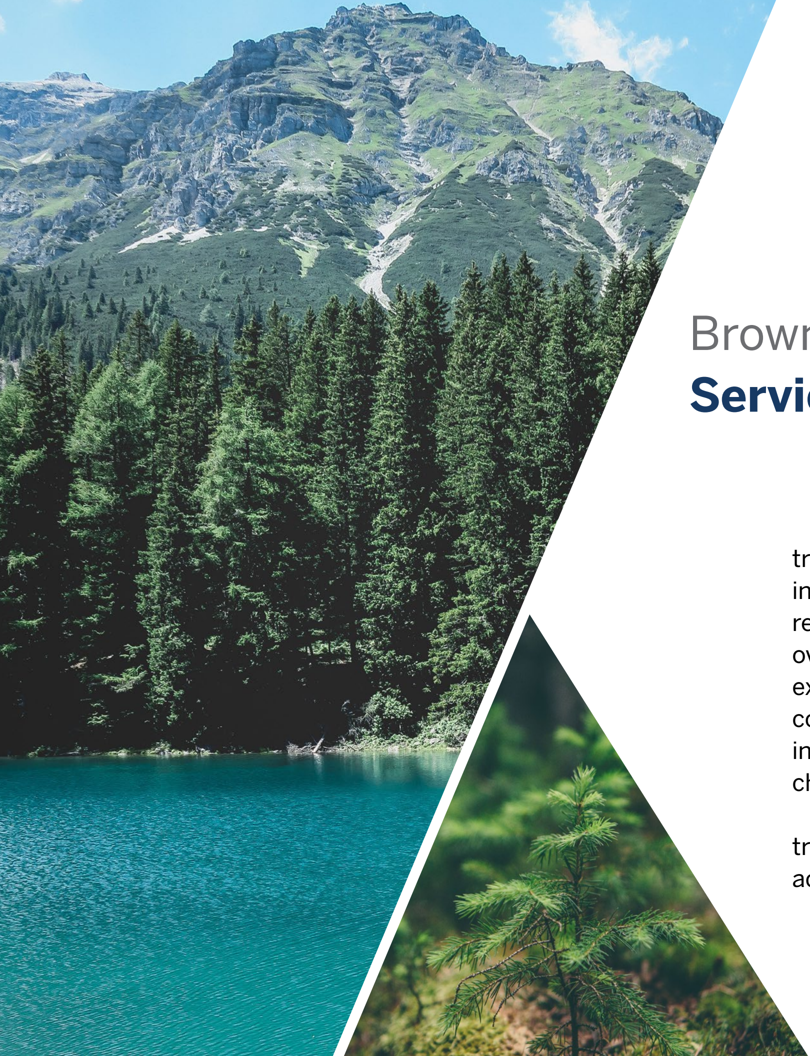
Brown ADVISORY
Thoughtful Investing.

How We Partner with Trade Associations

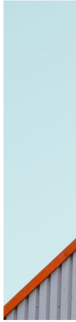


Brown Advisory

Services for Associations

If you are responsible for the investment affairs of a trade association—as a staff member or as a member of an investment committee—your task has grown more difficult in recent years. You face more complex capital markets, tougher oversight by regulators, expectations of members and lower expected market returns. And if you are grappling with a constrained budget, you may be struggling to build up the internal resources that you need to effectively address this challenging investment environment.

For more than 25 years, Brown Advisory has partnered with trade associations, endowments and foundations to help achieve ambitious investment and organizational objectives.



Investment Advice
Drawing on decades of experience, we partner with associations to help navigate the complex capital markets environment in pursuit of desired investment returns.

Policy Advice
We help clients develop investment and spending policies that seek to address the concerns of their stakeholders.

Client Service
We are able to provide customized reporting, in-person meetings based on client needs, online access to investment data and expedient response times to client inquiries. From our offices around the U.S. and the U.K., we strive to maintain close contact with our clients.

