally, SITM confirmed content wins on the iPhone, which will buoy revenue gains the next few years.

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 Small-Cap Growth account and is provided as Supplemental Information. Top five and bottom five contributors exclude cash and cash equivalents. Past Performance is not indicative of future results. Commentary regarding an investment’s contribution to return and relative performance has been assessed on a gross performance basis. Contributors are sorted in order of their contribution to return on a gross basis. 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 BOTTOM FIVE CONTRIBUTORS TO RETURN

REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT BOTTOM FIVE CONTRIBUTORS AS OF JUNE 30, 2025

SYMBOL	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
MCW	Mister Car Wash, Inc.	Provides car wash services	1.93	-23.83	-0.55
CHX	ChampionX Corporation	Produces chemicals and equipment for oil & gas drilling industries	2.14	-16.33	-0.50
CCOI	Cogent Communications Holdings Inc	Provides internet access, private network and data center colocation services	1.51	-19.71	-0.44
TECH	Bio-Techne Corporation	Manufactures and sells biological products	1.82	-12.10	-0.32
NEO	NeoGenomics, Inc.	Provides genetic and molecular testing services	0.26	-33.48	-0.26

- Mister Car Wash, Inc. (MCW) continues to demonstrate financial progress driven by improved same-store-sales on a modestly better industry backdrop and internal initiatives. The industry remains mired by concerns regarding over-capacity in certain markets and a weakening consumer.
- ChampionX Corp. (CHX) declined on the pull back in oil prices and the uncertain timing of the closure of its acquisition by SLB Corp.
- Cogent Communications Holdings Inc. (CCOI) historical core financial results continue to grind forward as we await monetization of its wavelength and data center businesses.
- Bio-Techne Corp. (TECH) is seeing some financial progress against stabilizing and hopefully improving end markets, but its life sciences and China exposure continued to be viewed as risks.
- Neogenomics, Inc. (NEO) was eliminated following surprising announcement departure of its CEO. After a review of the succession plan, we did not have enough confidence to re-underwrite the position.

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 Small-Cap Growth account and is provided as Supplemental Information. Top five and bottom five contributors exclude cash and cash equivalents. Past Performance is not indicative of future results. Commentary regarding an investment's contribution to return and relative performance has been assessed on a gross performance basis. Contributors are sorted in order of their contribution to return on a gross basis. 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 ADDITIONS

## REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT PORTFOLIO ACTIVITY AS OF JUNE 30, 2025

- BWX Technologies, Inc. (BWXT) is a near monopoly supplier of critical reactor components for the U.S. nuclear submarine fleet. It holds the only NRC Class 1 license to handle highly enriched uranium. Levering their competency in nuclear propulsion, it has become a supplier to the global commercial nuclear reactor base and possesses a scaling medical isotope business. The criticality of its products, entrenched customer relationships, long-term contracts, recurring revenue base and emerging business lines should drive several years of solid revenue growth against declining capital intensity to produce solid free cash flow generation in an uncertain world.
- Novanta Inc. (NOVT) is a diversified industrial company serving above average growth end markets, including semiconductors, life sciences and robotics. We have been tracking the business over the last several years and the recent sell-off finally provided an attractive entry point. The majority of their end markets have already exhibited weakness and should be positioned for a rebound over the next couple years. When you combine this view with high incremental margins, a positively skewed risk/reward ratio is attained without assuming the overly lofty multiples of the recent past.

SYMBOL	ADDITIONS	SECTOR
BWXT	BWX Technologies, Inc.	Industrials
NOVT	Novanta Inc	Information Technology

