

TOWN OF DEWEY BEACH

October 10, 2024

ACCOUNT SUMMARY

All Accounts

As of 09/30/2024

Accounts	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)	868,297 60.1%	576,146 39.9%	0	0	0	0	\$1,444,443 19.7%
Town Of Dewey Beach, Delaware - Beach Replenishment (Short)	88,222 41.0%	126,936 59.0%	0	0	0	0	\$215,158 2.9%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FI)	28,345 0.7%	3,964,964 99.3%	0	0	0	0	\$3,993,309 54.5%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)	8,071 0.7%	0	1,118,236 99.3%	0	0	0	\$1,126,307 15.4%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long)	28,293 5.2%	0	0	192,505 35.1%	202,517 36.9%	124,922 22.8%	\$548,237 7.5%
Total	\$1,021,228 13.9%	\$4,668,046 63.7%	\$1,118,236 15.3%	\$192,505 2.6%	\$202,517 2.8%	\$124,922 1.7%	\$7,327,454 100.0%

PORTFOLIO OVERVIEW

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

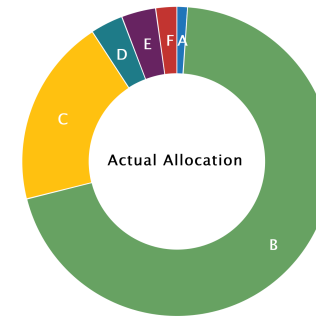
As of 09/30/2024

Performance History

Performance Inception Date: 01/31/2015

	Market Value	Inception to Date	Trailing 3 Years	Trailing 12 Months	Year to Date	Quarter to Date
Cash & Equivalents	\$64,709	--	--	6.3	4.3	1.3
Fixed Income	\$3,964,964	1.6	0.3	12.8	5.8	5.2
Bloomberg Intermediate Aggregate		1.6	-0.3	10.4	4.6	4.6
Equities	\$1,638,180	11.2	8.8	33.9	18.6	6.4
MSCI All Country World Net		9.9	8.1	31.8	18.7	6.6
TOTAL PORTFOLIO - GROSS	\$5,667,853	4.4	2.8	18.3	9.3	5.4
TOTAL PORTFOLIO - NET	\$5,667,853	4.0	2.3	17.6	8.8	5.3
*Blended Benchmark		3.8	2.0	15.3	8.0	5.0

Asset Allocation

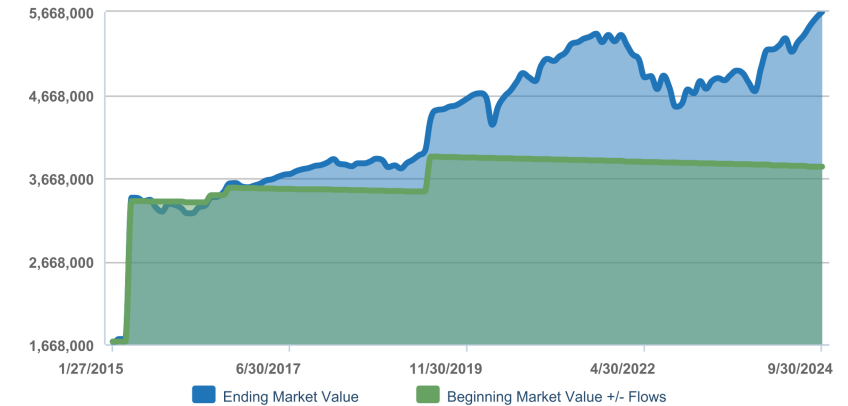


Asset Class	Weight	Target
A Cash & Equivalents	1.1%	3.0%
B Fixed Income	70.0%	72.0%
C Large Cap U.S. Equities	19.7%	15.0%
D Small/Mid Cap U.S. EQY	3.4%	3.5%
E Global/Developed Int'l	3.6%	3.5%
F Emerging Markets	2.2%	3.0%
Total	100.0%	100.0%

Change in Portfolio

	Inception to Date 01/27/2015	Trailing 3 Years	Trailing 12 Months	Year to Date	Quarter to Date
Beginning Portfolio Value	1,699,751	5,302,268	4,820,724	5,211,623	5,385,356
Net Contributions / Withdrawals	2,103,597	-75,559	-32,102	-26,532	-9,093
Market Value Gain / Loss	974,655	60,992	702,431	341,011	241,962
Income and Capital Gains	889,850	380,152	176,800	141,751	49,628
Ending Market Value	\$5,667,853	\$5,667,853	\$5,667,853	\$5,667,853	\$5,667,853

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% MSCI ACWI
Performance for periods greater than one year are annualized.

PERFORMANCE SUMMARY

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

As of 09/30/2024

	Market Value	Asset Weighting	Inception to Date 01/31/2015	Trailing 3 Years	Trailing 12 Months	Year to Date	Quarter to Date
Cash & Equivalents	\$64,709	1.14%	--	--	6.3	4.3	1.3
Fixed Income	\$3,964,964	69.96%	1.6	0.3	12.8	5.8	5.2
Bloomberg Intermediate Aggregate			1.6	-0.3	10.4	4.6	4.6
Equities	\$1,638,180	28.90%	11.2	8.8	33.9	18.6	6.4
MSCI All Country World Net			9.9	8.1	31.8	18.7	6.6
U.S. Equities	\$1,214,175	21.42%	13.8	10.0	35.5	18.9	6.6
S&P 500			13.7	11.9	36.4	22.1	5.9
Non-U.S. Equities	\$424,004	7.48%	5.7	6.0	30.1	18.1	5.8
MSCI ACWI ex-U.S. Net			5.8	4.1	25.4	14.2	8.1
TOTAL PORTFOLIO - GROSS	\$5,667,853	100.00%	4.4	2.8	18.3	9.3	5.4
TOTAL PORTFOLIO - NET	\$5,667,853	100.00%	4.0	2.3	17.6	8.8	5.3
*Blended Benchmark			3.8	2.0	15.3	8.0	5.0

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% MSCI ACWI

Performance for periods greater than one year are annualized.

PERFORMANCE DETAIL

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

As of 09/30/2024

	Market Value	Asset Weighting	Investment Inception	Investment Inception to Date	Trailing 3 Years	Trailing 12 Months	Year to Date	Quarter to Date
Fixed Income Taxable Funds								
Voya Intermediate Bond Fund	\$3,964,964	69.96%	09/30/2023	13.3	--	13.3	5.8	5.2
Bloomberg Aggregate				11.6	-1.4	11.6	4.5	5.2
Separately Managed Equity Portfolios								
Flexible Equity Portfolio	\$1,126,307	19.87%	01/31/2015	14.5	11.6	37.9	21.6	6.3
S&P 500				13.7	11.9	36.4	22.1	5.9
U.S. Small/Mid Cap Equity Funds								
Brown Advisory Sustainable Small-Cap Core Fund	\$192,505	3.40%	11/30/2021	1.9	--	23.8	8.6	7.4
Russell 2000				2.0	1.8	26.8	11.2	9.3
Global/Developed International Funds								
Brown Advisory Global Leaders Fund	\$202,517	3.57%	04/30/2020	15.1	8.0	32.8	15.9	5.8
MSCI All Country World Net				15.3	8.1	31.8	18.7	6.6
Emerging Markets Funds								
BA Emerging Markets Select Fund	\$124,922	2.20%	05/31/2019	8.0	2.8	22.6	16.5	6.7
MSCI Emerging Markets Net				5.7	0.4	26.1	16.9	8.7

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)

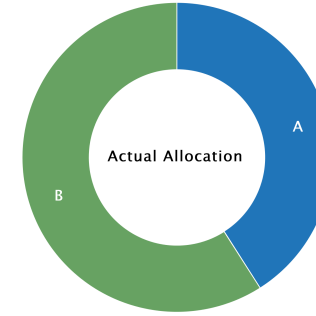
As of 09/30/2024

Performance History

Performance Inception Date: 01/31/2015

	Market Value	Inception to Date	Trailing 3 Years	Trailing 12 Months	Year to Date	Quarter to Date
Cash & Equivalents	\$88,222	1.6	3.5	5.5	3.5	1.3
Fixed Income	\$126,936	--	--	12.8	5.8	5.2
TOTAL PORTFOLIO - GROSS	\$215,158	1.1	1.7	10.0	4.9	3.6
TOTAL PORTFOLIO - NET	\$215,158	0.9	1.6	9.8	4.7	3.5
Merrill Lynch 0-3 Month US Treasury Bill Index		1.7	3.6	5.5	4.1	1.4

Asset Allocation

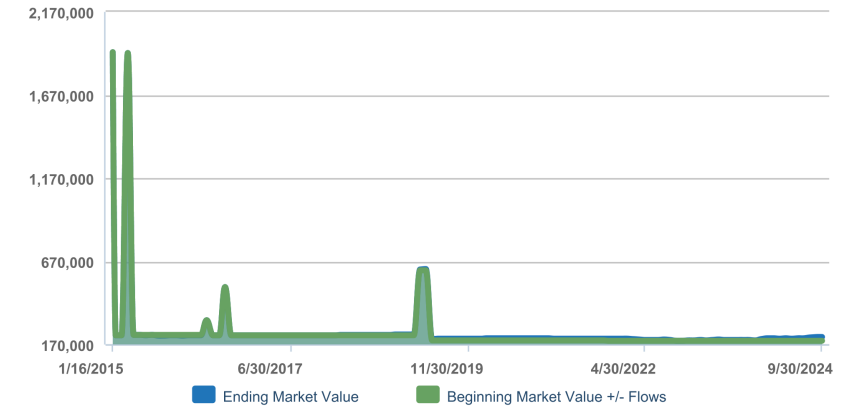


Asset Class	Weight	Target
A Cash & Equivalents	41.0%	40.0%
B Fixed Income	59.0%	60.0%
Total	100.0%	100.0%

Change in Portfolio

	Inception to Date 01/16/2015	Trailing 3 Years	Trailing 12 Months	Year to Date	Quarter to Date
Beginning Portfolio Value	1,926,734	205,214	196,071	205,611	207,868
Net Contributions / Withdrawals	-1,734,732	-891	-479	-435	-146
Market Value Gain / Loss	-17,421	-8,472	9,936	1,740	4,811
Income and Capital Gains	40,577	19,307	9,630	8,242	2,625
Ending Market Value	\$215,158	\$215,158	\$215,158	\$215,158	\$215,158

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)

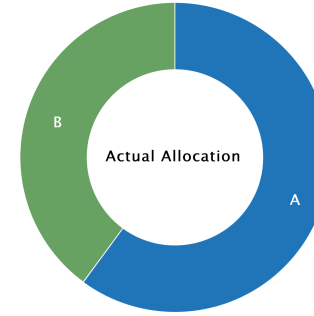
As of 09/30/2024

Performance History

Performance Inception Date: 01/31/2015

	Market Value	Inception to Date	Trailing 3 Years	Trailing 12 Months	Year to Date	Quarter to Date
Cash & Equivalents	\$868,297	1.7	3.6	6.0	4.0	1.5
Fixed Income	\$576,146	--	--	--	--	--
TOTAL PORTFOLIO - GROSS	\$1,444,443	0.9	1.1	7.7	1.7	1.1
TOTAL PORTFOLIO - NET	\$1,444,443	0.7	0.9	7.5	1.5	1.0
Merrill Lynch 0-3 Month US Treasury Bill Index		1.7	3.6	5.5	4.1	1.4

Asset Allocation

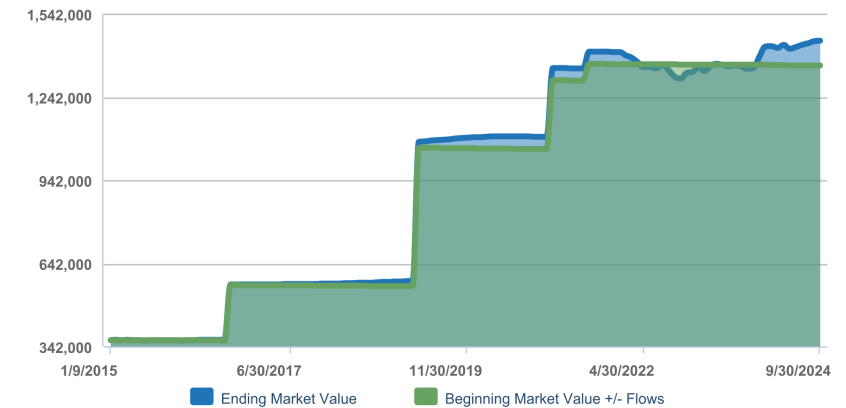


Asset Class	Weight	Target
A Cash & Equivalents	60.1%	40.0%
B Fixed Income	39.9%	60.0%
Total	100.0%	100.0%

Change in Portfolio

	Inception to Date 01/09/2015	Trailing 3 Years	Trailing 12 Months	Year to Date	Quarter to Date
Beginning Portfolio Value	364,182	1,405,621	1,343,795	1,423,092	1,430,137
Net Contributions / Withdrawals	990,710	-6,168	-3,312	-3,009	-1,012
Market Value Gain / Loss	-97,238	-89,174	36,076	-33,287	-4,195
Income and Capital Gains	186,789	134,164	67,884	57,647	19,513
Ending Market Value	\$1,444,443	\$1,444,443	\$1,444,443	\$1,444,443	\$1,444,443

Historical Market Value



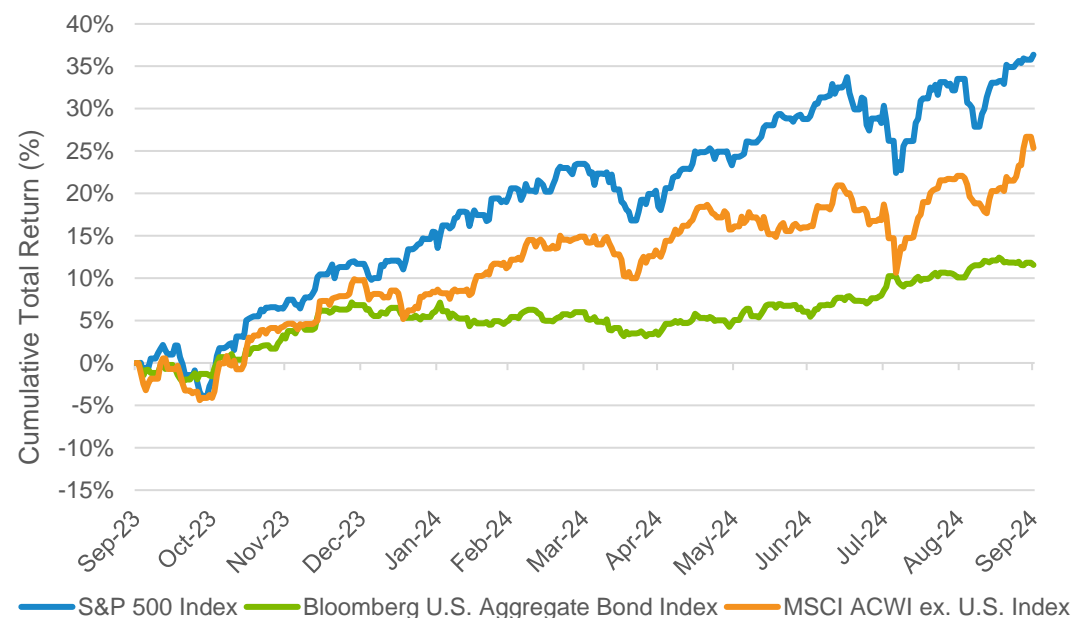
All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns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

Trailing 1-Year Returns Across Major Indexes



Key Market Dynamics:

- The Federal Reserve decided to cut interest rates during the quarter after signs of cooling inflation. This supported financial markets, with equity returns broadening beyond the “Magnificent Seven.”
- Economic activity in the U.S. points to continued strength, although the economic picture abroad is less clear. In China, sluggish consumption and risks of deflation have pressed the government to provide massive stimulus packages in an effort to jumpstart the economy. Other central banks around the world have lowered policy rates as inflation has come down.
- Short-term interest rates have come down meaningfully during the quarter as a result of central bank easing, while credit has done well due to a strong macroeconomic backdrop.

