

DEWEY BEACH QUARTERLY

April 13, 2023

ACCOUNT SUMMARY

As of 03/31/2023

	Cash & Equivalents	Fixed Income	Large Cap U.S. Equities	Small/Mid Cap U.S. Equities	Global/Developed International	Emerging Markets	Total
Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Long)							
Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FI)	33,191 1.0%	3,234,039 99.0%	0	0	0	0	\$3,267,231 67.6%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)	20,624 2.7%	0	735,451 97.3%	0	0	0	\$756,076 15.6%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long)	314,675 38.9%	0	0	156,159 19.3%	190,551 23.5%	148,361 18.3%	\$809,746 16.8%
Total	\$368,491 7.6%	\$3,234,039 66.9%	\$735,451 15.2%	\$156,159 3.2%	\$190,551 3.9%	\$148,361 3.1%	\$4,833,053 100.0%

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Short)							
Town Of Dewey Beach, Delaware - Beach Replenishment (Short)	81,047 41.0%	116,465 59.0%	0	0	0	0	\$197,512 100.0%
Total	\$81,047 41.0%	\$116,465 59.0%	\$0 0.0%	\$0 0.0%	\$0 0.0%	\$0 0.0%	\$197,512 100.0%

Group: Town Of Dewey Beach, Delaware - General Fund (Short)

ACCOUNT SUMMARY

As of 03/31/2023

	Cash & Equivalents	Fixed Income	Large Cap U.S. Equities	Small/Mid Cap U.S. Equities	Global/ Developed International	Emerging Markets	Total
Town Of Dewey Beach, Delaware - General Fund (Short)	558,733 41.3%	794,802 58.7%	0	0	0	0	\$1,353,535 100.0%
Total	\$558,733 41.3%	\$794,802 58.7%	\$0 0.0%	\$0 0.0%	\$0 0.0%	\$0 0.0%	\$1,353,535 100.0%
Grand Total	\$1,008,271 15.8%	\$4,145,306 64.9%	\$735,451 11.5%	\$156,159 2.4%	\$190,551 3.0%	\$148,361 2.3%	\$6,384,100 100.0%

PORTFOLIO OVERVIEW

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Long)

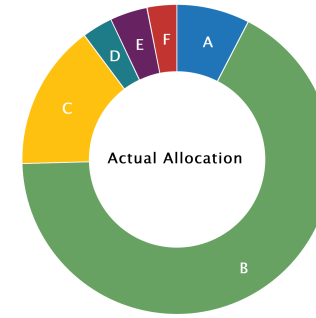
As of 03/31/2023

Performance History

Performance Inception Date: 01/31/2015

	Market Value	Inception to Date	Trailing 3 Years	Trailing 12 Months	Quarter to Date
Cash & Equivalents	\$368,491	--	--	2.1	1.1
Fixed Income	\$3,234,039	0.8	-0.6	-3.5	1.9
Bloomberg Intermediate Aggregate		1.0	-2.0	-2.8	2.4
Equities	\$1,230,523	8.6	17.0	-7.3	7.8
MSCI All Country World Net		7.7	15.4	-7.4	7.3
TOTAL PORTFOLIO - GROSS	\$4,833,053	3.1	4.3	-4.8	3.3
TOTAL PORTFOLIO - NET	\$4,833,053	2.7	3.9	-5.2	3.2
*Blended Benchmark		2.8	2.5	-3.6	3.5

Asset Allocation

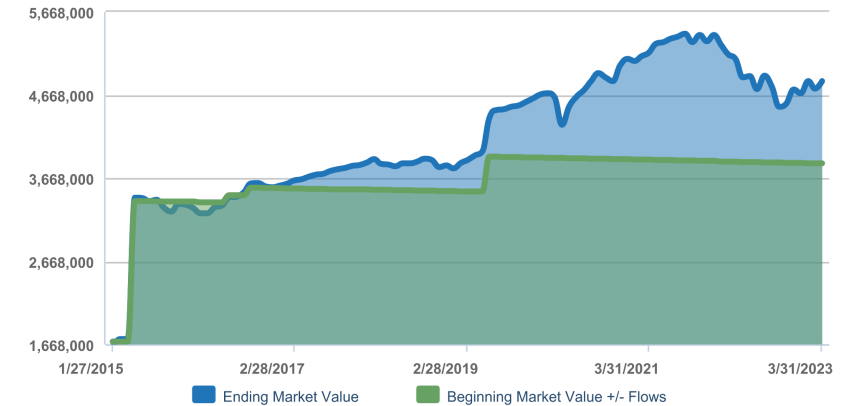


Asset Class	Weight	Target
A Cash & Equivalents	7.6%	3.0%
B Fixed Income	66.9%	72.0%
C Large Cap U.S. Equities	15.2%	15.0%
D Small/Mid Cap U.S. EQY	3.2%	3.5%
E Global/Developed Int'l	3.9%	3.5%
F Emerging Markets	3.1%	3.0%
Total	100.0%	100.0%

Change in Portfolio

	Inception to Date 01/27/2015	Trailing 3 Years	Trailing 12 Months	Quarter to Date
Beginning Portfolio Value	1,699,751	4,311,460	5,096,852	4,684,995
Net Contributions / Withdrawals	2,146,440	-64,206	-21,344	-5,255
Market Value Gain / Loss	332,579	357,474	-327,293	134,940
Income and Capital Gains	654,283	228,325	84,838	18,373
Ending Market Value	\$4,833,053	\$4,833,053	\$4,833,053	\$4,833,053

Historical Market Value



All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers.

All performance and market values shown exclude the value of unsupervised assets, but are inclusive of accrued interest.

*Blended Benchmark: 3% Merrill Lynch 0-3 Month US Treasury Bill Index, 72% Bloomberg Intermediate Aggregate, 25% FTSE Global All Cap Net Performance for periods greater than one year are annualized.

PERFORMANCE DETAIL

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Long)

As of 03/31/2023

	Market Value	Asset Weighting	Investment Inception	Investment Inception to Date	Trailing 3 Years	Trailing 12 Months	Quarter to Date
Fixed Income Taxable Funds							
Brown Advisory Intermediate Income Fund	\$3,234,039	66.92%	02/28/2015	0.9	-0.6	-3.4	2.2
Bloomberg Intermediate Aggregate				1.1	-2.0	-2.8	2.4
Separately Managed Equity Portfolios							
Flexible Equity Portfolio	\$756,076	15.64%	01/31/2015	11.7	18.4	-7.5	9.3
S&P 500				11.3	18.6	-7.7	7.5
U.S. Small/Mid Cap Equity Funds							
Brown Advisory Sustainable Small-Cap Core Fund	\$156,159	3.23%	11/30/2021	-11.8	--	-9.2	2.2
Russell 2000				-12.6	17.5	-11.6	2.7
Global/Developed International Funds							
Brown Advisory Global Leaders Fund	\$190,551	3.94%	04/30/2020	11.4	--	-6.0	7.6
MSCI All Country World Net				11.8	15.4	-7.4	7.3
Emerging Markets Funds							
BA Emerging Markets Select Fund	\$148,361	3.07%	05/31/2019	5.6	12.8	-3.5	5.2
MSCI Emerging Markets Net				2.3	7.8	-10.7	4.0

All performance returns are gross of account-level management fees. However, mutual fund returns are net of fund expenses, and private equity and real estate are net of administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers. All performance returns exclude the value of unsupervised assets, but are inclusive of accrued interest. Performance for periods greater than one year are annualized.

PORTFOLIO OVERVIEW

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Short)

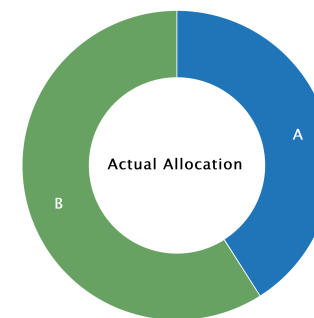
As of 03/31/2023

Performance History

Performance Inception Date: 01/31/2015

	Market Value	Inception to Date	Trailing 3 Years	Trailing 12 Months	Quarter to Date
Cash & Equivalents	\$81,047	1.0	0.9	2.8	1.1
Fixed Income	\$116,465	--	--	-3.4	1.9
TOTAL PORTFOLIO - GROSS	\$197,512	0.2	-1.2	-0.9	1.6
TOTAL PORTFOLIO - NET	\$197,512	0.0	-1.3	-1.0	1.6
Merrill Lynch 0-3 Month US Treasury Bill Index		1.0	0.9	2.6	1.1

Asset Allocation

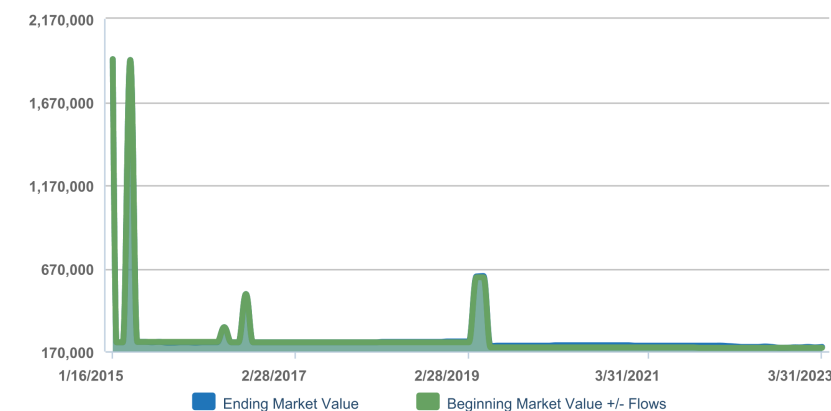


Asset Class	Weight	Target
A Cash & Equivalents	41.0%	40.0%
B Fixed Income	59.0%	60.0%
Total	100.0%	100.0%

Change in Portfolio

	Inception to Date 01/16/2015	Trailing 3 Years	Trailing 12 Months	Quarter to Date
Beginning Portfolio Value	1,926,734	205,880	199,494	194,471
Net Contributions / Withdrawals	-1,734,176	-1,213	-153	-40
Market Value Gain / Loss	-21,129	-12,179	-5,052	2,541
Income and Capital Gains	26,083	5,024	3,223	540
Ending Market Value	\$197,512	\$197,512	\$197,512	\$197,512

Historical Market Value



All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers.
All performance and market values shown exclude the value of unsupervised assets, but are inclusive of accrued interest.
Performance for periods greater than one year are annualized.

PORTFOLIO OVERVIEW

Group: Town Of Dewey Beach, Delaware - General Fund (Short)

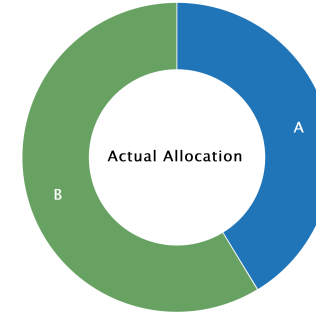
As of 03/31/2023

Performance History

Performance Inception Date: 01/31/2015

	Market Value	Inception to Date	Trailing 3 Years	Trailing 12 Months	Quarter to Date
Cash & Equivalents	\$558,733	1.0	0.9	2.8	1.1
Fixed Income	\$794,802	--	--	-3.4	1.9
TOTAL PORTFOLIO - GROSS	\$1,353,535	0.2	-1.2	-0.9	1.6
TOTAL PORTFOLIO - NET	\$1,353,535	0.1	-1.3	-0.9	1.6
Merrill Lynch 0-3 Month US Treasury Bill Index		1.0	0.9	2.6	1.1

Asset Allocation

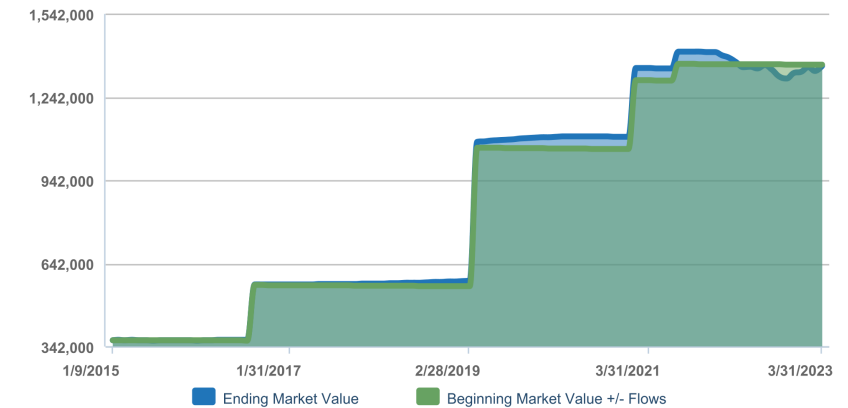


Asset Class	Weight	Target
A Cash & Equivalents	41.3%	40.0%
B Fixed Income	58.7%	60.0%
Total	100.0%	100.0%

Change in Portfolio

	Inception to Date 01/09/2015	Trailing 3 Years	Trailing 12 Months	Quarter to Date
Beginning Portfolio Value	364,182	1,099,646	1,366,707	1,332,721
Net Contributions / Withdrawals	994,556	302,529	-1,068	-276
Market Value Gain / Loss	-90,609	-84,152	-34,073	17,458
Income and Capital Gains	85,406	35,512	21,969	3,632
Ending Market Value	\$1,353,535	\$1,353,535	\$1,353,535	\$1,353,535

