

Mid Company Strategy

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 MID COMPANIES

The investment team seeks to identify and invest in exceptional companies that save time, lives, money or headaches, or provide compelling value proposition to consumers. The portfolio is comprised of 40-60 of these exceptional mid sized 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: | 1/1/1993 |
| COMPOSITE INCEPTION DATE: | 12/31/16 |
| STRATEGY ASSETS: | \$27.6 MILLION |
| MINIMUM INVESTMENT: | \$5 MILLION |
| HOLDINGS: | 40-60 |
| PRIMARY PERFORMANCE BENCHMARK: | RUSSELL MIDCAP GROWTH |
| STANDARD FEE SCHEDULE: | 0.55% \$0-\$100 MM 0.45% > \$100MM |

PORTFOLIO COMPOSITION



PROPRIETARY CATEGORIES*

| | |
|----------------------------------|--------|
| Business Services | 20.56% |
| Medical/Health Care | 18.17% |
| Consumer Related | 16.98% |
| Information/Knowledge Management | 16.61% |
| Industrial Products & Systems | 13.73% |
| Financial Services | 9.66% |
| Cash & Equivalents | 4.28% |

* % of total assets.

SIGNIFICANT HOLDINGS*

| | |
|-------------------------------------|-------|
| Tyler Technologies Inc. | 4.23% |
| Ultimate Software Group Inc | 4.05% |
| Fastenal Co. | 3.83% |
| Masimo Corp | 3.74% |
| Broadridge Financial Solutions Inc. | 3.64% |
| Ulta Beauty Inc. | 3.02% |
| Veeva Systems Inc | 3.00% |
| Guidewire Software Inc | 2.99% |
| Edwards Lifesciences Corp. | 2.95% |
| RealPage Inc | 2.86% |

* % of total assets.

QUARTER END PERFORMANCE

| As of 12/31/18 | QTD | YTD | 1 Year | Annualized | | | |
|-----------------------------|---------|--------|--------|------------|---------|----------|------------------|
| | | | | 3 Years | 5 Years | 10 Years | Since Inception* |
| Net ¹ | -17.95% | -3.98% | -3.98% | N/A | N/A | N/A | 6.70% |
| Russell Midcap Growth Index | -15.99% | -4.75% | -4.75% | N/A | N/A | N/A | 9.23% |

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

For the purpose of performance presentation, the composite had an uninterrupted performance track record from December 31, 1992 to November 30, 2016, a "performance gap" from November 30, 2016 to December 31, 2016, and an uninterrupted performance track record from December 31, 2016 to December 31, 2018.

Note: Performance results are net of executive costs and reflect the reinvestment of interest, capital gains, and dividends net of any withholding tax. Net of fees performance through 12/31/14 is calculated using the highest management fee and reflects the deduction of performance based fees when applicable. Beginning January 2015, actual fees have been used to calculate net of fee performance. Fees paid vary by client.

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.

Mid Company Strategy

MID COMPANY INVESTMENT TEAM



[Kayode O. Aje, CFA](#)

Managing Director
Senior Portfolio Manager
12 years industry experience



[Eddie C. Brown, CFA, CIC](#)

Chairman, CEO & Founder
48 years industry experience



[Walton D. Pearson](#)

Managing Director
Senior Portfolio Manager
33 years industry experience



[Kwame C. Webb, CFA](#)

Managing Director
Senior Portfolio Manager
11 years industry experience

The Mid Company Team oversees the Mid Company Strategy and the Mid Company Fund. Consistent with all Brown Capital teams, these tenured portfolio managers also serve as generalists in fulfilling their research duties. Clients benefit from the team's practical experience resulting from decades spent working through multiple market cycles. The team's first priority is to build the capital of clients, pursued primarily by investing in what we believe to be exceptional mid-sized growth companies. Selection of these companies is based on their capacity to grow over a three-to-five-year evaluation horizon and beyond.

INVESTMENT ADVISOR

Brown Capital Management, LLC
1201 N Calvert St
Baltimore, MD 21202
1.410.837.3234
1.800.809.3863
www.browncapital.com

¹Net of fees performance is calculated using actual management fees. The net return is reflective of actual fees as 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. 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.