Index Total Returns* by Asset Class	Quarter-to-Date	Year-to-Date	Trailing 1-Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Municipal Bonds (Bloomberg Municipal 1–10 Year Blend Index)	2.7%	1.9%	7.4%	0.5%	1.4%	2.0%
Investment-Grade Bonds (Bloomberg U.S. Aggregate Bond Index)	5.2%	4.4%	11.5%	-1.4%	0.3%	1.8%
High-Yield Bonds (Bloomberg U.S. Corporate High Yield Index)	5.3%	8.0%	15.7%	3.1%	4.7%	5.0%
U.S. Large-Cap Equities (S&P 500® Index)	5.9%	22.1%	36.2%	11.9%	15.9%	13.4%
U.S. Small-Cap Equities (Russell 2000® Index)	9.3%	11.2%	26.7%	1.8%	9.3%	8.8%
Developed Non-U.S. Equities (MSCI EAFE Net Total Return Index)	7.3%	13.0%	24.7%	5.5%	8.2%	5.7%
Emerging Market Equities (MSCI EM Net Total Return Index)	8.7%	16.9%	26.0%	0.4%	5.7%	4.0%
Commodities (Bloomberg Commodity Total Return Index)	0.7%	5.9%	1.0%	3.7%	7.8%	0.0%

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

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

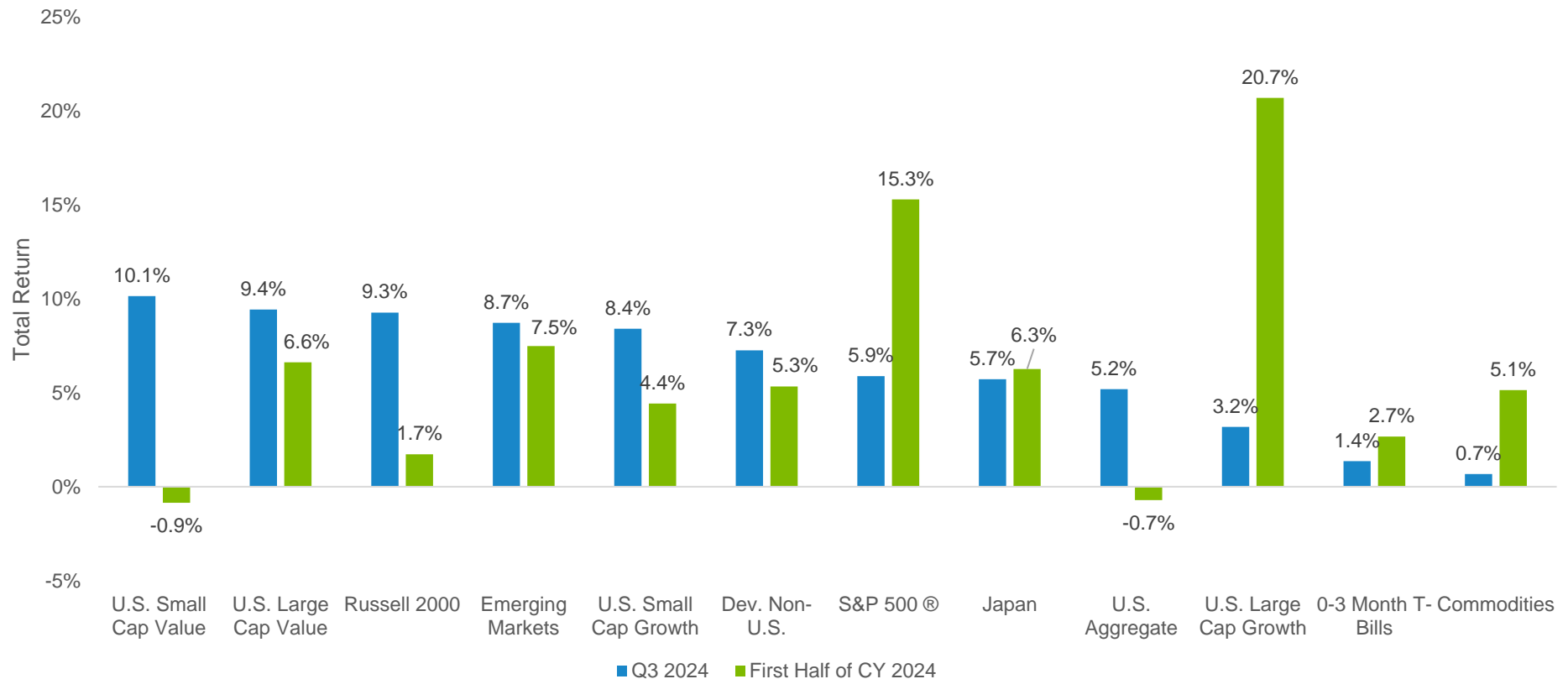
MARKET ROTATION SHOWS POTENTIAL FOR BROADER RETURNS BEYOND U.S. LARGE-CAP

As of September 30, 2024

Equity market returns have shifted dramatically during the third quarter, as segments such as small-cap equities and value have outperformed U.S. large-cap and growth quarter-to-date. Lower interest rates due to the Fed’s monetary policy pivot may support a further broadening of market returns, although much will depend on whether the economy has a soft or hard landing.

Sharp Market Rotation between the First Half of 2024 and the Third Quarter of 2024

Total Returns of Various Market Segments, First Half of 2024 (01/01/2024 – 09/30/2024) and Third Quarter 2024



Source: Bloomberg, using Russell 1000® Value Index for U.S. Large Cap Value, Bloomberg U.S. Aggregate Bond Index for U.S. Aggregate, Russell 2000® Value Index for U.S. Small Cap Value, MSCI Japan Net USD Return Index for Japan, MSCI EAFE Net USD Return Index for Dev. Non-U.S., Russell 2000® Growth Index for U.S. Small Cap Growth, ICE BofA 0-3 Month US Treasury Bill Index for 0-3 Month T-Bills, MSCI Emerging Markets Net USD Return Index for Emerging Markets, Russell 1000® Growth Index for U.S. Large Cap Growth, and Bloomberg Commodity Index Total Return for Commodities. Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

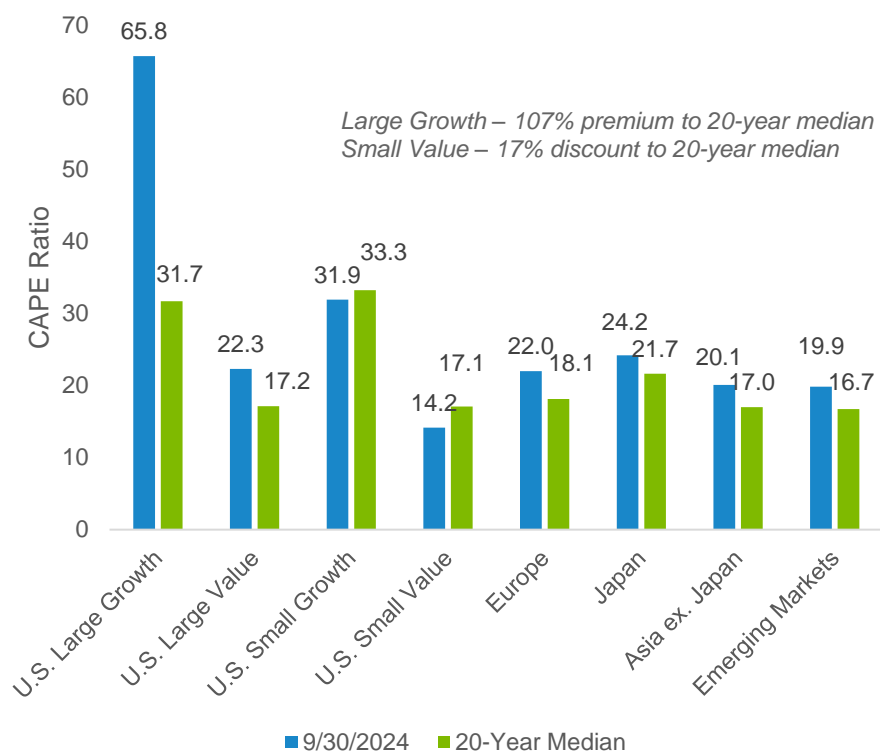
VALUATIONS AND EARNINGS ACROSS EQUITIES

As of September 30, 2024

The innovations of the tech titans have driven earnings and market returns but have also driven up valuations in the U.S. large-cap growth segment. We are emphasizing balance with other market segments where many opportunities seem overlooked.

U.S. large-cap growth continues to look expensive relative to history, while small-cap value remains more modestly valued.

CAPE Ratios across Market Segments, 9/30/2003 – 09/30/2024.



Small-cap may benefit most if lower rates improve growth given their earnings expectations are more conservative.

Equity segment characteristics as of 09/30/2024.

Equity Segment	YTD Return	CAPE Ratio	YTD Earnings Revision
U.S. Large Growth	24.5%	65.8	15.1%
U.S. Large Value	16.7%	22.3	2.2%
U.S. Small Growth	13.2%	31.9	-5.0%
U.S. Small Value	9.2%	14.2	-3.3%
Europe	12.8%	22.0	3.1%
Japan	12.4%	24.2	16.0%
Asia ex. Japan	21.2%	20.1	10.3%
Emerging Markets	16.9%	19.9	8.3%

Source: Bloomberg, U.S. Large Growth using Russell 1000® Growth Index, U.S. Large Value using Russell 1000® Value Index, U.S. Small Growth using Russell 2000® Growth Index, U.S. Small Value using Russell 2000® Value Index, Europe using MSCI Europe USD Total Return Index, Japan using MSCI Japan USD Total Return Index, Asia ex. Japan using MSCI Asia ex. Japan USD Total Return Index, and Emerging Markets using MSCI Emerging Markets Net USD Total Return Index.

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

FED'S LONG-AWAITED PIVOT FINALLY COMES, BUT COURSE OF CUTTING CYCLE STILL UNCERTAIN

As of September 30, 2024

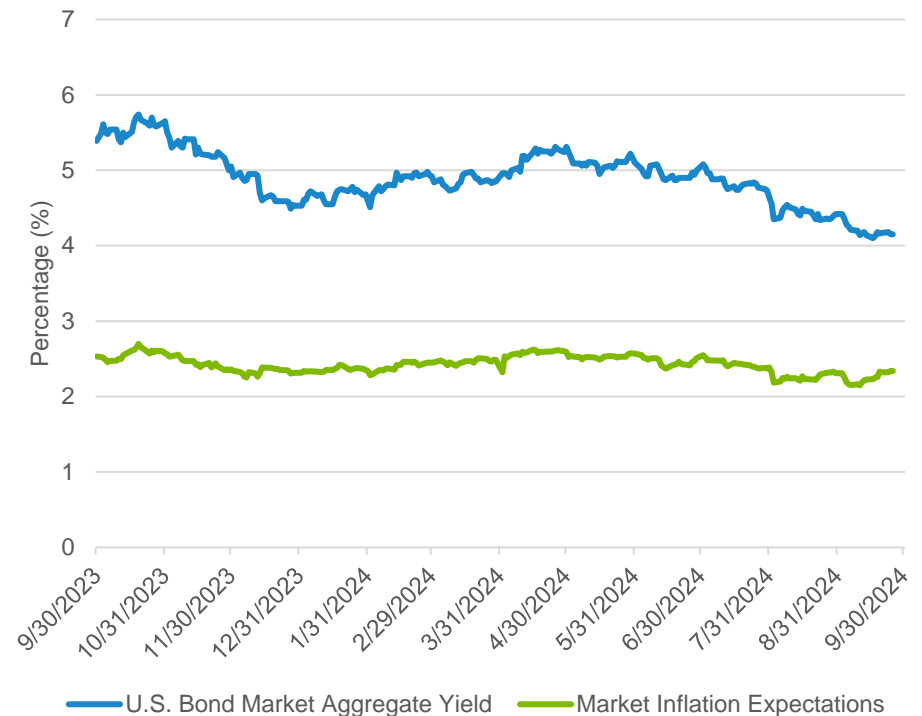
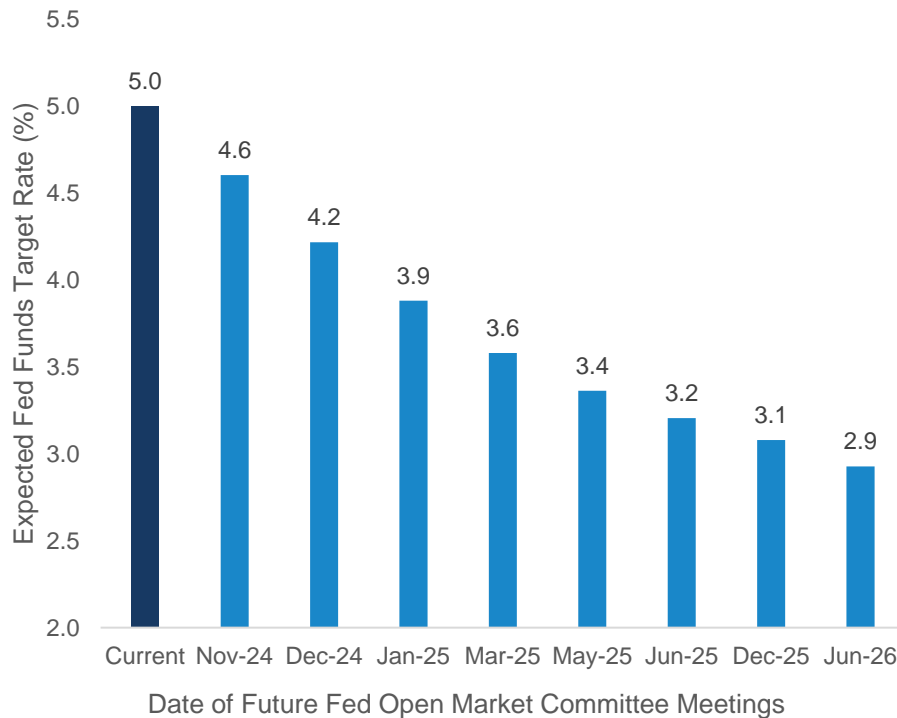
With continued progress on inflation and a softening labor market, the Federal Reserve cut rates by 0.5% in September. However, we believe that the specifics of the next few rate cuts matter far less to financial markets than where rates ultimately end up at the end of the cycle. Long-term bond yields have decreased in anticipation, but much will likely depend on how economic fundamentals evolve.