Historical Market Value

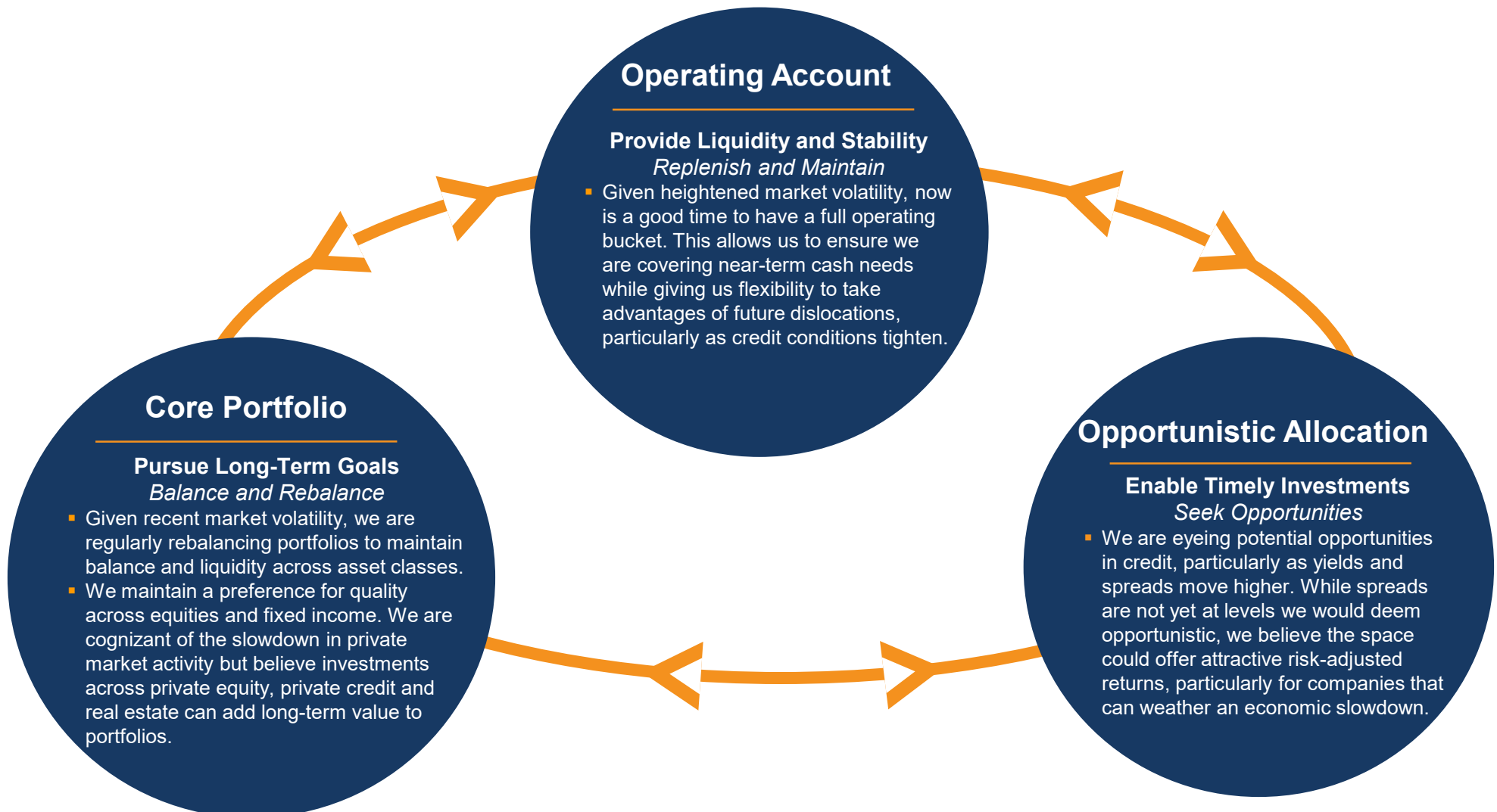


All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers. All performance and market values shown exclude the value of unsupervised assets, but are inclusive of accrued interest. Performance for periods greater than one year are annualized.

ECONOMIC & MARKET OVERVIEW

The Three-Bucket Approach

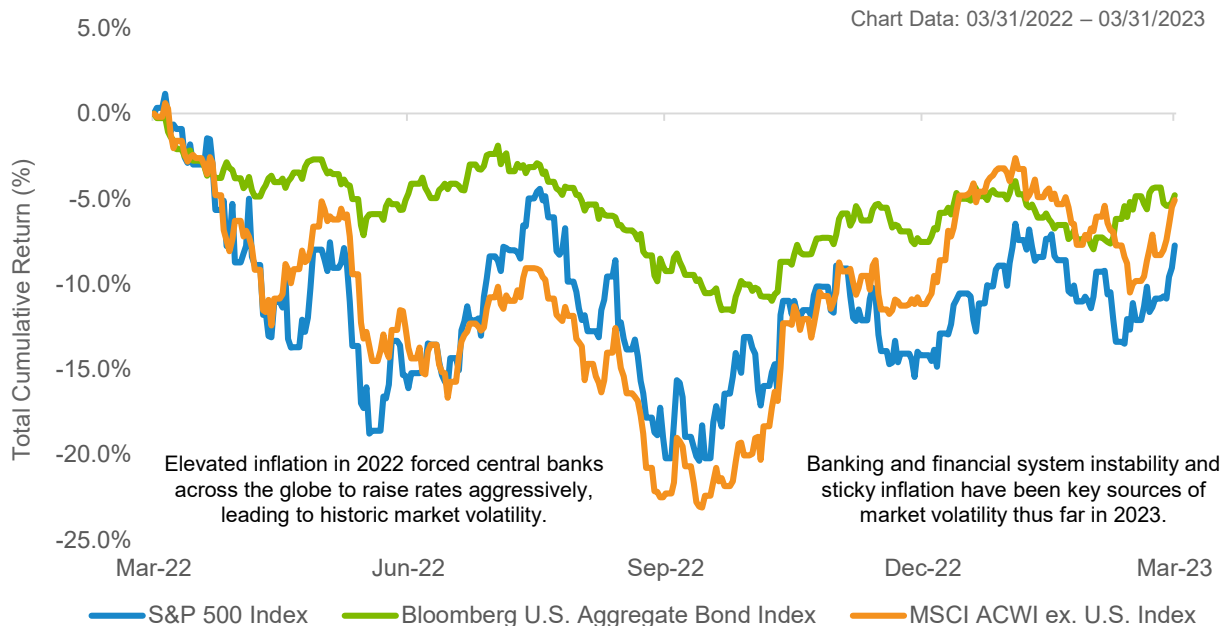
Brown Advisory adheres to a “three-bucket” approach to portfolio construction. In practice, all three buckets may be part of the same portfolio, but we believe that it is useful to separate them conceptually. The diagram below illustrates how the three-bucket approach helps ensure adequate liquidity and manage risks, particularly during periods of elevated uncertainty.



GLOBAL MARKETS REWIND

As of March 31, 2023

Total Returns*	Year-to-Date	Trailing 1-Year	Trailing 3-Year	Trailing 5-Year
S&P 500® Index	7.5%	-7.8%	18.6%	11.2%
Russell 2000® Index	2.7%	-11.6%	17.5%	4.7%
MSCI EAFE Net Total Return Index	8.5%	-1.4%	13.0%	3.5%
MSCI Emerging Markets Net Total Return Index	4.0%	-10.7%	7.8%	-0.9%
Bloomberg U.S. Aggregate Bond Index	3.0%	-4.8%	-2.8%	0.9%
Bloomberg Municipal 1–10 Year Blend Index	2.0%	1.9%	0.8%	1.9%
Bloomberg U.S. Corporate High-Yield Index	3.6%	-3.3%	5.9%	3.2%
Bloomberg Commodity Total Return Index	-5.4%	-12.5%	20.8%	5.4%



Key Market Dynamics:

- The collapse of regional bank Silicon Valley Bank (SVB) has sparked concerns on the fragility of the global financial system.
- Despite these challenges to the financial system, we believe that central banks around the globe remain committed to fighting inflation.
- The current environment highlights the difficult task central bankers face between maintaining financial stability and raising rates to push down inflation.
- Interest rates have been especially volatile this quarter, dropping meaningfully in March as investors assess the economic consequences from SVB's collapse and other banking pressures.
- We remain defensively postured from an asset allocation basis, with an emphasis on maintaining liquidity.

Source: Bloomberg. *Total returns greater than one year are reported as annualized returns.

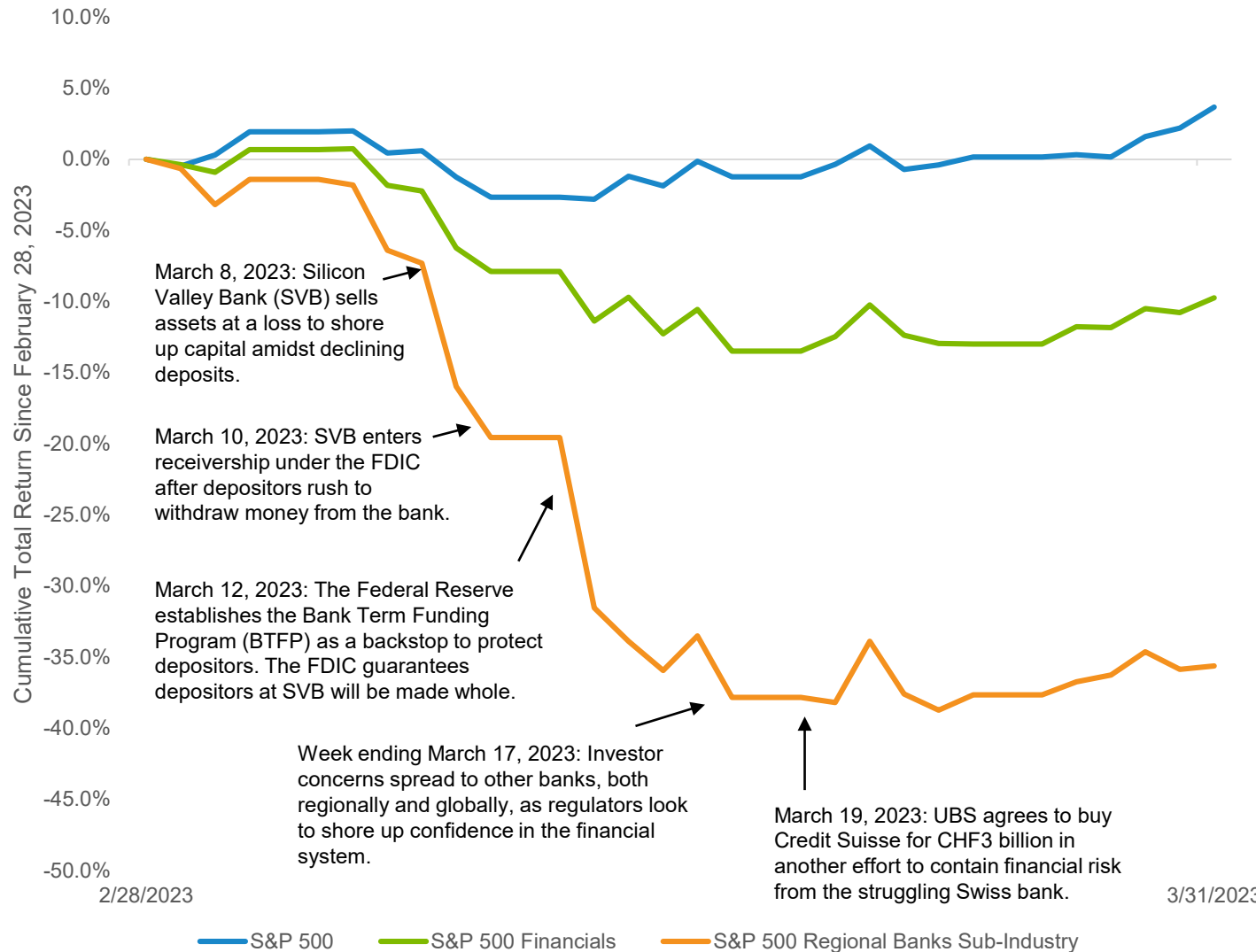
Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information.

ONGOING BANKING CHALLENGE TO TIGHTEN FINANCIAL CONDITIONS

As of March 31, 2023

Timeline of Ongoing Banking Turmoil

Cumulative Total Return, 02/28/2023 – 03/31/2023



Source: Bloomberg, Sectors are based on the Global Industry Classification Standard (GICS) sector classification system. Brown Advisory Analysis.

Key Questions for Potential Scenarios Going Forward

- Do bank depositors slow down the rate of withdrawals following the Federal Reserve's and federal government's response to SVB?
- How much will banks tighten lending standards as a result of ongoing deposit instability?
- How will tighter financial conditions impact other parts of the economy, such as commercial real estate and consumer spending?
- Can regulators restore confidence in the banking system? What are the regulatory impacts from this episode?
- To what extent will this soften the Federal Reserve's view of inflation as they consider future interest rate policy?

