

# International Equity Service

## OVERVIEW

Brown Capital Management strives to build investment programs that meet the needs of genuine long-term investors. Investment team members execute a time-tested process that seeks to position them as patient business owners, rather than short-term traders. They invest with the courage of their convictions, no matter the market environment.

## A METHODOICAL APPROACH TO INVESTING IN EXCEPTIONAL INTERNATIONAL COMPANIES

The investment team seeks to identify and invest in exceptional companies that save time, lives, money and headaches or provide compelling value proposition to consumers. The portfolio is comprised of 40-70 of these exceptional international growth companies that have the potential to grow revenues and earnings significantly over a three-to-five-year evaluation horizon and beyond.

## BENCHMARK AGNOSTIC

Experience taught Brown Capital Management that managing to a benchmark can be a distraction and a threat to long-term results. Therefore, the portfolio's holdings and performance may vary significantly from common indexes over time. As a result, the firm's low turnover approach may be best suited to investors who maintain a long-term investment horizon.

## RISK MANAGEMENT

Managing risk occurs through portfolio diversification and, most important, an in-depth awareness of risk at a company level.

## SERVICE DETAILS

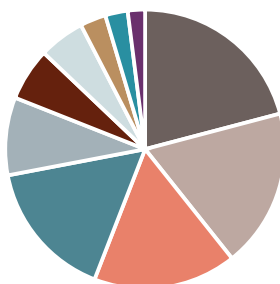
SERVICE INCEPTION DATE:	6/30/1999
COMPOSITE INCEPTION DATE:	6/30/1999
STRATEGY ASSETS:	\$1,098.4 MILLION
MINIMUM INVESTMENT:	\$5 MILLION
HOLDINGS:	40-70
PRIMARY PERFORMANCE BENCHMARK:	MSCI AC WORLD EX US
STANDARD FEE SCHEDULE:	0.75% \$0-\$50 MM
	0.65% \$50-\$100 MM
	0.55% \$100-\$150MM
	0.50% \$150-\$300 MM
	0.45% > \$300 MM

## SIGNIFICANT HOLDINGS\*

CARNIVAL CORPORATION	4.20%
Relx PLC	4.20%
Icon Plc Share	4.00%
DCC plc	3.50%
CHOCOLADEFABRIKEN LINDT-PC	3.30%
Wolters Kluwer NV	3.00%
Total Produce PLC	2.90%
Canadian Natural Resources Ltd.	2.90%
ROCHE HOLDING AG-GENUSSCHEIN	2.70%
YAMAHA MOTOR CO LTD	2.60%

\* % of total assets.

## PORTFOLIO COMPOSITION

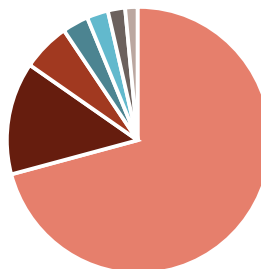


## SECTORS\*

Health Care	20.90%
Industrials	18.40%
Consumer Staples	16.60%
Consumer Discretionary	16.10%
Information Technology	9.00%
Financials	6.10%
Energy	5.30%
Materials	3.00%
Cash & Equivalents	2.60%
Real Estate	2.00%

\* % of total assets.

## COUNTRY COMPOSITION



## REGIONS\*

Europe	70.80%
Pacific	13.90%
North America	5.90%
Israel	3.20%
Cash & Equivalents	2.60%
Emerging Latin America	2.10%
Emerging EMEA	1.50%

\* % of total assets.

## QUARTER END PERFORMANCE

As of 03/31/17	QTD	YTD	1 Year	Annualized			Since Inception**
				3 Year	5 Years	10 Years	
Net <sup>1</sup>	7.24%	7.24%	2.70%	1.02%	8.69%	3.07%	5.64%
MSCI AC World ex US Index	7.98%	7.98%	13.70%	1.03%	4.84%	1.82%	4.71%

\*\* Since inception performance is based on Composite Creation Date. Gross numbers are provided upon request.

Please refer to the attached Performance Presentation and Disclosures. It contains additional required disclosures and important information regarding calculation of performance data, including the general effect of fees on returns. Past performance is not a guarantee of future results.

## INTERNATIONAL INVESTMENT TEAM



[Duncan J. Evered](#)

Managing Director  
Senior Portfolio Manager/  
Analyst  
32 years industry  
experience



[Maurice L.  
Haywood, CFA](#)

Managing Director  
Senior Portfolio Manager/  
Analyst  
29 years industry experience

## INVESTMENT ADVISOR

Brown Capital Management, LLC  
1201 N Calvert St  
Baltimore, MD 21202  
1.410.837.3234  
1.800.809.3863  
[www.browncapital.com](http://www.browncapital.com)

The International Team has over 60 years of cumulative investment experience. Each team member is both an analyst and a portfolio manager. As analysts, they are each charged with conducting rigorous fundamental analysis, scrutinizing every facet of a potential investment in order to uncover the international companies that the firm believes has exceptional long-term growth potential. As portfolio managers, their goal is to leverage their own research to build a benchmark-agnostic, diversified portfolio that grows client capital over the long-term. As a team, they have navigated the International Equity and International Small Company Strategies and the International Equity Fund through multiple market cycles.

