

Form ADV Part 2A

Brochure

Brown Advisory Investment Solutions Group LLC
801-61732

901 South Bond Street, Suite 400

Baltimore, MD 21231

Phone: (410) 537-5400

E-mail: compliancegroup@brownadvisory.com

Web: www.brownadvisory.com

March 30, 2022

This brochure provides information about the qualifications and business practices of Brown Advisory Investment Solutions Group LLC and its relying adviser (together, “BAISG”). If you have any questions about the contents of this brochure, please contact us at 410-537-5400 and/or 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 BAISG 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

This brochure is the annual updating amendment to the prior brochure dated March 30, 2021. There have been no material changes in this filing. However, this brochure contains updated and expanded disclosure particularly in the following areas:

- Item 5 – Fees and Compensation
-

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

ITEM 3 TABLE OF CONTENTS

CONTENTS

Item 2 Material Changes	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business	4
Item 5 Fees and Compensation	6
Item 6 Performance based fees and side-by-side management	11
Item 7 Types of Clients	12
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9 Disciplinary Information	19
Item 10 Other Financial Industry Activities and Affiliations	19
Item 11 Code of Ethics, Participation or Interests in Client Transactions, and Personal Trading	23
Item 12 Brokerage Practices	27
Item 13 Review of Client Accounts.....	28
Item 14 Client Referrals and Other Compensation.....	29
Item 15 Custody.....	29
Item 16 Investment Discretion.....	30
Item 17 Voting Client Securities.....	30
Item 18 Financial Information	31

ITEM 4 ADVISORY BUSINESS

General Description of Brown Advisory

Brown Advisory Investment Solutions Group LLC (together with its relying adviser, “BAISG”, the “firm”, or “we”) is an investment adviser specializing in alternative investments. BAISG was founded in 2002 and is a wholly-owned subsidiary of Brown Advisory Management LLC. Brown Advisory Management, LLC is a wholly-owned subsidiary of Brown Advisory Group Holdings, LLC. The managing member of Brown Advisory Management LLC is Brown Advisory Incorporated, a Maryland corporation.

Advisory Services

BAISG offers advisory services to two primary clients: 1) as a discretionary or non-discretionary investment adviser to BAISG-sponsored private funds, and 2) as a non-discretionary investment adviser to individuals and institutions. BAISG’s advisory services are generally limited to alternative investments. However, from time to time, the firm also provides non-discretionary asset allocation recommendations to clients seeking recommendations on both alternative and traditional investment portfolios.

Private Funds

The firm offers investment advice to a variety of single-strategy, multi-strategy and direct investment private funds sponsored by BAISG. The firm provides discretionary advice to broad multi-strategy funds covering many asset classes and investment approaches, and focused multi-strategy funds based on specific investment approaches (private equity, venture capital, private credit, real estate, global macro strategies, event-driven strategies, etc.). It offers non-discretionary investment advice to single-strategy funds that invest in a portfolio company or with a specific private equity or hedge fund manager.

The firm’s principals leverage their expertise in alternative investments to build funds focused on managers and portfolio companies within the private equity, private credit, venture capital and hedge fund universes.

In its fund-of-fund business, BAISG focuses on investing with established, experienced, performance-oriented managers and firms. Most multi-strategy funds are relatively concentrated and invest only in what BAISG principals view as top investment managers and ideas. The firm also offers venture capital funds that provide direct investments in early-stage companies. For certain of these investments, we leverage a network of relationships to help us develop insight into industry sectors and companies in which we invest.

Individual and Institutional Clients

The firm also offers investment advice to individual and institutional clients in the form of asset allocation and portfolio construction recommendations as well as recommendations regarding specific investment managers. From time to time, the firm also provides certain clients with non-advisory services, such as reporting on private equity holdings, providing administrative services to certain fund clients, such as accounting and tax reporting, and providing due diligence reports and other information with respect to underlying funds and unaffiliated advisers. Engagements

with clients are characterized by attention to individual client returns, volatility and downside protection targets; portfolios focused on what the firm views as reputable managers in the industry; and in-depth communication with clients about the strategies of those managers, how those managers are performing and whether those managers' ongoing portfolio decisions are consistent with their stated strategies. The firm strives to achieve efficient diversification of portfolios – for example, we seek to construct portfolios that are relatively concentrated among top-tier managers, but populated by managers with relatively low performance correlation to each other. This approach offers the potential for meaningful outperformance while maintaining moderate volatility and downside protection.

Interests in BAISG's private funds are privately offered only to eligible investors pursuant to exemptions available under the Securities Act of 1933, as amended (the "Securities Act"), and the regulations promulgated thereunder. Such investment vehicles are not registered with the Securities and Exchange Commission ("SEC") as investment companies based on specific exclusions from the Investment Company Act of 1940, as amended (the "Investment Company Act"). Typically, interests in such investment vehicles are offered primarily to high net worth individuals as well as to institutional investors. Employees of BAISG and its affiliates may invest alongside other investors and advisory clients. Other qualified individuals who may not be employees or advisory clients of BAISG or another Brown Advisory entity, but who have pre-existing business relationships with the firm or its affiliates or industry expertise in the sector in which a fund may be investing, also may participate alongside other investors.

Tailored Advice and Client-Imposed Restrictions

Each private fund sponsored by the firm has its own investment objectives, strategies and restrictions. Certain funds focus on a narrow investment strategy while others pursue a broad investment strategy. BAISG prepares offering materials with respect to each fund that contain more detailed information, typically including a description of the investment objective and strategy or strategies employed and any related restrictions.

These offering materials serve as a limitation on the scope of BAISG's investment management of the fund. Separate account clients can also impose restrictions on the firm's management of individual accounts through documents that set forth the investment program for the client. While separate accounts may be reasonably tailored based on the individual needs of a client, as agreed to with BAISG, none of the funds are tailored to meet the individualized investment needs of any particular investor. Furthermore, an investment in a fund does not create a client-adviser relationship between BAISG and an investor. Further discussion of the strategies, investments and risks associated with a fund or separate account management is included in the relevant materials for each type of client.

Clients and investors must consider whether an investment in a particular fund or establishing an advisory relationship with BAISG is appropriate to their own circumstances based on all relevant factors including, but not limited to, the client's or investor's own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective clients and investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant offering materials for the funds or the documents relating to the proposed investment program for the separate account and the additional details about the firm's investment strategies,

methods of analysis and related risks in Item 8 of this Brochure, before making an investment decision.

Assets Under Management

As of December 31, 2021 the firm had approximately \$8.2 billion in regulatory assets under management. Of that total, approximately \$790 million represented discretionary assets and \$8.2 billion represented non-discretionary assets.

ITEM 5 FEES AND COMPENSATION

Fees

BAISG or its affiliates typically receive management and/or administration fees in connection with BAISG-sponsored funds. BAISG also receives incentive or performance fees in respect of certain of its funds. In addition, with respect to certain funds, the applicable governing documents may provide for fees to be paid to the firm or its affiliates in connection with the provision of certain administrative, investment management or other services. The specific legal, organizational or offering documents of the funds describe the basic fee structure for each fund and its investors. Management and administration fees and carried interest incentive allocations charged by BASIG or an affiliate in respect of a sponsored fund may be waived or may be negotiated depending on the situation, may be paid in advance or in arrears and may vary for different investors, typically based on commitment size or the size or potential size of the overall relationship.