Currently, the market is anticipating the Federal Reserve to cut rates to 2.5-3% over the next 18-24 months.

Fed Funds expected target rate based on Fed Funds futures as of 09/30/2024.

In anticipation of these interest rate cuts, bond yields have fallen but are still well above inflation expectations.

Bloomberg U.S. Aggregate Bond Index Yield and 5-year CPI swaps, 09/30/2023 – 09/30/2024



Source: Bloomberg

Source: Bloomberg

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

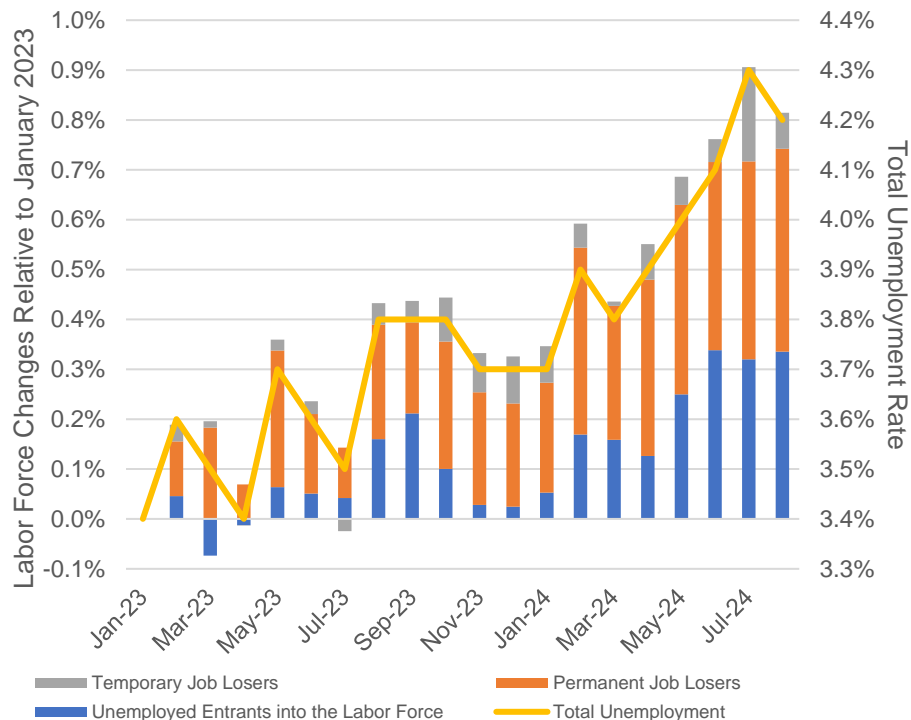
UNEMPLOYMENT IS UP, BUT JOBS ARE NOT GOING AWAY

As of September 30, 2024

Slowing job growth and rising unemployment usually indicate an impending recession, but the underlying dynamics are less troubling. A surge of new entrants to the labor market has impacted the unemployment rate, but the slight increase in unemployment represents a normalization of the labor market after being very tight following the pandemic.

An influx of new job seekers and temporary job losses has fueled the rise in unemployment.

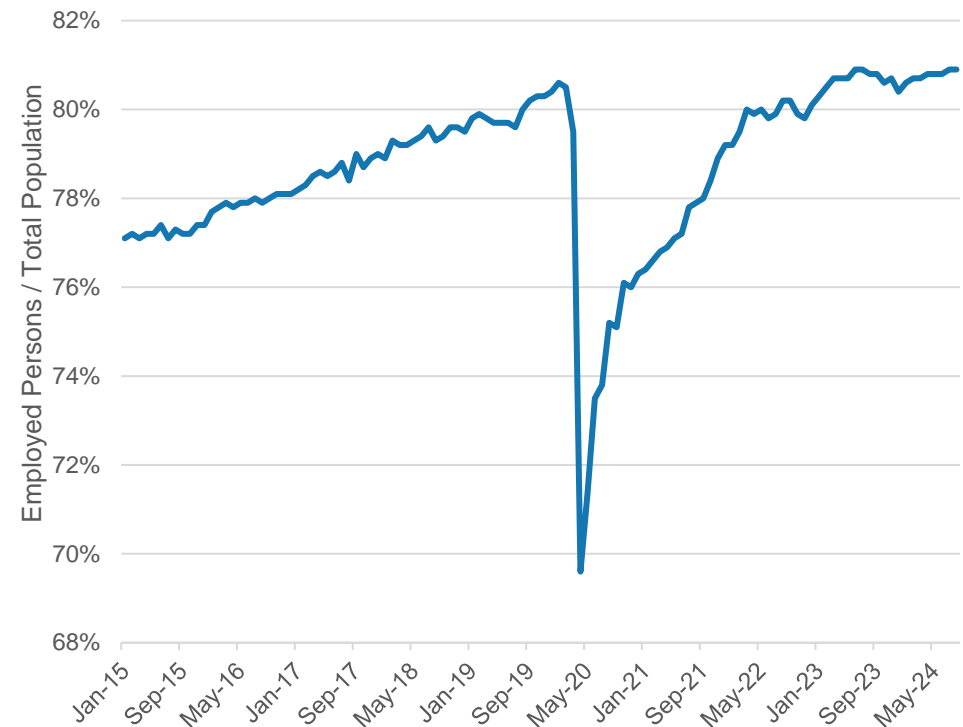
Changes in unemployment by category 01/31/2023 – 08/31/2024



Source: Bureau of Labor Statistics

Employment levels remain high for the prime working-age population despite slowing job growth.

Employed people as a share of total prime working population (ages 25-54)
01/31/2015 – 08/31/2024



Source: Bloomberg

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures.

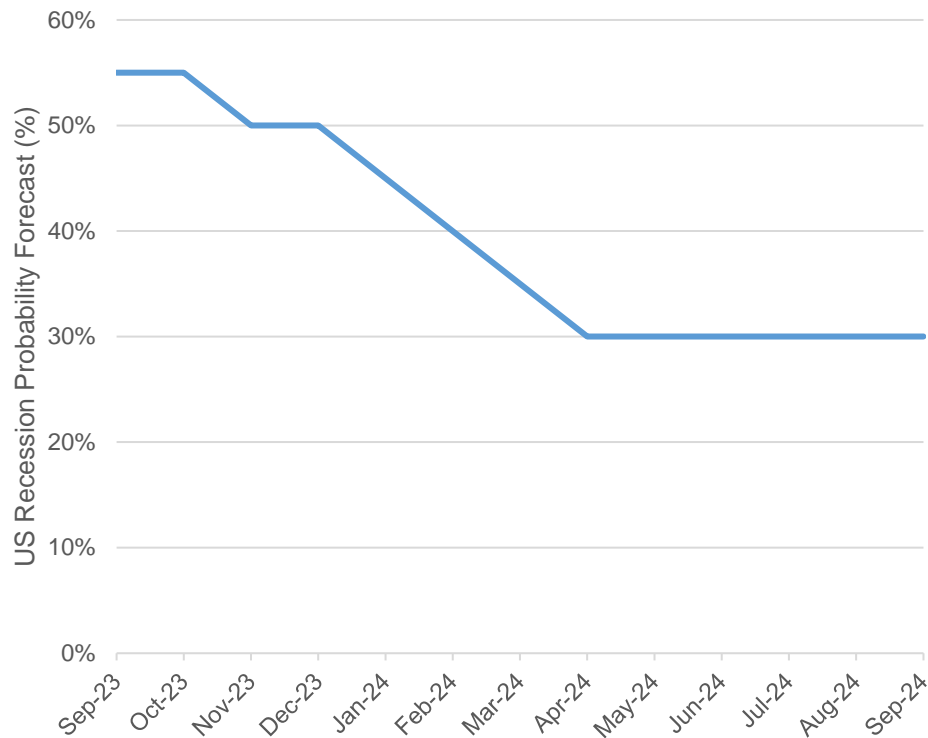
LOOKING FORWARD TOWARDS A LOWER-INTEREST RATE ENVIRONMENT IN THE U.S.

As of September 30, 2024

If the economy avoids a recession, Fed rate cuts are generally viewed positively by investors. Historically, decreasing interest rate environments stoke economic growth, improve market sentiment (particularly among rate-sensitive equities) and create opportunities for capital appreciation in core bonds. However, the outcome will depend significantly on the extent of the Federal Reserve's rate cuts.

Recession risk remains a factor; however, consensus is building that a soft landing is the base case.

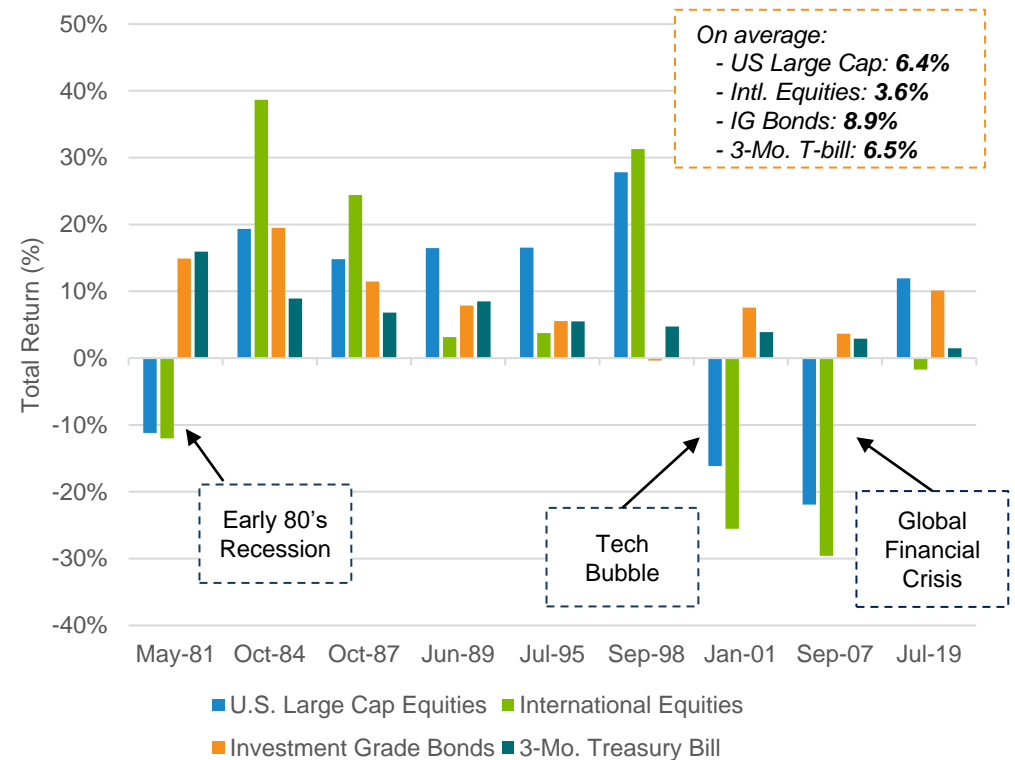
Forecasted probability of US recession, Trailing 1 Year



Source: Bloomberg, as of 09/30/2024

On average, when the economy is not in a recession, returns have been positive across asset classes following the first rate cut.

One-year returns following the first rate cut in a cycle, 05/31/1981 – 09/30/2024



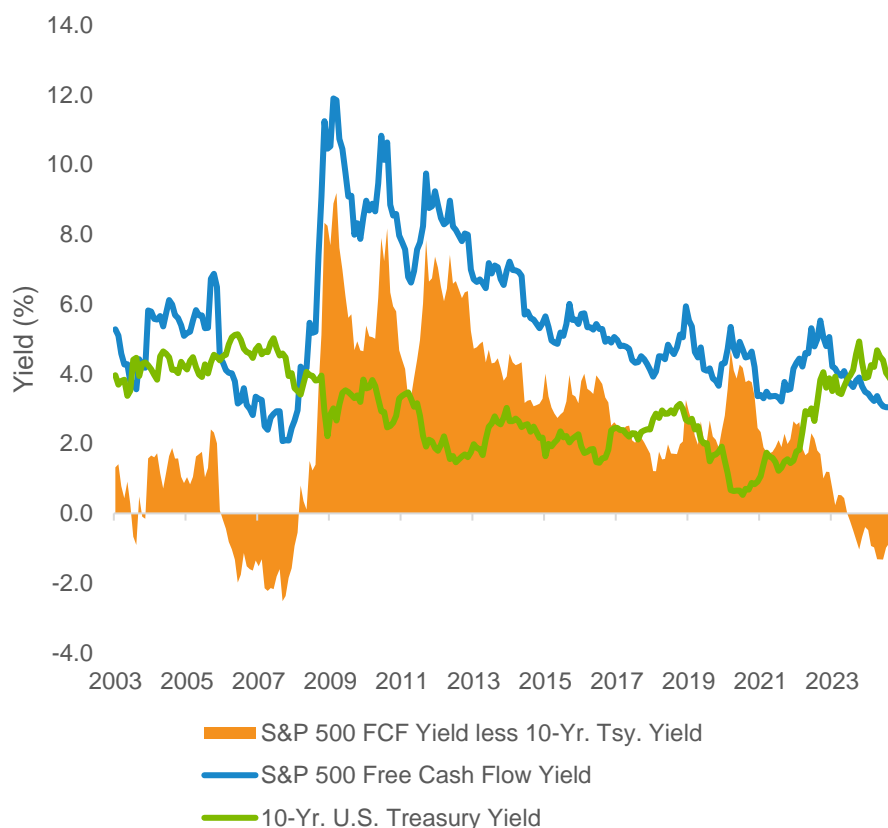
Source: Bloomberg

EQUITY RISK PREMIUM APPEARS LOW RELATIVE TO HISTORY

As of September 30, 2024

Equity risk premium continues to compress, with equity markets trading at less attractive valuations.