<sup>1</sup>Net of fees performance is calculated using actual management fees. The net return is reflective of actual fees and fees paid vary by client.

BCM is a registered investment advisor. More information about the advisor, including its investment strategies and objectives, can be obtained by visiting [www.browncapital.com](http://www.browncapital.com). A copy of BCM's disclosure statement (Part 2 of Form ADV) is available, without charge, upon request. Our Form ADV contains information regarding our Firm's business practices and the backgrounds of our key personnel. Please contact BCM at (800) 809-3863 if you would like to receive this information.

Past performance is not indicative of future results. It should not be assumed that any of the recommendations or characteristics discussed here will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable. BCM reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs.

ALPS Distributors, Inc. is not affiliated with the separately managed account products of Brown Capital Management.



# Disclosure Requirements

## International Equity Service AS OF MARCH 31, 2017

Year	Net of Fees Total Return Composite*	Gross of Fees Total Return Composite*	Gross of Fees Total Return MSCI EAFE	Gross of Fees Total Return MSCI ACWI ex-US	Gross of Fees Total Return MSCI ACWI ex-US Growth	Gross of Fees Equal Weighted Standard Deviation	Gross Composite Annualized Ex-Post Standard Deviation ****	MSCI EAFE Index Annualized Ex-Post Standard Deviation ****	MSCI ACWI ex-US Index Annualized Ex-Post Standard Deviation ****	MSCI ACWI ex-US Growth Annualized Ex-Post Standard Deviation ****	# of Accts	Composite Assets (\$ Mil.)	Total Firm Year-End Assets (\$ Mil.)
1999**	12.54%	13.10%	22.27%	22.18%	31.47%	N.A***	N.A***	N.A***	N.A***	N.A***	<5	\$1	\$5,777
2000	0.90%	1.90%	-13.96%	-15.09%	-24.85%	N.A***	N.A***	N.A***	N.A***	N.A***	<5	\$3	\$5,881
2001	-15.53%	-14.67%	-21.21%	-19.50%	-23.43%	N.A***	N.A***	N.A***	N.A***	N.A***	<5	\$6	\$5,591
2002	-22.89%	-22.07%	-15.66%	-14.67%	-14.73%	N.A***	19.63%	15.99%	16.38%	17.87%	<5	\$17	\$4,202
2003	40.60%	42.04%	39.17%	41.40%	34.91%	N.A***	21.28%	17.83%	17.94%	18.10%	<5	\$15	\$5,448
2004	22.94%	24.03%	20.70%	21.36%	17.07%	N.A***	18.23%	15.45%	15.30%	14.34%	<5	\$80	\$5,271
2005	10.37%	10.75%	14.02%	17.11%	17.08%	N.A***	12.68%	11.39%	11.63%	11.29%	<5	\$87	\$2,627
2006	34.47%	34.98%	26.86%	27.16%	23.96%	N.A***	10.29%	9.29%	10.18%	10.56%	<5	\$117	\$2,712
2007	9.22%	9.64%	11.63%	17.12%	21.40%	N.A***	9.83%	9.41%	10.61%	10.74%	<5	\$149	\$1,980
2008	-45.74%	-45.51%	-43.06%	-45.24%	-45.41%	N.A***	20.44%	19.26%	20.90%	21.45%	5	\$78	\$1,207
2009	47.55%	48.08%	32.46%	42.14%	39.21%	2.64%	25.31%	23.65%	25.30%	24.76%	6	\$149	\$2,346
2010	7.84%	8.40%	8.21%	11.60%	14.79%	0.58%	27.08%	26.28%	27.33%	26.65%	7	\$417	\$3,198
2011	-14.66%	-14.20%	-11.73%	-13.33%	-13.93%	0.45%	22.83%	22.46%	22.74%	21.77%	7	\$400	\$3,724
2012	22.21%	22.86%	17.90%	17.39%	17.07%	0.54%	18.50%	19.32%	19.22%	19.09%	8	\$497	\$4,438
2013	30.12%	30.70%	23.29%	15.78%	15.86%	0.54%	16.22%	16.22%	16.20%	16.03%	8	\$579	\$7,019
2014	-0.84%	0.08%	-4.48%	-3.44%	-2.29%	0.23%	11.96%	12.99%	12.78%	12.04%	8	\$534	\$6,682
2015	8.17%	9.15%	-0.39%	-5.25%	-0.91%	0.27%	11.07%	12.47%	12.13%	11.39%	8	\$592	\$7,350
2016	-5.25%	-4.56%	1.51%	5.01%	0.50%	0.49%	11.16%	12.48%	12.53%	12.04%	10	\$980	\$8,060
YTD 2017	7.24%	7.37%	7.39%	7.98%	9.22%	N.A.**	N.A.**	N.A.**	N.A.**	N.A.**	11	\$1,095	\$8,766

\* Past performance is not indicative of future returns.