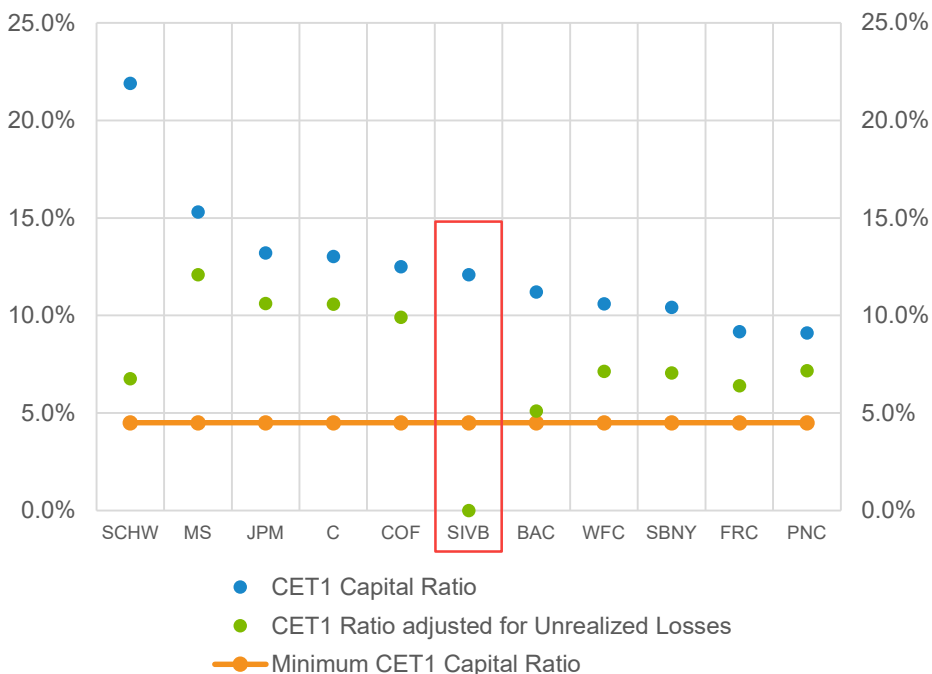
BANK LIQUIDITY IN FOCUS

As of March 31, 2023

Banks have always borrowed short to lend long, but the dramatic rise in interest rates since 2022 has exposed the risks of poorly-hedged bond portfolios to the world’s banking institutions. Many of the world’s largest and most important banks remain well capitalized, while markets and regulators are paying close attention to those most at risk of experiencing an SVB-like collapse.

SVB suffered the worst mark-to-market losses in its bond portfolio, but we believe other banks are better positioned.

Common Equity Tier 1 Ratio, Stated and Adjusted for Unrealized Losses*, 12/31/2022

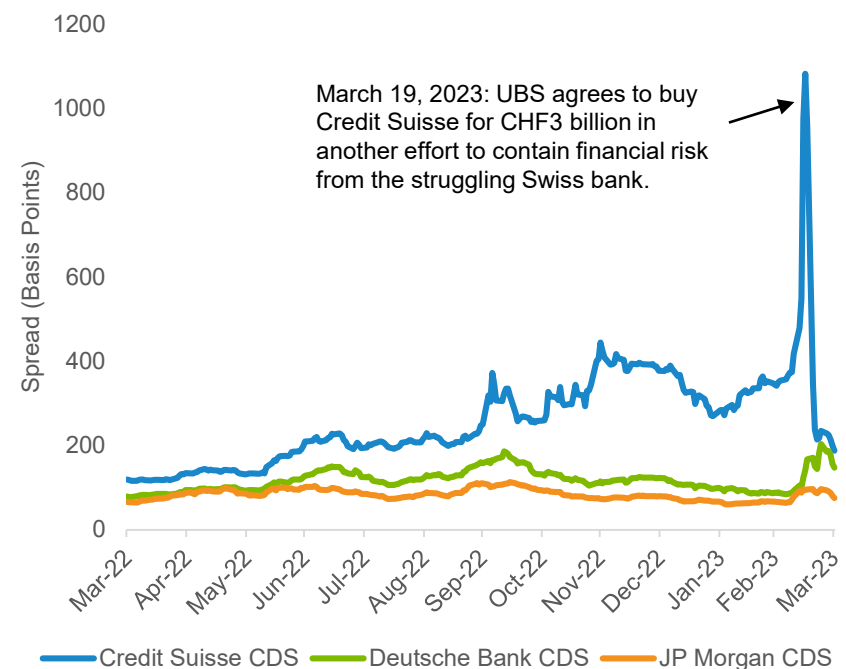


Source: Bloomberg. Stats based on companies’ latest 10-K filings as of 12/31/2022.
*Unrealized losses based on securities available for sale and securities held to maturity. Minimum CET1 Capital ratio set by the Federal Reserve. CET1 Capital Ratio is a measure of a bank’s solvency set by regulators, such as the Federal Reserve.

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Credit Suisse had been under stress for years and was in a very different position than other major global banks, in our view.

Credit Default Swaps (CDS) Spread, 03/31/2022 – 03/31/2023



Source: Bloomberg. CDS is the effective amount in basis points a buyer would have to pay to protect against a company’s default. CDS in reference is considered “insurance” in the event of default for senior-secured debt of the aforementioned companies.

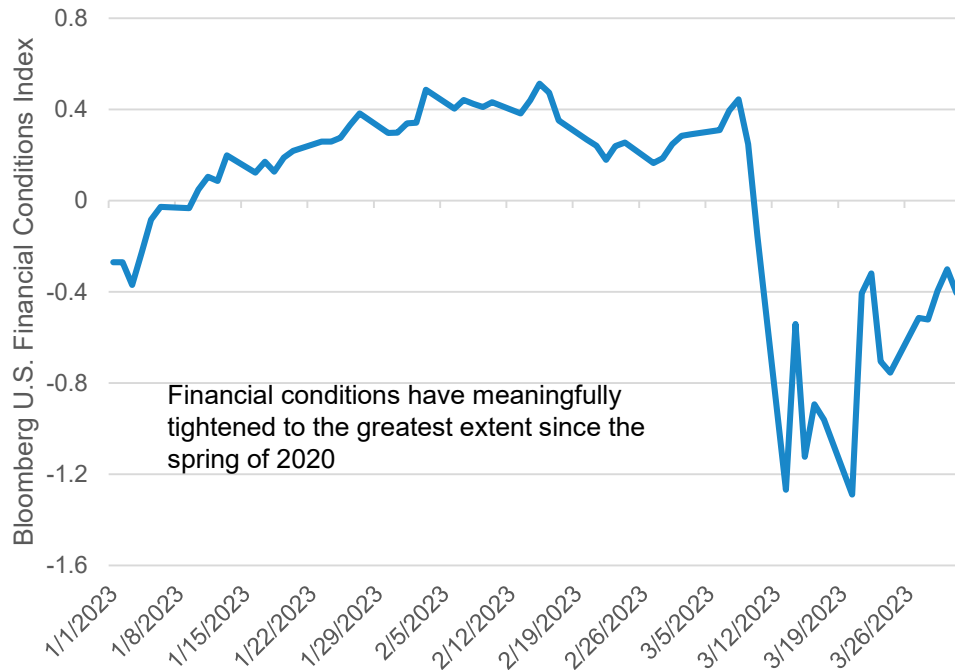
BANKING STRESS LEADING FED TO RETHINK COURSE

As of March 31, 2023

As stress has permeated throughout the banking system, it has caused financial conditions to tighten meaningfully. If this continues, we believe it is likely to cause the Federal Reserve to shift its course in order to provide relief more quickly than previously anticipated. How the banking situation develops, along with inflation and labor market data, will be, in our view, the key indicators that the Fed is watching to determine their course.

As banks have come under stress, lending has slowed considerably, thereby tightening financial conditions...

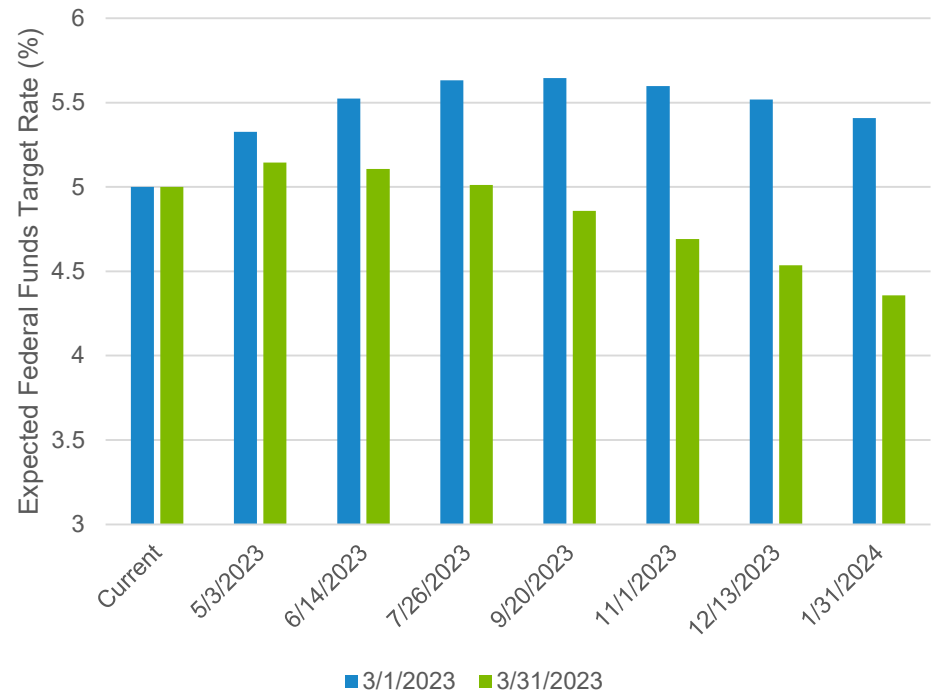
Bloomberg Financial Conditions Index, 01/01/2023 – 03/31/2023



Source: Bloomberg as of 03/31/2023.

Which has already led to a tone shift by the Federal Reserve and is expected to lead to a far quicker pivot in policy.

Fed Funds Target as implied by Fed Funds Futures, 03/01/2023 – 03/31/2023



Source: Bloomberg

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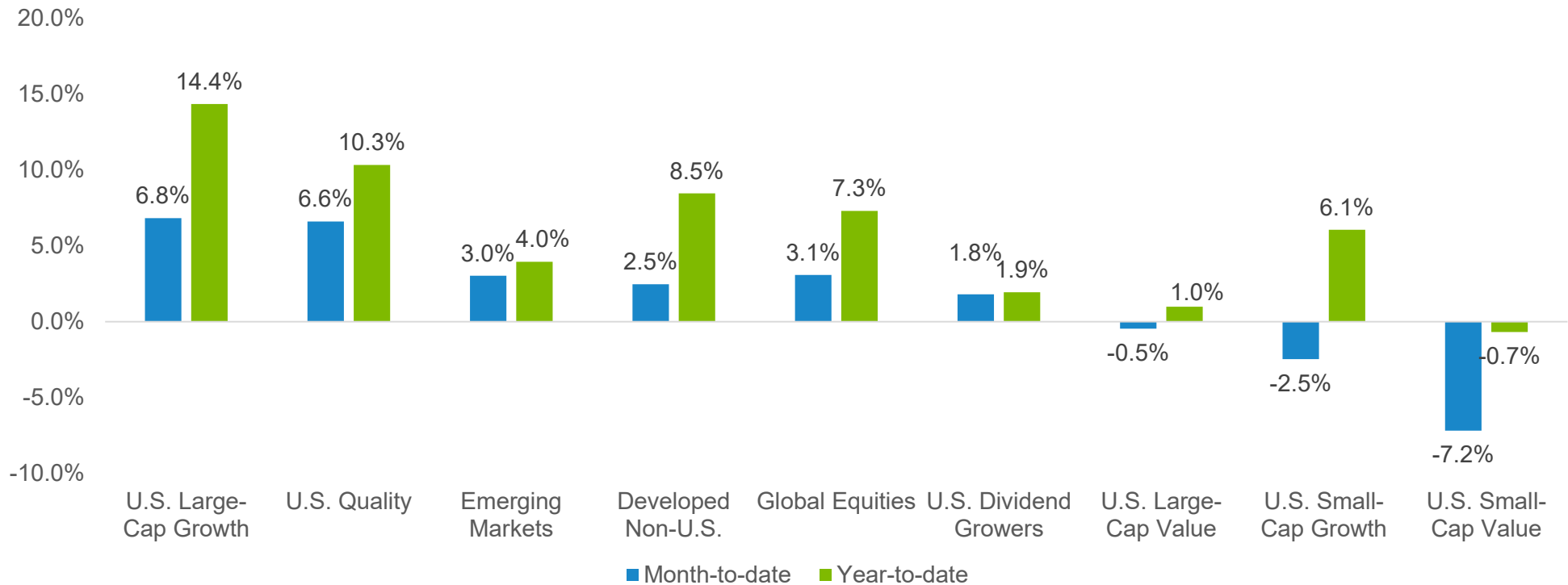
EQUITY MARKET'S DISPARATE REACTION

As of March 31, 2023

Recent dispersion in the equity markets has highlighted the relative impact of the ongoing banking crisis on smaller and cyclical companies, while growth and quality equities have generally benefited from both lower rates and “defensive” business models amidst a slowing economic environment. We continue to prefer quality companies across both growth and value, leaning into companies that we believe generate meaningful free cash flow, have balance sheet flexibility and have large competitive advantages that dampen earnings and cash flow volatility.

