

Form ADV Part 2A

Firm Brochure

Brown Advisory Limited

801-80609

6-10 Bruton Street

London, W1J 6PX

U.K.

Phone: 44 203-301-8130

E-mail: compliancegroup@brownadvisory.com

Web: www.brownadvisory.com

03/30/2017

This brochure provides information about the qualifications and business practices of Brown Advisory Limited. If you have any questions about the contents of this brochure, please contact us at compliancegroup@brownadvisory.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Brown Advisory Limited also is available on the SEC's website at www.adviserinfo.sec.gov.

We are a registered investment adviser with the U.S. Securities and Exchange Commission. The use of the terms "registered investment adviser" or "registered" by us does not imply by itself any level of skill or training. The oral and written communications we provide to you, including this brochure, is information you can use to evaluate us (and other advisers), which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

ITEM 2 MATERIAL CHANGES

Updates have been made to Item 5 Fees and Compensation and to Item 15 Custody.

Clients may request a copy of the Form ADV Part 2A in its entirety at any time without charge by sending a written request to our Chief Compliance Officer by e-mail to compliancegroup@brownadvisory.com.

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ITEM 4 ADVISORY BUSINESS

OVERVIEW OF THE FIRM

Brown Advisory Limited (“the firm” or “we”) provides investment management services to U.S. citizens living outside America and other private clients based outside of the United States. We are also responsible for the marketing and sales distribution of Brown Advisory Funds Plc, an Ireland – domiciled UCITS fund range managed by our U.S. affiliate, Brown Advisory, LLC. We are registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. As of December 31, 2016, Brown Advisory Limited had \$219.3 million in regulatory assets under management. Of that total, approximately \$207.9 million represents assets managed on a discretionary basis and \$11.4 million represents assets managed on a non-discretionary basis. These values do not include client assets under management or advisement by any of our affiliated firms, including Brown Advisory, LLC, Brown Investment Advisory & Trust Company, Brown Advisory Securities, LLC, Brown Advisory Investment Solutions Group LLC, Highmount Capital, LLC and Blackhaw Wealth Management, LLC (together with Brown Advisory Limited, “Brown Advisory”).

Our U.S. based Brown Advisory affiliate was launched in 1993 as an investment management division of Alex. Brown & Sons. Alex. Brown & Sons was a Baltimore-based investment bank founded in 1800. In 1998, Brown Advisory became independently owned through an employee-led buyout.

We are a wholly owned subsidiary of Brown Advisory Management, LLC (“BAM”). BAM is a Maryland limited liability company, which is a holding company that serves as the parent company to several Brown Advisory subsidiaries.

The firm was established in 2008 with the opening of our London office to support Brown Advisory's growing global client base.

Typically, our investment management services are provided on a discretionary basis. The discretionary service includes mandates where clients impose reasonable restrictions, limitations or other requirements with respect to their individual accounts. Any such limitations on our discretionary authority to manage securities accounts on behalf of clients would be initiated and imposed by the client. Generally, we will work with a client to accommodate investment guidelines and restrictions so long as they do not interfere materially with a portfolio manager's ability to implement the investment and portfolio construction process.

Our investment strategy employs a bottom-up, fundamental research approach in security selection and seeks to provide clients with long-term capital appreciation by actively selecting securities for investment in concentrated portfolios. For the majority of our clients, we provide a balanced portfolio management solution. This combines direct investment in equities and fixed income as well as alternatives and private equity and investments via outside managers through an Investment Solutions Program. This provides clients with access to a wide range of investment opportunities and asset classes, including international equities, emerging market equities, global fixed income, high-yield fixed income, private equity, commodities, hedge funds and real estate. By combining our selective Investment Solutions Program with our extensive in-house resources, we seek to optimize our customized portfolio management capabilities for clients.

CUSTOMIZATION OF SERVICES

We work closely with our clients to ensure that their goals and objectives are met. For clients with specific investment guidelines, we provide customized portfolios. Any client-imposed limitations or guideline restrictions are defined and outlined in the client's initial documentation with the firm.

We maintain detailed written investment objectives and risk profiles for clients. The language is approved by the client and us before management of the account begins.

ITEM 5 FEES AND COMPENSATION

STANDARD FEE SCHEDULES FOR PRIVATE CLIENTS

We manage assets for Private Clients seeking discretionary portfolio management services. Each client receives personalized investment management services based on an analysis of the client's financial circumstances, income requirements, risk tolerance, investment objectives and other pertinent factors.

Clients generally pay management fees based on a percentage of assets we manage for them. Fees are not typically negotiated. However, fees may be negotiated depending on the particular circumstances of the client, scope of services provided, size of account(s), service levels, reporting and other arrangements as agreed with specific clients. In those instances, a client may pay more or less than the fees on our standard fee schedules, and more or less than similar clients.

We receive management fees from our clients on a quarterly basis. Fees do not include fees for services performed by the clients' custodian(s).

Our Portfolio Managers work collaboratively with Brown Advisory's research and asset allocation teams to provide balanced account management services.

Although we generally target clients with \$3 million of investable assets or more, from time to time we will accept clients of smaller assignments depending on the client relationship, client service requirements and other circumstances.

Provided below is the standard annual fee schedule for the investment management services we currently offer Private Clients:

| <u>ASSETS*</u> | <u>TIERS</u> | <u>FEE PER ANNUM (PLUS VAT IF APPLICABLE)</u> |
|--------------------------|---------------------|--|
| <u>FIRST £2 MILLION</u> | <u>£0-2M</u> | <u>1.00%</u> |
| <u>NEXT £3 MILLION</u> | <u>£2-5M</u> | <u>0.80%</u> |
| <u>NEXT £5 MILLION</u> | <u>£5-10M</u> | <u>0.70%</u> |
| <u>NEXT £10 MILLION</u> | <u>£10-20M</u> | <u>0.50%</u> |
| <u>NEXT £30 MILLION</u> | <u>£20-50M</u> | <u>0.40%</u> |
| <u>ABOVE £30 MILLION</u> | <u>>£50M</u> | <u>0.30%</u> |

**or the equivalent in the base currency of the client's account*

FEE PAYMENT

At the inception of the relationship and each quarter thereafter, we will notify the client's custodian of the amount of the management fee due and payable to us through our fee schedule and contract. Clients provide written authorization to the custodian permitting our management fee to be paid directly from the account(s) held by the custodian. The administrator checks our calculation on the assets on which the fee is based. Nonetheless, underlying responsibility remains with Brown Advisory. The custodian will deduct the fee from the account(s) on the basis of our instruction or, if the client has more than one account, from the account designated to pay our management fee. Clients will receive statements from us showing all transactions, positions and credits/debits into or from their account(s); the statements after the quarter-end will reflect these transactions, including the management fee paid by the client to us.