MID COMPANY COMPOSITE

Disclosure Requirements Mid Company Strategy

AS OF DECEMBER 31, 2018

| Year | Net of Fees Total Return Composite**** | Gross of Fees Total Return Composite* | Gross of Fees Total Return Russell Mid Cap Growth Index | Gross of Fees Equal Weighted Standard Deviation | Composite Annualized Ex-Post Standard Deviation*** | Russell Mid Cap Growth Index Annualized Ex-Post Standard Deviation*** | # of Accts. | Composite Assets (\$ Millions) | Total Firm Year-End Assets (\$ Millions) |
|------|--|---|--|--|---|--|----------------|--------------------------------------|---|
| 1993 | 11.62% | 12.23% | 11.19% | N.A.** | N.A.** | N.A.** | <5 | \$32 | \$559 |
| 1994 | 0.71% | 1.27% | -2.17% | N.A.** | N.A.** | N.A.** | <5 | \$32 | \$808 |
| 1995 | 40.04% | 40.75% | 33.97% | N.A.** | 11.05% | 10.62% | <5 | \$46 | \$1,273 |
| 1996 | 24.04% | 24.69% | 17.48% | N.A.** | 11.78% | 11.96% | <5 | \$57 | \$2,199 |
| 1997 | 24.08% | 24.73% | 22.54% | N.A.** | 12.79% | 13.32% | <5 | \$112 | \$3,326 |
| 1998 | 30.30% | 30.98% | 17.86% | N.A.** | 18.87% | 20.03% | <5 | \$135 | \$4,522 |
| 1999 | 10.64% | 11.24% | 51.29% | N.A.** | 19.69% | 22.25% | <5 | \$150 | \$5,777 |
| 2000 | 12.04% | 12.64% | -11.76% | N.A.** | 21.00% | 30.75% | <5 | \$210 | \$5,881 |
| 2001 | -10.68% | -10.16% | -20.16% | N.A.** | 22.32% | 34.47% | <5 | \$240 | \$5,591 |
| 2002 | -30.30% | -29.88% | -27.41% | N.A.** | 25.00% | 34.04% | <5 | \$284 | \$4,202 |
| 2003 | 37.95% | 38.65% | 42.71% | N.A.** | 24.80% | 27.49% | <5 | \$419 | \$5,448 |
| 2004 | 6.93% | 7.51% | 15.48% | 0.58% | 19.05% | 18.05% | 5 | \$551 | \$5,271 |
| 2005 | 8.99% | 9.57% | 12.10% | N.A.** | 13.10% | 12.18% | <5 | \$240 | \$2,627 |
| 2006 | 6.22% | 6.80% | 10.66% | N.A.** | 11.98% | 11.18% | <5 | \$277 | \$2,712 |
| 2007 | 13.09% | 13.71% | 11.43% | N.A.** | 11.60% | 10.51% | <5 | \$164 | \$1,980 |
| 2008 | -33.37% | -32.96% | -44.32% | N.A.** | 18.60% | 20.38% | <5 | \$119 | \$1,207 |
| 2009 | 44.51% | 45.25% | 46.29% | N.A.** | 22.37% | 24.01% | <5 | \$136 | \$2,346 |
| 2010 | 28.65% | 29.32% | 26.38% | N.A.** | 24.86% | 26.37% | <5 | \$156 | \$3,198 |
| 2011 | 0.86% | 1.43% | -1.65% | 0.35% | 21.16% | 20.82% | 5 | \$162 | \$3,724 |
| 2012 | 13.56% | 14.16% | 15.81% | 0.49% | 17.89% | 17.91% | 6 | \$182 | \$4,438 |
| 2013 | 29.49% | 30.17% | 35.74% | 0.22% | 14.94% | 14.62% | 6 | \$222 | \$7,019 |

* Past performance is not indicative of future returns.

** N.A.—Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire period.

*** The 3 year annualized standard deviation is not presented because the composite does not yet have 36 monthly returns.

**** Performance results are net of execution costs and reflect the reinvestment of interest, capital gains, and dividends net of any withholding tax. Net of fees performance through 12/31/14 is calculated using the highest management fee. Beginning January 2015, actual fees have been used to calculate net of performance. The net return is reflective of actual fees and fees paid vary by client.