Strategic Advice
We offer counsel on a wide range of topics beyond traditional investment advice, including strategic planning, values-based investing, governance and member engagement.

Fiduciary Responsibility
We seek to relieve investment committees of some of the heavy fiduciary burden placed on them. We serve clients in a variety of ways, from fully discretionary relationships to situations where we act in a more consultative role.

Experienced **Advisor** to Associations

Leveraging decades of experience managing investments for public, private and nonprofit clients, Brown Advisory helps associations with a wide variety of challenges.

Since our founding, we have served as an investment manager to trade associations, endowments and foundations. We are responsible for approximately $6.0 billion in assets for these clients.*

We work with numerous clients who seek to align their investment portfolios with their unique objectives and help create and implement policies to achieve those goals.

*As of December 31, 2019, Brown Advisory managed $6.0 billion for our endowments and foundations practice for the following entities: Brown Advisory LLC, Brown Investment Advisory & Trust Company, Brown Advisory Securities LLC, Brown Advisory Ltd., Brown Advisory Trust Company of Delaware, LLC, Brown Advisory Investment Solutions Group LLC, Meritage Capital LLC, NextGen Venture Partners LLC and Signature Financial Management Inc.

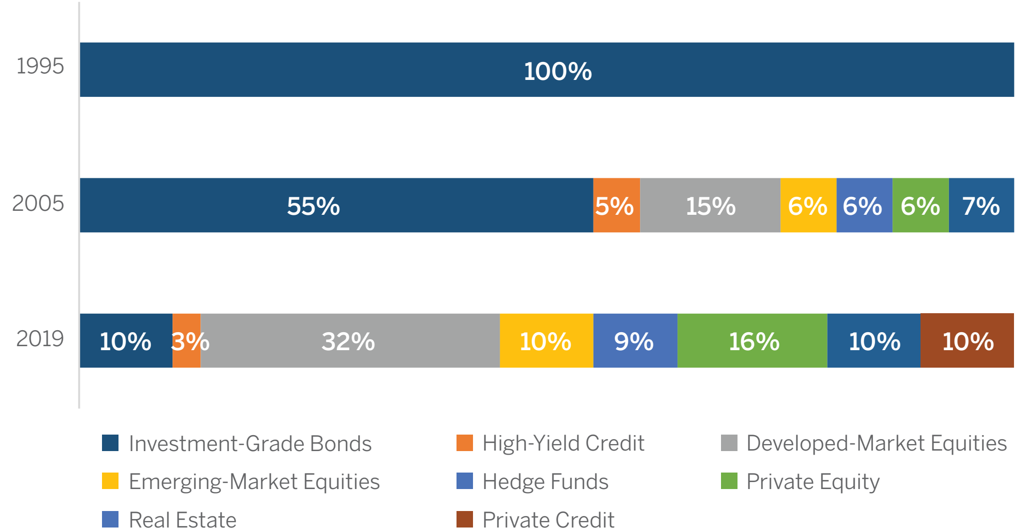
The Case for Outsourcing: **Making More from Less**

When citing reasons for outsourcing, associations often mention a lack of internal resources, a desire for greater risk management and the ability for decisions to be made more quickly in their investment portfolio.

Many associations are currently challenged in their pursuit of sufficient portfolio returns to satisfy disbursement and overall budgetary objectives. Due to a prolonged period of slower global economic growth, low interest rates, an aging population in the developed world and many other factors, achieving desired return targets has become more difficult. As shown in the chart at right, in 1997, a trade association could have earned an annualized return of 7.0% from a low-risk, fully fixed income allocated portfolio. In 2019, it needed to take on nearly three times more potential volatility in order to achieve that same return—requiring an investment portfolio spread across many different asset classes with far more complex and illiquid investments. This reality has complicated the jobs of both boards and investment committees who oversee the association's assets; our responsibility is to be a trusted partner in helping make these decisions.