For services provided to certain separately managed accounts and clients, clients pay a fee to the firm or one of its affiliates, which is in addition to any fees charged by pooled investment funds in which such separate account makes an investment. Clients typically pay fees based on a percentage of assets in their accounts. Fees may be negotiated depending on the particular circumstances of the client, scope of services provided, size of account(s), service levels and other considerations. Clients may pay more or less than similar clients. In general, the agreements in respect of any such pooled investments describe the fee charged by the pooled investment funds in which the client is invested.

Hedge Fund-of-Funds/Private Equity/Venture Capital

The firm typically charges the private hedge fund-of-funds or long-equity partnerships it manages a management fee, and from time to time also may charge an incentive fee. The management fees typically range from 0.40% to 1.25% of the net asset value of the fund per year, typically are calculated and payable monthly in arrears and are deducted from an investor's capital account in the fund. The incentive fees typically range from 5% to 10% of each fund's yearly performance and are calculated annually, are typically subject to high water marks and are deducted from accounts in the relevant fund. Each fund's private placement memorandum or other offering document describes its fee structure in detail. Fund investments by clients of the firm and its affiliates and other investors also may be subject to an account-level management fee in addition to the fees charged by the fund, which is negotiated and which typically is based on all client assets under management or advisement, as provided in the relevant investment management agreement between the firm and the client or investor.

Investors in private equity funds managed by the firm or one of its affiliates typically are subject to a 0.40% per annum management or administration fee on an investor's (i) capital commitment or (ii) after the end of the investment period, on the market value of the capital account, unless otherwise noted in the fund's private placement memorandum or other offering documents. Management and administration fees are typically paid by requiring investors in such advisory client to make capital contributions in respect of such fees or withholding the amount of such fees from investment proceeds that would otherwise be distributable to the investors of such advisory client. Private equity investments by clients of the firm, including with respect to firm-sponsored and non-firm-sponsored funds, are typically subject to an account-level management fee, which may be waived or negotiated and which typically is based on client assets under management or advisement.

Investors in private funds managed by the firm or one of its affiliates to facilitate venture capital and growth-stage investments typically are subject to a management fee that generally ranges from 1.5% to 2% on capital commitments and are charged a carried interest allocation that ranges from 10% to 20% with respect to such investments. Investors in private funds managed by the firm or one of its affiliates formed to facilitate a single venture capital investment typically are subject to an annual administrative services fee as set forth in the offering documents and are charged carried interest which can range from 0% to 20%, as negotiated by the investor. The manner of calculation and application of the management fee, administrative services fee and the carried interest allocations are disclosed in the offering documents for each such fund. Management fees are typically paid by requiring investors to make capital contributions in respect of such fees or withholding the amount of such fees from investment proceeds that would otherwise be distributable to the investors of such advisory client. Carried interest allocations are typically deducted from investment proceeds that would otherwise be distributable to the investors in the venture capital fund.

These private equity/alternatives/direct investment administration, management and incentive fees are in addition to fees and expenses charged by the underlying funds and investments, as applicable, details of which are set forth in the funds' private placement memoranda or offering documents.

Management fees, administration fees and carried interest or similar profit allocations are subject to modification, waiver or reduction in connection with an investment in one or multiple investment vehicles. Furthermore, BAISG, its affiliates and equity owners, and certain of their respective professionals typically invest in or alongside investment vehicles sponsored by the firm. Other qualified individuals who typically are not employees of BAISG, but who have business relationships with BAISG or industry expertise in the sector in which a particular investment fund may be investing, also may invest in or alongside investment vehicles sponsored by the firm. Fees assessed or profit allocations on such investments may be substantially reduced or waived altogether for these investors.

The minimum level of investment for accounts participating in the firm's alternative investment funds is set forth in each fund's governing documents. Minimum investment levels are subject to waiver at the discretion of BAISG or one of its affiliates. Additionally, all investors in this area

must meet specific suitability requirements in order to invest, as described above. Specific opportunities may require higher levels of investment, which also can be waived.

The firm offers an investment program to qualified clients and other investors with whom the firm has a relationship to invest in direct, venture capital investments. Typically, these investment opportunities are offered as limited investment opportunities in growth-stage private companies. Eligible clients and investors elect to participate in this program at their own discretion by committing to invest at least \$25,000 in each investment opportunity. Participants in the investment program receive a priority allocation to the investments offered under this program and maintain investment discretion over any investments made. In order to remain eligible to participate in this investment program, participants only may decline to invest in two sequential investment opportunities presented. If an investor declines to invest in more than two sequential investment opportunities in the program, the investor is no longer eligible to participate in future investments. This program requirement is subject to waiver by Brown Advisory. Brown Advisory colleagues and investment professionals participate in this program and receive a priority allocation vis a vis other clients and investors who do not participate in the program. Allocations made to Brown Advisory colleagues and investment professionals under this program reduce the amount available for investment by the clients of the firm and its affiliates.

Separately Managed Account Fees

The firm or one of its affiliates charges its separately managed account clients a management fee, and occasionally, a performance fee. The advisory fees typically range from 0.25% to 1.00% of assets under management per year, and in some cases a tiered fee schedule may be implemented. Typically, fees are computed and payable quarterly in arrears or on such other basis as is mutually agreed with each client. All fees are negotiable. Separate account clients are billed for fees incurred. In addition, clients may pay a flat fee for certain types of advisory and other services. The actual fees and minimum account sizes may be negotiated and may be more or less than similar clients or clients for whom similar services are provided. Servicing arrangements such as reporting may also vary among clients. The firm is also compensated by certain clients for performing due diligence on potential investment opportunities or providing custom reporting on investments held outside the firm. Such services may not otherwise be made available to other clients. The compensation the firm receives in respect of such diligence and advice is negotiable and will vary.

Other Fees and Expenses

Clients will incur other expenses separate and apart from the firm's investment management fees, administration fees, performance fees and other expenses borne by the firm's clients. With respect to BAISG-sponsored funds, these expenses typically include any underlying manager's or underlying fund's advisory fees, performance-based fees, other fees and costs and expenses incurred by both BAISG and the underlying manager including the costs and expenses of custodians, administrators, attorneys, tax advisors, consultants, data providers, and other professionals, trading and brokerage service fees, other transaction fees and broken deal expenses, and/or other expenses associated with an underlying fund or investment or the type of services being performed, including without limitation, insurance, indemnity, litigation or extraordinary expenses, and any taxes, fees or other governmental charges levied. For more information regarding our brokerage practices, see Item 12 – Brokerage Practices.