# QUARTER-TO-DATE DELETIONS

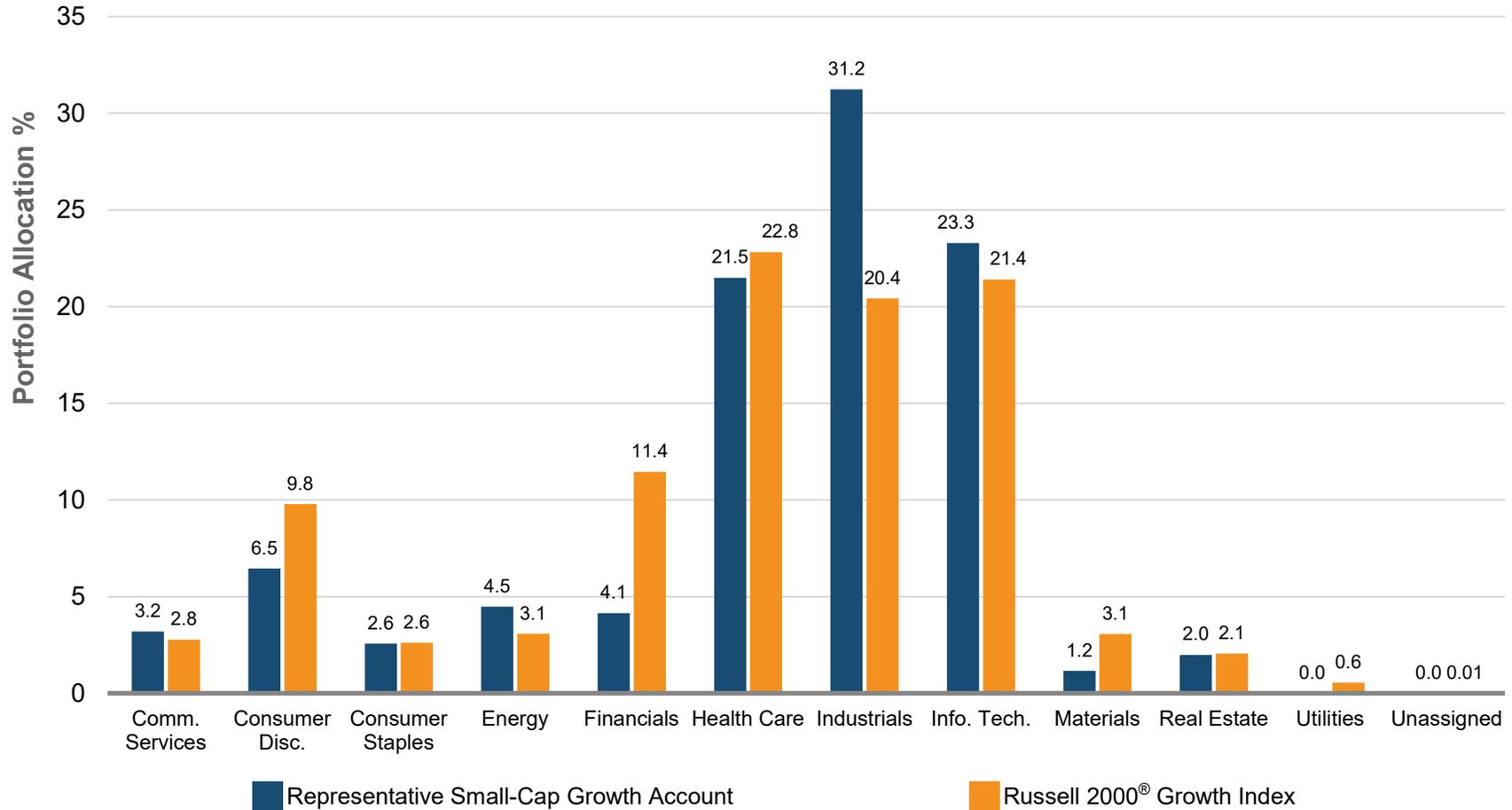
REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT PORTFOLIO ACTIVITY AS OF JUNE 30, 2025

- FTI Consulting (FCN) provided stability in a difficult market environment over the past few years. Earnings may be challenged for a period, but we will continue to monitor the name.
- NeoGenomics, Inc. (NEO) was sold after the surprising timing of the departure of its CEO.