Portfolios Poised to Earn Long-Term Returns of 7.0%—Various Time Frames

Allocation by asset class (%)



SOURCE: BLOOMBERG, BROWN ADVISORY ANALYSIS

Source: BLOOMBERG. This analysis is not intended to be a guarantee of future results. It is not representative of an actual portfolio. Asset allocations could change depending on risk tolerance, investment objective and assets available for investment. The relationship team will customize portfolios to meet the guidelines, requirements and risk tolerance of our clients. The information provided in this is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular investment strategy, including whether or not to buy, sell or hold investments in any asset class mentioned. It should not be assumed that investments in such asset classes have been or will be profitable. Estimated performance of the Brown Advisory proposed portfolio is based on the internal research of our Investment Solutions Group and Private Equity team. The estimated volatility is based on the historical volatility of the indexes presented on the disclosures page in the back of this book. Estimated returns as of September 30, 2019. The estimated returns are representative of a hypothetical portfolio and asset allocation. Rebalancing is set at semi-annual. This performance output does not include any cash flows in or out of the portfolio and past performance is not indicative of future results. Performance source: BLOOMBERG. Brown Advisory Analysis. Please see the end of this presentation for important information.

Our Approach to Portfolio Construction

Listening first to understand an association's goals has proven to be the most successful approach to constructing and managing our clients' portfolios. We build and customize each of our client's portfolios to their unique needs and specific long-term goals.

As fundamental, value-conscious investors, our approach is methodical. We use quantitatively and qualitatively derived scenario analyses to consider a wide range of positive and negative scenarios.

We use a combination of internally and externally managed strategies, and leverage Brown Advisory's equity, fixed income, private equity and alternatives research teams to source high-conviction ideas across the investable universe.

1 As your investment partner, we believe it is our duty to develop a comprehensive understanding of your organization's circumstances and goals.

2 With a clear understanding of your organization's objectives, we can help you develop or refine your investment policy statement to reflect these goals.

3 We review your organization's investment policy statement annually to ensure that it aligns with your evolving goals.

Our Approach to Strategic Advice

Our client teams provide holistic advice to associations in order to help advance their missions. Our strategic advisors are legal and accounting professionals who come from diverse professional backgrounds and experiences: from established law firms, to advising government officials, to extensive work with families and foundations.

Our Strategic Advisory group spearheads ongoing conversations with clients about a wide variety of matters. They address questions concerning appropriate spending rates and strategies for pursuing appropriate investing. We believe it is most effective to consider these issues in concert with ongoing investment management decisions to ensure a cohesive pursuit of long-term goals.

Strategic advisors are not a replacement for a portfolio manager; rather, they add a complementary perspective to the management of a trade association's investments. While a portfolio manager may focus on strategic asset allocation, constructing a portfolio and cash management needs, a strategic advisor works to provide associations with an additional layer of expertise and insight.

Our strategic advisors do not work in isolation. We understand that associations may have multiple advisors outside of Brown Advisory. We are well-equipped to work closely with and leverage these external advisors, accountants, committee members and attorneys who may already be involved in helping navigate financial and strategic decision-making.

Strategic advisors work alongside portfolio managers to address clients' most pressing challenges.

Sustainable Investing for Associations

Many associations struggle to reconcile two equally important goals when deploying capital: maximizing the risk-adjusted total return of their investment portfolio and maximizing progress toward their mission. Brown Advisory believes that a thoughtful, sustainable investment approach can bridge the gap between these goals, creating a unified portfolio strategy.

Since our founding, Brown Advisory has worked with clients, both religious and secular, seeking value-centric, mission-based and sustainable investing programs. This mindset is woven into the fabric of our firm—from our internal ESG (environmental, social and governance) investment offerings in equities and fixed income to the suite of open architecture sustainable managers we use to construct client portfolios. Our commitment to investing sustainably goes beyond passive approaches, like negative screening, and instead considers ESG as a critical input to our evaluation of investments, construction of portfolios and reporting of client investment "performance."