Since clients will typically be billed pursuant to a GBP based fee schedule and the assets held in the accounts will be denominated in USD, the management fee calculation will include an account currency conversion to GBP from USD.

ADDITIONAL FEES AND EXPENSES

Management fees payable to us do not include all the fees the client will pay when we purchase or sell securities for the client's account(s). The fee schedule pertains to separate account management and does not include custody fees, brokerage charges, fund expenses or related transaction costs. Custody fees will vary depending on the custodian. All brokerage charges and related transaction costs are charged to the client's account(s) as they occur.

All fees paid to us for portfolio management services are separate from the fees and expenses borne by any fund, limited partnership or private fund in which client assets may be invested, including funds or partnerships advised by an affiliate of ours. Fees associated with these vehicles are detailed in the corresponding prospectus and fund documents. It is common for different share classes to maintain different fees. Certain share classes may receive more favorable fee structures. Although clients would not bear any sales load for any Brown Advisory affiliated funds, they may be charged a sales load for any unaffiliated funds.

There are many fees and/or expenses that clients may pay directly to third parties for any securities purchased, sold or held in their account(s) under our management. We do not receive, directly or indirectly, any of these fees charged to the client. They are paid to the client's broker, custodian or the relevant fund(s) or other investment(s) the client holds. These fees may include brokerage commissions, transaction fees, exchange fees, regulatory fees, advisory fees and administrative fees charged by funds, exchange traded funds fees, private funds fees, custodial fees, transfer taxes, wire transfer and electronic fund processing fees, legal fees and commissions or mark-ups/mark-downs on security transactions.

CUSTODY FEES

The firm will work with outside organizations regarding custody arrangements for clients. These relationships are tailored for the needs of our clients. Custodial fees are borne directly by clients and do not exceed market standard rates for custody in the U.K.

Typically, we will appoint a custodian as agent on behalf of our clients but clients are not required to utilize the services of any one custodian. Assuming custodians are able to work with us operationally, we are indifferent to a client's choice.

TERMINATED ACCOUNTS

In the event a client's investment management agreement is terminated, accounts will be billed the pro-rata portion for the time the assets were under management.

COMPENSATION FOR SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

We may compensate employees for business development activity, including the attraction or retention of client assets. In all instances, compensation to employees will be determined in accordance with the firm's Remuneration Policy.

FEES FROM FUNDS

If we manage a balanced account for a client, proprietary registered funds and non-proprietary registered funds may be used in those balanced accounts. Fees associated with these vehicles are detailed in the corresponding prospectus and fund offering documents. When clients hold these Brown Advisory funds in an account that is charged an investment management fee we exclude these funds from our calculation of investment management fees applied under the investment management agreement to avoid double-charging.

Within the UCITS funds, other fees may include management fees, brokerage fees, listing fees, directors' fees, administration fees, custodian fees, registration fees, facilities agent fees, marketing and distribution costs, and transaction fees among others. Please refer to the relevant fund prospectus for additional details.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

N/A

ITEM 7 TYPES OF CLIENTS

We generally provide investment management services to Private Clients. These include:

1. High net worth individuals and families
2. Individual retirement plans
3. Trusts
4. Estates
5. Charities
6. Corporates
7. Other taxable individual accounts

Although we generally target Private Clients with a minimum of \$3 million of investable assets, from time to time we will waive the account minimum depending on the client relationship, client service requirements and other circumstances.

In addition, investment management services may be provided under a sub-advisory arrangement with an affiliate in respect of certain investment strategies. Currently, the firm provides such services, including discretionary management, in respect of the Global Leaders strategy.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

As an investment manager, we may provide investment management services to Private Clients through a variety of investment vehicles. These could include separate accounts, UCITS funds and private funds. Different factors, including account type and size, may be used to determine which account structure or vehicle is most appropriate for the client.

BALANCED PORTFOLIO MANAGEMENT

For the majority of our clients, we provide a balanced portfolio management solution. This combines direct investment in equities and fixed income as well as alternatives and private equity and investments via outside managers through an Investment Solutions Program. This provides clients access to a wide range of investment opportunities and asset classes, including international equities, emerging market equities, global fixed income, high-yield fixed income, private equity, commodities, hedge funds and real estate. By combining our selective Investment Solutions Program with Brown Advisory's extensive in-house resources, we seek to optimize our customized portfolio management capabilities for clients.

To establish the list of managers in our selective Investment Solutions Program, we:

- Follow a disciplined process of research, selecting and monitoring investment managers;
- Identify strategies and managers that we believe have the potential to add value to a client's total portfolio;
- Are proactive in identifying, researching and executing opportunities around the globe; and
- Leverage Brown Advisory's network to access ideas and investing opportunities. Brown Advisory's network includes but is not limited to attorneys and accountants, industry connections, foundations and endowments, national and local government officials, research universities, board directors and members, CEOs and business owners, consultants, investment bankers, venture capital and private equity firms, and national and local decision makers.

ALTERNATIVE INVESTMENTS

Brown Advisory's Investment Solutions capabilities include alternative investment strategies. Brown Advisory has a dedicated team responsible for sourcing and managing the firm's alternative investment strategies. Its alternative investment program covers private equity, leveraged buyout, hedge funds and other strategies.

While we believe that opportunistic investments, which allow for tactical and/or higher risk and illiquidity, are important aspects of balanced portfolios, we also adhere to the belief that alternative investment strategies must be tailored to each client's long-term goals and risk tolerance. Accordingly, among the factors we consider in selecting alternative investment solutions are liquidity needs and concerns, risk tolerance, long-term performance of private equity, hedge funds and venture capital vis-à-vis the major market indices, cyclicity of investment cycles, attractiveness/timeliness of industries and strategies, higher fees that typically accompany alternative investments, tax issues, alignment of interests and the ability to enhance returns through value creation.

As Brown Advisory assesses the merits of alternative investment managers, we apply our knowledge of the sectors in which we participate. We leverage our in-house research expertise, as well as the insight of partner firms in industry sectors, and experienced partners who participate on endowment, university and private school investment committees with active alternative investment programs, to identify attractive industries and markets. In addition, we will meet with the sponsors and managers of alternative investment opportunities; conduct on-site visits and interviews; and, as applicable, conduct portfolio reviews, financial analysis and legal due diligence.

RISK OF LOSS

All investments in securities include a risk of loss of the principal invested and any profits that have not been realized. There is a risk that clients could lose all or a portion of their investment in any of the above-mentioned strategies. An investment is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Financial markets fluctuate

substantially over time. As recent global and domestic economic events have indicated, performance of any investment is not guaranteed. Although we do our best to manage and mitigate the risks, there may be some risks that we cannot control. We cannot guarantee any level of performance or that clients will not experience a loss in their account assets. Provided below is a description of the different risks to which an investor may be exposed. Depending on the investment strategies employed, different risks will be more applicable. Please note that the below risks do not purport to be a complete explanation of all risks involved.