Total Return Across Equity Market Segments

As of March 31, 2023



Source: Bloomberg. U.S. Quality using MSCI U.S. Quality Index, U.S. Large-Cap Growth using Russell 1000 Growth Index, Emerging Markets using MSCI Emerging Markets Net USD Total Return Index, Developed Non-U.S. using MSCI EAFE Net USD Total Return Index, Global Equities using MSCI ACWI Net USD Total Return Index, U.S. Dividend Growers using S&P U.S. Dividend Growers Index, U.S. Large-Cap Value using Russell 1000 Value Index, U.S. Small-Cap Growth using Russell 2000 Growth Index, U.S. Small-Cap Value using Russell 2000 Value Index.

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

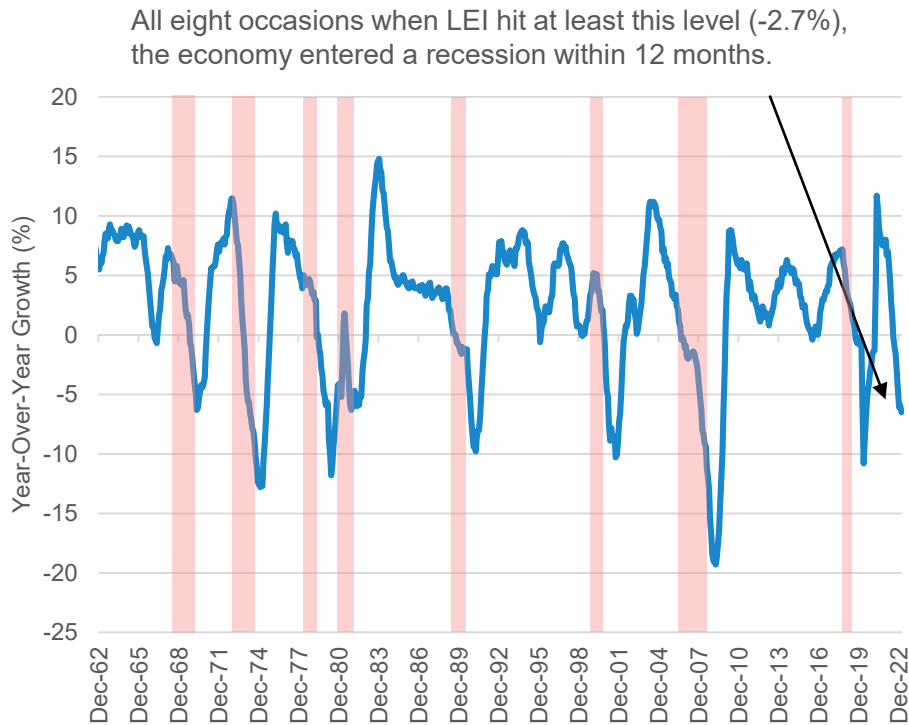
RISING INTEREST RATES TAKING THEIR TOLL

As of March 31, 2023

The added stress to the banking system and resulting tightening of credit conditions comes at a time when leading indicators already pointed to a precarious economic outcome because of how much interest rates have risen. A key factor will be consumer spending, which has generally been strong despite incomes struggling to keep up with inflation. Consumers have utilized pandemic-era savings and debt to bolster spending so far, but we believe this can only last so long unless incomes rise.

Leading Economic Indicators (LEI) have fallen sharply to a level that has historically presaged a recession...

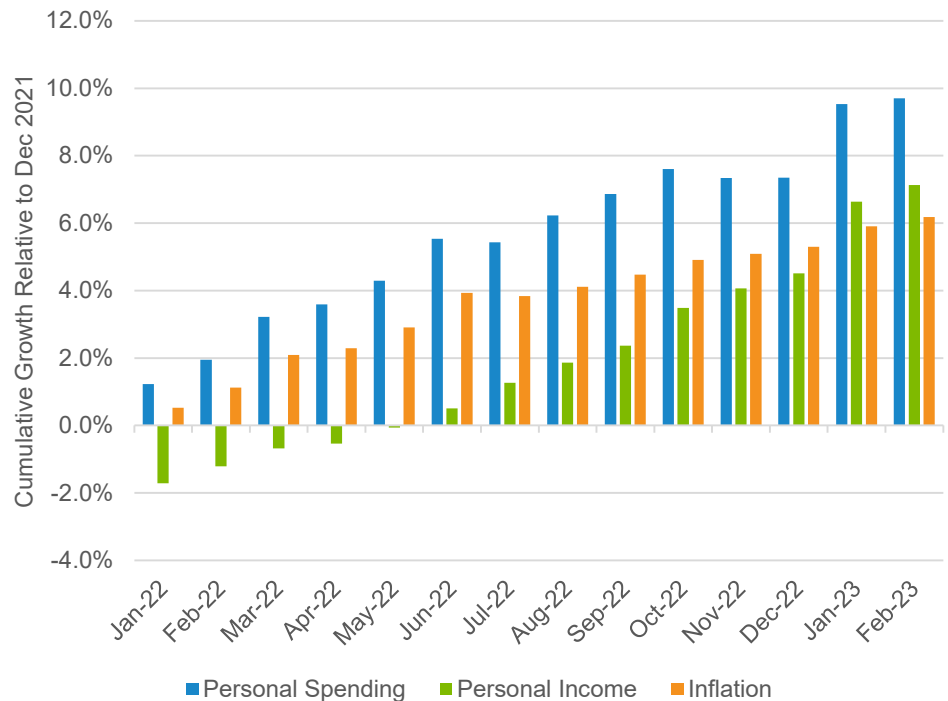
Conference Board's Composite of LEI, YoY Growth, 12/31/1962 – 02/28/2023



Source: Bloomberg. Data as of 02/28/2023 and is the most recent data available. Red shaded periods denote recessions as defined by the NBER.

Spending has been strong, but incomes have struggled to keep up with inflation, forcing consumers to dip into savings.

Personal Spending, Personal Income and PCE Inflation, Cumulative Growth, 12/31/2021 – 02/28/2023, and is the most recent data available



Source: Bureau of Economic Analysis (BEA), Bloomberg

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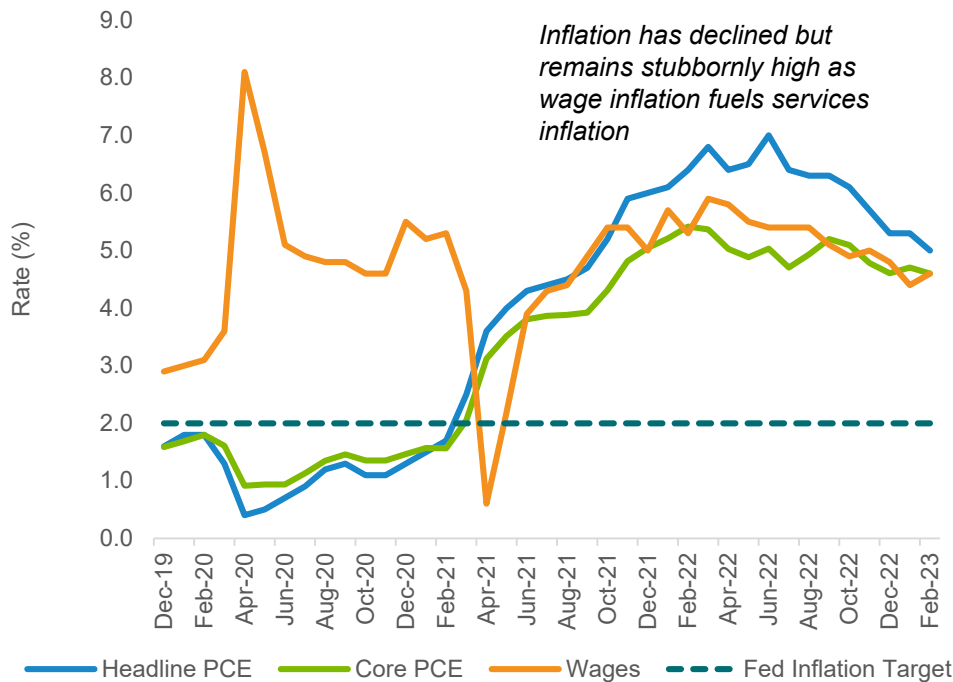
INFLATION MODERATING SLOWLY BUT FUTURE COURSE LIKELY DEPENDENT ON WAGES

As of March 31, 2023

Inflation has begun to trend lower in recent months, but we believe this is largely due to falling car and energy prices. Prices for more labor-oriented service sectors continue to be elevated and will likely stay high as long as the labor market is tight and, by extension, wage growth remains positive. The market is anticipating that inflation will moderate, which is likely due to a weaker outlook for the labor market.

Inflation has been falling slowly but remains above the Fed's target despite aggressive hikes in interest rates.

Headline and Core PCE Rates, 12/31/2019 – 03/31/2023



Source: Bloomberg

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

The market is expecting inflation to moderate, but this would likely be accompanied by a meaningful economic slowdown.

Expected Inflation Rates, 12/31/2020 – 03/31/2023



Source: Bloomberg

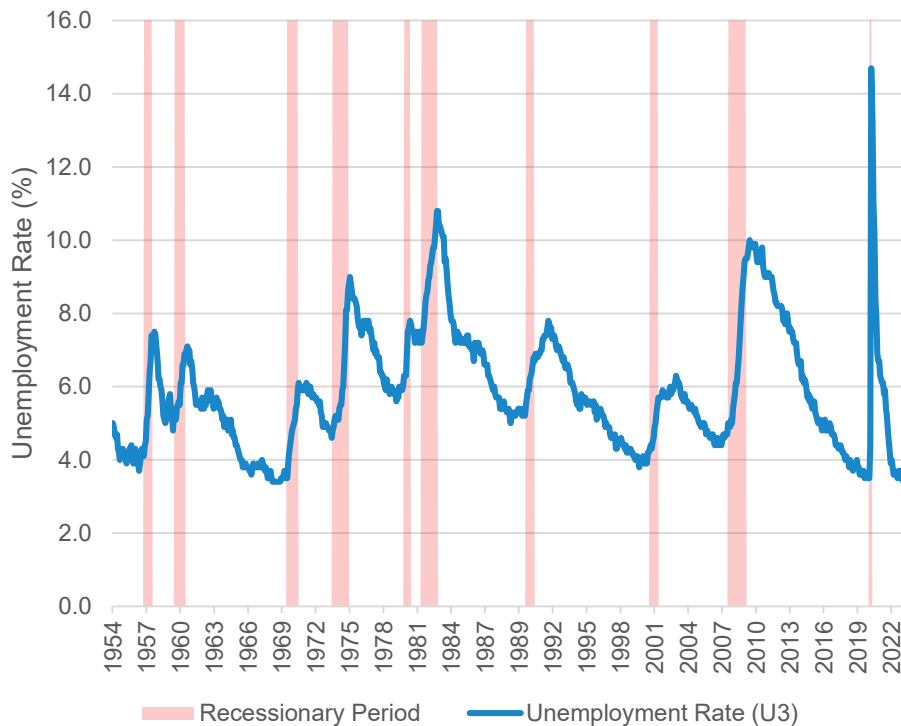
JOB MARKET STRENGTH CONTINUES IN SPITE OF FED AND INFLATION PRESSURES

As of March 31, 2023

Job growth has remained strong despite some headline-grabbing layoffs, which have been concentrated in the tech sector. Unemployment hit a 53-year low, and there are nearly two job openings for every unemployed worker, demonstrating that tight labor market conditions are fueling wage inflation.

The labor market has been strong even as interest rates rise, showing the strength of the labor market.

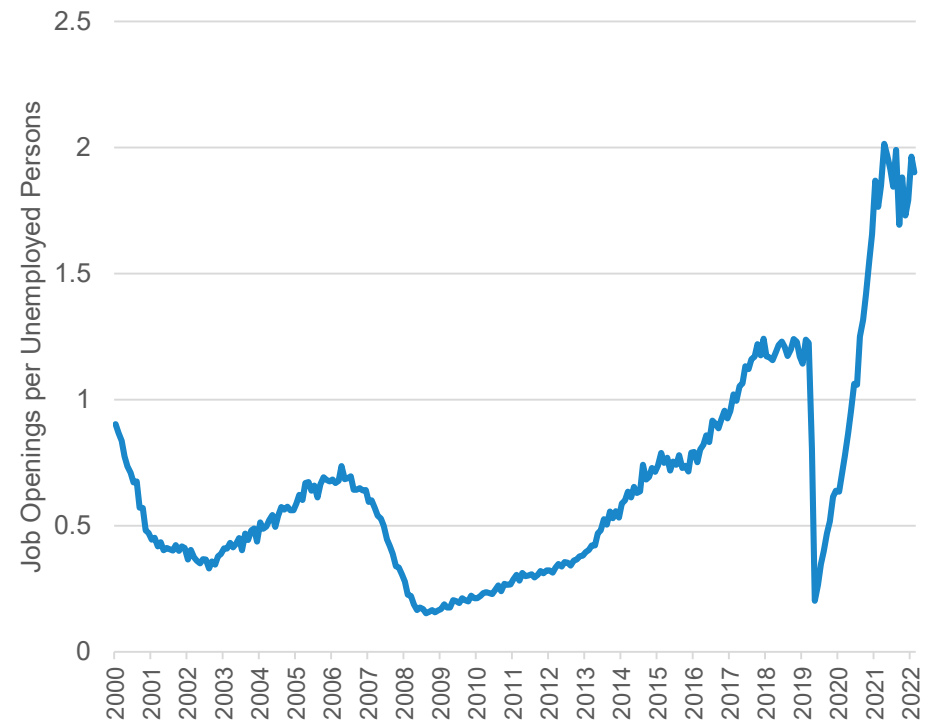
Unemployment Rate (%), 12/31/1954 – 02/28/2023, and is the most recent data available



Source: Bloomberg

Labor is so tight that there are nearly two job openings for every unemployed worker, far higher than other cycles.