S&P 500® Index FCF Yield and 10-Year Treasury Yield, 12/31/2003 – 09/30/2024.



Source: Bloomberg. FCF Yield stands for free cash flow yield and measures the Index's free cash flow divided by the Index's price.

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 – 09/30/2024.

Compound Annualized Growth Rates	U.S. Large-Cap Equities (A)	Core Fixed Income (B)	Return Differential (A minus B)
Historical Return (1922 – 2024)	10.7%	5.0%	+5.7%
Trailing 10-Year Returns (2013 – 2024)	13.4%	1.8%	+11.5%
Current Return Estimate* (as of 09/30/2024)	5.9%	5.6%	+0.3%

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.

Note: All commentary is as of 09/30/2024 unless otherwise noted. *Forecasted returns are based on Brown Advisory's 10-year forecasted capital market assumptions and the indicated target allocations to each respective asset class. These assumptions are based on the indices for those asset classes. Forecasted returns assume re-investment of dividends and daily re-balancing back to the stated target allocation. Additional information about the performance calculations is available upon request. The investment results stated on this page are for illustrative purposes only. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

OPPORTUNITY IN SMALL CAPS

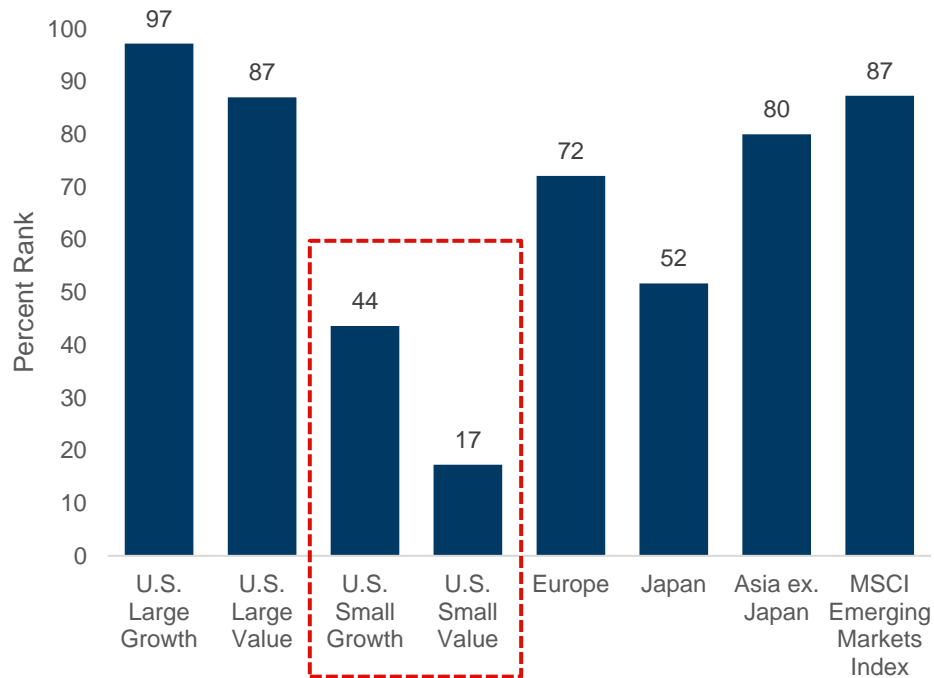
As of September 30, 2024

Valuations among smaller-cap companies look relatively attractive but investors must be conscientious of quality as far more small-cap companies come with high leverage and unreliable profitability. We favor high quality small-cap companies where valuations still appear attractive and lower interest rates could catalyze a reversion in valuation.

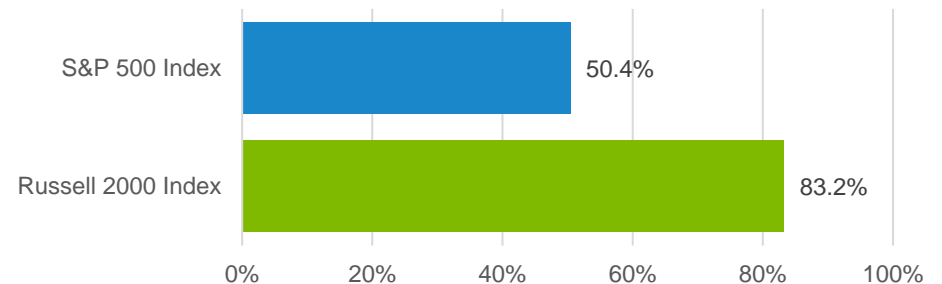
U.S. Small Caps continue to have attractive valuations, particularly relative to U.S. Large Caps...

...but an investable universe with higher leverage and lower profitability makes stock selection & active management important.

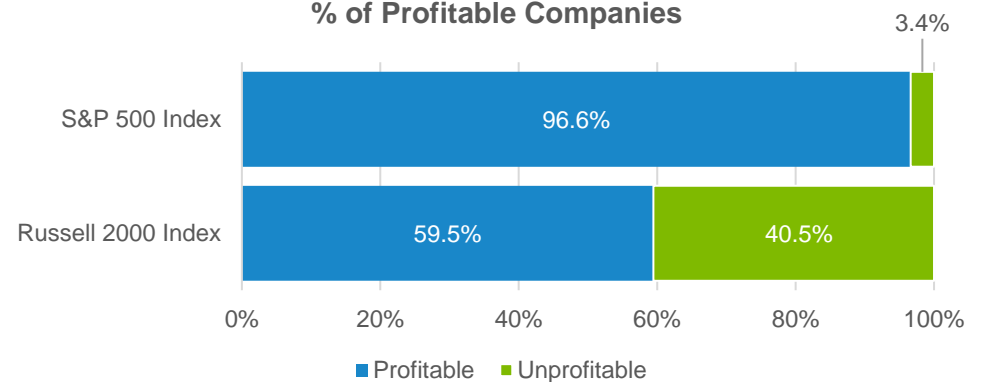
Valuation Percentile Using CAPE Relative to Last 20 Years



% of Debt Maturing Before 2030



% of Profitable Companies



Source: Bloomberg, as of 9/30/2024. U.S. Large Growth using Russell 1000® Growth Index, U.S. Large Value using Russell 1000® Value Index, U.S. Small Growth using Russell 2000® Growth Index, U.S. Small Value using Russell 2000® Value Index, Europe using MSCI Europe USD Total Return Index, Japan using MSCI Japan USD Total Return Index, Asia ex. Japan using MSCI Asia ex. Japan USD Total Return Index, and Emerging Markets using MSCI Emerging Markets Net USD Total Return Index

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

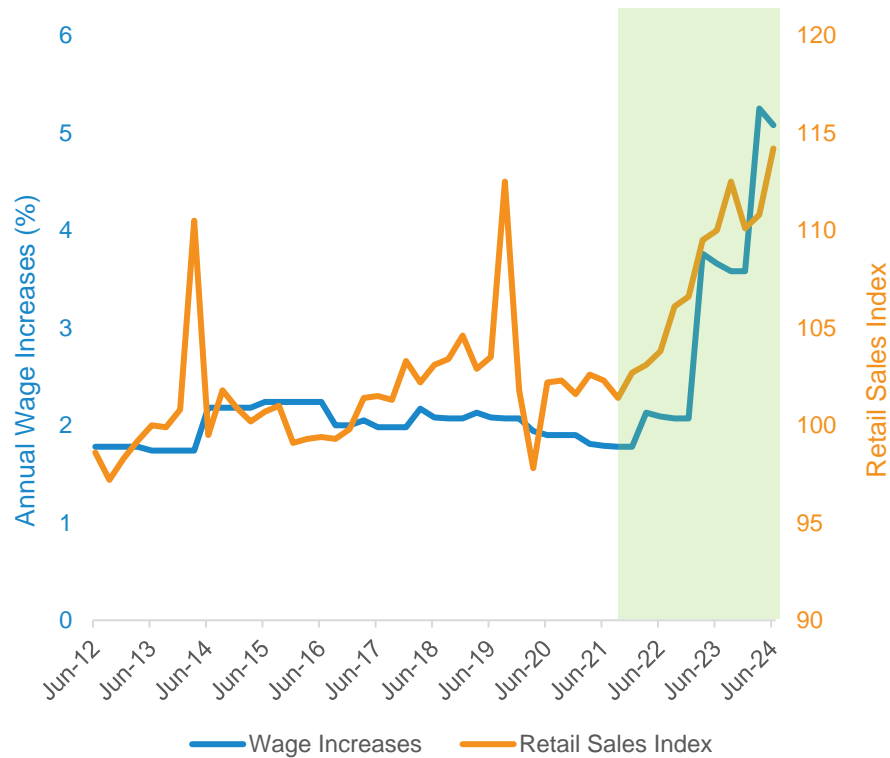
JAPAN: POSITIVE CHANGE UNDERWAY

As of September 30, 2024

A coordinated effort by the Japanese government and regulators to reorient corporate Japan toward shareholder value has a long way to go but is gaining momentum. We believe Japanese equities are an interesting investment opportunity given the economy is exiting deflation, valuations are low, the market is inefficient and there is potential for structurally increasing returns on equity resulting from corporate reform.

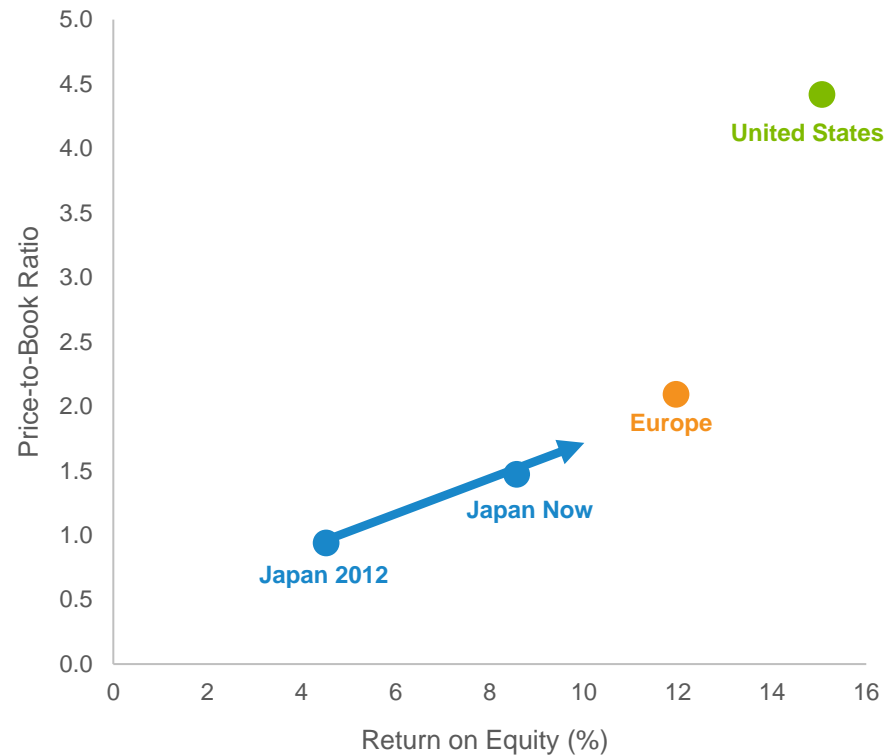
The highest wage inflation in 30 years is leading to improved sentiment and greater propensity to spend.

Wage Increases, Japanese Trade Union Confederation and Retail Sales as of 9/30/2024



Corporate governance reform is aimed at raising shareholder returns and valuations to more competitive levels.

Trailing 12-month Return on Equity and Price to Book Ratio as of 9/30/2024



Source: Retail Sales from Ministry of Economy, Trade, and Industry Japan. Wage increases are results of Spring Wage Negotiation released by the Japanese Trade Union Confederation (Rengo).

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures.

Source: Bloomberg LP, Japan (TOPIX Index), U.S. (Russell 3000 Index), Europe (MSCI Europe).