EQUITY AND GENERAL MARKET RISK

Our discretionary investment managers may invest in common stock on behalf of clients. Common stock represents an equity (ownership) interest in a company and usually possesses voting rights and earns dividends. Dividends on common stock are not fixed but are declared at the discretion of the issuer. Common stock generally has the greatest appreciation and depreciation potential because increases and decreases in earnings are usually reflected in a company's stock price. The fundamental risk of investing in common and preferred stock is the risk that the value of the stock might decrease. Stock values fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. The market value of all securities, including common and preferred stocks, is based on the market's perception of value and not necessarily the book value of an issuer or other objective measures of a company's worth. Before determining risk appetite, clients should understand the risks of the stock market and should consider an investment in equities as a part of their overall investment portfolio.

VALUE COMPANY RISK

Value investing carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock judged to be undervalued may actually be appropriately priced. The determination that a stock is undervalued is subjective; the market may not agree, and a stock's price may not rise to what we believe is its full value. If the market does not consider the stock to be undervalued, then the value of a strategy's holdings may decline, even if stock prices generally are rising. The value of a strategy may also decrease in response to the activities and financial prospects of an individual company.

GROWTH COMPANY RISK

An investment in growth stocks may be susceptible to rapid price swings, especially during periods of economic uncertainty. Growth stocks typically have little or no dividend income to cushion the effect of adverse market conditions and may be particularly volatile in the event of earnings disappointments or other financial difficulties experienced by the issuer. Securities of growth companies can be more sensitive to the company's earnings and more volatile than the market in general.

MEDIUM CAPITALIZATION COMPANY RISK

Medium capitalization company stocks may have greater fluctuations in price than the stocks of large companies. Further, stocks of mid-sized companies could be more difficult to liquidate during market downturns compared to larger, more widely traded companies. Medium capitalization companies may have limited product lines or resources and may be dependent on a particular market niche. Additionally, securities of many medium capitalization companies are traded in the over-the-counter markets or on a regional securities exchange, potentially making them thinly traded and less liquid and their prices more volatile than the prices of the securities of larger companies.

SMALLER COMPANY RISK

If a discretionary manager invests on behalf of a client in smaller companies, that investment in may have the following additional risks:

- Analysts and other investors typically follow these companies less actively, and therefore information about these companies is not always readily available;
- Securities of many smaller companies are traded in the over-the-counter markets or on a regional securities exchange, potentially making them thinly traded and less liquid and their prices more volatile than the prices of the securities of larger companies;
- Changes in the value of smaller company stocks may not mirror the fluctuation of the general market; and

- More limited product lines, markets and financial resources make these companies more susceptible to economic or market setbacks.

MICRO-CAP RISK

The prices of micro-cap securities are generally more volatile and their markets are less liquid relative to larger market capitalization securities. Therefore, investing in micro-cap securities may involve considerably more risk of loss, and their returns may differ significantly from those of larger capitalization companies or other asset classes.

MANAGEMENT RISK

Our client portfolios are actively managed and our performance may reflect our ability to make decisions that are suited to achieving a specific investment objective. As a result, a portfolio manager may not meet a client's investment objective based on the success or failure of that portfolio manager to implement the relevant investment strategy and could underperform other portfolio managers with comparable investment objectives managed by other investment managers or investment management firms.

PORTFOLIO TURNOVER RISK

High portfolio turnover involves correspondingly greater expenses to a portfolio, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities.

INFORMATION SECURITY RISK

Our operations rely on effective information technology security and our ability to securely process the storage and transmission of confidential and other information. Although we employ protective measures to safeguard your personal and other information from unauthorized access or use, there is a risk of our computer systems, software, networks, mobile devices, and those of third parties upon whom we rely, being vulnerable to cyber-attacks, sabotage, unauthorized access, computer viruses, worms or other malicious code, and other events that have a security impact.

ITEM 9 DISCIPLINARY INFORMATION

Neither Brown Advisory Limited nor any of our supervised persons have been involved in any legal or disciplinary events (i.e., criminal or civil action in a domestic, foreign or military court, administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or self-regulatory organization) that are material to evaluating our investment management business or the integrity of the firm.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Brown Advisory Group Holdings LLC ("BAGH"), a Delaware limited liability company, serves as the parent company of Brown Advisory Incorporated ("BAI") and Brown Advisory Management, LLC ("BAM"). BAI, which is organized as a Maryland C corporation, serves as the manager of BAGH and the managing member of BAM. BAM, a Maryland limited liability company, is a holding company that serves as the parent company to several Brown Advisory subsidiaries.

Brown Advisory Limited is a U.K.-based investment manager which is authorized and regulated by the U.K. Financial Conduct Authority ("FCA"). Brown Advisory Limited is also an SEC-registered investment adviser. We are a wholly owned subsidiary of BAM.

AFFILIATIONS WITH BROKER-DEALERS AND/OR OTHER INVESTMENT ADVISERS OR FINANCIAL PLANNERS

We are affiliated with Brown Advisory, LLC ("BALLC"), which is a registered investment adviser with the SEC. BALLC is a wholly owned subsidiary of BAM.

BALLC is also registered as a Municipal Adviser with the SEC and the Municipal Securities Rulemaking Board ("MSRB"). As such, BALLC may provide advice concerning the issuance of municipal securities, the investment of the proceeds of municipal securities, guaranteed investment contracts, the use of municipal derivatives and municipal escrow investments.

We are also affiliated with Brown Advisory Securities, LLC ("BAS"). BAS is a wholly owned subsidiary of BAM and an SEC-registered investment adviser and broker-dealer. It is also a member firm of the Financial Industry Regulatory Authority ("FINRA").

We are also affiliated with Brown Advisory Investment Solutions Group LLC ("BAISG"), an investment adviser and wholly owned subsidiary of BAM. BAISG specializes in alternative investments and offers both discretionary and non-discretionary investment advice primarily to private investment funds, individuals and institutional separate accounts. BAISG was previously named CDK Investment Management, LLC.

We are affiliated through common ownership with Brown Advisory Direct Investments GP, LLC, which acts as a relying adviser with respect to certain funds managed by BAISG.

In June 2015, Highmount Capital LLC ("Highmount") joined Brown Advisory. Highmount is a registered investment adviser with the SEC based in New York and Boston and serves private clients in the U.S. and abroad. Highmount is a wholly owned subsidiary of BAM.

In September 2016, Blackhaw Wealth Management, LLC ("BWM") joined Brown Advisory. Blackhaw is a registered investment adviser with the SEC based in Austin, TX which serves private clients, families and foundations. BWM is a wholly owned subsidiary of BAM.