Job Openings per Unemployed Persons, 12/31/2000 – 03/31/2023



Source: Bloomberg, Bureau of Labor Statistics

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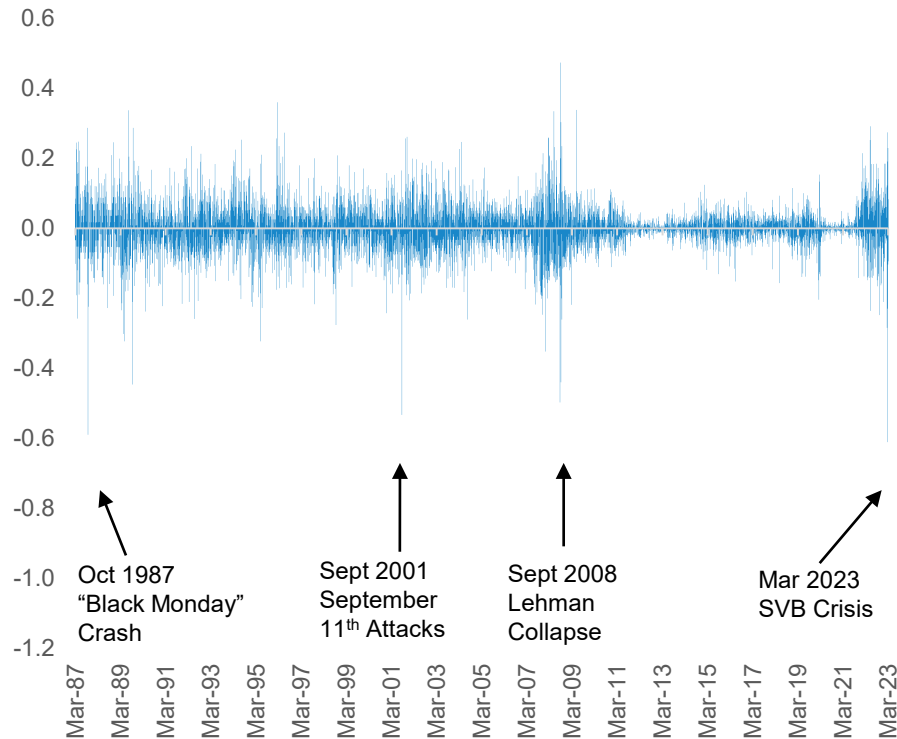
VOLATILITY IN THE TREASURY MARKET

As of March 31, 2023

The banking crisis and growing investor skepticism over the Federal Reserve’s interest rate projections meaningfully increased volatility within the U.S. Treasury market. This phenomenon has historically been observed at key turning points in the market cycle. Given the recent increase in interest rates, high-quality bonds can play an important portfolio diversification role if the economy experiences a meaningful slowdown.

Two-year treasury yields fell 61bps on March 13th, which hasn’t happened since the 1980s when yields were double digits.

Daily Change in 2-Year U.S. Treasury Yield (%), 1976 – 03/31/2023



Source: Bloomberg

High-quality bonds have provided important diversification over a broad range of recessionary periods.

S&P 500 and Intermediate U.S. Treasuries 12mo. Total Return from Start of Recession, 03/31/2023

Start of Recession	Recession Length	S&P 500 Index	Bloomberg Intermediary Treasury Index
Dec 2007	18 mos.	-39.3%	11.8%
Nov 1973	16 mos.	-27.1%	5.9%
July 1981	16 mos.	-18.2%	20.0%
April 2001	8 mos.	-0.8%	5.0%
July 1990	8 mos.	8.9%	10.1%
Jan 1980	6 mos.	13.5%	8.2%
Mar 2020	2 mos.	25.2%	1.4%

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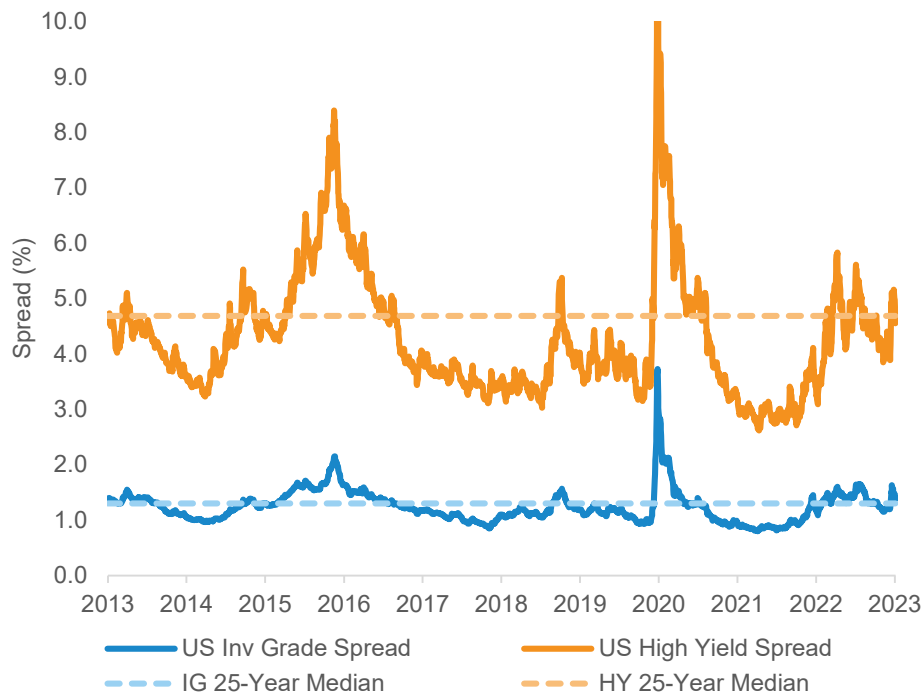
FIXED INCOME OPPORTUNITIES

As of March 31, 2023

Recession concerns have led to wider corporate bond spreads. However, they are still at levels only modestly wider than historical norms, so the opportunity set is still not compelling, given the uncertain outlook. Conversely, we do see opportunity in the government guaranteed agency mortgage-backed securities (MBS) market. The prepayment (mortgage refinancing) risk MBS holders bear has fallen dramatically, while the excess return (spread) is nearly double the long-term historical median without taking credit risk.

U.S. corporate bond spreads have been elevated since mid-2022, but they remain far below levels seen in past crises.

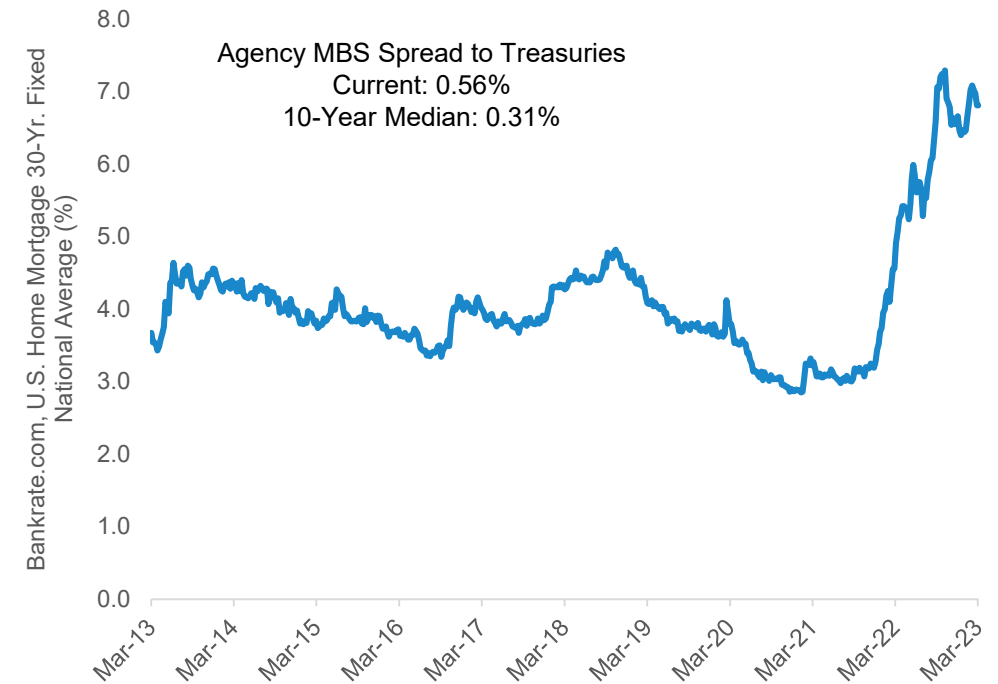
Corporate Credit Spreads to Treasuries (%), 03/31/2013 – 03/31/2023



Source: Bloomberg. US Inv Grade using Bloomberg U.S. Corporate Bond Index and US High Yield using Bloomberg U.S. Corporate High Yield Bond Index.

A surge in mortgage rates meaningfully reduced prepayment risk in MBS, yet spreads are nearly double the 10-year median.

Bankrate.com, U.S. Home Mortgage 30-Year Fixed National Average, 03/31/2013 – 03/31/2023



Source: Bloomberg

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

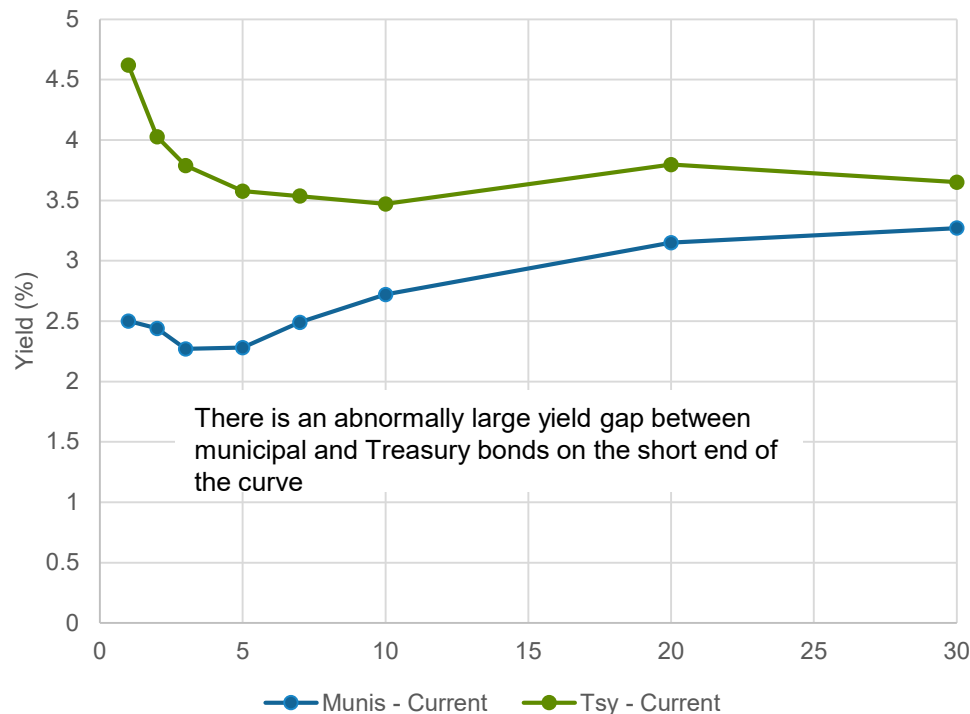
MUNICIPAL BOND MARKET OVERVIEW

As of March 31, 2023

Municipal bond yields did not see the same scale of selloff in 2022, particularly on the shorter end of the curve, which has led to a larger than usual yield disparity between municipal bonds and Treasury bonds. Treasuries have also generally performed better during recessions thus representing better diversification against equity risk in portfolios.

The municipal yield curve is far less inverted than the Treasury curve, making short-term municipal bonds far less attractive.

Municipal Bond (Muni) and Treasury (Tsy) Yield Curves as of 03/31/2023



Source: Bloomberg

Under 10 years to maturity, Treasury bonds offer similar after-tax yields to municipal bonds.