In the case of pooled investment vehicles, the investors in such vehicles typically are required to pay all costs and expenses related to the operation of the vehicle. These costs and expenses can include organizational and offering expenses, including, without limitation, legal, accounting, travel, meeting, printing, federal or state securities law filings and other fees and expenses incidental thereto. In addition to the organizational and offering expenses, investors in advisory client funds will pay all of the operating expenses of such funds, including but not limited to: (i) any sales taxes or other taxes, fees, penalties or government charges of any kind which may be assessed against the funds and all expenses incurred in connection with any tax audit, investigation, settlement or review of the funds; (ii) commissions or brokerage fees or similar charges incurred in connection with the purchase or sale of securities (including any fees payable to third parties and whether or not any such purchase or sale is consummated); (iii) interest on and fees and expenses arising out of all permitted borrowings made by the funds; (iv) all costs and expenses (including legal fees, judgments and amounts paid in defense and settlement) relating to litigation and threatened litigation involving the funds, including, without limitation, settlements of claims and indemnification expenses; (v) expenses incurred in connection with distributions made by the funds; (vi) expenses associated with preparation and distribution of financial statements, tax returns and filings and the funds' (and any qualified custodian's) reports to their investors; (vii) expenses incurred in connection with the purchase, holding, sale or proposed sale of any investment (whether or not consummated); (viii) all fees and expenses attributable to normal and extraordinary investment banking, commercial banking, accounting, third-party administration, auditing, appraisal, legal, custodial, registration services, and valuation services provided to the funds; (ix) premiums for insurance to protect the fund, the general partner of the fund, the officers, directors and members of the general partner and any of their respective partners, members, stockholders, officers, directors, managers, trustees, employees, agents, consultants and affiliates in connection with the activities of the funds; (x) fees and expenses associated with any federal or state securities law filings incurred in connection with the ongoing operations of the funds; (xi) out-of-pocket expenses of members of any advisory committee; (xii) liquidation expenses; (xiii) auditors' expenses; and (xiv) any other reasonable out-of-pocket expenses related to the business of the funds, as determined by the firm in its sole discretion. Each fund's share of the aggregate operating expenses is determined by the firm in a manner it deems equitable.

In addition, BAISG from time to time engages fund administrators and other service providers to perform certain functions for firm-sponsored investment funds, including but not limited to fund administration, custody, execution, record keeping, investor correspondence, performance reporting, capital calls and distributions, data collection for various regulatory reporting, and tax filings. These expenses are borne by the funds and their investors.

The firm, its affiliates, and other funds sponsored by the firm and its affiliates may engage common service providers, such as administrators, lenders, attorneys, and custodians, from time to time. In such circumstances, there may be a conflict of interest between the firm and its affiliates, on the one hand, and the investment fund it sponsors, on the other hand, in determining whether to engage such service providers, including the possibility that the firm or its affiliates will favor the engagement or continued engagement of such persons if they receive a benefit from such service providers, such as lower fees, greater bargaining power or continuity of services, that it would not receive absent the engagement of such service provider by the funds. In addition, the firm and its personnel, as well as investment funds it sponsors, may have investments in certain service

providers. In such cases, the firm may be incentivized to engage the service provider in order to benefit its investment. In certain circumstances, service providers, or their affiliates, charge different rates or have different arrangements for services provided to the firm or its affiliates, including other funds sponsored by the firm and its affiliates, which may result in the firm or its affiliates receiving more favorable rates or arrangements with respect to services provided to it by a common service provider than those payable by other funds. In most cases, the funds' allocable share of the costs and expenses of these service providers will be borne (directly or indirectly) by the funds and their respective investors (and not the firm).

Private Equity Funds – Firm Line of Credit

The firm provides a line of credit to the private funds BAISG sponsors. The firm can determine, in its sole discretion, to extend credit to a private fund; however, it is not under an obligation to extend credit to a private fund and some private funds may participate in the line of credit while other private funds are not given the opportunity to borrow against the line of credit. In addition, the firm receives a fee in the form of interest payments in respect of money loaned to a private fund under the line of credit. This fee is borne by the investors in the fund and is in addition to the other fees payable to BAISG or one of its affiliates as the managing member, general partner or investment adviser to the private fund. Payments made by a private fund to satisfy an interest or maturity payment will decrease the amount of capital in the private fund available for investment and will not produce any returns for the investors. Brown Advisory can modify the maturity date or interest due on a loan at any time in its sole discretion. These actions will disadvantage the private fund and its investors if they cause a fund to forgo an investment opportunity in whole or in part in order to satisfy an interest payment or payment due at term.

Prepayment of Fees

With respect to the BAISG-sponsored funds, the management or administrative fee is payable in advance or in arrears as reflected in the fund documents and is calculated and paid in US Dollars. With respect to separately managed accounts, management fees may be paid quarterly or monthly, in advance or in arrears, as agreed to with the client. Investors in the funds who withdraw or redeem from the fund typically will not be refunded any portion of the management fee payable in respect of the fund for that calendar quarter. For separate accounts that are terminated prior to the end of the period, fees paid in advance will be refunded only if agreed to by the parties.

For certain special purpose vehicles formed to facilitate investments in direct, venture capital deals, BAISG will call five years of administrative fees at inception of the fund.

Sales-Based Compensation

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

Certain employees are eligible to receive performance-based compensation for certain transactions initiated and executed by the Private Equity and the Venture Capital teams or receive compensation based on a share of the profits on a pooled investment vehicle sponsored by the firm. These compensation arrangements have the potential to incentivize members of the Private Equity and

Venture Capital investment teams to pursue certain higher risk transactions or investments or to dedicate more time to funds and investments where they have the potential to earn more compensation.

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

BAISG and its affiliates currently act as investment adviser or manager to advisory clients and to privately offered funds. Advisory clients of BAISG are charged an asset-based fee and, occasionally, a performance-based fee. The firm may charge performance fees, i.e., a fee based on a share of capital gains on or capital appreciation of the client's assets under management, for certain funds but not for others. As discussed in Item 5, BAISG, its affiliates and their related persons may receive carried interest allocations and management or administration fees or other performance-based fees, as applicable. With respect to BAISG and its affiliates, known or reasonably anticipated conflicts of interest involving BAISG or its affiliates are disclosed in the offering documents of the applicable advisory client provided to potential investors prior to their investment.

Each investment vehicle managed by the firm typically has a specified investment objective defined by type of investment, investment strategy, risk/reward profile, projected hold period and/or other parameters. Investment opportunities that satisfy the investment objective of a particular fund typically will be allocated to that particular fund, and can be allocated among multiple funds with overlapping investment objectives in accordance with the firm's allocation policies. The allocation of these investment opportunities across funds invested in these strategies is determined in a manner BAISG believes is fair and equitable to all of its clients, after considering investor suitability, fund size, risk tolerance, history with and preference of the manager of the underlying fund or the portfolio company in which our fund is investing, as well as other factors. BAISG has the discretion to construct what, in its business judgment, constitutes an appropriate investment portfolio for a particular fund or client. As such, in determining what it believes to be an appropriate portfolio for a particular client, it may give consideration to factors in addition to those outlined above. As a result, BAISG can determine that a particular fund or client will not participate in an investment opportunity, in its discretion. Alternatively, BAISG can offer an entire investment opportunity to a particular fund or client, even if the particular opportunity is appropriate for other clients. In certain cases, one or more funds are intended to be BAISG's primary investment vehicle focused on, or receive priority with respect to, a particular strategy or type of investment, as determined in BAISG's sole discretion.

From time to time, certain investment opportunities may be appropriate for more than one advisory client, and also may be appropriate for investment by a fund or pooled investment vehicle managed by the firm or one of its affiliates. These investment opportunities are allocated in accordance with the firm's policies and procedures, taking into account a range of factors, including the timing, complexity and size of the opportunity, the investment objectives and risk profile of the client or relevant fund and the specific characteristics and requirements of the investment opportunity. The firm also will also consider various preferences and requirements of the managers of the external investment opportunity.