AFFILIATIONS WITH INVESTMENT COMPANIES OR OTHER POOLED INVESTMENT VEHICLES

Our affiliate BALLC serves as the investment adviser to affiliated mutual funds, Collective Investment Trusts, and Brown Advisory Funds Plc, an Ireland-domiciled UCITS fund. BALLC also serves as the managing member of a private fund that invests in public and private securities.

BALLC also has arrangements to serve as sub-adviser to investment companies and pooled investment vehicles sponsored by other unaffiliated financial services firms. As a sub-adviser for these firms, BALLC serves as an investment manager for vehicles that are subsequently marketed to the clients of other firms. Although BALLC manages portions of the funds, the names of the funds generally reflect the brand name of the unaffiliated firm. While other investment companies and pooled investment vehicles are clients of BALLC, the underlying clients in the funds are clients of the unaffiliated firm.

AFFILIATIONS WITH BANKING OR THRIFT INSTITUTIONS

We are affiliated with Brown Investment Advisory & Trust Company ("BIATC") and Brown Advisory Trust Company of Delaware, LLC ("BATCDE").

BIATC is a Maryland non-depository trust company that is subject to regulatory oversight by the Office of the Commissioner of Financial Regulation of the State of Maryland. BIATC is a wholly owned subsidiary of BAI and bears certain administrative and operating expenses on behalf of its affiliates.

BATCDE is a Delaware limited-purpose trust company that is subject to regulatory oversight by the Office of the State Bank Commissioner of the State of Delaware. BATCDE is a wholly owned subsidiary of BAM. BALLC provides investment management services to trust clients of BATCDE.

AFFILIATIONS WITH INSURANCE COMPANIES OR AGENCIES

We are affiliated with Brown Advisory Insurance Agency ("BAIA"), a state-licensed insurance agency and a wholly owned subsidiary of BAM that provides services to a limited number of BAS clients.

AFFILIATIONS WITH SPONSORS OR SYNDICATORS OF LIMITED PARTNERSHIPS

BAISG serves as the general partner, managing member, and/or investment manager of private vehicles and limited partnerships formed to facilitate investment opportunities for clients. These vehicles may invest in both public and private equity securities. We and our affiliates may solicit clients to invest in these vehicles. In addition, we, or an affiliate may receive management and/or administrative fees for investments made in the private partnerships.

We are affiliated with Brown Advisory GP, LLC, which serves as the General Partner to certain funds managed by BAISG.

OTHER RELATIONSHIPS OR AFFILIATIONS

We are affiliated with Brown Advisory (Hong Kong) Ltd., which is a wholly owned subsidiary of our firm.

We may select other investment managers and their products for our clients. We do not receive compensation, either directly or indirectly, from those advisers that would create a material conflict of interest, other than arrangements previously disclosed, such as the receipt of administrative services fees.

BALLC also has arrangements with select unaffiliated investment managers whereby they serve as sub-adviser to investment companies and pooled investment vehicles sponsored by Brown Advisory. These products may subsequently be selected for our clients.

We also maintain a relationship with Savano Direct Capital Partners, LLC, through an ownership interest in Brown Savano JV, LLC ("BrownSavano"). BrownSavano was founded for the sole purpose of providing partial liquidity and asset diversification to individual shareholders in market-leading, later-stage private companies. BrownSavano Direct GP, LLC, which is owned by BrownSavano, serves as the General Partner for the BrownSavano Direct Capital Partners, L.P. private fund, a Delaware limited partnership. It focuses on providing partial liquidity to company founders, angels, active or departed employees, and corporate strategic investors. Certain employees of BALLC provide services to BrownSavano under an agreement between BrownSavano and BAI.

ITEM 11 CODE OF ETHICS, PARTICIPATION/INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

OVERVIEW OF OUR CODE OF ETHICS

We are committed to maintaining the highest standards of professional conduct and ethics in order to discharge our legal obligations to our clients, to protect our business reputation and to avoid even the appearance of impropriety in our investment activities on behalf of clients. While we strive to avoid conflicts, we are cognizant that conflicts will nevertheless arise, and it is our policy to fully and fairly disclose known material conflicts to our clients.

Our Code of Ethics details certain minimum expectations that we have for our employees. All personnel, regardless of role, are expected to conduct the firm's business in full compliance with both the letter and the spirit of the law and any other policies and procedures that may be applicable. On an annual basis, we require that each employee certifies in writing that he or she has read, understands and complies with the policies and procedures of the Code of Ethics. Any violations regarding the Code of Ethics must be brought to the attention of Brown Advisory's Chief Compliance Officer. If it is determined that an employee has violated the Code of Ethics, we will take such remedial action as is deemed appropriate. Sanctions will vary but may include censure, limitation or prohibition of personal trading, suspension or termination of employment.

PERSONAL TRADING

Since we recognize that our employees should have an opportunity to develop investment programs for themselves and their families, our Code of Ethics does not prohibit personal trading by employees. As a result, we, our affiliates or related personnel may purchase or sell the same or similar securities for our own accounts that we purchase, sell or recommend for client accounts.

Potential conflicts that could arise as a result include but are not limited to:

- Employees engage in unethical behavior.
- Personal trading of employees misuses material nonpublic information.
- Personal trading of employees is not supervised.
- Clients receive less favorable trading terms than our advisory employees.
- Abusive trading on the part of our advisory employees, including market timing.

While advisory personnel are permitted to trade within their own brokerage accounts, we have several policies and procedures in place designed to ensure that their personal trading does not violate our fiduciary obligations to clients, including any related fund clients. Our Code of Ethics sets forth standards of conduct expected of employees and addresses conflicts that arise from personal trading by employees. It provides policies and procedures designed to ensure that employees conduct their personal securities transactions in a manner that complies with the securities laws, rules and regulations and that does not raise the appearance of impropriety. In addition, it sets forth controls designed to avoid actual or potential conflicts of interest between clients and our employees. Controls in place include blackout periods for certain employees, pre-clearance of employee trades, holdings disclosure and other trading restrictions.

Our Code of Ethics includes the following general tenets:

- Within 10 days of commencing employment, each employee must submit an Initial Holdings Report to Brown Advisory's Chief Compliance Officer ("CCO") or designee with information current as of a date no more than 45 days prior to the date the employee becomes an employee.
- Every year, each employee must submit an Annual Holdings Report to the CCO or designee. The information must be current as of a date no more than 45 days before the report is submitted.
- All employee security transactions require pre-approval or pre-clearance, except for accounts over which the employee has vested investment discretion to a third party or transactions that are exempt, including but not limited to open-end mutual fund shares, dividend reinvestment plans and U.S. government obligations.
- Employees must report securities transactions in employee-related accounts. This requirement may be satisfied by the Compliance Department receiving duplicate copies of confirmations of account activity for review. Outside brokerage accounts must be approved by the Compliance Department before opening.