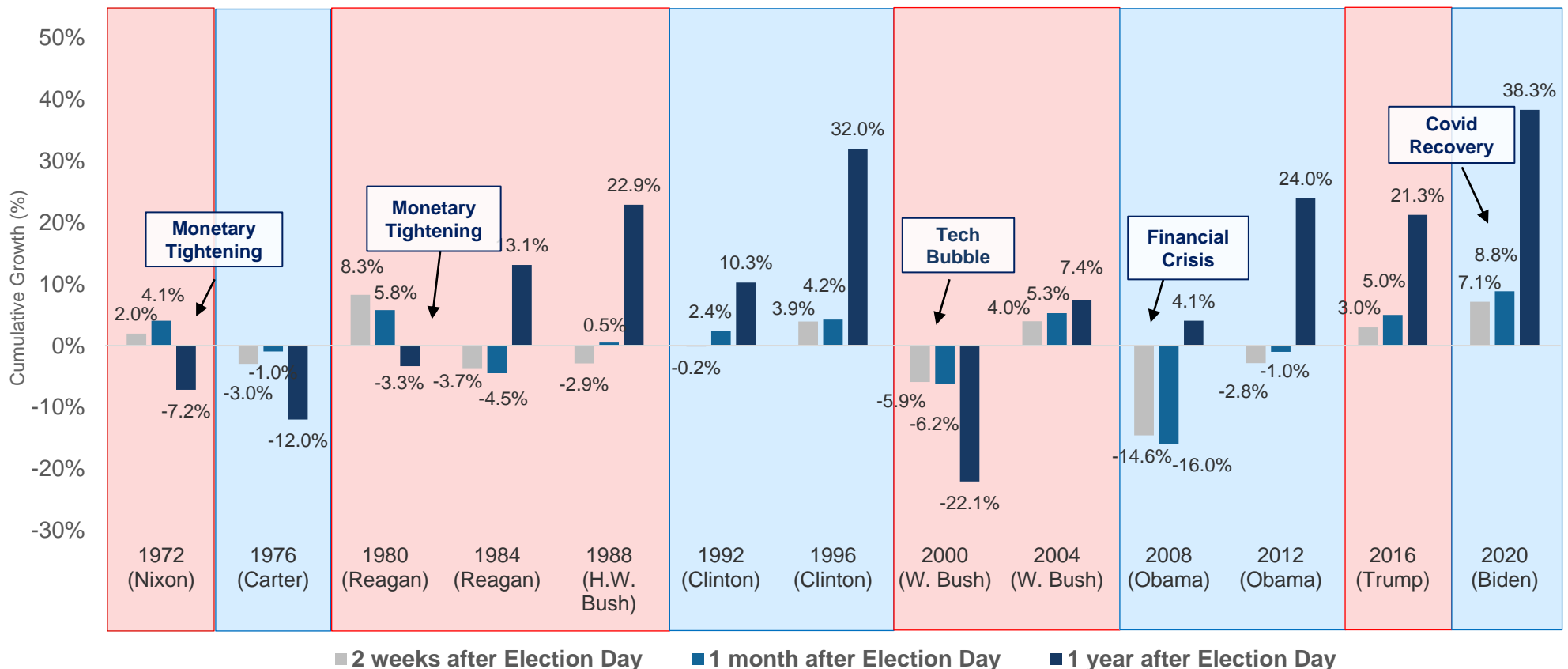
THE ILLUSORY IMPACT OF ELECTIONS ON MARKET RETURNS

As of September 30, 2024

History suggests that the outcome of the election is unlikely to have a lasting impact on the overall equity market. In general, other factors, such as innovation and the economic cycle, have tended to have a far more significant impact and outweigh election results.

Returns in the period after a presidential election are not accurate predictors of how the market will behave in the year following the election, nor is a victory from either party indicative of how the market might perform.

Returns of S&P 500® Index after Election Day over the last fifty years



Source: Brown Advisory Analysis, Bloomberg

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.



Balancing risk-adjusted return opportunities across portfolios

- **Rebalancing to long-term targets:** While the press is filled with prognosticators confidently forecasting a hard landing or a soft landing, we would rather acknowledge the uncertainty and prepare portfolios for a range of outcomes with a balance and stability and growth assets aligned with long-term investment goals.
- **Private market discipline:** Private markets have seen major ups and downs in recent years but success in the long run requires the patient discipline to make consistent investments with strong managers.



Diversification in a concentrated world

- **Innovation coming from tech titans:** Market concentration has reached generational extremes. However, rapid innovation has driven tremendous cash flow growth among the tech titans. Neither reversal nor continuation are inevitable.
- **Dedication to the right kind of diversification:** As investors, we are not afraid of concentrated positions in high quality companies. However, we also know there is no “sure thing” in the world of investments. Therefore, we have meaningful investments in the titans whose innovations have lasting benefits for shareholders but with recognition that there is a much broader market of opportunities.



Bonds provide stability and return as interest rate cycle turns

- **Maintaining target weight in core fixed income:** As central banks turn to cut rates, bonds have the potential for meaningful return, particularly if the economy falters, providing important diversification to portfolios.
- **Alternative Credit:** Spreads in the corporate bond markets have tightened considerably, but private credit and some areas of securitized credit are still offering yields at or above the type of returns we would expect from equities with lower risk.



Opportunities beyond U.S. large-cap equities

- **Global Equities:** Though economic dynamics are not as strong, we believe many globally-oriented or idiosyncratically-attractive non-U.S. companies are trading at attractive valuations.
- **High quality smaller companies:** We remain overweight in quality mid- and small-cap equities due to attractive valuations. An emphasis on cash flow and resilient balance sheets should help us navigate a volatile macroeconomic environment.

ADDITIONAL MARKET COMMENTARY

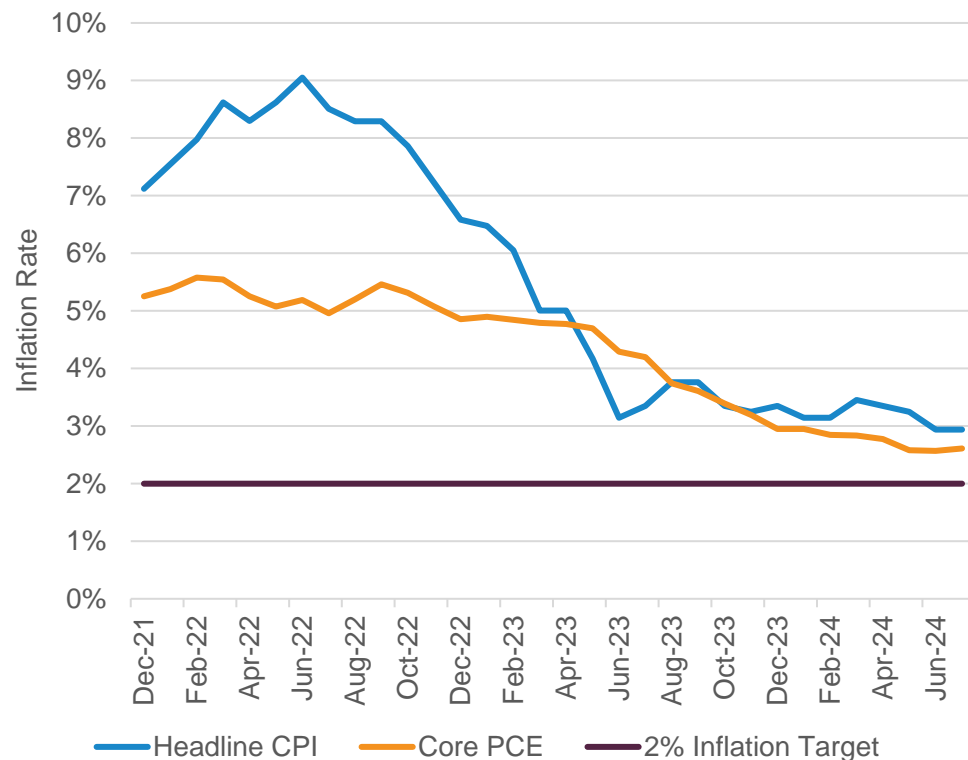
DISINFLATIONARY TRENDS GIVE THE FED LEEWAY TO BEGIN CUTTING RATES

As of September 30, 2024

Inflation has continued to make progress towards the Fed's 2% target. Under the surface, slowing inflation has been broad across the economy, but shelter costs seem to remain the greatest challenge. However, shelter has traditionally been a lagging indicator, giving the Federal Reserve confidence about the direction of inflation moving forward.

While ahead of Fed target, inflation has continued to ease over the year, sparking a change in the Fed's policy.

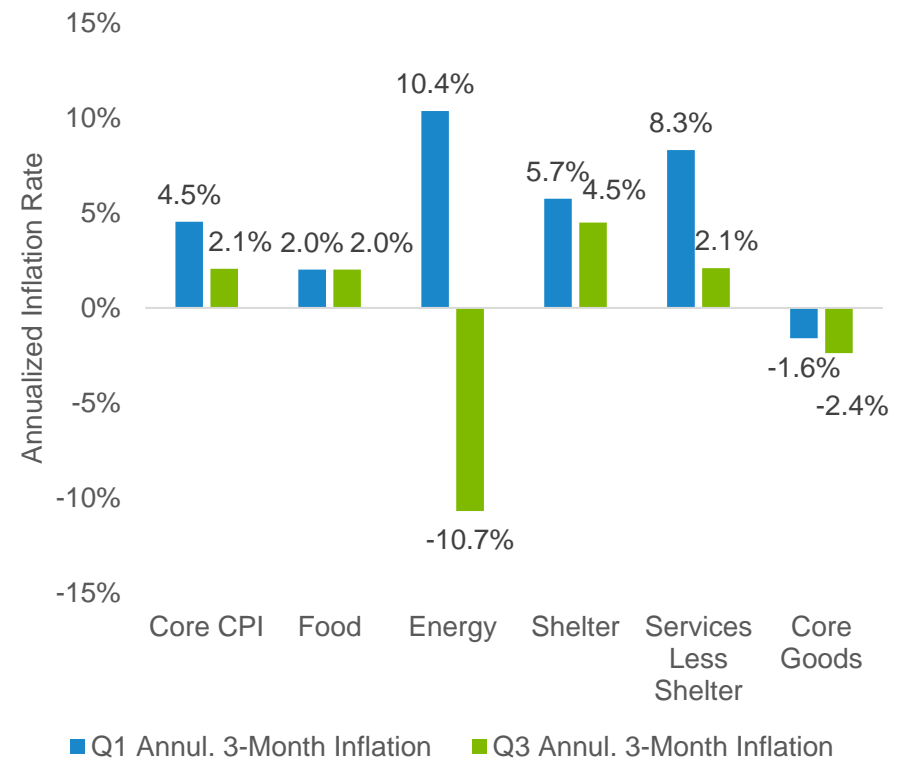
Year-over-Year inflation metrics, 12/31/2021 – 8/31/2024



Source: Bloomberg. Latest data as of 8/31/2024.

Since Q1, we've seen a shift in the pace of inflation as most segments of CPI have cooled aside from Shelter.

Three-Month Annualized Inflation, Q1 2024 versus Q3 2024 as of 8/31/2024



Source: Bloomberg; Federal Reserve. Latest data as of 8/31/2024

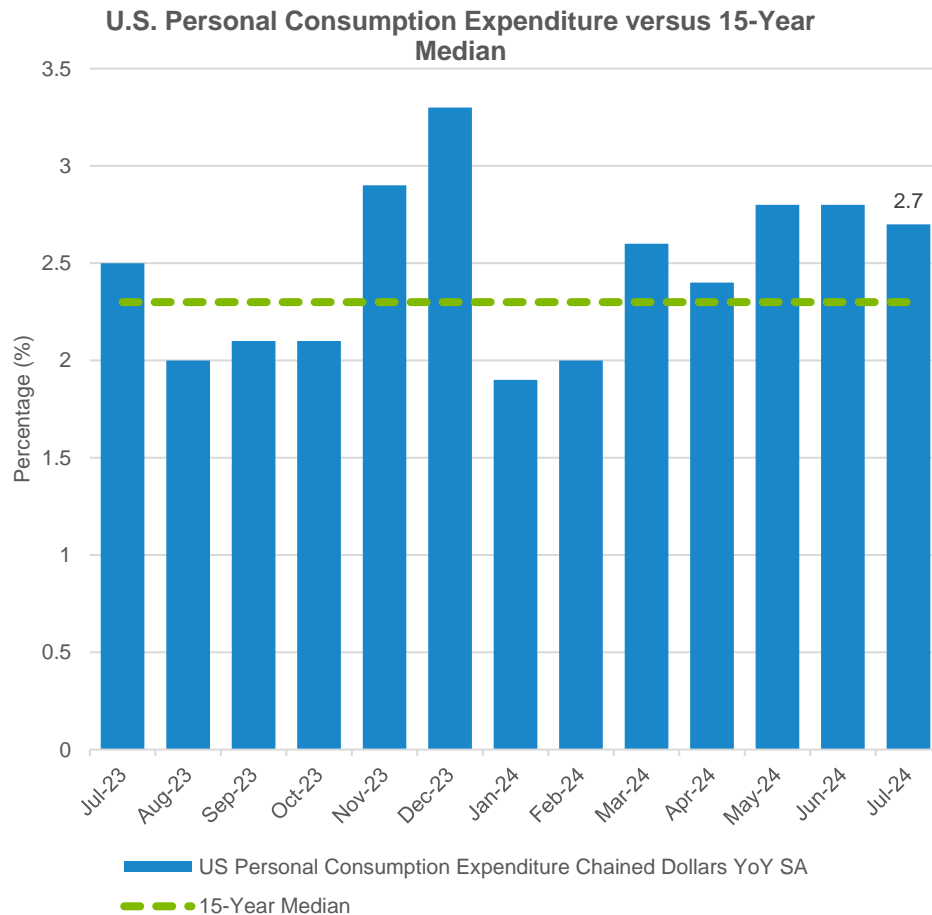
THE CONSUMER IS STRONG, BUT MORE DISCERNING

As of September 30, 2024

The consumer remains fairly strong, but companies in their latest earnings calls have noted areas of softness, particularly among the lower-income consumers.

The consumer continues to spend in aggregate...

U.S. Personal Consumption Expenditure Chained Dollars YoY SA



Source: Bureau of Economic Analysis

Note: All commentary is as of 09/30/2024 unless otherwise noted. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. The companies stated above did not participate in the creation of these materials and use of logos should not be perceived as an endorsement. Please see the end of this presentation for important disclosures.

...but companies have noted that segments of their market have become more selective in their spending.

Quotes from Q2 2024 quarterly earnings calls



"Beginning last year, we warned of a more discriminating consumer particularly among lower income households, and as this year progressed, those pressures have deepened and broadened."

– Christopher J. Kempczinski, CEO, McDonald's Corp.

"...there's some choppiness with regards to off-peak times and how much leisure spending is going on there."



– Andrew Watterson, COO, Southwest Airlines Co.



"Customers remain cautious in their spending on the home, and our credit card data suggests that the category was down by nearly 25% from the peak we saw in the fourth quarter of 2021"

– Niraj S. Shah, CEO, Wayfair Inc.