In allocating investment opportunities, there could be incentives to favor a fund or other BAISG sponsored investment vehicle that charges higher fees or that charges a performance-based fee

over clients and funds that have lower fees or that do not include a performance-based fee or that charge a lower performance-based fee. Additionally, carried interest allocations may create an incentive for the general partner, manager or investment team of a BAISG-sponsored investment vehicle to make riskier or more speculative investments on behalf of such investment vehicle than would be the case in the absence of this arrangement. This conflict is mitigated, but not eliminated, by certain contractual limitations on the ability of BAISG to launch new funds with substantially similar investment objectives and procedures setting forth investment allocation requirements and on allocation policies that require the portfolio managers to act in the best interest of all sponsored funds and clients.

BAISG is permitted to offer co-investment opportunities in its sole discretion to clients, including its pooled investment vehicles, employees and investors who do not have advisory relationships with BAISG or its affiliates. In making such allocation decisions, the general partner is entitled to consider any interests and factors as it desires. The allocation of co-investment opportunities will in many or all cases involve a benefit to BAISG including, without limitation, the receipt of fees or allocation of carried interest from the co-investment opportunity, and capital commitments from clients. BAISG may or may not charge management fees and/or carried interest in respect of co-investments, as it determines in its sole discretion. Investing in a pooled investment vehicle sponsored by BAISG or one of its affiliates typically does not give investors any rights, entitlements or priority to co-investment opportunities.

As a general principle, BAISG requires that potential conflicts of interest be addressed by placing client interests before personal or proprietary interests. As a control, the firm has adopted a policy pursuant to which it seeks to allocate investment opportunities among clients, including its funds, in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, mandate or policies, risk tolerance, return targets, projected hold periods, diversification considerations, permissible and preferred asset classes, and liquidity needs of each client. The firm's policies prohibit the allocation of investment opportunities based on anticipated compensation to BAISG. Final allocation decisions are determined by BAISG in its sole discretion.

ITEM 7 TYPES OF CLIENTS

BAISG provides discretionary and non-discretionary investment advisory services to private investment funds organized and sponsored by the firm. BAISG provides non-discretionary investment advisory services to separate account clients. The majority of BAISG's clients are funds. The funds are typically organized as limited partnerships, limited liability companies, or similar legal entities. The funds are not considered "investment companies" as defined under the Investment Company Act of 1940, as amended (the "Investment Company Act"), pursuant to definition exemptions under Sections 3(c)(1) or 3(c)(7) of the Investment Company Act.

The firm also provides investment advice to separately managed accounts for institutions and high-net-worth individuals. Our clients and fund investors may include high-net worth individuals, pension funds, insurance companies, private banks, foundations, endowments, trusts, family offices and other institutions.

The minimum dollar amount of assets ordinarily required to invest in the funds varies and is set forth in their respective governing documents. Investment minimums are subject to waiver at the

firm's discretion. The minimum dollar amount of assets ordinarily required for the establishment of a separately managed account is \$25,000,000. Smaller accounts may be accepted on an accommodation basis or when it is deemed likely that the minimum dollar size will be achieved within a reasonable period of time.

Employee and clients of affiliates of BAISG are typically subject to lower minimums.

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

Methods of Analysis and Investment Strategies

BAISG employs a dedicated team of analysts and portfolio managers that is responsible for sourcing and managing the firm's alternative investment strategies. These strategies cover a broad range of asset classes and investment approaches, including venture capital, private equity, private credit, buyout, real estate, and hedge funds. The respective investment team's members collectively offer experience and knowledge about each of these asset classes and investment styles. This experience and knowledge is supplemented by our ability to leverage a network of relationships that helps us develop insight into industry sectors and portfolio companies in which we invest. Additionally, the firm employs a dedicated in-house fund administration group that oversees the administration of BAISG sponsored investment vehicles, including providing oversight of administration services provided by third parties.

Private Equity and Hedge Fund-of-Funds: Methods of Analysis

The firm employs a manager-research process that is designed to confirm that its recommendations to clients of certain unaffiliated managers and funds are limited to reputable managers that demonstrate the potential for strong performance.

Sourcing: Manager candidates and prospective portfolio company investments are initially identified through a variety of sources, such as the general experience and industry knowledge of BAISG principals, the networks of Brown Advisory colleagues, investment conferences, capital introductions by investment banks, manager referrals, and the recommendations of other respected hedge fund and private equity investors.

Screening: The screening process breaks the firm's coverage universe into peer groups by strategy, asset class and region. In the firm's fund-of-funds business, underlying managers are evaluated for their alpha generation, risk and volatility, as well as the consistency of their results from period to period, the quality of their team and their investment process. Results of this preliminary screen contribute to the firm's decision to commit to deeper due diligence.

Due Diligence: Once the firm begins deeper due diligence on an underlying manager in its fund-of-funds business and determines that a prospective manager is likely to be recommended for investment by a fund, the applicable Investment Solutions Group ("ISG") investment team seeks to meet and interview various professionals of the candidate firm, including members of its investment team, to

gain an understanding of investment strategy and process, and to determine whether the external manager's portfolio decisions are consistent with its stated strategy. In particular, the team looks for managers it believes have differentiated investment approaches relative to their peers, in the belief that such differentiation is a necessary ingredient of long-term outperformance versus that of its peers. Other factors considered include liquidity needs and concerns, risk tolerance, long-term performance track records, the outlook for the manager's approach given current market conditions, tax issues, fee levels and structures, and other factors that may impact the alignment of manager and client interests.

Operational Due Diligence: When the investment team feels it is close to recommending an external investment manager for investment by a fund, the firm will typically conduct an operational review of the prospective manager, which typically includes document reviews, separate on-site meetings with financial and operations managers when possible, assessments of certain internal controls, asset confirmations, and background checks of certain key persons. This operational review also seeks to confirm that the prospective manager employs transparent valuation processes and engages well-regarded service providers.

Approval: Once these hurdles have been cleared, the investment team decides on whether to recommend the external manager to clients or for investment by a fund sponsored by the firm.

Ongoing Review: The firm's platform of recommended managers is subject to an ongoing review process, including regular review meetings with managers, regular internal team meetings to review ongoing manager research activities, and regular meeting of the relevant investment teams to formally discuss fund-related decisions.

Venture Capital: Methods of Analysis

The firm's venture capital investments are conducted primarily by NextGen Venture Partners, LLC ("NextGen"), an affiliate and relying adviser of BAISG. NextGen investments generally focus on seed through growth stage direct investments primarily in U.S. companies in the technology sector that we believe have the potential for high-growth. NextGen relies on a network of venture partners to assist in its analysis of prospective investments. These venture partners include business leaders in the technology sector, investors who have founded their own start-up ventures or others that are otherwise interested and or involved in venture capital investments. From time to time, they assist NextGen in sourcing investments, evaluating prospective portfolio companies and supporting portfolio companies in which NextGen invests. These venture partners pay an annual fee to NextGen to be enrolled as members in the network. Venture partners who refer a deal to NextGen are entitled to receive a portion of NextGen's share of carried interest in respect of that investment. These fees and carried interest allocations are negotiated with the venture partners.