- The Head Trader(s) and CCO or their designees are responsible for monitoring personal securities trading for compliance with the Code of Ethics and any indications of violations or unusual trading activity or patterns of transactions.
- Pending Trades—Employees may not purchase or sell a security in an employee-related account on a day during which any client or Fund has a pending order in the same (or an equivalent) security. This restriction applies until the client or Fund order has been executed or cancelled.
- Securities under Consideration—Employees may not purchase or sell a security in an employee-related account if such employee is aware that a transaction in the same (or an equivalent) security is being considered for any client or that a decision has been made to effect such a transaction.
- Fund Trades—Employees may not purchase or sell a security in an employee-related account for a period of four business days before and after a Fund trades the same (or an equivalent) security.
- Gray or Restricted Lists—Employees may not, in the absence of approval from the CCO or delegate, purchase or sell a security in an employee-related account if such security is restricted from employee trading on the firm's Gray or Restricted Lists.
 - The Gray List includes names of issuers whose securities may not be traded in certain accounts or under certain conditions. Exceptions may be granted on a case by case basis depending on the situation.
 - The Restricted List includes names of issuers whose securities may not be traded in any account due to an existing conflict or the possession of material inside information.
- With respect to the handling and use of material non-public information, employees are prohibited from purchasing, selling or recommending the purchase or sale of a security for any account while they are in possession of material inside information. Any employee who comes into possession of inside information is obligated to bring such information to the attention of the CEO, CCO or Chief Investment Officer.
- Employees may not profit from the purchase and sale, or sale and purchase, of the same (or an equivalent) security on Brown Advisory's proprietary research list within 30 calendar days.
- All employees are prohibited from acquiring securities in an initial public offering.
- Employees may not acquire securities in an outside private placement without prior written approval of the CCO or designee.

We will provide clients with a copy of our Code of Ethics upon request. Clients may request a copy by contacting us at the address, telephone number or email on the cover page of this document.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

We, our affiliates or related personnel may recommend to clients, or purchase or sell for client accounts, securities in which we, our affiliates or related personnel have a material financial interest. These include situations in which we, our affiliates or related personnel act as general partner in a partnership in which we solicit client investments and/or act as an investment adviser to an investment company that we recommend to clients.

Potential conflicts that could arise include but are not limited to:

- Officer and Director Conflicts—Conflicts that involve a transaction to be entered into by us for ourselves, or by us on behalf of our clients, in which one of our officers or directors has a financial interest;
- Shareholder Conflicts—Conflicts that involve a transaction to be entered into by us for ourselves, or by us on behalf of our clients, in which a shareholder has a financial interest;
- Client Conflicts—Conflicts that involve a transaction to be entered into by us for ourselves, or by us on behalf of our clients, in which a client has a financial interest; and
- Situations where employees engage in unethical behavior and misuse material inside information.

To address these potential conflicts and protect and promote the interests of clients, we employ the following policies and procedures:

- We have adopted trading practices designed to address potential conflicts of interest inherent in proprietary and client discretionary trading, including bunching and pro-rata allocation. To further

protect and promote the interests of clients, Brown Advisory has a Conflicts Committee charged with reviewing certain transactions or arrangements that may represent a conflict of interest. The members of the Conflicts Committee are chosen by the independent members of Brown Advisory's main Board of Directors.

- Transactions to be entered into by us for ourselves or on behalf of our clients that present a material conflict of interest must be authorized, approved or ratified by the affirmative vote of a majority of Directors on the Conflicts Committee. Transactions to be entered into by us for ourselves or on behalf of our clients that present a non-material conflict of interest must be approved or ratified by our Chief Executive Officer.
- If we enter into a transaction on behalf of our clients that presents either a material or non-material conflict of interest, the conflict should be prominently disclosed to the client prior to the consummation of such transaction.
- Employees must comply with our policy on the handling and use of material inside information. Employees are reminded that they may not purchase or sell, or recommend the purchase or sale, of a security for any account while they are in possession of material inside information. In addition, employees may not disclose confidential information except to other employees who "need to know" that information to carry out their duties to clients.
- Employees must report securities transactions in any employee-related account.
- Employees may not serve on the Board of Directors of any public or private company other than a Brown Advisory entity without prior written approval of the CEO or designee. An employee who is a director of a company may not participate in investment decisions involving that issuer's securities.
- Employees are required to report to our Compliance Department all outside business activities. These include board/committee memberships and obligations, employment commitments, non-profit commitments, government commitments and other outside business commitments.
- To ensure that there is not intentional or unintentional front-running of purchasing securities in client accounts, we may restrict trading stocks of companies in which we are actively performing due diligence as potential candidates for purchase in our portfolios.

CONFLICTS OF INTEREST

Personal interests both inside and outside of Brown Advisory that could be placed ahead of our obligations to clients could be the source of actual or potential conflicts of interest. Employees must remain aware that just the opportunity to act improperly may create the appearance of conflict and that conflicts may exist even in the absence of wrongdoing. Employees are required to make a full and timely disclosure of any situation that could result in a potential conflict or the appearance of a conflict of interest.

To identify potential sources of conflicts of interest and to assess how those conflicts are addressed by our compliance program, we perform regular reviews. This process has been developed and improved, since our inception, with the input from and oversight by our parent company's Board of Directors and Audit Committee. The three primary categories of potential conflicts of interest evaluated are (1) potential conflicts between the firm and our clients, (2) potential conflicts between our employees and our clients, and (3) potential conflicts between different clients.

Primary potential conflicts between the firm and our clients include:

- Misuse of brokerage commissions
- Transactions benefiting affiliates
- Misleading or deceptive marketing
- Improper valuation
- Errors and corrections

Ameliorative practices include:

Conflicts of Interest Policy; Best Execution Policy and oversight by the Brown Advisory Best Execution Committee; Policy on Communications with Clients and Financial Promotions; Operation of Brown Advisory's Pricing Committee and adoption of pricing guidelines; and Brown Advisory's Error and Correction Policy.

Primary potential conflicts between our employees and our clients include:

- Misuse of non-public information including front-running
- Misdirection of investment opportunities
- Participation in investment opportunities by employees

Ameliorative practices include:

Code of Ethics, including personal trading restrictions; Conflicts of Interest Policy; Policy on Inducements, Gifts, Benefits, Anti-Bribery and Corruption; Policy on Political Contributions; and Conflicts Committee of the parent company's Board of Directors.

Primary potential conflicts between our clients include:

- Allocation of investment opportunities
- Trading between client accounts
- Errors and corrections

Ameliorative practices include:

Conflicts of Interest Policy; Best Execution Policy; Aggregation and Allocation Policy; Oversight by Brown Advisory's Best Execution Committee; supervisory review of client accounts; and Brown Advisory's Error and Correction Policy.