MMA AAA Municipal Bonds Yields and U.S. Treasury Yields as of 03/31/2023

Statistics	1 Year	3 Year	5 Year	10 Year	30 Year
AAA Muni Yield (%)	2.50	2.27	2.28	2.72	3.27
Treasury Yield (%)	4.62	3.79	3.58	3.47	3.65
After-Tax Yield (Max. Fed Tax)	2.73	2.24	2.12	2.05	2.16
Current Muni/Tsy Yield Ratio	61%	60%	64%	78%	90%
20-Year Median Ratio	84%	81%	81%	93%	102%

Source: Bloomberg

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

EQUITY VALUATIONS ARE RELATIVELY LESS ATTRACTIVE COMPARED TO BONDS

As of March 31, 2023

Higher interest rates have made bonds more attractive than stocks from a relative basis considering the wide range of outcomes and heightened level of uncertainty in today's economic environment. Typically, investors earn an equity risk premium over bonds for taking on more risk. Given today's higher starting yields, equities' expected return premium over bonds has been compressed.

Comparing equity earnings yield* and core bond yields, equities are relatively less attractive compared to bonds.

Earnings Yield vs. Bonds Yield-to-Worst (YTW), 03/31/1993 – 03/31/2023



Source: Bloomberg. *Earnings yield is the inverse of the price-to-earnings ratio of the S&P 500 Index and indicative of the yield equity investors earn from investing in the S&P 500 Index.

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

The equity return premium over bonds has narrowed recently due to higher starting yields in core fixed income.

Historical and Forward Equity Return Premium, 12/31/1922 – 03/31/2023

Compound Annualized Growth Rates	U.S. Large-Cap Equities (A)	Core Fixed Income (B)	Return Differential (A minus B)
Historical Return (1922 – 2023)	10.3%	4.9%	+5.4%
Trailing 10-Year Returns (2013 – 2023)	12.2%	1.4%	+10.8%
Current Return Estimate (as of 12/31/2022)	6.9%	5.2%	+1.7%

Source: Bloomberg, Brown Advisory Analysis. Using S&P 500 Index for U.S. Large-Cap Equities and Bloomberg U.S. Aggregate Bond Index for Core Fixed Income.

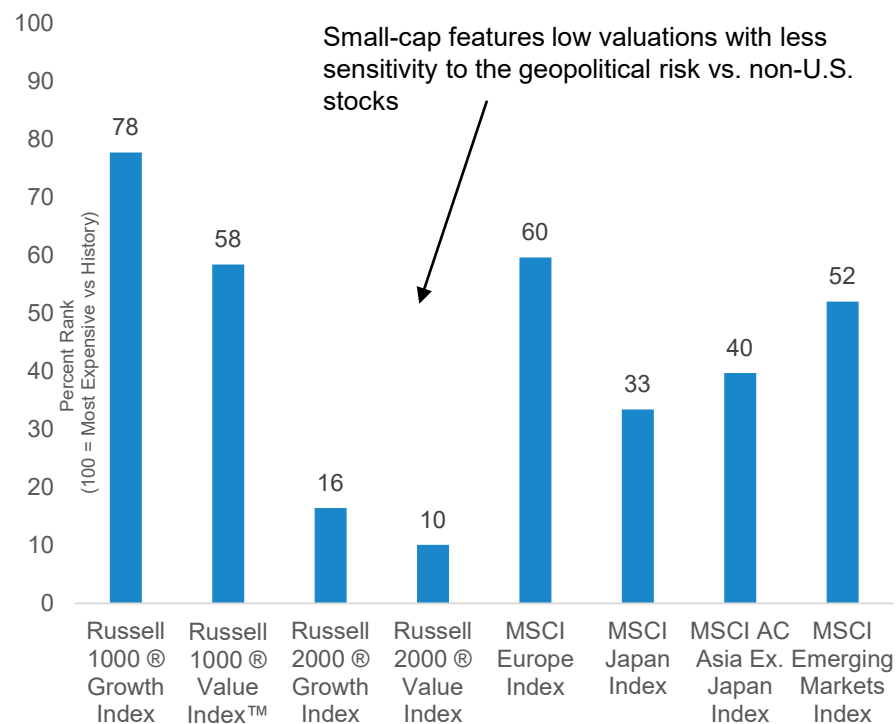
UNCOVERING THE VALUATION GAP IN SMALL CAP

As of March 31, 2023

Compared to large cap, U.S. small caps remain attractive from a valuation standpoint in our view. The asset class is trading near 20-year lows in terms of valuation (with the exception of 2008–2009) and has been below averages since 2000. Additionally, when we look under the surface, many high-quality profitable companies within small-cap are trading at reasonable valuations.

Small-cap stocks are trading meaningfully below their historical norms in contrast to large-cap.

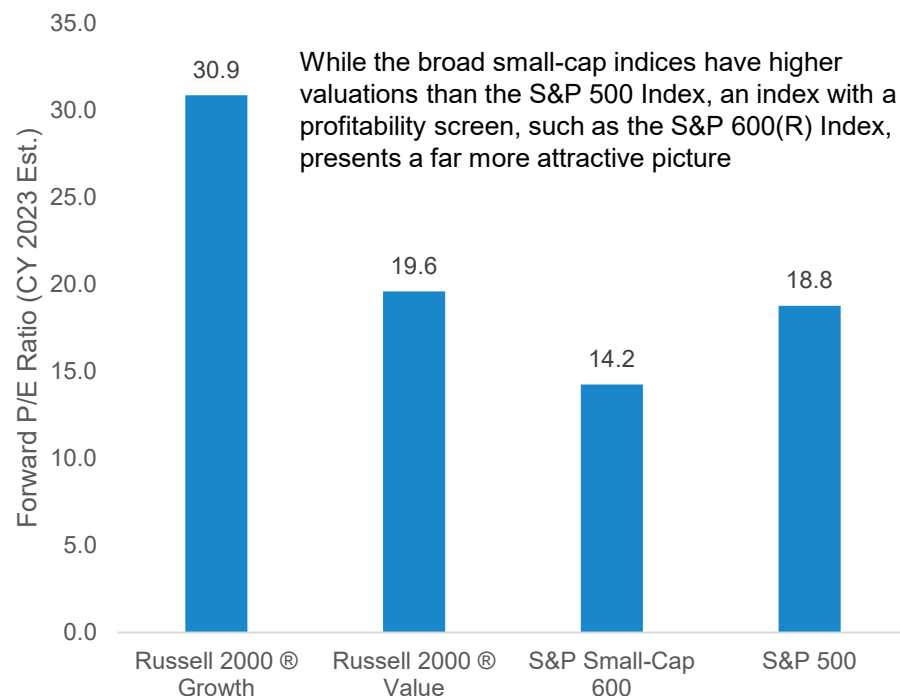
Cyclically-Adjusted P/E Ratios Across Market Segments, Percent Ranks vs. History, 03/31/2023



Source: Bloomberg. Long-term history starts 1996 – 2022, current percent rank based on Cyclically-Adjusted Price Earnings as of 3/31/2023.

There is a discernable valuation gap between earners and non-earners within the small-cap U.S. equity market.

Forward (CY 2023 est.) P/E Ratio of indices as of 03/31/2023



Source: Bloomberg

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

EUROPE AVOIDED THE WORST OUTCOME BUT STILL FACES A PRECARIOUS OUTLOOK

As of March 31, 2023

Europe was able to avoid any severe consequences from its energy challenges after Russia’s invasion of Ukraine due to coordinated storage efforts, a buildout of alternatives and lighter demand helped by an unusually warm winter. However, Europe still faces higher inflation and lower structural growth than the U.S., so there is less room for error to slow the economy without a hard landing.

The business recovery in Europe has been surprising, with the composite PMI higher than any point since May 2022.

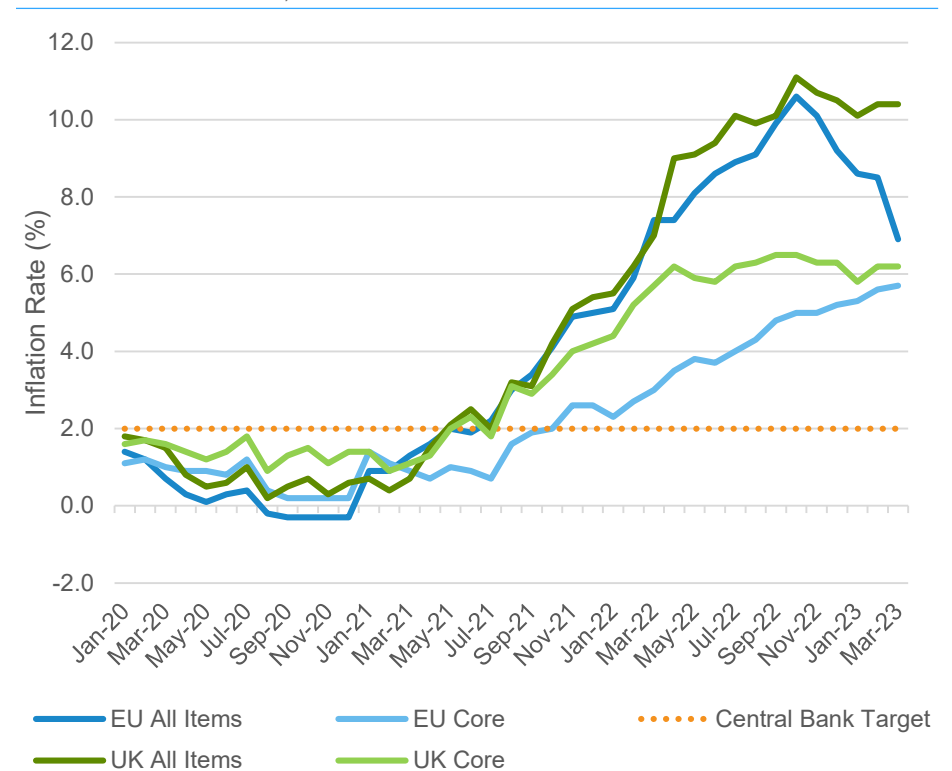
European Union PMI Survey (SA) and Natural Gas Prices, 12/31/2021 – 03/31/2023



Source: Bloomberg, LP. PMI above 50 suggests expansionary activity while PMI below 50 suggests contractionary activity.

Falling energy prices are supportive and helping inflation decline, but core inflation is still rising at a steady pace.

European Union and U.K. Indices of Consumer Prices Year Over Year Change (%), 01/31/2020 – 02/28/2023, and is the most recent data available



Source: Bloomberg, LP.

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

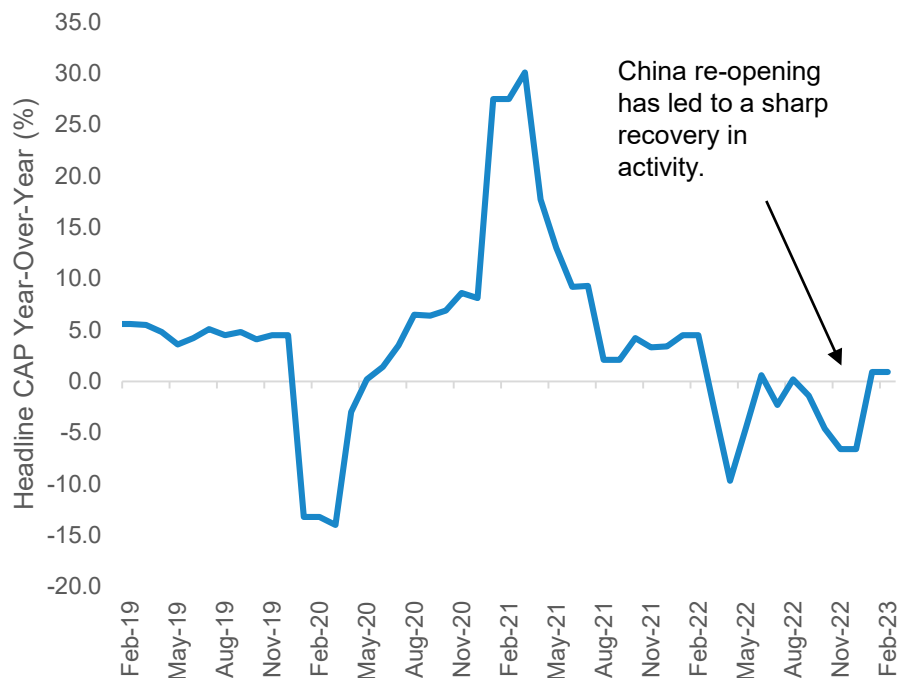
POTENTIAL IMPACTS FROM CHINA REOPENING

As of March 31, 2023

The magnitude of the economic impact from China’s zero-Covid policy on production and consumer-related sectors was felt around the globe from supply constraints to broader company underperformance. Now that this policy has been reversed, we are finally seeing the economic re-opening and an ensuing economic rebound.

Economic activity has rebounded thus far in 2023, led by stronger services growth since the end of zero-Covid policies.

