

# Mid-Cap Growth

## STRATEGY FACT SHEET

First Quarter 2024

### WHY INVEST IN BROWN ADVISORY MID-CAP GROWTH?

**The strategy seeks to outperform through stock selection and downside protection.**

The managers look for durable, scalable business models, led by capable management teams where a clear investment thesis can be articulated. Extensive analysis can establish differentiated views on the (1) size and growth potential of each addressable market opportunity, (2) a company's possible sustainable competitive advantages and (3) its ability to attempt to achieve attractive results at scale.

**Managers Chris Berrier and George Sakellaris take a long-term approach in constructing a focused portfolio with high active share.**

Supported by a deep, experienced equity research team and the firm's robust private investment network, they invest like a business owner for the long-term. They build on the strengths of the Small-Cap Growth Strategy to capture the compounded return beyond the small-cap range.

Portfolio Managers: George Sakellaris, CFA & Christopher Berrier

Associate Portfolio Manager: Emily Wachtmeister, CFA

Benchmark: Russell Midcap® Growth Index

### PERFORMANCE (% AS OF 03/31/2024)

	3 MOS.	1YR.	3YR.	5YR.	10 YR.	ITD (02/29/2012)
Mid-Cap Growth Composite (Gross of Fees)	8.43	25.83	1.58	10.00	11.77	13.47
Mid-Cap Growth Composite (Net of Fees)	8.23	24.91	0.82	9.18	10.95	12.63
Russell Midcap® Growth Index	9.50	26.28	4.62	11.82	11.35	12.60

### TOP 10 PORTFOLIO HOLDINGS (%)

DexCom, Inc.	4.0
CoStar Group, Inc.	3.3
Marvell Technology, Inc.	3.1
Waste Connections Inc	3.0
Ross Stores, Inc.	2.8
Copart, Inc.	2.8
Edwards Lifesciences Corp.	2.6
Gartner, Inc.	2.6
IDEXX Laboratories, Inc.	2.5
Cintas Corp.	2.5

### SECTOR BREAKDOWN (%) REP. ACCT INDEX

Communication Services	3.6	4.2
Consumer Discretionary	9.5	13.9
Consumer Staples	2.8	2.8
Energy	--	3.8
Financials	9.4	11.1
Health Care	23.7	18.3
Industrials	22.7	20.1
Information Technology	21.3	22.4
Materials	2.5	1.3
Real Estate	4.6	1.7
Utilities	--	0.4

### STRATEGY PROFILE AS OF 03/31/2024

**BENCHMARK**

Russell Midcap® Growth Index

**STRATEGY ASSETS**

\$543.9 million

**VEHICLES AVAILABLE**

Separately Managed Account (SMA)

Mutual Fund

Model Only

UCITS

### CHARACTERISTICS AS OF 03/31/2024

	MID-CAP GROWTH REP.ACCT.	RUSSELL MIDCAP GROWTH INDEX
Weighted Avg. Market Cap.	\$37.0B	\$31.9B
Weighted Median Market Cap.	\$36.1B	\$29.1B
Earnings Growth (3-5 Yr. Est.)	6.6%	11.9%
P/E Ratio (FY2 Est.)	30.9x	23.8x
Portfolio Turnover (1-Yr. Trailing)	50.5%	--

### PORTFOLIO MANAGER PROFILE

**GEORGE SAKELLARIS, CFA**

George Sakellaris, CFA, is a portfolio manager of the Mid-Cap Growth strategy and an equity research analyst dedicated to the Small-Cap Growth strategy. Prior to joining the firm, he started and managed a small-cap growth strategy at Credo Capital Management and served as director of research and an analyst for GARP Research & Securities.

**CHRISTOPHER BERRIER**

Christopher Berrier is the portfolio manager of the Small-Cap Growth and Mid-Cap Growth strategies. Prior to joining the firm in September 2005, he was a senior equity analyst at T. Rowe Price, covering multiple sectors with a primary focus on small- and mid-capitalization growth companies. Chris earned his AB degree from Princeton University in 2000.

**EMILY WACHTMEISTER, CFA**

Emily Wachtmeister, CFA, is the associate portfolio manager of the Mid-Cap Growth strategy and is also a technology equity research analyst. Prior to joining the firm in 2013, Emily was an equity research analyst at Morgan Stanley.

Source: FactSet®. The portfolio information provided is based on a representative Brown Advisory Mid-Cap Growth account as of 03/31/2024 and is provided as Supplemental Information. Sectors are based on the Global Industry Classification Standard (GICS®) classification system. Sector breakdown and portfolio characteristics exclude cash and equivalents; top 10 portfolio holdings include cash and equivalents which was 4.0% as of 03/31/2024 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. The composite performance shown above reflects the Mid-Cap Growth Equity Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Returns greater than one year are annualized. Past performance is not indicative of future results. Please see the Brown Advisory Mid-Cap Growth Composite GIPS Report on the reverse side for additional information and a complete list of terms and definitions.

## About Brown Advisory

Brown Advisory is a leading independent investment firm that offers a wide range of solutions to institutions, corporations, nonprofits, families and individuals. Our mission is to make a material and positive difference in the lives of our clients. We are committed to delivering a combination of first-class performance, customized strategic advice and the highest level of personalized service.