ITEM 12 BROKERAGE PRACTICES

The firm does not execute trades directly for clients. This is an outsourced function undertaken by our affiliate, Brown Advisory LLC. Whilst orders may, on occasion, be placed with other brokers for execution, in the usual course of events orders are communicated (through our internal systems) to our affiliate for execution. The text below describes the brokerage practices of Brown Advisory LLC. The firm monitors these practices to ensure that they comply with the applicable regulatory requirements and the firm's Best Execution Policy.

BROKERAGE PRACTICES

We believe that fair treatment of all clients is paramount in the implementation of the relevant portfolio manager's objectives. Thus, our primary focus is achieving the best price and quality in the marketplace based on the information available at the time of the trade, without systematically disadvantaging one client over another.

We will select the broker-dealer to be used for best execution based on a number of factors. Obtaining best execution is the top priority. We take into account the following considerations:

- The procurement of the lowest possible net cost, comprising the level of execution and brokerage commission;
- Superior execution capabilities;
- That all broker-dealer business allocated for research services will be provided at a commission rate comparable to rates that are for execution only; and
- The ability to settle trades in a timely manner.

We have adopted a best execution policy governing Best Execution. Other than in circumstances where the client directs otherwise, we must use our best efforts to obtain for all client accounts the best overall result for the client. To the extent relevant under the circumstances, the following factors may apply to our best execution determination: price, commission, size of the order, difficulty of execution, degree of skill required by the broker-dealer and trading/execution/clearing/settlement capabilities.

We may also take into account factors that are relevant to the specific broker-dealer, such as financial stability, reputation, past history of prompt and reliable execution of client trades, operational efficiency with which transactions are effected, access to markets, access to capital to accommodate trades, ability to maintain confidentiality, market knowledge, willingness and ability to make a market in a particular security, brokerage and research services provided or the ability to accommodate third-party research arrangements, and overall responsiveness to our needs/willingness to work with us.

CLIENT REFERRALS

We do not allocate commissions to any person or company on the basis of business they might direct to us. We will select broker-dealers to execute client orders in accordance with our best execution policy. It is against firm policy for any employee to suggest to any third party that in return for referring business to us, we will direct brokerage commissions to that third party or its affiliates.

Under no circumstances may any of our employees enter into an arrangement with any financial institution, broker-dealer, prime broker, investment adviser or investment vehicle for the purpose of directing brokerage commissions in exchange for either the sale of our products or investing assets with us, including situations that give rise to indirect compensation such as "step outs" or similar arrangements.

This policy does not prohibit directing portfolio transactions of any managed account or fund to broker-dealers that also sell shares of Brown Advisory's funds, provided that the broker-dealer fully meets best execution criteria and the selection of that broker-dealer is not influenced by any arrangement to sell shares of any of our investment products or any of our affiliates' investment products or funds. This policy also does not prohibit directed brokerage arrangements whereby a client of ours has directed us to use a specific broker-dealer for a portion or all of that client's transactions.

DIRECTED BROKERAGE

In certain cases, clients choose to retain discretion over the broker-dealer used to execute transactions and/or the commission rate that the client will pay with respect to all or a portion of the transactions to be effected by us. If a client directs the use of a specific broker-dealer for execution of securities transactions, or selects a custodian that requires the direction of trades, we will direct such transactions to the specified broker-dealer including our affiliate even when we might be able to obtain a more favorable price and execution from another broker-dealer for a transaction on behalf of such client's account.

When a client instructs us to direct a portion of the transactions for its account to a designated broker-dealer, the client has made a decision to retain some control over broker-dealer selection and services. We will treat the direction as a decision by the client to retain, to the extent of the direction, the discretion that otherwise would be given by the client to us to select broker-dealers to effect transactions and the other terms of the trade for the client's account. In some cases, the client may have negotiated the commissions to be charged by the designated broker-dealer.

When clients direct us to use a specific broker-dealer for the execution of securities transactions or selects a custodian that requires the direction of trades, the commissions charged may not be the lowest available rates and may not be as low as the rate that we would have obtained for the client had we been authorized to select the broker-dealers for the transactions. The client may not receive the potential benefits that other clients may derive from aggregation of orders. In these situations, we may be unable to obtain most favorable execution of client transactions. Since directed brokerage accounts may not be able to aggregate orders to reduce transaction costs, the client may receive less favorable prices and pay higher brokerage commissions. With respect to execution, trades for accounts with directed brokerage arrangements are often executed after block trades for accounts not having directed brokerage arrangements have been aggregated and executed.

TRADE AGGREGATION AND ALLOCATION

In many instances, groups of accounts will need to effect a transaction in the same security or securities. Subject to client guidelines and restrictions, accounts managed according to a particular strategy are incorporated into the same trade group for trade execution and allocation purposes. This ensures that trading in an investment strategy is aggregated across all related accounts to facilitate best execution. For equity strategies, we typically will aggregate orders for the same security by multiple accounts into a "block trade." We believe that this process provides equal treatment of clients, provides ease of administration and facilitates the avoidance of information leakage that may be detrimental to client trades. The average price per share of a block trade will be allocated to each account that participates in the block trade. Accounts of our employees, affiliates and associated persons may participate in block trades. Such persons will receive the same average price as any other participant in the block trade.

If a block order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day will be allocated in a manner that is consistent with the initial pre-allocation. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, partial fills generally are allocated pro rata among participating accounts.

With respect to accounts having specific guidelines or restrictions, it is possible that these accounts will not be included in the block trade. Often times, the initial purchase of a security in an account with specific guidelines or restrictions will occur after similar trading has been executed for the accounts participating in the block trade. Depending on the circumstances, additional research may be required to determine if the security is congruent with client guidelines. Every effort is made to ensure that securities are not purchased in accounts with specific guidelines or restrictions until it has been determined that their purchase would not violate such guidelines or restrictions.

When limited offering amounts are available for particular securities, our portfolio managers determine which accounts could best utilize the security based on duration/maturity and sector targets. Once this is determined, the security is allocated on a pro-rata basis among these particular accounts. From time to time, portfolio managers, on behalf of clients, may invest in private investments or limited investment opportunities. The allocation of these investments across client portfolios is executed on a pro rata basis,

while also considering investor suitability, account size, risk tolerance, as well as other factors. Our processes are designed to equitably and appropriately allocate these limited investment opportunities across the clients invested in the strategy while balancing the additional risk with the client's investment profile and investor suitability. In this regard, some limited investment opportunities may not be appropriate for smaller accounts, depending on factors such as minimum investment size, account size, risk profiles, and diversification requirements, and accordingly may not be allocated such investments. If an investment cannot reasonably be allocated on a pro rata basis, it may be allocated based on another methodology deemed fair and equitable.