Capital Economics China Activity Proxy, 02/28/2019 – 02/28/2023, and is the most recent data available

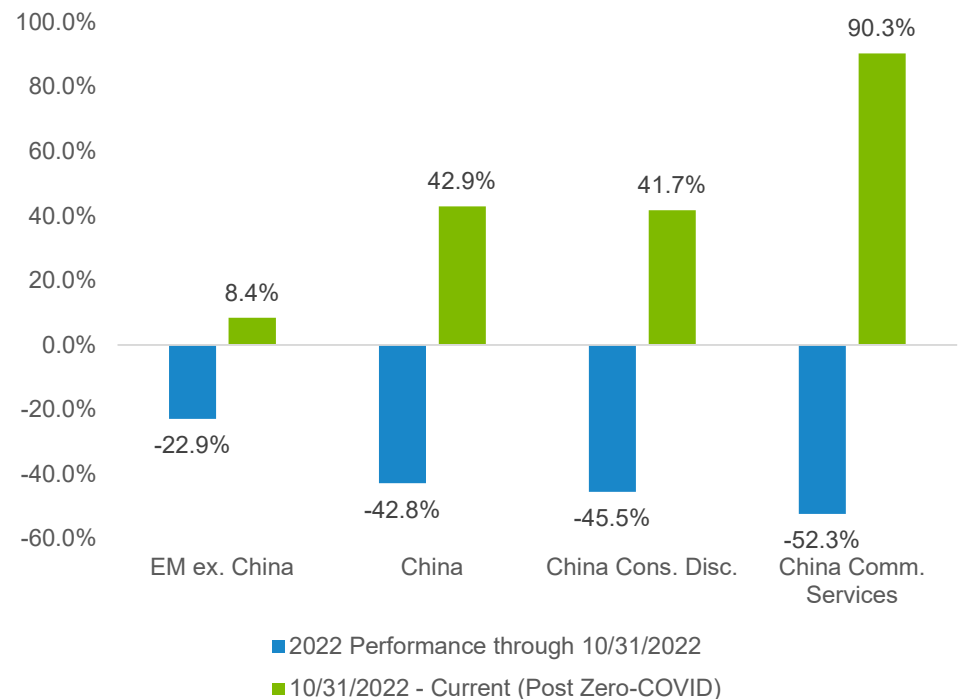


Source: Capital Economics. The China Capital Activity Proxy (CAP) attempts to track the pace of growth in China without relying on official GDP figures. It can be viewed in effect as a GDP proxy for China.

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

A successful reopening has already shown early signs of a robust recovery for consumer-related sectors of the market.

MSCI EM ex. China, China and Consumer-Related Sector Indices, 12/31/2021 – 03/31/2023



Source: Bloomberg, EM ex. China using MSCI Emerging Markets ex. China Net Total Return USD Index, China using MSCI China Net Total Return USD Index and various GICS Sector Level Indices.

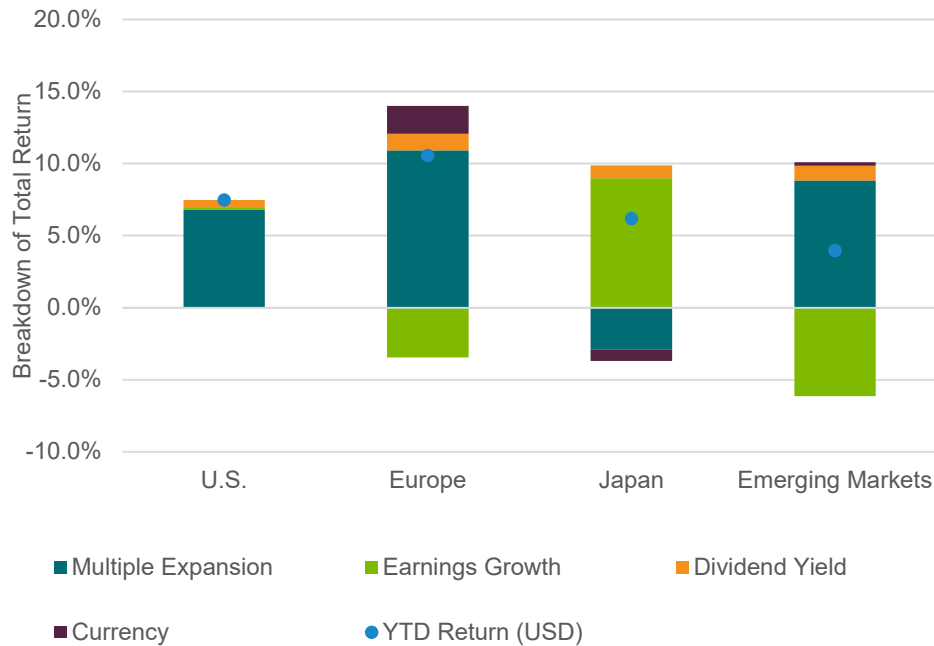
NON-U.S. PRESENTING RELATIVE VALUE OPPORTUNITY

As of March 31, 2023

Since year-end we have seen some reversals in valuations, with many geographies exhibiting multiple expansions. As the economic environment appears to be a bit more stable in Europe and China, lower valuations appear more reasonable.

Earnings have been flat or negative in most geographies while multiple expansion has driven positive returns.

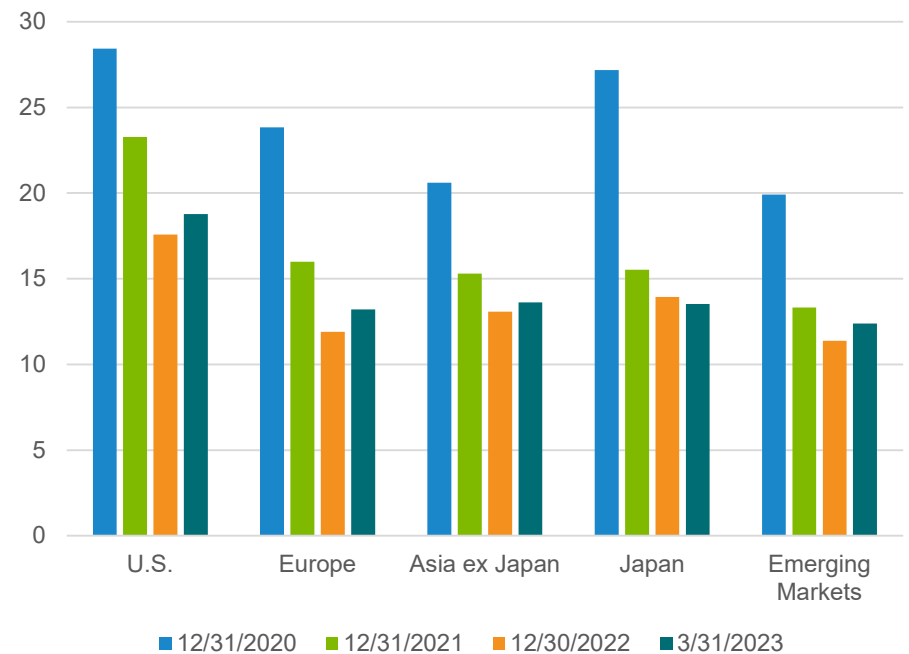
Composition of YTD Total Returns Across Various Markets as of 03/31/2023



Source: Bloomberg. U.S. using S&P 500 Index, Europe using MSCI Europe Index, Japan using MSCI Japan Net Total Return USD Index, Emerging Markets using MSCI Emerging Markets Net Total Return USD Index

While valuations have broadly cascaded downward over the past few years, non-U.S. presents relative value attractiveness.

Forward P/E Ratio of Various Geographic Indices 2020 – 3/31/2023



Source: Bloomberg. U.S. using S&P 500 Index, Europe using MSCI Europe Index, Asia ex Japan using MSCI Asia ex Japan Index, Japan using MSCI Japan Index, Emerging Markets using MSCI Emerging Markets Index.

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information

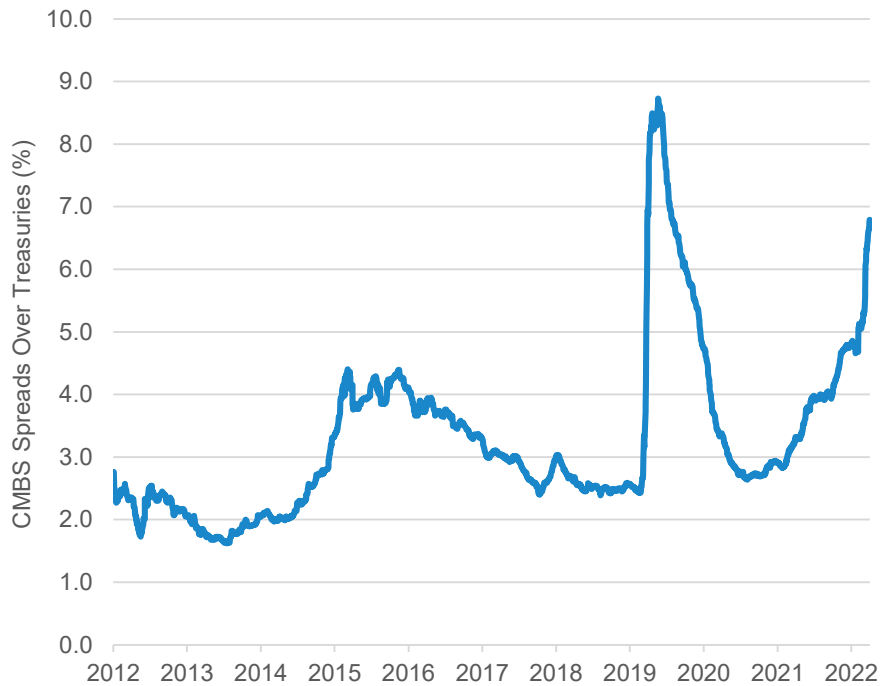
SHAKY GROUND FOR REAL ESTATE, BUT OPPORTUNITIES MAY ARISE

As of March 31, 2023

Smaller regional banks have been an important source of debt capital for the commercial real estate sector, but we believe the ongoing banking crisis stemming from the fallout of SVB may worsen financing conditions in the space. With that said, volatility and a potential valuation reset may create opportunities for knowledgeable and experienced investors.

Wider spreads on commercial mortgage-backed securities suggest tighter financial conditions in the CRE market...

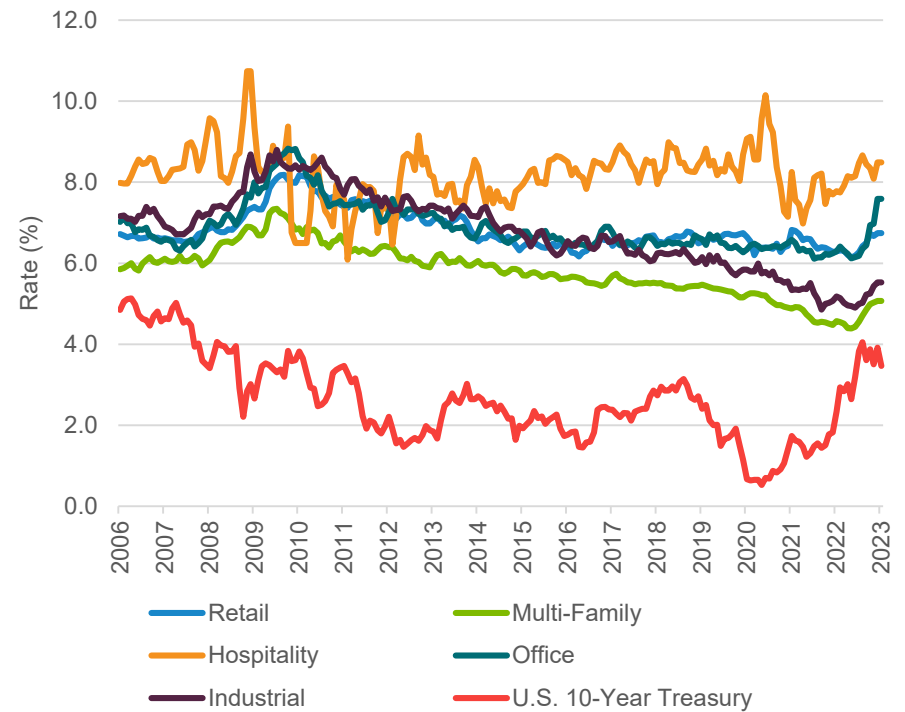
BBB-Rated CMBS Spreads Over Treasuries, 12/31/2012 – 03/31/2023



Source: Bloomberg, using the Bloomberg Investment-Grade BBB CMBS Index.

...yet cap rates have remained somewhat level, presenting the potential for a valuation reset in the space.

Cap Rates vs. 10-Year Treasury Yield (%), 03/31/2006 – 03/31/2023



Source: Bloomberg, Real Capital Analytics. Cap rate is calculated as net operating income (NOI) divided by property value.

Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information



Income as a growing part of total return

- **Core Fixed Income:** We have been gradually reducing fixed income “proxies” that we allocated to when interest rates were near historic lows, such as dividend-oriented stocks, core real estate and hedged strategies. Starting yields today offer more compelling returns, and we’ve moved to simplify portfolios by increasing traditional core fixed income.
- **Private Real Estate*:** Private real estate may come under stress as financing conditions tighten, but volatility in the space may create idiosyncratic opportunities.
- **Private Credit*:** As spreads have widened and credit risks have increased, we have slowed deployment into private credit in an effort to bolster liquidity and resilience in fixed income portfolios.