SYMBOL	DELETIONS	SECTOR
FCN	FTI Consulting, Inc.	Industrials
NEO	NeoGenomics, Inc.	Health Care

# SECTOR DIVERSIFICATION

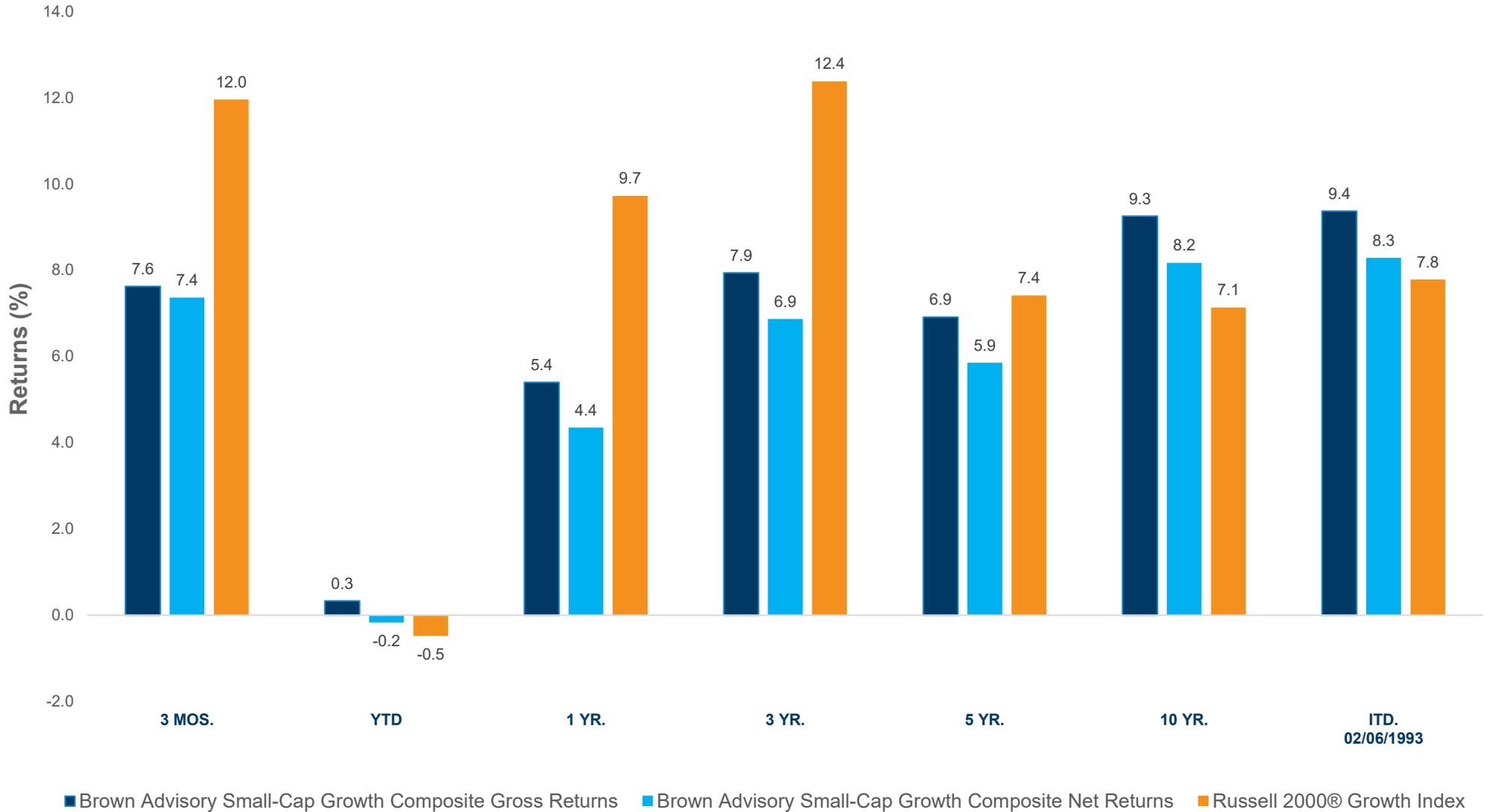
GLOBAL INDUSTRY CLASSIFICATION STANDARD (GICS) AS OF JUNE 30, 2025



Source: FactSet®. The portfolio information provided is based on a representative Small-Cap Growth account and is provided as Supplemental Information. 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. Sector diversification excludes 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.