We follow a philosophy that low-turnover, concentrated portfolios derived from sound bottom-up fundamental research provide an opportunity for attractive performance results over time. We have a culture and firm equity ownership structure that help us attract and retain professionals who share those beliefs, and we follow a repeatable investment process that helps us stay true to our philosophy.

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## Brown Advisory Mid-Cap Growth Equity

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Composite 3-Yr Annualized Standard Deviation (%)	Benchmark 3-Yr Annualized Standard Deviation (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$USD Millions)*	GIPS Firm Assets (\$USD Millions)*
2023	24.1	23.2	25.9	19	21.1	53	0.2	419	81,325
2022	-27.5	-28	-26.7	24.3	24.5	56	0.1	360	58,575
2021	7.2	6.5	12.7	21.5	20.2	75	0.4	752	79,715
2020	34	33	35.6	22.1	21.5	70	0.8	758	59,683
2019	39.4	38.3	35.5	13.5	13.9	34	0.2	337	42,426
2018	-0.7	-1.4	-4.8	11.5	12.8	25	0.2	164	30,529
2017	23.9	23	25.3	9.8	10.9	Five or fewer	N/A	48	33,155
2016	9.3	8.5	7.3	11	12.2	Five or fewer	N/A	2	30,417
2015	7.1	6.3	-0.2	10.7	11.3	Five or fewer	N/A	1	43,746
2014	8.8	8	11.9	N/A	N/A	Five or fewer	N/A	2	44,772

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2023. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

- \*For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
- The Mid-Cap Growth Composite (the Composite) is comprised of all discretionary accounts with no material investment restrictions, which invest primarily in the common stock of U.S. medium market capitalization companies. The strategy seeks capital appreciation by managing a concentrated portfolio of companies that offer long-term growth potential. There is not a minimum account market value required for Composite inclusion.
- Prior to September 1, 2016 the Composite was named Mid Cap Composite. There was no change in investment strategy.
- Effective January 1, 2017, a significant cash flow policy was implemented for the Composite. Accounts with greater than or equal to 15% external cash flows will be removed from the Composite for the entire month that the external cash flow occurred. The accounts will be added back to the Composite the following month, if it meets the Composite inclusion requirements. The external cash flow percentage is calculated using beginning market value.
- The Composite was created in 2014. The Composite inception date is March 1, 2012.
- The benchmark is the Russell Mid Cap Growth® – Total Return Index. The Russell Midcap Growth – Total Return Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Growth – Total Return Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market. The Russell Mid Cap Growth – Total Return 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. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the Composite for the entire period.
- Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fees performance returns are calculated by adjusting the gross-of-fees performance return by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis. Certain accounts in the Composite may pay asset-based custody fees that include commissions. For these accounts, gross returns are also net of custody fees. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: For accounts below \$150 million, 0.75% on the first \$50 million; 0.50% on the next \$50 million; and 0.475% on the next \$50 million. For accounts over \$150 million, 0.58% on the first \$150 million; 0.45% on the next \$100 million; 0.425% on the next \$250 million; and 0.35% on the balance over \$500 million. Further information regarding investment advisory fees is described in Part 2A of the firm's Form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- Effective July 1, 2023, the firm transitioned from using actual account fees in the calculation of net performance returns to applying the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV. The net performance track record was revised back to Composite inception.
- The investment management fee for the Investor Shares of the Brown Advisory Mid-Cap Growth Fund (the Fund), which is included in the Composite, is 0.65%, and represents the highest fee charged excluding Advisor Shares. The total expense ratio for the Investor Shares of the Fund as of the most recent fiscal year end (June 30, 2023) was 0.98%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- The investment management fee for the Dollar Class B Acc Shares of the Brown Advisory US Mid-Cap Growth Fund (the UCITS), which is included in the composite, is 0.75%. The total expense ratio for the Dollar Class B Acc Shares of the UCITS as of the most recent fiscal year end (October 31, 2023) was 0.93%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- 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, 2014, and prior, because 36 month returns for the Composite were not available (N/A.)
- Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
- A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
- Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- Past performance is not indicative of future results.
- This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subsription documents.
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### Terms and Definitions for Representative Account Calculations

All financial statistics and ratios are calculated using information from Factset as of the report date unless otherwise noted. **Market Capitalization** refers to the aggregate value of a company's publicly-traded stock. **Weighted Average Market Capitalization**: equals the average of each holding's market cap, weighted by its relative position size in the portfolio (in such a weighting scheme, larger positions have a greater influence on the calculation). **Weighted Median**: the value at which half the portfolio's market capitalization weight falls above and half falls below. **Earnings Growth 3-5 Year Estimate** is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokers, calculated according to each broker's methodology. **Price-Earnings Ratio (P/E Ratio)** is the ratio of the share of a company's stock compared to its per-share earnings. P/E calculations presented use FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1. **Portfolio Turnover** is the ratio of the lesser of the portfolio's aggregate purchases or sales during a given period, divided by the average value of the portfolio during that period, calculated on a monthly basis. Portfolio turnover provided for a one-year trailing period. FactSet® is a registered trademark of FactSet Research Systems, Inc. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)", "GICS" and "GICS Direct" are service marks of Standard & Poor's and MSCI. "GICS" is a trademark of MSCI and Standard & Poor's.