CROSS TRADING

A cross trade is generally defined as the matching of buy and sell orders for the same security between different accounts. Cross trades are also deemed to include any prearranged or orchestrated transactions between two accounts that are executed through external brokers. With respect to cross trading, we generally will allow cross trading where the transaction would comply with our policy and client-specific guidelines, and be fair and equitable to both accounts.

Cross trading can significantly reduce the transaction costs for both the buying and selling accounts and may allow for other beneficial efficiencies to clients. However, where an investment adviser has discretion on each side of a transaction, cross trading presents a potential fiduciary conflict of interest. Cross trading may be appropriate if we meet our fiduciary obligations to clients on both sides of the transaction and where best execution requirements are met.

ITEM 13 REVIEW OF ACCOUNTS

FREQUENCY AND NATURE OF PERIODIC REVIEWS OF CLIENT ACCOUNTS

The portfolio managers review their accounts on a regular basis. Reviews are undertaken to confirm that the portfolio conforms to client suitability standards as well as to determine if any security changes need to occur. Performance reviews are undertaken at least quarterly. Portfolio managers continually review investments to confirm that they are consistent with the outlined investment objectives.

FACTORS THAT TRIGGER A MORE FREQUENT REVIEW OF CLIENT ACCOUNTS

On a regular basis, we internally review our clients' accounts to ensure compliance with client investment guidelines and policies.

Additional reviews may be triggered by changes in market conditions, by changes in client needs and by maturity of client investments. We provide clients with personalized service in the management of their securities portfolios. Since the size, structure and investment objectives of accounts vary widely, the attention that must be given to accounts also varies.

FREQUENCY AND CONTENT OF REGULAR REPORTING TO CLIENTS

We provide formal written reporting to all clients on a quarterly basis unless specified otherwise by the client. The standard sample reporting package that we prepare for all clients typically includes: (i) a portfolio valuation; (ii) a contract note summary; (iii) a summary of acquisitions and disposals; (iv) a summary of cash movements; and (v) a performance summary.

Clients have the ability to access some of these documents via TouchPoint, our client Web portal. Whenever possible, TouchPoint is used to transmit sensitive documents, financial statements or other information pertaining to a client's Brown Advisory investment relationship.

Clients' reporting needs often vary in frequency and content. More frequent and customized reporting is available upon request. Customized reports may also include more specialized reports, such as attribution analysis and sector- and security-level contribution to return. We generally meet with our clients at least once a year. The portfolio manager for the account will typically attend client meetings. Other members of the investment team, client service team or messaging team who are involved with the account may also attend. Portfolio managers also communicate with clients by letter, email and telephone as needed.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

In general, we do not receive an economic benefit from anyone who is not a client for providing services to our clients.

We may enter into written solicitation arrangements with third parties. From time to time, professionals employed by other firms will refer clients to us, in which case we will compensate the individual for making the introduction. Historically, we have compensated the individual based on a percentage of the client's annual management fee. The payment is made quarterly based on our billing cycle. Any such payments will be made in accordance with applicable regulatory requirements.

We may also compensate our employees for business development activity, including the attraction or retention of client assets.

From time to time, we may receive indirect benefits from service providers or third-party vendors in the form of entertainment, tickets to sporting events and gift cards. When received, these occasions are evaluated in the context of the firm's gifts and entertainment policy to ensure they are reasonable in value and customary in nature to ensure their occurrence does not present any conflicts of interest.

The firm may outsource the administration of investment accounts to outside organizations, including affiliated organizations.

ITEM 15 CUSTODY

CUSTODY

Whilst the firm does not have physical custody of client assets, in many cases we have the authority to debit our clients' custodial accounts for management fees. We are deemed (under U.S. custody rules) to have custody of those assets if, for example, where the firm operates under a standing letter of authorization or instructs custodians on a client's instruction to move assets to third parties, or where the firm or its employees otherwise may have access to client assets. In such cases, we undergo an annual surprise examination of client assets by an independent auditor. At all times, the custodial bank maintains actual custody of those assets. Under the terms of our standard Investment Management Agreement, we are granted authority to operate, and give instructions to the custodian in respect of, the Client's account.

MANAGEMENT FEE DIRECT-DEBITING PROCESS

During the account set-up process, other than in circumstances where clients specify their own custodian, clients authorize us to initiate the withdrawal of fees from their custodial account. In these cases, we are deemed (under U.S. custody rules) to have custody of their assets even though the custodian actually maintains custody of the assets. We generally initiate the management fee withdrawal process during the third week following a quarter-end period.

STATEMENTS SENT TO CLIENTS

At the end of each quarter, account statements and appraisals are sent to our clients. These account statements and appraisals generally include the following information:

- Account name and number
- Cash balances
- Name of each security held
- Quantity of each security held
- Market value of each security held

Additional reports are provided upon request.

In addition to our statements and appraisals, clients receive account statements directly from their custodian at least quarterly. These are sent to the email or postal mailing address provided to them. These statements should be carefully reviewed when received. All of our statements and appraisals include a legend urging clients to compare custodial account statements to the periodic account statements and portfolio reports received from us.

DIFFERENCES BETWEEN OUR STATEMENTS AND CUSTODIAL STATEMENTS

The statements clients receive from us can differ from the statements clients receive from their custodian. Every month, we reconcile client accounts according to the security holdings and transactions provided by their month-end custodial statement. Although security holdings and transactions are reconciled, market values are not reconciled and can be different. This is primarily a result of the method by which our portfolio accounting system associates prices to securities. While the prices of fixed income securities tend to differ more across custodians, the price of equity securities can differ across custodians as well. Since the same security can be priced differently at different custodians, a standardized pricing hierarchy must be imposed on the portfolio accounting system to ensure accurate, consistent and transparent reporting across clients. Our portfolio accounting system has a pricing hierarchy whereby custodians are ranked by priority. If a security is valued by multiple custodians, the ultimate price assigned to the security in the portfolio accounting system reflects the price used by the custodian with the highest ranking. This means that if two accounts hold the same security and have different custodians, our portfolio accounting system will value the security based on the price used by the custodian that is higher up in the pricing hierarchy. The price will then be applied to all accounts that hold the security.

A client may discuss any questions regarding account statements with us and/or their custodian.

ITEM 16 INVESTMENT DISCRETION

We accept discretionary authority to manage securities accounts on behalf of our clients. Generally, we manage client assets on a discretionary basis with the authority to determine for each client what investments are made, as well as when and how they are made. For certain clients, their assets may be invested in one or more model portfolios. Generally, there are no limitations on the securities we will purchase or sell; the amount of the securities we will purchase or sell; the broker we will use to execute a transaction or commission rates paid.