Brown Advisory's approach to sustainable investing allows associations to support their mission without sacrificing performance.

A Spectrum of Options for Driving Impact

Traditionally, nonprofits invested their capital for financial gain, then spent a certain amount each year to advance their mission. Today, nonprofits are considering a broad spectrum of investment options that help them pursue their financial and mission-related goals at the same time.

MISSION GOALS PRIORITIZED

FINANCIAL GOALS PRIORITIZED

Classic Investing

Traditional approach to investing portfolios solely based on maximizing return for a given level of risk.

Mission-Related Investing (MRI)

Investments that primarily pursue financial return; mission alignment is a component of these strategies. ***MRIs are now more broadly accepted by fiduciaries thanks to clear IRS guidance.***

Program-Related Investing (PRI)

Investments that pursue programmatic objectives; financial returns are a secondary goal. ***PRIs may satisfy annual spending requirements for private foundations.***

Philanthropic Giving

Traditional approach to driving progress through grantmaking or funding in-house activities.

Firm Overview

Brown Advisory is a global independent investment firm that offers a wide range of solutions to institutions, corporations, nonprofits, families and individuals. We oversee approximately $81.3 billion in client assets in all 50 states and in 37 countries.*

Private and Independent Since 1998

Every one of our colleagues owns equity in the firm. This equity structure helps us to provide the best solutions for clients, attract and retain top talent, and align the interest of our colleagues with our clients—we succeed only when we succeed for our clients.

Devoted to Thoughtful Stewardship

We are completely focused on objective, customized investment advice for each of our clients. We are committed to investment excellence, and we support our clients with a research and advisory team of more than 100 professionals who oversee internal strategies, support asset allocation and select external managers.

Strategic Advice Beyond Investments

We seek to help our clients solve their most pressing organizational challenges. To do this, we bring to bear expertise covering a wide range of nonprofit strategy and operations issues, from budgeting to managing stakeholder dynamics to assisting with owned real estate.

*As of December 31, 2019, Brown Advisory had approximately $81.3 billion in client assets for the following entities: Brown Advisory LLC, Brown Investment Advisory & Trust Company, Brown Advisory Securities LLC, Brown Advisory Ltd., Brown Advisory Trust Company of Delaware, LLC, Brown Advisory Investment Solutions Group LLC, Meritage Capital LLC, NextGen Venture Partners LLC and Signature Financial Management Inc.

A History

Brown Advisory was founded within **Alex. Brown & Sons**, a distinguished investment banking firm founded in 1800 in Baltimore, Maryland. Brown Advisory's mission was and remains the same: **to make a material and positive difference in the lives of our clients**.

Our firm is rooted in a history of devotion to our clients.

1993 Brown Advisory is founded within Alex. Brown & Sons.

1998 Firm becomes independent.

1999 Private equity and mutual fund businesses are launched.

2001 Washington, D.C. office opens.

2002 Brown Advisory Securities is launched.

2003 Institutional business is launched.

2007 Beaty Haynes joins the Washington, D.C. team.

2008 Alex. Brown Investment Management (Equity) in Baltimore joins; London office opens.

2009 Winslow Management Company (sustainable investing) in Boston joins; Boston office opens.

2010 Cavanaugh Capital Management in Baltimore (fixed income) joins.

2011 Brown Advisory Trust Company of Delaware LLC chartered; Delaware office opens; Carolinas office opens.

2012 CDK Investment Management, now Brown Advisory's Investment Solutions Group in New York City joins (hedged strategies); New York office opens.

2015 Highmount Capital in Boston and New York City joins.

2016 Blackhaw Wealth Management in Austin joins; Austin office opens.

2018 NextGen Venture Partners in Boston, New York and Washington, D.C. joins; Meritage Capital joins in Austin; Signature Family Wealth Advisors joins in Virginia.

2019 Singapore office opens; Charlotte office opens.

This legacy is what guides our every action with clients today.

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