***** For the purpose of performance presentation, the composite had an uninterrupted performance track record from December 31, 1992 to November 30, 2016, a "performance break" or "performance gap" from November 30, 2016 to December 31, 2016, and an uninterrupted performance track record from December 31, 2016 to December 31, 2018.



MID COMPANY COMPOSITE

Disclosure Requirements Mid Company Strategy

AS OF DECEMBER 31, 2018

| Year | Net of Fees Total Return Composite**** | Gross of Fees Total Return Composite* | Gross of Fees Total Return Russell Mid Cap Growth Index | Gross of Fees Equal Weighted Standard Deviation | Composite Annualized Ex-Post Standard Deviation*** | Russell Mid Cap Growth Index Annualized Ex-Post Standard Deviation*** | # of Accts. | Composite Assets (\$ Millions) | Total Firm Year-End Assets (\$ Millions) |
|-----------------|--|---|--|--|---|--|----------------|--------------------------------------|---|
| 2014 | 7.71% | 8.29% | 11.90% | 0.31% | 12.34% | 10.87% | 6 | \$238 | \$6,682 |
| 2015 | -8.39% | -7.90% | -0.20% | N.A.** | 12.28% | 11.31% | <5 | \$180 | \$7,350 |
| Thru 11/30/2016 | 1.16% | 1.75% | 6.96% | N.A.** | N.A.** | N.A.** | <5 | \$21 | \$8,243 |
| 2017***** | 18.57% | 19.19% | 25.27% | 0.15% | N.A.** | N.A.** | 11 | \$10 | \$9,702 |
| 2018 | -3.98% | -3.45% | -4.75% | 0.07% | N.A.** | N.A.** | 10 | \$9 | \$9,744 |

* Past performance is not indicative of future returns.

** N.A. – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire period.

*** The 3 year annualized standard deviation is not presented because the composite does not yet have 36 monthly returns.

**** Performance results are net of execution costs and reflect the reinvestment of interest, capital gains, and dividends net of any withholding tax. Net of fees performance through 12/31/14 is calculated using the highest management fee. Beginning January 2015, actual fees have been used to calculate net of performance. The net return is reflective of actual fees and fees paid vary by client.

***** For the purpose of performance presentation, the composite had an uninterrupted performance track record from December 31, 1992 to November 30, 2016, a "performance break" or "performance gap" from November 30, 2016 to December 31, 2016, and an uninterrupted performance track record from December 31, 2016 to December 31, 2018.



Disclosure Requirements

Mid Company Strategy

AS OF DECEMBER 31, 2018

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 September 30, 2018.

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 Mid Company Composite has been examined for the periods January 1, 1993 through November 30, 2016 and restarted from December 31, 2016 through September 30, 2018. 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 Mid Company Composite -- The performance record of the composite which came to an end on November 30, 2016, represented the performance for fee-paying accounts of tax-exempt investors including those no longer under management where BCM has sole investment authority. The Mid Company Composite performance track record from December 31, 2016, includes both tax-exempt and taxable separately managed accounts where BCM has sole investment authority. The composite seeks long-term capital appreciation through investing in equity securities. The dominant portion of the portfolio is distinctly mid cap securities with market values less than \$20 billion. There has been no selectivity of account results for any period. No alterations of the composite have occurred because of changes in personnel, or for other reasons at any time. 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 January 1, 1993, and reflects activity of current managers.

Benchmark

The composite is measured against the Russell Mid Cap Growth Index. The Russell Mid Cap Growth Index offers investors access to the mid cap growth segment of the U.S. equity universe. The Russell Midcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate mid cap growth manager's opportunity set.



Disclosure Requirements

Mid Company Strategy

AS OF DECEMBER 31, 2018

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.

Fees

Investment advisory fees are:

- 0.55% of first \$100 million of assets
- 0.45% of assets over \$100 million

Performance results are net of execution costs and reflect the reinvestment of interest, capital gains, and dividends net of any withholding tax. Net of fees performance through 12/31/14 is calculated using the highest management fee. Beginning January 2015, actual fees have been used to calculate net of performance. 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 and is not presented for periods where 36 months of composite performance is not available.