Investment Risks

All investments in securities or funds include a risk of loss of the principal invested amount 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 securities or funds. An investment in a fund or strategy 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. We cannot guarantee any level of performance or that clients will not experience a loss in their account assets. Clients and investors in the funds must be prepared to bear the risk of a complete loss of their investment.

Lack of Operating History

Each BAISG-sponsored investment vehicle initially will be a newly-formed entity which has not commenced operations and therefore will have no operating history upon which an investor may evaluate its performance. The prior experience of the investment team, the performance of other investment vehicles or the performance of the underlying investments does not provide assurance of future investment performance or returns.

Uncertainty in the U.S. And Global Economy

The U.S economy and the global economy have been characterized by uncertainty, volatility and instability. There can be no assurance that conditions in the U.S. and global financial markets and economies will not worsen or adversely affect one or more of an advisory client's portfolio or portfolio companies or underlying funds in one of the firm's sponsored investment vehicles.

Fund of Funds

Firm-sponsored investment funds typically are formed for the purpose of investing in underlying, externally managed funds. Investors in firm-sponsored funds will not be limited partners of any underlying funds, will have no direct interest in any underlying funds, will have no voting rights in any underlying funds, will not be party to any underlying fund's governing documents and may not bring an action for breach of any such governing documents. Returns, if any, to investors in BAISG-sponsored funds will be lower than returns, if any, to direct investors in the underlying funds as a result of the fees and expenses charged by the firm-sponsored funds. In addition, underlying funds in which firm-sponsored funds invest may take direct investors. Therefore an investment in a fund may not be necessary to participate in one or more underlying funds.

Successor Funds and Previous Investments

The firm and its affiliates typically are not restricted from investing in, sponsoring, managing or advising investment vehicles which in some cases may compete with existing BAISG-sponsored funds. In addition, certain pooled investment vehicles sponsored by BAISG and its affiliates may invest in underlying funds and investments, and in the affiliates and predecessor funds offered by such underlying funds and investments, on terms and conditions that may be more favorable than those on which its other advisory clients may invest. These earlier investments may have been on terms and conditions that are more favorable than the terms and conditions offered to advisory client funds making subsequent investments or investments in later vintage funds offered by the underlying manager. In addition, the firm and its affiliates may give advice and recommend the purchase of securities and other investments to other funds and clients it manages which may differ from the advice given to or the purchases and sales made on behalf of its other advisory clients, even though their investment strategies may be the same or similar.

Uncertainty in the U.S. and Global Financial Markets

The upheavals in the United States and global financial markets that began in 2008 illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of an advisory client's portfolio companies or other investments, its access to capital or leverage, or its overall performance.

Continuation of Trends and Conditions

The investment strategies of advisory clients and the availability of opportunities satisfying advisory clients' risk-adjusted return parameters may rely in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. There can be no assurances that the assumptions made or the beliefs and expectations currently held by BAISG will prove correct and actual events and circumstances may vary significantly.

Highly Competitive Market for Investment Opportunities

The business of identifying, structuring and implementing investments in private equity and alternative transactions is highly competitive. BAISG-sponsored funds compete for investments against other groups with substantial resources and experience, including institutional investors, investment managers and industrial groups owned by large and well-capitalized investors. Many investors, including funds-of-funds, may seek to invest in many of the same underlying funds in which firm-sponsored funds may also seek to invest. There can be no assurance that a firm-sponsored fund will be successful in its efforts to identify attractive investment opportunities, and it is possible that any capital committed to our funds will not be fully utilized if sufficient attractive investments are not identified and consummated.

Illiquid and Long-Term Investments

Investment in an advisory client fund may require a long-term commitment with no certainty of return. Many of an advisory client's investments will be highly illiquid, and there can be no assurance that an advisory client will be able to realize on such investments in a timely manner. An advisory client's ability to realize an investment can be dependent on the public equity markets (e.g., demand for new public offerings and security sales) and investments in publicly traded securities are subject to restrictions under relevant securities laws (e.g., Section 16 of the Securities Exchange Act of 1934, as amended). Although investments may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment typically will occur only upon the partial or complete disposition or refinancing of such investment.

Investments Longer than Term

A BAISG-sponsored investment vehicle may make investments which may not be advantageously disposed of prior to the date such investment vehicle will be dissolved, either by expiration of its term or otherwise. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

Risk of Limited Number of Investments

An advisory client may participate in a limited number of investments or a fund may hold a single investment and, as a consequence, the aggregate return of such advisory client may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the applicable advisory client's governing documents (or investment management agreement in the case of a separately managed account), investors have no assurance as to the degree of diversification of an advisory client's investments, either by geographic region, industry or transaction type.

Past Performance

Past investment performance provides no assurance of future results. There can be no guarantee that a client or a fund will be able to invest in a particular portfolio company or fund even if such client has participated in previous investments.

Absence of Regulatory Oversight

Notwithstanding that BAISG is registered as an investment adviser under the Advisers Act, and that the firm-sponsored investment vehicles advised by BAISG may be considered similar in some ways to an investment company, such investment vehicles are not required and do not intend to register as such under the 1940 Act and, accordingly, investors are not afforded the protections of the 1940 Act.

Limited Access to Information

Investors' rights to information regarding a BAISG-sponsored investment vehicle will be specified, and strictly limited, in such investment vehicle's governing documents.

No Market for Interests; Restrictions on Transfers

Interests in the firm-sponsored investment vehicles advised by BAISG have not been registered under the Securities Act, or applicable securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in such investment vehicles and one is not expected to develop. An investor will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the general partner (or other similar managing fiduciary) of such applicable investment vehicle, which consent may be given or withheld in accordance with the governing documents of such applicable investment vehicle.

Risk of Investments in Less Established Companies

An advisory client may invest a portion of its assets in less established companies. Investments in such companies may involve greater risks than are typically associated with investments in more established companies. To the extent there is any public market for the securities held by the advisory client, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, are often more vulnerable to financial failure.

Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow.

Valuation Risk

Our investments are made in private placement offerings for which market quotations are not available. Our valuations of these investments are made in good faith based on receiving data and reports from the underlying manager and the portfolio companies. However, BAISG could be motivated to overstate valuation in order to improve performance or increase fees. To address this risk, BAISG has implemented a Pricing Policy designed to ensure that our valuations are in accordance with guidance from the Financial Accounting Standard Board. Actual realized returns may differ materially from valuation projections and calculations provided to clients and investors.

Venture Capital and Growth Equity Investments

Venture capital and growth equity investments involve a high degree of business and financial risk that can result in substantial losses. The most significant risks include the risks associated with investments in (i) companies in an early stage of development or with little or no operating history; (ii) companies operating at a loss or with substantial fluctuations in operating results from period to period; and (iii) companies with the need for substantial additional capital to support or achieve a competitive position. Such companies may not have operating revenues, lower capitalization and fewer resources and be more vulnerable to failure, which would result in the loss of the entire investment.

Due Diligence Risk

BAISG intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and making an assessment regarding an investment, the general partner of a fund will rely on resources available to it, including information provided by the underlying investment, whether it be a fund or a portfolio company. The due diligence process is inherently subjective. In certain cases, the general partner of a fund performs limited due diligence, particularly with respect to newly organized companies for which only limited information is available, and may rely on input from members of its network who do not owe fiduciary duties to the fund or its investors. In a competitive investment environment, there may only be a short period of time during which due diligence may be conducted, if at all. As a result, the due diligence process may at times be subjective. Accordingly, BAISG cannot be certain that due diligence reviews of an investment opportunity will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities.