Source: Bloomberg, FactSet

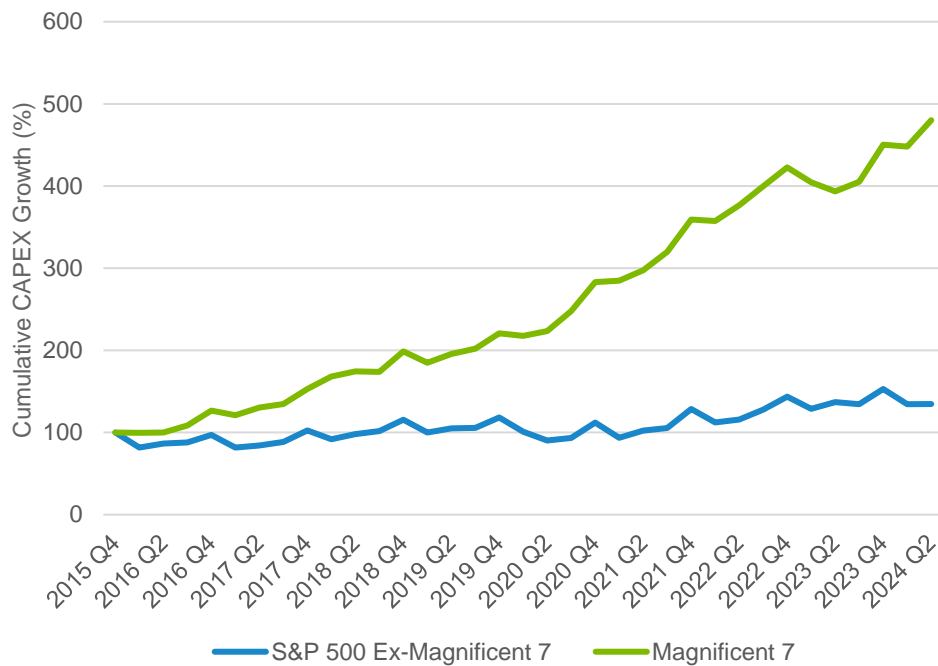
PROFITABILITY FOR THE MAGNIFICENT SEVEN HAS IMPROVED DESPITE OUTSIZED INVESTMENTS IN AI

As of September 30, 2024

Hyperscalers have significantly ramped up capital expenditures to support their AI infrastructure build-outs. These AI investments have not materially impacted profitability so far – operating margins have continued to expand (~27% for the Magnificent Seven versus ~12% for the S&P 500 Index Ex-Magnificent Seven).

Growth in aggregate capex and R&D investment from the Magnificent Seven has outpaced the broader S&P 500® Index.

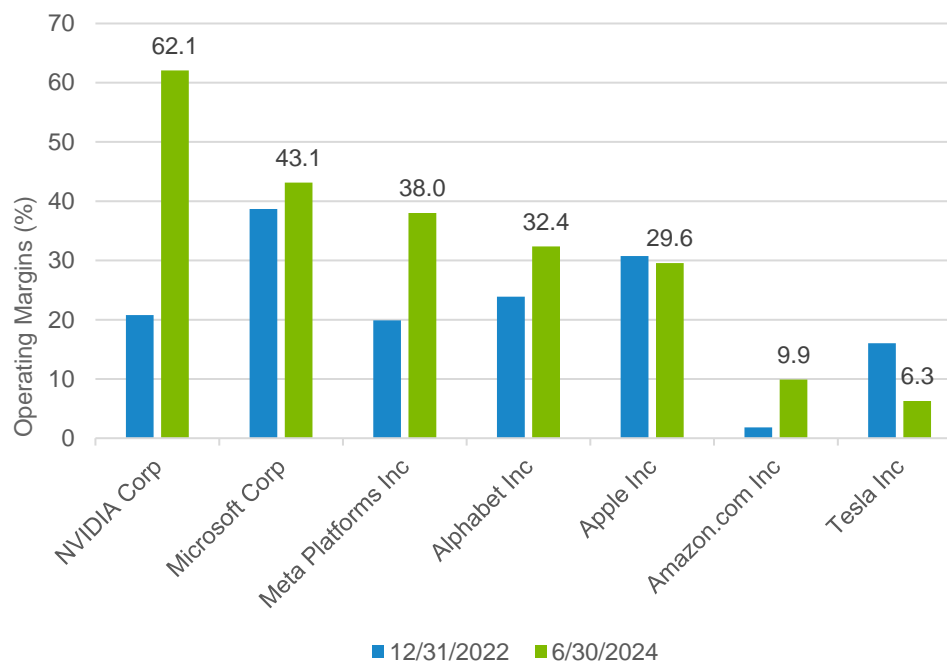
Growth in Aggregate CapEx & R&D Spending: 10/01/2015 – 09/30/2024
Index: 100 = 10/01/2015



Source: Bloomberg.

Despite this, operating margins for these mega-cap U.S tech companies have increased since Q4 2022.

Operating Margins (%), Fiscal Quarters Ending 12/31/2022 versus 06/30/2024 (most recent data available)



Source: Bloomberg.

Note: All commentary is as of 09/30/2024 unless otherwise noted. Magnificent Seven companies specified: Apple, Amazon, Google, Microsoft, Meta, Tesla and NVIDIA. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

MORE SCRUTINY ON AI SPENDING

As of September 30, 2024

AI spending remains a priority for management across many large technology firms. However, investors have signaled some weariness of these spending levels, despite many of the Magnificent Seven stocks beating earnings estimates.

Companies remained focused on investing to keep up in the artificial intelligence race...

Quotes from Q2 2024 quarterly earnings calls



"...the risk of underinvesting is dramatically greater than the risk of overinvesting."

– Sundar Pichai, CEO, Alphabet Inc.

"...we expect capital investments to be higher in the second half of the year. The majority of the spend will be to support the growing need for AWS infrastructure as we continue to see strong demand in both generative AI and our non-generative AI workloads.."



– Brian T. Olsavsky, CFO, Amazon.com, Inc.

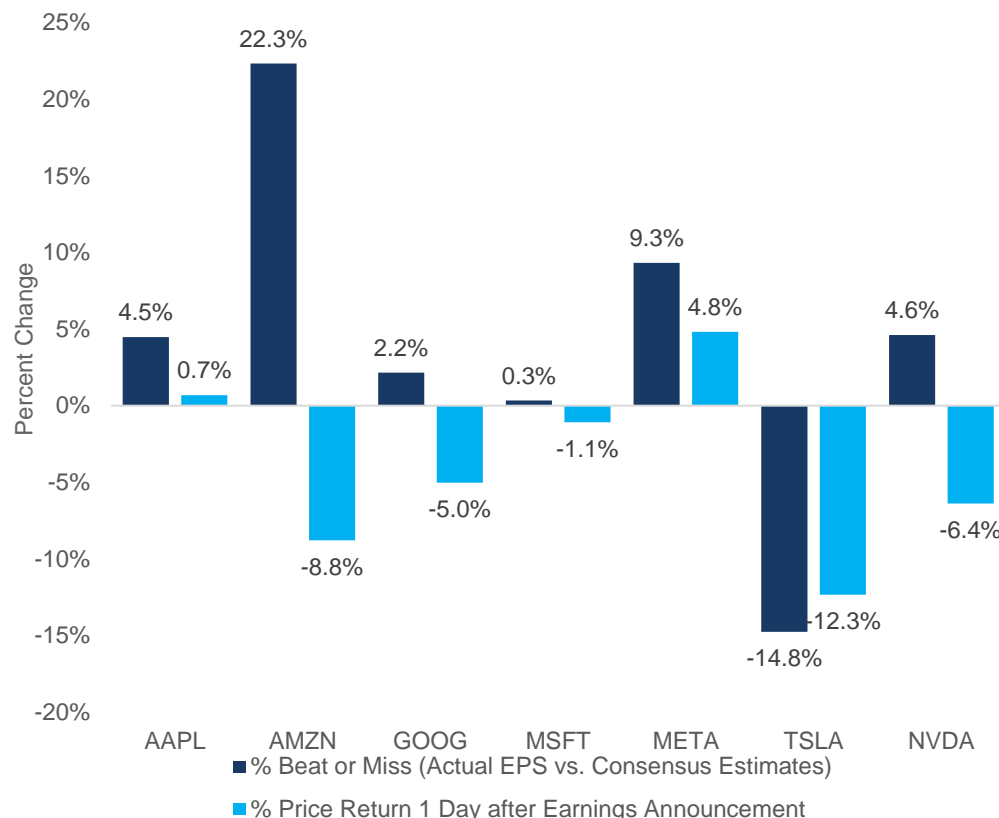


"We are constrained on AI capacity"

– Amy E. Hood, CFO, Microsoft Corp.

...but investors are no longer giving generative AI spending a free pass, even after an earnings beat.

Investor reaction to earnings (price return 1 week after Q2 2024 earnings calls)



Source: Bloomberg, FactSet

Source: Bloomberg, FactSet

Note: All commentary is as of 09/30/2024 unless otherwise noted. Magnificent Seven companies specified: Apple, Amazon, Google, Microsoft, Meta, Tesla and NVIDIA. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. The companies stated above did not participate in the creation of these materials and use of logos should not be perceived as an endorsement. Please see the end of this presentation for important disclosures.

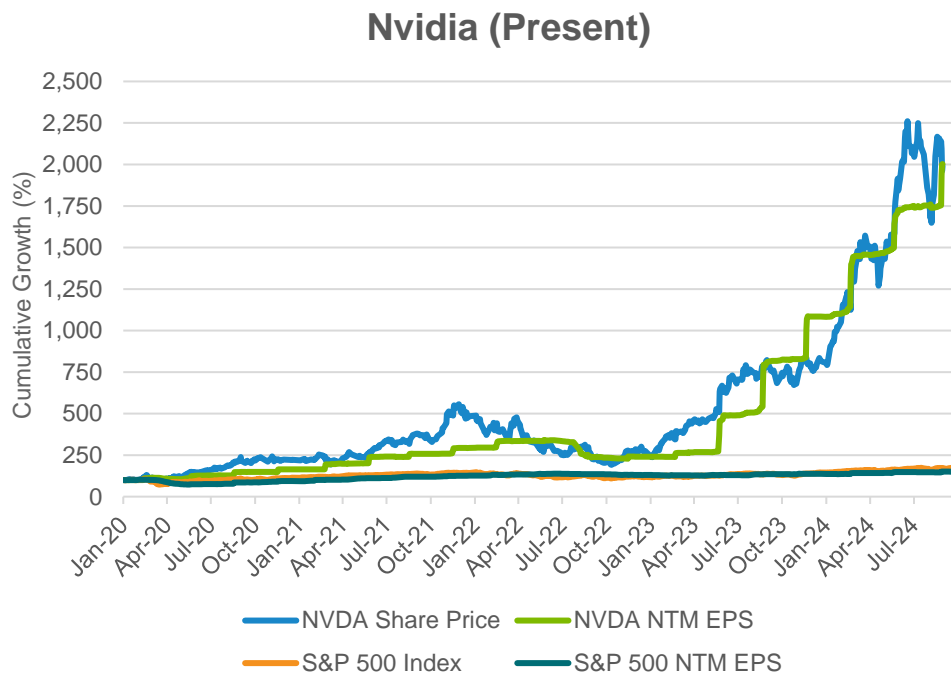
NVIDIA'S RALLY HAS BEEN ACCOMPANIED BY SIMILAR EARNINGS GROWTH, BUT RISKS REMAIN

As of September 30, 2024

NVIDIA's meteoric rise since the onset of AI excitement in early 2023 has been compared to the rise of the darlings of the Dot-Com Bubble such as Cisco. NVIDIA's stock gains have mirrored earnings growth in stark contrast to Cisco. But this does not mean there are not significant risks as semiconductors have long been prone to booms and busts and NVIDIA's market position has little precedent.

NVIDIA's rapid share price appreciation has been accompanied by a nearly identical rise in estimated forward earnings...

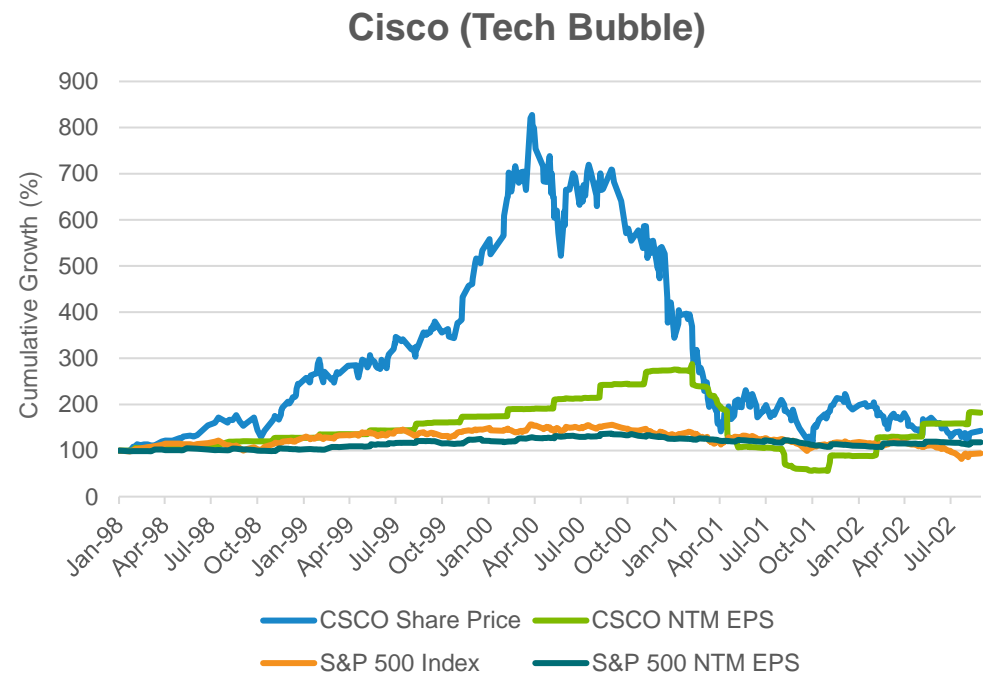
NVIDIA Share Price versus 1-Year Forward EPS: 01/1/2020 – 09/30/2024
Index: 100 = 1/1/2020



Source: Bloomberg.

...Unlike Cisco during the Dot-Com Era, whose share price also soared but without earnings to go with it.

Cisco Share Price versus 1-Year Forward EPS: 01/1/1998 – 08/31/2002
Index: 100 = 1/1/1998



Source: Bloomberg.