LIMITATIONS ON DISCRETIONARY AUTHORITY

Clients may impose reasonable restrictions, limitations or other requirements with respect to their individual accounts. Any specific limitations or restrictions on our discretionary authority to manage securities accounts on behalf of clients would be initiated and imposed by the client. Examples of common guideline restrictions include:

- Limitations prohibiting the purchase of certain securities or industry groups;
- Limitations on the purchase or sale of a particular type of security (taxable/tax-exempt);
- Limitations on the purchase or sale of securities within a particular sector;
- Limitations with respect to the weighted average maturity or duration for a portfolio; and
- Limitations with respect to asset allocation for balanced portfolios.

Specific client investment restrictions may limit our ability to manage those assets like other similarly managed portfolios. This may impact the performance of the account relative to other accounts and the benchmark index. These clients are informed that their restrictions may impact performance.

PROCEDURES TO ENSURE GUIDELINE COMPLIANCE

Any client-imposed limitations or guideline restrictions are defined and outlined in their initial documentation with the firm. When clients provide us with their own investment policy statements, we make sure that the language is reflective of our investment management responsibility. When necessary, the language is adjusted and approved by both the client and us before management of the account begins.

The firm's compliance officer meets with the investment team and relevant operations personnel monthly to review a number of investment compliance areas. The review generally covers the following areas:

- Suitability of clients' investments
- Monitoring and managing investment risk
- Operating procedures
- Investment restriction monitoring

The findings from this review are documented and filed with the supporting documentation produced by the investment and operations teams.

ITEM 17 VOTING CLIENT SECURITIES

GENERAL GUIDELINES

Brown Advisory receives proxy ballots on behalf of clients and votes such proxies consistent with the firm's proxy voting policy, which sets forth the firm's standard approach to voting on common proxy questions. In general, this policy is designed to ensure that we vote proxies in the best interest of our clients, so as to promote the long-term economic value of the underlying securities. Clients may, at any time, opt to change their proxy voting authorization. Upon notice that a client has revoked Brown Advisory's authority to vote proxies, we will forward any relevant research obtained to the party that will assume proxy voting authority, as identified by the client.

In keeping with its fiduciary obligations to clients, Brown Advisory considers each proxy voting proposal on its own merits and an independent determination is made based on the relevant facts and circumstances. Proxy proposals include a wide range of matters. The firm generally votes with management on routine matters and takes a more case-by-case approach regarding non-routine matters. Examples of routine matters include election of directors, appointment and rotation of auditors, changes in state of incorporation and changes in capital structure. Examples of non-routine matters include executive compensation, shareholder action, proposals affecting shareholder rights, corporate restructurings, corporate mergers and acquisitions, anti-takeover issues, and social, environmental and governance issues. The firm ensures that all voting is undertaken in accordance with any applicable client specific guidelines or restrictions. In all circumstances, within the parameters of the firm's proxy voting policy, the firm seeks to vote with due consideration to the best interest of the client.

MANAGEMENT RECOMMENDATIONS

Since the quality and depth of management is a primary factor considered when investing in an issuer, the recommendation of the issuer's management on any issue will be given substantial weight. Although proxies with respect to most issues are voted in line with the recommendation of the issuer's management, Brown Advisory will not blindly vote in favor of management. We will not support proxy proposals or positions that compromise clients' best interests or that we determine may be detrimental to the underlying value of client positions.

CONFLICTS OF INTEREST

Above all else, we respect the investment interests, objectives and preferences of our clients. Although we take every effort to avoid conflicts of interest, from time to time unavoidable conflicts of interest arise with respect to proxy voting. When voting a proxy for a particular issuer, a conflict of interest can occur when we, our employees, our officers, our directors, our affiliates or our mutual funds engage in the following:

- Conduct business with an issuer or a company closely affiliated to the issuer;
- Receive compensation from the issuer or a company closely affiliated to the issuer or
- Sit on the board of the issuer or a company closely affiliated to the issuer.

Conflicts of interest will be resolved in the best interest of the client.

Brown Advisory votes proxies relating to such issuers in accordance with the following procedures:

ROUTINE MATTERS AND IMMATERIAL CONFLICTS

The firm may vote proxies for routine matters, and for non-routine matters that are considered immaterial conflicts of interest, consistent with the firm's proxy voting policy. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence the firm's decision-making in voting a proxy. Materiality determinations will be made by Brown Advisory's Chief Compliance Officer or designee, if necessary in consultation with counsel, based upon an assessment of the particular facts and circumstances.

MATERIAL CONFLICTS AND NON-ROUTINE MATTERS

If the firm believes that (a) it has a material conflict and (b) that the issue to be voted upon is non-routine or is not covered by the firm's proxy voting policy, then to avoid any potential conflict of interest:

- in the case of a Fund, the firm shall contact the Fund board for a review and determination;
- in the case of all other conflicts or potential conflicts, the firm may “echo vote” such shares, if possible, which means the firm will vote the shares in the same proportion as the vote of all other holders of the issuer’s shares; or
- in cases when echo voting is not possible, the firm may defer to Glass Lewis recommendations or confer with counsel to ensure that the proxy is voted in the best interest of the client.

If the aforementioned options would not ameliorate the conflict or potential conflict, then Brown Advisory may abstain from voting, as described below.

ABSTENTION

In recognition of its fiduciary obligations, Brown Advisory generally endeavors to vote all proxies it receives. However, the firm may abstain from voting proxies in certain circumstances. For example, we may determine that abstaining from voting is appropriate if voting may be unduly burdensome or expensive, or otherwise not in the best economic interest of the clients, such as (by example and without limitation) when foreign proxy issuers impose unreasonable or expensive voting or holding requirements or when the costs to effect a vote would be uneconomic relative to the value of the client’s investment in the issuer.

RECORDKEEPING

We will maintain files relating to our proxy voting procedures in an easily accessible place. Records will be maintained and preserved for six years, with records of the most recent two years kept on site. We will retain the following:

- Copies of the proxy voting procedures and policies, including any amendments;
- A copy of each proxy statement received;
- A record of each vote cast;
- A copy of any material documentation supporting our decision;
- A copy of each written client request for information on how we voted; and
- A copy of any written response to any written or oral client request for information on how we voted a proxy.

Clients can obtain a copy of our proxy voting policies and information on how we have voted proxies by calling 1-800-645-3923 (or in the UK 020 3301 8130). If a client requests this information, Brown Advisory’s Chief Compliance Officer or designee will prepare a written response to the client that lists for each specific request:

- The name of the issuer,
- The proxy proposal voted on, and
- How the client’s proxy was voted.

ITEM 18 FINANCIAL INFORMATION

We have never been the subject of a bankruptcy petition.