Third-Party Management Risk

The performance of BAISG advisory clients is largely dependent in part on the performance results achieved by the underlying funds in which the advisory clients invest. With respect to investments involving underlying funds, advisory clients or underlying investors typically will not have an active role in the day-to-day management of the underlying funds or the ability to direct the specific investment decisions made by the managers of the underlying funds. The failure of such unrelated investment managers to make profitable investments may have a negative impact on an advisory client's ability to achieve its investment goals. Additionally, the success of an underlying fund will to a great degree rely on the skill and experience of the managers of the underlying funds and their

ability to manage a franchise successfully, generate attractive returns and retain key talent. Managers of underlying funds are likely to rely on a limited number of “key personnel,” the departure of which could adversely impact the performance of the underlying fund.

Cybersecurity Risks

The firm’s technology systems, and those of its affiliates and third parties who provide services to advisory clients, may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, floods, tornadoes, hurricanes and earthquakes. Although BAISG has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable or cease to function properly, the firm and its affected advisory clients may have to make a significant investment to fix or replace them. The failure of these systems and/or of a disaster recovery plan for any reason could cause a significant interruption in the operations of the firm and its advisory clients and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors and their beneficial owners. Such a failure could harm a person’s reputation and subject the firm and its funds to legal claims and impair business and financial performance.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL OF THE RISKS INVOLVED IN AN OFFERING. POTENTIAL INVESTORS SHOULD READ THE OFFERING MEMORANDUM(S) IN ITS ENTIRETY BEFORE DETERMINING WHETHER TO INVEST IN THE PARTNERSHIP OR PRIVATE FUND.

ITEM 9 DISCIPLINARY INFORMATION

Neither BAISG 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 advisory business or the integrity of the our management.

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 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 Investment Solutions Group LLC (“BAISG”) is an investment adviser and wholly owned subsidiary of BAM, specializing in alternative investments and offering both discretionary and non-discretionary investment advice primarily to private investment funds, individuals and institutional separate accounts.

We are affiliated through common ownership with NextGen, which is a relying adviser with respect to the funds it manages. In addition, NextGen Fund I GP, LLC, NextGen Fund II GP, LLC, NextGen Fund III GP, LLC, NextGen Opportunity Fund I GP, LLC, Brown Advisory Real Estate Partners II (AI), LLLP, and Brown Advisory Real Estate Partners II (QP), LLLP, each serve as a general partner with respect to certain funds managed by BAISG or NextGen.

BAISG is registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator and as a commodity trading advisor and has a membership with the National Futures Association in connection with such CFTC registration.

Broker-Dealer Registration Status

BAISG is 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”).

Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor Registration Status

BAISG is registered with the CFTC as a CPO and as a CTA and has a membership with the National Futures Association in connection with such CFTC registration.

Related Persons

BAISG has certain relationships or arrangements with related persons that are material to its advisory business or its clients. Below is a description of such relationships and some of the conflicts of interest that arise from them. BAISG has adopted policies and procedures BAISG Advisory and its affiliates.

Affiliations with Broker-Dealers

BAS is a FINRA member and is dually registered as a broker-dealer and an investment adviser with the SEC. BAISG does not transact with BAS.

Affiliations with Investment Companies or Other Pooled Investment Vehicles

BAISG is affiliated with Brown Advisory LLC (“BALLC”). BALLC is a registered investment adviser with the SEC and is a wholly owned subsidiary of BAM. BALLC is also registered as a Municipal Advisor with the SEC and the Municipal Securities Rulemaking Board (“MSRB”). BALLC is eligible to conduct registerable activities in Ontario and Quebec in reliance on the International Adviser Exemption. BALLC serves as the investment adviser to affiliated mutual funds, Collective Investment Trusts, and Ireland-domiciled UCITS funds. BALLC also serves as the managing member of a private fund that invests in public and private securities.

Affiliations with Other Investment Advisers or Financial Planners

BAISG is affiliated with BALLC. BALLC serves as the investment adviser to affiliated mutual funds, Collective Investment Trusts, and Ireland-domiciled UCITS funds. BALLC also serves as the managing member of a private fund that invests in public and private securities.

BAISG is affiliated with Brown Advisory Ltd., a UK-based investment adviser which is authorized and regulated by the UK Financial Conduct Authority (“FCA”). It is a wholly owned subsidiary of BAM. Brown Advisory Ltd. is also an SEC-registered investment adviser.

Brown Advisory has the following additional investment advisory affiliates:

NextGen Venture Partners, LLC (collectively with certain special purpose vehicles formed to serve as general partners of its funds, “NextGen”) is a relying adviser of BAISG and serves as the general partner or managing member for certain private investment funds.

Signature Financial Management, Inc., doing business as Brown Advisory (“Signature”) is a Virginia corporation and an SEC-registered investment adviser. Signature provides integrated wealth management services to high net worth individuals and their families, and to a small number of charitable trusts and foundations. Signature also serves as the general partner for certain private investment.

Affiliations with Banking or Thrift Institutions

BAISG is 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 Sponsors or Syndicators of Limited Partnerships

BALLC, BAISG, NextGen, and Signature serve as the general partner, managing member, and/or investment manager of private vehicles and limited partnerships formed to facilitate investment opportunities in privately offered pooled investment funds. 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 NextGen Ventures Fund I GP, LLC, NextGen Ventures Fund II GP, LLC, NextGen Ventures Fund III GP, LLC, NextGen Opportunity Fund I GP, LLC, Brown Advisory

Real Estate Partners II (AI), LLLP, and Brown Advisory Real Estate Partners II (QP), LLLP, which serve as the General Partner to certain funds managed by BAISG and NextGen.

We and our affiliates may solicit clients to invest in these vehicles. In addition we or an affiliate may receive management fees and carried interest allocations for investments made in these vehicles.

OTHER RELATIONSHIPS OR AFFILIATIONS

We 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.

One of our affiliates maintains an ownership interest in Blueprint Local Investments LLC (“Blueprint Local Investments”). Blueprint Local Investments was founded as a platform to launch pooled investment vehicles intended to qualify as “qualified opportunity funds,” as defined under the U.S. Tax Cuts and Jobs Act of 2017. Blueprint Local Investments is exempt from registration with the SEC as an “Exempt Reporting Adviser”. Brown Advisory receives some financial benefit, including a share of the management fees and any carried interest that may accrue, as a result of this joint venture relationship.

Material Conflicts of Interest Relating to Other Investment Advisers

BAISG and its affiliates recommend to their clients investments in certain unaffiliated advisers. We generally do not receive compensation, either directly or indirectly, from those advisers that would create a material conflict of interest. However, in certain limited circumstances, BAISG receives a share of the management fee and carried interest allocation earned by the investment manager of the unaffiliated fund. In these circumstances, BAISG discloses this conflict of interest to its clients who are investing with the external manager.

BAISG is incentivized to allocate assets to unaffiliated advisers that are themselves (or whose principals and employees are) clients of BAISG or its affiliates or equity holders of BAGH. We address this conflict disclosure.