RATES FALL AS INVESTORS ANTICIPATE SIGNIFICANT CUTS BY THE FEDERAL RESERVE

As of September 30, 2024

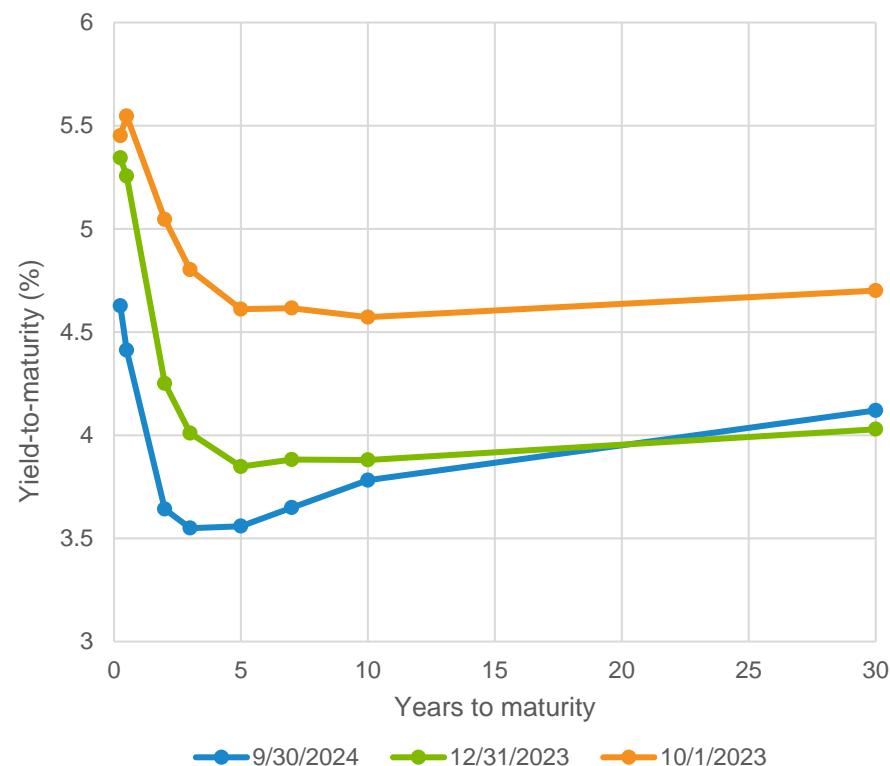
Despite the Fed beginning the cutting cycle, fixed income yields still offer reasonable value and diversification.

Returns, Yield and Duration across Fixed Income Segments, as of 09/30/2024.

Fixed Income Segment	YTD Return	Yield-to-Worst	Duration (Years)
U.S. Aggregate	4.4%	4.2%	6.1
Municipal Bonds*	1.9%	4.9%	4.0
IG Corp. Credit	5.3%	4.7%	7.1
High Yield	8.0%	7.0%	2.8
Agency MBS	4.5%	4.5%	5.7
IG CMBS	6.5%	4.7%	4.1
IG ABS	5.1%	4.4%	2.7
T-Bills	4.1%	4.7%	0.1
Treasuries	3.8%	3.8%	6.0

Yields have fallen and will be driven by anticipation of where the Fed's cutting cycle will ultimately end.

Treasury Yield Curve (%) as of various dates, as of 09/30/2024.



Source: Bloomberg, *Municipal bonds using tax-equivalent yield and assuming max federal tax rate of 40.8%. U.S. Aggregate using Bloomberg U.S. Aggregate Bond Index, Municipal Bonds using Bloomberg Municipal Bond Index, IG Corp. Credit using Bloomberg U.S. Corporate Index, High Yield using Bloomberg U.S. Corporate High Yield Index, Agency MBS using Bloomberg U.S. MBS Index, IG CMBS using Bloomberg CMBS Investment Grade Index, IG ABS using Bloomberg U.S. Aggregate ABS Index, T-Bills using ICE BofA U.S. 3-Month Treasury Bill Index, Treasuries using Bloomberg U.S. Treasury Index.

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

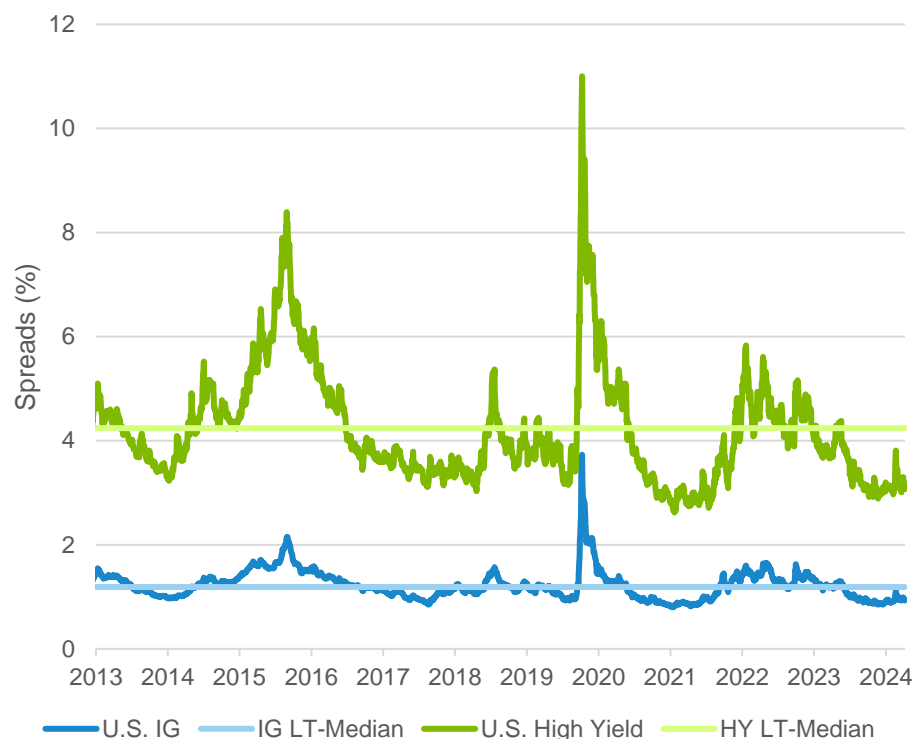
CORPORATE CREDIT SPREADS HAVE FALLEN BUT ABSOLUTE YIELDS PROVIDE REASONABLE VALUE

As of September 30, 2024

While spreads are below historical averages, we believe that absolute levels of yield and dispersion within the credit market still provide some value for active managers in credit.

High-yield and investment-grade credit spreads have compressed and are now below long-term medians...

Bloomberg Corporate Credit Spreads, 03/31/2014 – 09/30/2024.



Source: Bloomberg, U.S. IG using Bloomberg U.S. Corporate Index and U.S. High Yield using Bloomberg U.S. Corporate High-Yield Index.

Note: All commentary is as of 09/30/2024 unless otherwise noted. **Forecasted returns are based on Brown Advisory's 10-year forecasted capital market assumptions and the indicated target allocations to each respective asset class. These assumptions are based on the indices for those asset classes. Forecasted returns assume re-investment of dividends and daily re-balancing back to the stated target allocation. Additional information about the performance calculations is available upon request. The investment results stated on this page are for illustrative purposes only. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

...yet relative to equities, the risk-return profile of credit looks attractive considering drawdown risk scenarios.

Return and Risk Characteristics, U.S. Equities versus High Yield, 09/30/2024.

Statistics	U.S. Large-Cap	High-Yield Corp. Credit	Investment-Grade Corp. Credit
Current Spread*	-0.9%	3.1%	0.9%
20-Year Median Spread*	2.4%	4.2%	1.2%
CY 2008 Total Return	-37.0%	-26.2%	-4.9%
Current Return Est. as of 09/30/2024**	5.9%	6.1%	5.6%

Source: Bloomberg, Brown Advisory Analysis. *Using Free-Cash-Flow yield less 10-year treasury yield for U.S. Large-Cap and option-adjusted spreads for High-Yield and Investment Grade. U.S. Large-cap using S&P 500® Index, High-Yield Corp. Credit using Bloomberg U.S. Corporate High-Yield Index and Investment-Grade Corp. Credit using Bloomberg U.S. Corporate Index.

YEN CARRY TRADE UNWINDS AFTER UNEXPECTED RATE HIKE

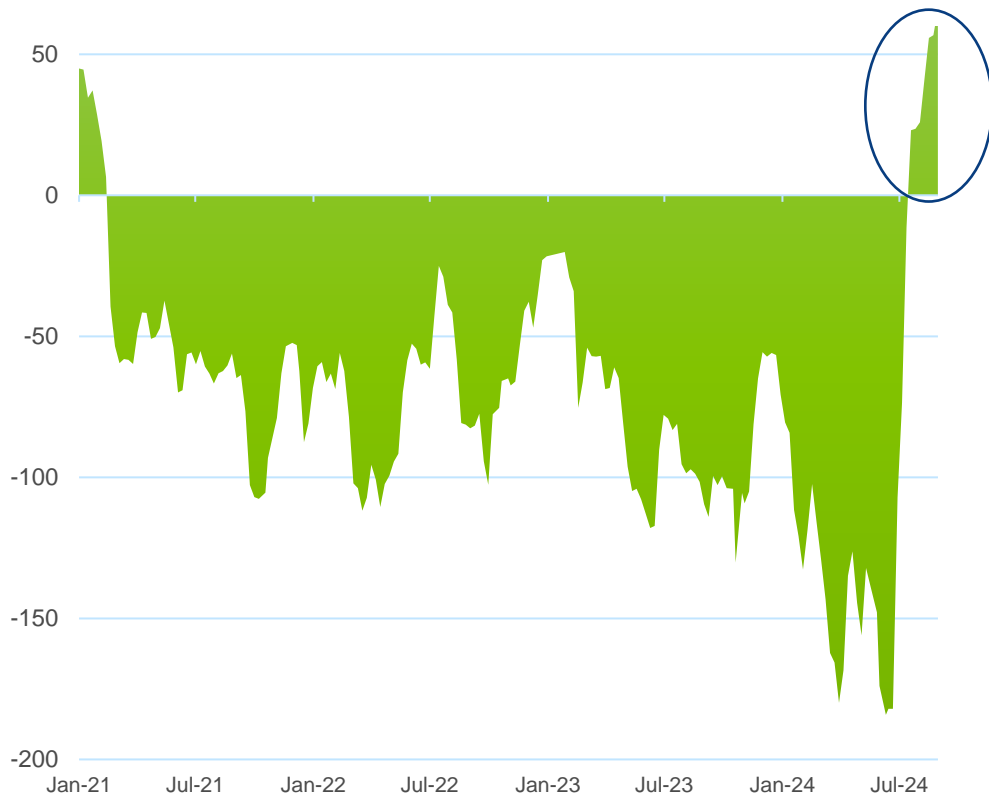
RATE HIKE

As of September 30th, 2024

While most major economies were hiking interest rates after the pandemic, the Bank of Japan (“BOJ”) kept rates steady. This led to many traders around the world borrowing Japanese Yen at low interest rates as a so-called “carry trade.” The trade unwound after the BOJ surprised the market with a hike in interest rates, creating violent market moves with stocks selling off and the Yen rallying.

Traders have dramatically shifted positions and are now net long the Yen, indicating the carry trade is potentially over.

Net Long/Short Positions (in thousands) for Yen vs. Dollar 01/29/2021 – 09/30/2024



Source: Commodity Future Trading Commission, Latest data available as of 9/27/2024

Note: All commentary is as of 9/30/2024 unless otherwise noted. Please see the end of this presentation for important information

July’s rate hike signals Japan’s broader shift in policy which has led to a significant reversal for the Yen versus the dollar.

USD/JPY exchange rate 09/20/2014 – 09/30/2024



Source: Bloomberg

ELECTION 2024: POTENTIAL POLICY PROPOSALS

As of September 30, 2024

As we approach the U.S. elections this fall, both parties have outlined policy goals that could move markets. Importantly, more than control of the White House will determine policy, and divided government could stymie many initiatives. Even if there is unified government, history suggests that policymaking is rarely straightforward and negotiation with moderates is likely necessary.

	Potential Democratic Stance	Potential Republican Stance
Taxes	Potential extension of Tax Cuts and Jobs Act for households making less than \$400k. Potential for increased taxes on corporations. Potential increases in capital gains taxes for high-earning households.	Extension of all expiring tax cuts from the Tax Cuts and Jobs Act. Potential further tax cuts including a lower corporate tax rate and tax exemptions for tips and Social Security benefits.
Trade	Possible continued “tough on China” policy with increased tariffs on Chinese imports and emphasis on protecting U.S. intellectual property.	Proposal to implement a universal baseline tariff of 10% on all U.S. imports and impose a 60% tariff on imports from China.
Defense	Emphasis on maintaining and growing alliances. Investment in intelligence, military training, modernizing equipment.	Advocate for more self-reliance from NATO. Potential for greater pressure on allies to increase defense spending.
Healthcare	Continued focus on lowering prescription drug prices with increased negotiating power through the IRA. Preserve and build on the Affordable Care Act.	Potential for reduced fiscal support for the Affordable Care Act. Potential for increased scrutiny on geopolitical risks in the healthcare and biotech sectors.
Energy	Continue to execute on climate provisions of Inflation Reduction Act, including incentives for electric cars and clean energy projects.	Increase production of fossil fuels to strengthen U.S. energy independence. Potential for tax breaks to oil, gas, and coal producers.
Antitrust	Potential maintenance of stricter antitrust program, particularly in healthcare and technology.	Potential for less stringent but more selective antitrust scrutiny.