\*\* Partial period beginning 06/30/99.

\*\*\* N.A.-Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire period or the rule did not apply.

\*\*\*\* 3 year annualized



# Disclosure Requirements

## International Equity Service AS OF MARCH 31, 2017

### Compliance Statement

Brown Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Capital Management has been independently verified for the periods January 1, 1993 through December 31, 2016.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Equity Composite has been examined for the periods April 1, 2006 through December 31, 2016. The verification and performance examination reports are available upon request.

### The Firm

BCM is defined as an independent investment management firm established in 1983 that is not affiliated with any parent organization and is registered under the Investment Advisers Act of 1940. BCM manages a variety of equity and balanced accounts for domestic and international institutional clients. The firm's list of composite descriptions, as well as information regarding the firm's policies for valuing portfolios, calculating performance, and preparing compliant presentations, are available upon request.

### Composite

The International Equity Composite includes all non-restricted discretionary fee-paying accounts including accounts with performance based fees where BCM has sole investment authority. The composite seeks long-term capital appreciation through investing in non-U.S. equity securities. International portfolios can consist of both developed and emerging market equities with no restrictions on market capitalization. Beginning October 1, 2008, this composite no longer has a minimum account size. Beginning April 1, 2007, the minimum account size for this composite was \$3 million. Beginning June 30, 1999, the minimum account size for this composite was \$5 million. No alterations of the composite have occurred because of changes in personnel, or for other reasons at any time. There has been no selectivity of account results for any period. Data for all accounts has been continuous from each account's first full quarter of management through the last full month of management prior to cessation of the account. Investors should be cognizant of the fact that while, there is the potential of gains, there is also the potential of losses. Composite creation date is July 1, 1999, and reflects activity of current managers.

### Benchmark

The composite is measured against the MSCI (Morgan Stanley Capital International) EAFE (Europe/ Australia/Asia/Far East), MSCI ACWI (All Country World Index) ex-US, and the MSCI ACWI ex-US Growth Indices. MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding U.S. and Canada.

MSCI ACWI ex-US is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

MSCI ACWI ex-US Growth is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging growth markets.



# Disclosure Requirements

## International Equity Service AS OF MARCH 31, 2017

### Methodology

The composite is reported in U.S. dollars. BCM has adopted a Valuation of Securities policy which requires that all client portfolios and investments reflect current, fair, and accurate market valuations. For month end pricing, BCM's policy is to use 4:00 p.m. prices for equity securities, where such is available. BCM utilizes, to the fullest extent possible, recognized and independent pricing services and/or qualified custodians for timely valuation information for advisory client securities. Whenever valuation information for specific, illiquid, foreign, private or other investments is not available through pricing services, the Director of Portfolio and Mutual Fund Administration will work with the trader(s) and Portfolio Manager(s) to obtain and document price information from two independent sources if available, whether it be a broker-dealer, bank, pricing service, or other source. Any errors in pricing or valuations are to be resolved as promptly as possible, preferably upon a same day or next day basis, with re-pricing information obtained, reviewed, and approved by the CCO/Director of Portfolio and Mutual Fund Administration. Securities without market valuation information (e.g., illiquid securities, or other such situations) are to be reviewed and priced by the Director of Portfolio and Mutual Fund Administration, in conjunction with an appropriate Portfolio Manager and trader in good faith to reflect the security's fair and current market value. Through regular monthly reconciliation with custodian banks, any significant irregularities in prices will be detected and corrected before market values are finalized and performance calculation is done. Effective March 1, 2010, BCM uses Russell Investments to execute the FX rates for security transactions. The MSCI Indices use WM/Reuters for their FX rate transactions. Prior to March 1, 2010, the FX rate was calculated by the client's custodian bank which resulted in various prices for security executions.

### Fees

Investment advisory fees are:

- 0.75% of assets on First \$50 million
- 0.65% of assets between \$50 million and \$100 million
- 0.55% of assets between \$100 million and \$150 million
- 0.50% of assets between \$150 million and \$300 million
- 0.45% of assets over \$300 million

Gross performance figures are presented (a) gross of investment management fees and custodial fees, (b) net of trading expenses, withholding tax, and other fees and reflect the reinvestment of interest, capital gains, and dividends. Net performance figures are presented net of withholdings taxes and all management fees, trading expenses, and other fees. Net of fees performance is calculated using actual management fees. The net return is reflective of actual fees and fees paid vary by client.

### Internal Dispersion

Internal dispersion is calculated using the equal weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. For those years when less than five portfolios were included in the composite for the full year, no dispersion measure is presented.

### Ex-Post Standard Deviation

The 3-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.