BAISG receives compensation in connection with the management of its private investment funds. Such compensation includes management fees, carried interest, incentive allocations and account-level advisory fees. BAISG has an incentive to recommend affiliated private investment funds over externally-managed private investment funds for which it does not receive compensation. In addition, BAISG is incentivized to recommend that its clients invest in affiliated private investment funds that impose higher fees relative to other affiliated private funds.

BAISG and its principals and employees may receive notice of, or offers to participate in, investment opportunities offered by unaffiliated advisers and their affiliates. Such opportunities will generally not be required to be offered to clients unless a determination has been made that any such opportunity is suitable for certain clients.

The employees and personnel of BAISG and its affiliates may serve on the boards of directors of portfolio companies. Serving in such capacity may give rise to conflicts to the extent that an employee's fiduciary duties to the portfolio company may conflict with the interests of a client.

BAISG and its affiliates are not restricted in investing in, sponsoring, managing or advising other investment vehicles which in some cases may compete for investments with other affiliated funds. In addition, certain affiliated funds may invest in portfolio companies and other funds on terms and conditions that may be more favorable than those on which other affiliated funds have invested. Affiliated funds may give advice and recommend the purchase and sale of investments that may differ from the advice given to other funds and clients.

From time to time, BAISG and its affiliates make investments in companies and funds in which a fund, or their principals, employees or officers, have already invested. Such follow-on investments can create conflicts of interest, such as different and less favorable terms and valuations as between the different investments. Follow-on investments can result in one fund or client potentially providing value to, or otherwise supporting the investments of, another fund, or the principals, employees or officers of BAISG or its affiliates.

BAISG enters into confidential side letters or similar arrangements with certain investors that amend the economic, legal or other terms applicable to those investors. BAISG will consider many factors in deciding whether to enter into a side letter with an investor or client, and in so doing, provide the investor or client with preferential terms, including whether the investor or client has made or proposes to make a relatively large commitment to a fund or has a relatively large relationship or prospective relationship with BAISG or its affiliates.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTERESTS 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 certify 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 the 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.

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

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 mutual 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.

Participation or Interest in Client Transactions and Other Conflicts of Interest

We, our affiliates or related personnel 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. BAISG, its affiliates and their respective employees and officers invest for their own accounts in various opportunities appropriate for investment by clients.

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

- **Officer, Director and Advisory Board 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 the officers, directors or advisory board members of an affiliated entity has a financial interest;

- Equity Holder Conflicts—Conflicts that involve a transaction to be entered into by us for ourselves, or by us on behalf of our clients, in which an equity holder of BAGH 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, the Board of Directors of Brown Advisory Incorporated has established a Corporate Governance and Conflicts Committee that assists it in its oversight of material conflicts of interest.
- 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 disclosed to the client prior to the consummation of such transaction.
- Employees must comply with our policy on the handling and use of material non-public 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 are required to report to our Compliance team 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.

BAISG or its affiliates may organize funds of funds which may be managed, in whole or in part, by managers affiliated with us. Those funds may have investment objectives substantially similar to those in which our clients invest. Those funds may also purchase or sell the same securities as our clients, thus in effect be competing for the same investment opportunities. BAISG’s investment allocation policies are designed to provide a fair allocation of limited investment opportunities among all our clients. The purpose of these policies is to avoid systematically favoring one client over another. BAISG seeks to treat all clients fairly and equitably regardless of the size of the account or the fee structure.

Section 206 of the Investment Advisers Act of 1940 (as amended, the “Advisers Act”) regulates principal transactions between an adviser and its clients. Principal transactions are transactions where BAISG (or one of its affiliates) is deemed to be acting for its own account by buying a security from, or selling a security to, an advisory client, including one of its funds.

As a general matter, BAISG does not engage in principal transactions. However, occasionally, to facilitate an investment opportunity prior to the initial closing of a fund, BAISG or one of its affiliates may warehouse an investment temporarily. Details of any such transactions typically would be disclosed in the offering documents of the fund. BAISG has established policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including providing any required disclosures and obtaining prior consents to the transaction.

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. 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.

Additional conflicts of interest include:

- As a result of differences in client objectives, strategies and risk tolerances, BAISG and its affiliates may give different investment advice or make different recommendations to clients that are authorized to invest in the same securities. In addition, investment advice given to clients may differ between our affiliates and from portfolio manager to portfolio manager.
- Certain of our service providers (including investment advisers, accountants, administrators, custodians, lenders, bankers, attorneys and independent directors) provide goods or services to, or have business, personal, financial or other relationships with BAISG and its affiliates. We have adopted policies designed to ensure that service providers are evaluated and selected based on the quality of the services they provide.
- Directors, officers and employees of BAISG and its affiliates may serve on the board of directors or hold another senior position with a company in which Brown Advisory makes an investment on behalf of its clients. In such cases, the investment opportunity available to clients may be limited or wholly restricted.

In allocating limited investment opportunities, Brown Advisory has an incentive to allocate opportunities to larger clients, clients with whom we would like to develop a new relationship, and clients paying a higher fee. We have adopted allocation policies designed to ensure a fair and equitable allocation of limited investment opportunities while preserving our ability to account for a range of considerations in making such determinations.

BAISG or its personnel or affiliates may be presented with an opportunity to invest in various alternative investment opportunities where the amount available for investment is limited or fixed. If it is determined that such limited investment opportunities are suitable for certain clients (which may include officers, directors and employees of the firm and its affiliates), the allocation of these

investments across such clients is typically executed on a pro rata basis, while also considering investor suitability, account size, risk tolerance, liquidity needs, as well as other factors. Our processes are designed to equitably and appropriately allocate these limited investment opportunities while balancing the additional risk with the client's investment profile and investor suitability. In this regard, some private investments or limited investment opportunities may not be appropriate to allocate to some clients, depending on various factors, including minimum investment size, account size, risk profiles, investor eligibility, liquidity needs, relationship and investment history with a particular manager, and diversification requirements. In addition, BAISG may elect to exclude clients and other investors who do not pay an account-level fee (e.g., certain private equity-only accounts). Accordingly, an account may not be allocated such investments. If an investment cannot reasonably be allocated on a pro rata basis, it may be allocated based on an alternate approach, including an approach based on one or more of the factors above, random selection, or another methodology deemed fair and equitable. Finally, employees, officers and directors of Brown Advisory and its affiliates may participate in such limited investment opportunities, which will reduce the amount of investment available to clients.

ITEM 12 BROKERAGE PRACTICES

Expenses paid to third parties in connection with the acquisition or disposition of investments are borne by our clients and the investors in our funds. However, investments that BAISG makes are generally investments in private companies or in privately offered funds that do not involve brokers. Certain of the unaffiliated funds and managers in which we invest have the discretion to select broker and dealers to execute transactions. These expenses are detailed in the applicable offering materials and in the underlying manager's Form ADV.

Selection of Broker-Dealers

Not Applicable

Soft-Dollars Arrangement

Not Applicable

Brokerage for Client Referrals

Not Applicable

Directed Brokerage

Not Applicable

Aggregation (Bunching) of Transactions

Transactions in investment advisory accounts and on behalf of the funds are implemented on a consistent basis across client portfolios. Aggregation of transactions may occur where the investment into a particular manager meets the investment criteria for clients with similar investment objectives and strategies. BAISG maintains a policy of fair allocation between portfolios where transactions are entered into on behalf of multiple clients.