# COMPOSITE PERFORMANCE

AS OF JUNE 30, 2025



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 Small-Cap Growth 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 Small-Cap Growth disclosure statement at the end of this presentation for a GIPS Report.

# TOP 10 EQUITY HOLDINGS

REPRESENTATIVE SMALL-CAP GROWTH ACCOUNT AS OF JUNE 30, 2025



TOP 10 EQUITY HOLDINGS	% OF PORTFOLIO
Waste Connections, Inc.	3.8
CCC Intelligent Solutions Holdings Inc	3.6
Bright Horizons Family Solutions, Inc.	3.5
HealthEquity Inc	3.2
Dynatrace, Inc.	3.2
Prosperity Bancshares, Inc.(R)	2.7
Curtiss-Wright Corporation	2.5
Encompass Health Corporation	2.4
Casey's General Stores, Inc.	2.4
Valmont Industries, Inc.	2.4
<b>Total</b>	<b>29.6</b>

Source: FactSet®. The Top 10 Holdings include Cash & Equivalents which was 5.2% as of 06/30/2025 and is provided as Supplemental Information. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Portfolio information is based on a representative Small-Cap Growth account, includes cash and is provided as Supplemental Information. Please see disclosure statement at the end of this presentation for additional information. Figures in table may not total due to rounding.

# 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 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.

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An investor cannot invest directly in an index.

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

The S&P 500 Index, an unmanaged index, consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index (stock price times number of shares outstanding), with each stock’s weight in the Index proportionate to its market value.

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# TERMS AND DEFINITIONS

## Terms and Definitions

All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted.

The Average Weight of a position or sector refers to the daily average for the period covered in this report of a stock's value as a percentage of the portfolio.

Allocation Effect measures the impact of the decision to allocate assets differently than those in the benchmark.

Selection and Interaction Effect reflects the combination of selection effect and interaction effect. Selection effect measures the effect of choosing securities that may or may not outperform those of the benchmark. Interaction effect measures the effect of allocation and selection decisions (i.e., did we overweight the sectors in which we underperformed).

Total Effect reflects the combination of allocation, selection and interaction effects. Totals may not equal due to rounding.

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

Return On Equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. ROE is expressed as a percentage and calculated as:  $\text{Return on Equity} = \text{Net Income} / \text{Shareholder's Equity}$ .

Capital Expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical or nonconsumable assets such as property, plants, buildings, technology, or equipment.

EBITDA, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income.

**SMALL-CAP GROWTH EQUITY COMPOSITE**

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Composite 3-Yr Annualized Standard Deviation (%)	Benchmark 3-Yr Annualized Standard Deviation (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$USD Millions)*	GIPS Firm Assets (\$USD Millions)*
2024	5.7	4.7	15.2	17.7	24.0	55	0.3	3,750	88,323
2023	13.7	12.5	18.7	17.4	21.8	59	0.2	4,468	78,241
2022	-19.6	-20.4	-26.4	23.7	26.2	44	0.3	4,004	58,575
2021	8.8	7.7	2.8	22.5	23.1	57	0.3	5,120	79,715
2020	33.5	32.2	34.6	23.7	25.1	54	0.5	4,905	59,683
2019	35.6	34.3	28.5	14.7	16.4	34	0.3	3,456	42,426
2018	-3.3	-4.3	-9.3	13.5	16.5	29	0.3	2,204	30,529
2017	18.8	17.7	22.2	12.2	14.6	33	0.2	2,301	33,155
2016	11.4	10.3	11.3	14.0	16.7	30	0.3	1,797	30,417
2015	8.9	7.8	-1.4	13.1	15.0	32	0.4	1,311	43,746

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, 2024. 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 Small-Cap Growth Equity Composite (the Composite) includes all discretionary portfolios invested in U.S. equities with strong earnings growth characteristics and small 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 March 1, 1993.
- The benchmark is the Russell 2000® Growth Index. The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-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 2000® 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: 1.00% on the first \$25 million; 0.90% on the next \$25 million; 0.80% on the next \$50 million; and 0.70% on the balance over \$100 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.
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