Geopolitical risks and international exposure

- **Underweight International Equities:** Asia generally features stronger long-term growth prospects and lower valuations than the U.S. and similar valuations to markets with more challenging economic dynamics, such as Europe.
 - European markets have proved remarkably resilient amidst a challenging economic environment, but we are still underweight developed non-U.S. given longer-term structural headwinds.
 - In the near-term, we are cognizant that a weaker dollar may be a boost to non-U.S. equity returns for U.S. investors, which we’ve seen year-to-date.
- **Global Strategies:** Prefer managers that we believe can have regional flexibility, particularly in a changing environment.



Fed tightening and slowing economy

- **Adding Treasuries:** Given higher yields across the yield curve, we are adding Treasuries to help protect against the heightened risk of an economic slowdown as the Fed raises rates.
- **Maintaining Balance and Quality in Equities:** We are emphasizing high-quality companies across equity markets amidst a slowing economic environment stemming from tighter monetary policy. Our valuation discipline is keeping us balanced between growth and value companies.
- **Real Assets:** Diversification in the event of continued inflation, supply shocks, and the potential for stagflation. For example, **infrastructure companies** typically have revenues that are contractually tied to inflation.



Finding value and future opportunities

- **Alternatives*:** While we expect a pricing reset across private equity in the coming months, we still see meaningful long-term value. Opportunities remain in diversifying strategies with idiosyncratic return streams (e.g. long-short).
- **High Yield & Longer-Duration Fixed Income:** As yields increase to more compelling levels (>3%), we believe that the risk/reward becomes more attractive. High yield spreads have widened somewhat, and we remain on the sidelines due to heightened credit risk.
- **Innovation:** Thematic opportunities in Biotech, Fintech, Renewable Energy, Energy Transition.
 - **Energy Infrastructure** across both fossil fuels (e.g. liquified natural gases), and renewable energy sources (e.g. solar, wind), and new technologies should be instrumental to Europe’s energy independence in our view.
 - **Biotech:** Historic drawdown and market rotation has caused sector dislocation, but we believe the sector could benefit from long-term tailwinds (e.g. therapeutic demand).

CURRENT POSITIONING BY MAJOR ASSET CLASS

As of March 31, 2023

We remain defensively positioned due to heightened uncertainty and the ramifications of tighter monetary policy on the global economy and financial system. As recent challenges in the banking sector have shown, adequate liquidity across portfolios is of the utmost importance and enables us to withstand any unforeseen shocks to the economy while having the ability to lean into opportunistic investments should they arise.

Asset Class	Decision	Rationale
Public Equities	Within U.S. equities, emphasizing high-quality companies with strong pricing power in areas of the market with lower valuations	Given heightened macroeconomic uncertainty and tighter financial conditions, we maintain our allocations in high-quality companies that we believe can navigate elevated volatility and generate meaningful cash flow to weather the storm.
	Maintain allocations in global infrastructure-related companies and U.S. small-caps	Infrastructure-related companies look attractive given their real-asset-nature benefits from inflation and economically defensive positioning. U.S. small-cap stocks are trading at relatively attractive valuations in our view. Given the space's economic sensitivity, we are biased toward quality small-cap companies.
Fixed Income	Adding to duration within fixed income	We are getting more comfortable adding to duration within fixed income portfolios, particularly as the risk of an economic slowdown increases with central banks maintaining a hawkish stance.
	Limiting exposure to lower-rated credits and adding Treasury exposure in portfolios	Given the elevated uncertainty in today's environment, we believe that Treasuries offer the best defense to an economic recession and put portfolios in a position to take advantage of volatility. Additionally, the recent rise in yields means the opportunity cost of defense is low.
Private Investments*	Continuing allocation to traditional private asset classes but increasing emphasis on real assets, such as established real estate	While valuations in private markets are likely to be impacted due to recent market volatility, we still see meaningful long-term value in private equity. Furthermore, we believe that private real estate offers opportunity for solid returns and inflation protection but remain cognizant of risks in the space.
Hedge Funds*	Looking for opportunities to find diversifying strategies with idiosyncratic return streams	Given the coordinated impact of higher rates and inflation on both stocks and bonds, we believe that hedged strategies that can offer differentiated return streams can help add returns and diversification.

Source: Brown Advisory Analysis. *Alternative investments may be available for qualified purchasers and accredited investors only. Note: All commentary is as of 03/31/2023 unless otherwise noted. Please see the end of this presentation for important information.

THE CASE FOR DIVERSIFICATION

As of March 31, 2023

Calendar Year Index Returns (%)

Data through March 31, 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD 2023	Trailing 10-Year Annualized
Best Performing ↑ ↓ Worst Performing	U.S. Large 13.7%	U.S. Large 1.4%	U.S. Small 21.3%	Em. Mkts. 37.3%	IG Bonds 0.0%	U.S. Large 31.5%	U.S. Small 19.9%	U.S. Large 28.7%	Commodities 16.1%	Dev. Intl. 8.5%	U.S. Large 12.2%
	IG Bonds 6.0%	IG Bonds 0.5%	U.S. Large 12.0%	Dev. Intl. 25.0%	U.S. Large -4.4%	U.S. Small 25.5%	U.S. Large 18.4%	Commodities 27.1%	IG Bonds -13.0%	U.S. Large 7.5%	U.S. Small 8.0%
	U.S. Small 4.9%	Dev. Intl. -0.8%	Commodities 11.8%	U.S. Large 21.8%	U.S. Small -11.0%	Dev. Intl. 22.0%	Em. Mkts. 18.3%	U.S. Small 14.8%	Dev. Intl. -14.5%	Em. Mkts. 4.0%	Dev. Intl. 5.0%
	Em. Mkts. -2.2%	U.S. Small -4.4%	Em. Mkts. 11.2%	U.S. Small 14.6%	Commodities -11.2%	Em. Mkts. 18.4%	Dev. Intl. 7.8%	Dev. Intl. 11.3%	U.S. Large -18.1%	IG Bonds 3.0%	Em. Mkts. 2.0%
	Dev. Intl. -4.9%	Em. Mkts. -14.9%	IG Bonds 2.6%	IG Bonds 3.5%	Dev. Intl. -13.8%	IG Bonds 8.7%	IG Bonds 7.5%	IG Bonds -1.5%	Em. Mkts. -20.1%	U.S. Small 2.7%	IG Bonds 1.4%
	Commodities -17.0%	Commodities -24.7%	Dev. Intl. 1.0%	Commodities 1.7%	Em. Mkts. -14.6%	Commodities 7.7%	Commodities -3.1%	Em. Mkts. -2.5%	U.S. Small -20.5%	Commodities -5.4%	Commodities -1.7%

Source: Bloomberg, LP. Indices: IG Bonds – Bloomberg Aggregate Bond Index; U.S. Large-Cap – S&P 500® Index; U.S. Small-Cap – Russell 2000® Index; Dev. Intl. – MSCI EAFE Net Total Return USD Index; Em. Mkts. – MSCI Emerging Markets Net Total Return USD Index; Commodities – Bloomberg Commodity Index Total Return (BCOMTR). Please see the end of this presentation for important information and a complete list of terms and definitions.

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Continued

The **S&P 500® Index** represents the large-cap segment of the U.S. equity markets and consists of approximately 500 leading companies in leading industries of the U.S. economy. Criteria evaluated include market capitalization, financial viability, liquidity, public float, sector representation and corporate structure. An index constituent must also be considered a U.S. company. The **S&P 500 Total Return Index** is calculated based on price changes and reinvested dividends of the S&P 500 Index. The **S&P U.S. Dividend Growers Index** - The S&P U.S. Dividend Growers Index is designed to measure the performance of U.S. companies that have followed a policy of consistently increasing dividends every year for at least 10 consecutive years. The index excludes the top 25% highest-yielding eligible companies from the index. The **S&P 500 Financials** - Standard and Poor's 500 Financials Index is a capitalization-weighted index. The parent index is SPXL1. This is a GICS Level 1 Sector group. Intraday values are calculated by Bloomberg and not supported by S&P DJI, however the close price in HP<GO> is the official close price calculated by S&P DJI. The **S&P 500 Regional Banks Sub Industry GICS Level 4 Index** - The Standard and Poor's 500 Regional Banks Index Sub-Industry Index is a capitalization weighted index. The index was developed with a base level of 10 for the 1941-43 base period. This is a GICS Level 4 Sub-Industry group. Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). **S&P 600 - The Standard & Poor's Small-cap 600 Index** is a capitalization-weighted index that measures the performance of selected U.S. stocks with a small market capitalization. The index was developed with a base value of 100 as of December 31, 1993. These trademarks have been licensed to S&P Dow Jones Indices LLC. S&P, Dow Jones Indices LLC, Dow Jones, S&P and their respective affiliates (collectively "S&P Dow Jones Indices") do not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.

The **Bloomberg Aggregate Bond Index** is an unmanaged, market-value weighted index composed of taxable U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate, asset-backed, and mortgage-backed securities between one and 10 years. The **Bloomberg Municipal Bond 1-10 Year Blend Index** is a market value-weighted index which covers the short and intermediate components of the Bloomberg Municipal Bond Index—an unmanaged, market value-weighted index which covers the U.S. investment-grade tax-exempt bond market. The 1-10 Year Municipal Blend index tracks tax-exempt municipal General Obligation, Revenue, Insured, and Prerefunded bonds with a minimum \$5 million par amount outstanding, issued as part of a transaction of at least \$50 million, and with a remaining maturity from one up to (but not including) 12 years. The index includes reinvestment of income. The **Bloomberg U.S. Corporate High Yield Index** measures the market of U.S.D-denominated, noninvestment grade, fixed rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. The **Bloomberg Commodity Index Total Return (BCOMTR) Index** is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. The BCOM is composed of commodities exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The **Bloomberg US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers. The **Bloomberg U.S. Financial Conditions Index** - The Bloomberg U.S. Financial Conditions Index tracks the overall level of financial stress in the U.S. money, bond, and equity markets to help assess the availability and cost of credit. A positive value indicates accommodative financial conditions, while a negative value indicates tighter financial conditions relative to pre-crisis norms. The **Bloomberg Intermediary Treasury Bond Index** - The Bloomberg U.S. Treasury: Intermediate Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by U.S. Treasury with maturities of 1 to 9.9999 years to maturity. The **Bloomberg Investment-Grade BBB CMBS Index** - The Bloomberg U.S. CMBS Investment Grade: Bbb Index measures the Bbb-rated market of US Agency and US Non-Agency conduit and fusion CMBS deals with a minimum current deal size of \$300mn. The index includes both US Aggregate eligible (ERISA eligible) and non-U.S. Aggregate eligible (non-ERISA eligible) securities. (Legacy Ticker: LC31TRUU)

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The **Bankrate.com U.S. Home Mortgage 30-Year Fixed National Average** - Rate includes only 30-Year Fixed Mortgage products, with and without points. This index is the Overnight National Average. You will see daily rate averages on Bankrate.com in boxes labeled overnight averages (these calculations are run after the close of the business day). Included there are rates we have collected on the previous day for a specific banking product. Overnight averages tend to be volatile. They help consumers see the movement of rates day to day. The institutions included in the overnight averages tables will be different from one day to the next, depending on which institutions' rates we gather on a particular day for presentation on the site.

The **MMA Municipal Benchmark Yield Data** - Each trading session MMA receives a yield curve of 1 to 30 years from each contributing firm. The high and the low for each maturity are removed, and the median of the remaining contributors becomes the benchmark level. The guiding assumptions are: mid evaluation of a triple-A, 5% coupon, 10-Year par call institutional size lot bond. The scale is published on Bloomberg under the command CMMMA, and is also available in a PDF format at 4:00 pm eastern every trading session directly from MMA. The historical is on Bloomberg and can be downloaded via API.

The **PMI** - PMI Surveys track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

The **Real Capital Analytics** - Real Capital Analytics, Inc. is a data and analytics firm focused on the investment market for commercial real estate. National and Regional transaction data points are 3 month rolling averages and 3 month rolling sums. Market transaction data points are 12 month rolling averages and sums. Data is based on independent reports of properties and portfolios \$5 million and greater.

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Sectors are based on the Global Industry Classification Standard (GICS) sector classification system. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)", "GICS" and "GICS Direct" are service marks of Standard & Poor's and MSCI. "GICS" is a trademark of MSCI and Standard & Poor's.

Terms and Definitions:

Price-to-Earnings Ratio or P/E Ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings.

Total return is the actual rate of return of an investment or a pool of investments over a period. Total return includes interest, capital gains, dividends, and realized distributions. Total return is expressed as a percentage of the amount invested.

Yield to Worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

Earnings per Share (EPS) is a company's net profit divided by the number of common shares it has outstanding.

CET1 Ratio or Common Equity Tier 1 (CET1) Ratio is a measure of a bank's financial strengths. It is calculated by dividing a bank's common equity tier 1 capital by its risk-weighted assets. Common equity tier 1 is the most basic form of capital a bank has and is available to absorb losses. Risk-weighted assets are a measure of the riskiness of a bank's assets.

Headline PCE is a deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

Earnings yield is calculated as the inverse of an index's price-to-earnings ratio. In other words, it is calculated as the expected earnings of the index divided by the index's current price.