From time to time, certain BAISG strategies may invest in private investments or limited investment opportunities. The allocation of these investments across client portfolios invested in these strategies is typically 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 clients invested in the strategy while also balancing the additional risk with the client's investment profile and investor suitability. In this regard, some private investments or limited investment opportunities may not be appropriate to allocate to some accounts, depending on factors such as minimum investment size, account size, risk profiles, relationship investment history with a particular manager, and diversification requirements. Accordingly, an account may not be allocated such investments. Clients who do not pay an account-level fee (e.g., private equity-only accounts) may not receive an allocation in capacity constrained situations. If an investment cannot reasonably be allocated on a pro rata basis, it may be allocated based on an alternate approach, including selection based on relationship size with BAISG, or another methodology deemed fair and equitable. Employees, officers and directors of the firm and its affiliates participate in such limited investment opportunities, which reduces the amount of investment available to clients.

Certain limited investment opportunities may be deemed appropriate for investment by commingled fund-of-funds vehicles managed by BAISG. In such cases, where capacity is constrained, an affiliated fund-of-funds vehicle may be allocated its target investment allocation before non-discretionary accounts. BAISG believes this allows a broader population of qualified clients to receive exposure to such limited investment opportunities.

There are no additional costs to clients where transactions are aggregated.

Funds managed by the firm may consist of multiple portfolios/classes, each with its own subscription document and private placement memorandum. Although the composition of each distinct portfolio or class that comprises a fund could vary depending on the investment guidelines outlined in its corresponding private placement memorandum, the allocation of investments, income, and distributions within each distinct portfolio/ class generally are executed on a pro rata basis.

From time to time depending on requested redemptions from existing investors, inflows from new investors and other trading activity, there could be internal transfers of fund investments between different portfolios/classes of an entity fund. In these cases, documentation is retained with all changes occurring prior to the beginning of a new calendar month to ensure that the transfers are occurring in a manner that is consistent and that does not systematically advantage or disadvantage one investor or portfolio/class over another.

ITEM 13 REVIEW OF CLIENT ACCOUNTS

Client Account Reviews

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. Portfolio managers review investments to confirm that they are consistent with the outlined investment objectives. Although the portfolio manager of an account may recommend a particular investment, the client typically exercises ultimate investment discretion with respect to alternative investments. In addition, our Chief Investment Officers are responsible for overseeing portfolio managers, research analysts and related functions. In this role, the Chief

Investment Officers are charged with investment and risk oversight for the group, independent of the portfolio managers and other policy decision makers.

Client Reports

Typically, separately managed accounts will receive monthly or quarterly reports from their custodians. Private fund investors may receive annual audited reports and may receive unaudited reports and updates from BAISG on a monthly or quarterly basis. Underlying investors in private funds that do not receive GAAP-basis annual audited financial statements, receive quarterly partnership level statements from the qualified custodian that maintains custody of the assets. Depending on the contractual details of a client engagement, BAISG may provide written performance reports, holding reports and market commentary on a regular basis.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

The Firm may enter into written solicitation arrangements with third parties (each a “Solicitor”). Under a solicitation arrangement, the Firm pays a referral fee to Solicitors when the Solicitor successfully introduces a client or fund investor to the Firm. The amount of compensation is based on a negotiated percentage of the management fee and performance fee received by the Firm from each client. The solicitation arrangement does not affect the amount of fees paid by each client.

BAISG has entered into agreements with certain private placement agents with respect to the funds and separately managed accounts for which it acts as investment manager. These agreements provide for BAISG compensating the private placement agents for investors referred to BAISG by paying a percentage of the fees received by BAISG. Employees of BAISG and its affiliates may receive compensation for investor referrals. BAISG may also enter into side letter agreements with specific investors affecting the nature and timing of the payment of fees and other contractual matters.

In addition, employees of other affiliates may be compensated for business development activity, including the attraction or retention of client assets. In these situations, employees receive any eligible compensation after the prospective client meeting has occurred and been approved by appropriate personnel. For employees additional compensation for business development activity could also result in additional equity in the firm.

From time to time, we may receive indirect compensation 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 to ascertain whether we believe they are reasonable in value and customary in nature to ensure their occurrence does not present any conflicts of interest.

ITEM 15 CUSTODY

Although we do not maintain direct custody of client assets, we act as the general partner or managing member of certain private investment vehicles and therefore are deemed by the SEC to have custody of those assets because we serve in a capacity that provides us with access to the assets.

In order to avoid any potential conflict of interest that indirect custody of client assets may cause, private vehicles as described above are either maintained with a “qualified custodian” or audited annually by an independent auditor who is a member of and subject to inspection by the Public Company Accounting Oversight Board (“PCAOB”), with such audits delivered to investors in compliance with the SEC’s Custody Rule.

Where assets are held by a qualified custodian, we will notify clients in writing of the qualified custodian’s name, address and the manner in which the assets are maintained at the time of investment and promptly following any changes to this information. To the extent that a private investment vehicle does not provide investors with annual, audited financial statements, such investors will instead receive quarterly account statements from the qualified custodian. Additionally, we undergo an annual surprise examination for that vehicle conducted by an independent auditor. The surprise auditors’ procedures for the examination may include confirmation of the vehicle’s assets as well as confirmation of contributions and withdrawals (or capital calls/distributions or subscriptions/redemptions).

Non-discretionary or segregated accounts are held in custody by the clients directly or by a custodian of the client’s choosing. BAISG does not provide custodial arrangements for segregated account assets.

ITEM 16 INVESTMENT DISCRETION

The Firm manages client assets on a discretionary and non-discretionary basis. Typically, BAISG manages the assets of private clients on a non-discretionary basis. For certain of the multi-manager funds where BAISG serves as a general partner, we exercise investment discretion with respect to the applicable fund. Typically, this discretion is subject only to the investment guidelines set forth in the governing documents of the applicable fund.

ITEM 17 VOTING CLIENT SECURITIES

BAISG understands and appreciates the importance of proxy voting and will typically place votes based on established policies and guidelines with respect to public company securities held by a client. In the course of exercising discretion to vote a proxy for public company securities, BAISG will vote any such proxies in the best interests of advisory clients and in accordance with the procedures outlined below (as applicable).

Prior to voting any proxies, BAISG will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then make a determination as to whether the conflict is material or not. If no material conflict is identified pursuant to its set procedures, the portfolio manager will make a decision on how to vote the proxy in question.

BAISG also has the flexibility to abstain from a particular proxy vote when it is determined to be in the best interest of investors. Please contact the firm’s Chief Compliance Officer if you have any questions about these procedures or if you would like detailed information of how any proxies were actually voted. The Chief Compliance Officer can be contacted at (410) 537-5400.

BAISG operates a policy of exercising proxy votes for clients with respect to any holdings of public company securities as permitted within client agreements. Proxy voting is undertaken in a manner we believe to be in the best interests of clients. Clients who do not grant BAISG discretion to vote proxies on their behalf are responsible for voting their own proxies and, if they desire to do so, must arrange to receive proxy materials from the relevant custodians or transfer agents. BAISG does not provide any proxy related information, or advice as to how to vote proxies, to such clients.

ITEM 18 FINANCIAL INFORMATION

We have never been the subject of a bankruptcy petition and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual commitments to our clients.