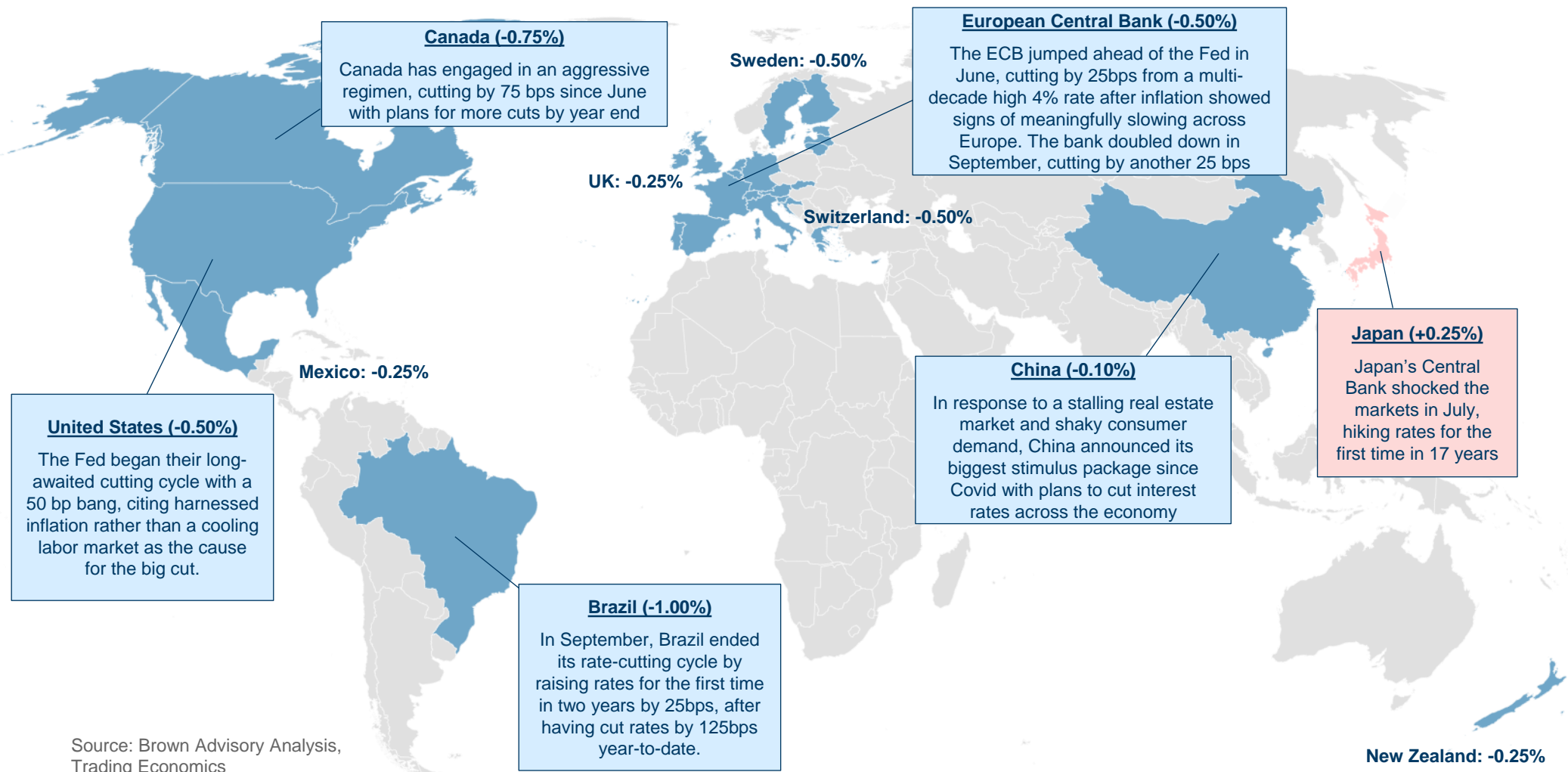
Source: Associated Press, Republican Party, Democratic Party, Brown Advisory Analysis

Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

MANY CENTRAL BANKS ACROSS THE GLOBE BEGAN RATE CUTTING CYCLES THIS YEAR

As of September 30, 2024

Global inflation and job growth are slowing which has led central banks around the world to start cutting interest rates. Lower interest rates will likely ease pressure on the economy with lower borrowing costs for companies and consumers, but for investors, it may also mean lower yields from defensive assets like treasury bills and money market funds.



Source: Brown Advisory Analysis, Trading Economics

Note: Net interest rate changes year-to-date 2024 (01/01/2024 – 09/30/2024). All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures.

CURRENT POSITIONING BY MAJOR ASSET CLASS

As of September 30, 2024

The market has started to broaden out, benefitting equities outside of the tech titans. With the Fed initiating rate cuts, we are adjusting portfolios to capture price appreciation and avoid reinvestment risks from falling yields. Given uncertainties and elevated valuations, we are seeking to emphasize balance, diversification, and liquidity to capitalize on potential volatility throughout the rest of the year.

Asset Class	Decision	Rationale
Public Equities	Maintaining meaningful allocations in U.S. small-caps and global diversification	The valuation gap between U.S. mega-cap stocks and the rest of the global equity market remains large. We believe smaller-cap and non-U.S. stocks present significant opportunities with far more attractive valuations, but within these areas we are even more focused on strong business models and balance sheets.
	Increasing exposure to Japanese equities	Reform efforts in Japan aimed at ending deflation and improving corporate profitability are starting to pay dividends improving structural economic growth and stock market earnings. Valuations are still far lower than most other market segments and the market has a rare combination of large size but also significant inefficiency which all creates significant opportunity.
Fixed Income	Adding to duration within fixed income	We are more comfortable adding to fixed income allocations and duration as bond yields fall and inflation falling.
	Staying selective within credit as spreads tighten	Spreads in the corporate bond market continue to tighten to near post-GFC lows, but we see selective opportunities, such as in securitized credit, to get strong risk-adjusted yields, particularly relative to equity risk.
Private Investments*	Continuing allocations to traditional private asset classes	Higher funding costs and a pullback in capital markets will likely continue to weigh on private market activity, but this should also create opportunities. We still see long-term value in allocating to skilled managers across buyout, venture and growth. Private credit is looking particularly attractive as funding challenges can help lenders negotiate higher yields and/or stronger covenants.
Hedge Funds*	Looking for opportunities to find diversifying strategies with idiosyncratic return streams	We believe that hedged strategies that offer differentiated return streams can help add returns and diversification and are poised to benefit in a broadening market.

Source: Brown Advisory Analysis. *Alternative investments may be available for qualified purchasers and accredited investors only. Note: All commentary is as of 09/30/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

THE CASE FOR DIVERSIFICATION

As of September 30, 2024

Calendar Year Index Returns (%)

Data through September 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD 2024	Trailing 10-Year Annualized
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); margin-right: 5px;">Best Performing</div> <div style="flex-grow: 1; border-left: 1px solid black; border-right: 1px solid black; position: relative;"> <div style="position: absolute; top: -10px; left: 50%; transform: translate(-50%, -50%);">↑</div> <div style="position: absolute; bottom: -10px; left: 50%; transform: translate(-50%, 50%);">↓</div> </div> <div style="writing-mode: vertical-rl; margin-left: 5px;">Worst Performing</div> </div>	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%	U.S. Large 26.3%	U.S. Large 22.1%	U.S. Large 13.4%
	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%	Dev. Intl. 18.2%	Em. Mkts. 16.9%	U.S. Small 8.8%
	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%	U.S. Small 16.9%	Dev. Intl. 13.0%	Dev. Intl. 5.7%
	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%	Em. Mkts. 9.8%	U.S. Small 11.2%	Em. Mkts. 4.0%
	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%	IG Bonds 5.5%	Commodities 5.9%	IG Bonds 1.9%
	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 -7.9%	IG Bonds 4.5%	Commodities 0.0%

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 disclosures and a complete list of terms and definitions.

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.



PODCAST SERIES

CIO Perspectives | [Exploring Small-Cap Value Investing with Lauren Taylor Wolfe of Impactive Capital](#)

In this episode, Sid Ahl and Erika Pagel speak with Lauren Taylor Wolfe, co-founder and managing partner of Impactive Capital, a \$3 billion active impact investing firm. Lauren explains her journey of active investing in smaller companies, emphasizing value and sustainability. She discusses the challenges and opportunities in the small-cap space, which has been underperforming amid a market dominated by mega-cap tech stocks and AI-driven momentum. She also shares her optimism about the robust pipeline of investment opportunities in sectors like health care, consumer and industrial markets.

NOW Podcast | [A Conversation with Dr. Ellen Stofan, The Smithsonian's Under Secretary for Science and Research](#)

For this special Climate Week episode, Brown Advisory's Karina Funk sits down with Dr. Ellen Stofan, Under Secretary for Science and Research at the Smithsonian. They discuss the power of information and collaboration—especially in service of big questions around reducing carbon, promoting biodiversity, creating thriving communities, and discovering life beyond our solar system.

NOW Podcast | [The Global Battle for Chips](#)

In this conversation, Ben Bayat speaks with Chris Miller, author of *Chip War: The Fight for the World's Most Critical Technology*. They discuss the true marvel that is semiconductor manufacturing, the remarkably complex supply chain and its risks, the CHIPS act, the state of the global semiconductor industry, and the precarious national security implications of our collective reliance on these diminutive components.

NOW Podcast | [A New World Order: China & The Geopolitical Landscape](#)

We kicked off our NOW conference in San Francisco with two China experts in conversation about the changing geopolitical landscape and the future of U.S.-China relations--covering topics that included Xi Jinping's vision, the rise of national security over economic interests, multinational business engagement in China, Taiwan, and more.

PUBLICATIONS

Equities, Sustainable Investing | [The Data Center Balancing Act: Powering Sustainable AI Growth](#) by Victoria Schlotterback, Joe Pasqualichio & John Bond

Equity Beat | [Taking Inventory of Retailers](#) by Eric Gordon

Fixed Income | [A New Fixed Income Market Regime – An Old Normal](#) by Chris Diaz, Ryan Myerberg, and Colby Stilson

Equity Beat | [The Olympic Rings of Earnings Season](#) by Eric Gordon

Fixed Income | [The Economies of the Energy Transition: Where the Macro meets the Micro](#) by Lisa Fillingame Abraham

APPENDIX

HOLDINGS SUMMARY

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

As of 09/30/2024

Security	Quantity	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Cash & Equivalents		28,293		28,293	5.2	0	1,354	5.2
CASH & EQUIVALENTS		28,293		28,293	100.0	0	1,354	5.2
First American Government Obligations Fund CI Z		28,293	0.00	28,293	100.0	0	1,354	5.2
US Equities		191,742		192,505	35.1	763	292	0.2
EQUITY MUTUAL FUNDS		191,742		192,505	100.0	763	292	0.2
Brown Advisory Sustainable Small-Cap Core Fund - CI Inst. - (bafyx)	18,439	191,742	10.44	192,505	100.0	763	292	0.2
Non US Equities		194,202		327,439	59.7	133,237	2,778	0.8
INTERNATIONAL EQUITY MUTUAL FUNDS		194,202		327,439	100.0	133,237	2,778	0.8
Brown Advisory Emerging Markets Select Fund CI Inst - (bafqx)	9,938	80,385	12.57	124,922	38.2	44,537	1,852	1.5
Brown Advisory Global Leaders Fund CI Inst - (bafix)	7,397	113,816	27.38	202,517	61.8	88,700	926	0.5
Total Portfolio		\$414,237		\$548,237	100.0	\$134,000	\$4,424	

The data contained herein is for informational purposes only and has been prepared from sources believed reliable but not guaranteed by us as to timeliness or accuracy. This information is not a complete summary or statement of all available data, and is not intended to be a suggestion or recommendation to engage in or refrain from a particular course of action. Please compare the investment information included in this report with the information you receive from your custodian and call your custodian or investment manager if you have questions or if there are any discrepancies.

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FI)

As of 09/30/2024

Security	Quantity	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Cash & Equivalents		28,345		28,345	0.7	0	1,356	5.2
CASH & EQUIVALENTS		28,345		28,345	100.0	0	1,356	5.2
First American Government Obligations Fund CI Z		28,345	0.00	28,345	100.0	0	1,356	5.2
Fixed Income		3,680,000		3,964,964	99.3	284,964	206,857	5.2
FIXED INCOME - TAXABLE		3,680,000		3,964,964	100.0	284,964	206,857	5.2
TAXABLE FIXED INCOME MUTUAL FUNDS		3,680,000		3,964,964	100.0	284,964	206,857	5.2
Voya Intermediate Bond Fund CI I - (iicix)	442,025	3,680,000	8.97	3,964,964	100.0	284,964	206,857	5.2
Total Portfolio		\$3,708,345		\$3,993,309	100.0	\$284,964	\$208,213	

The data contained herein is for informational purposes only and has been prepared from sources believed reliable but not guaranteed by us as to timeliness or accuracy. This information is not a complete summary or statement of all available data, and is not intended to be a suggestion or recommendation to engage in or refrain from a particular course of action. Please compare the investment information included in this report with the information you receive from your custodian and call your custodian or investment manager if you have questions or if there are any discrepancies.

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)

As of 09/30/2024

Security	Quantity	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Cash & Equivalents		8,071		8,071	0.7	0	386	5.2
CASH & EQUIVALENTS		8,071		8,071	100.0	0	386	5.2
First American Government Obligations Fund CI Z		8,071	0.00	8,071	100.0	0	386	5.2
US Equities		437,463		1,118,236	99.3	680,774	8,725	0.8
COMMON STOCK		437,463		1,118,236	100.0	680,774	8,725	0.8
Communication Services		32,314		138,975	12.4	106,661	722	0.5
T-Mobile US, Inc. - (tmus)	79	9,914	206.36	16,302	1.5	6,388	205	1.3
Meta Platforms, Inc. - (meta)	97	11,863	572.44	55,527	5.0	43,664	194	0.3
Alphabet, Inc. CI A - (googl)	173	4,544	165.85	28,692	2.6	24,148	138	0.5
Alphabet, Inc. CI C - (goog)	230	5,993	167.19	38,454	3.4	32,461	184	0.5
Consumer Discretionary		70,266		139,432	12.5	69,165	662	0.5
Amazon.com, Inc. - (amzn)	241	25,551	186.33	44,906	4.0	19,355	0	0.0
Bright Horizons Family Solution, Inc. - (bfam)	89	9,850	140.13	12,472	1.1	2,622	0	0.0
CarMax, Inc. - (kmx)	147	6,741	77.38	11,375	1.0	4,634	0	0.0
Lowe's Companies, Inc. - (low)	49	3,389	270.85	13,272	1.2	9,882	225	1.7
Booking Holdings, Inc. - (bkng)	6	6,071	4,212.12	25,273	2.3	19,202	210	0.8
TJX Companies, Inc. - (tjx)	151	6,248	117.54	17,749	1.6	11,501	227	1.3
Amer Sports, Inc. - (as)	902	12,417	15.95	14,387	1.3	1,970	0	0.0
Consumer Staples		10,316		12,522	1.1	2,206	394	3.1
Nomad Foods Ltd - (nomd)	657	10,316	19.06	12,522	1.1	2,206	394	3.1
Energy		19,302		30,728	2.7	11,426	1,085	3.5
Suncor Energy, Inc. - (su)	517	10,597	36.92	19,088	1.7	8,490	814	4.3
Baker Hughes Co - (bkr)	322	8,704	36.15	11,640	1.0	2,936	270	2.3
Financials		102,489		303,635	27.2	201,145	1,892	0.6
American International Group, Inc. - (aig)	246	17,053	73.23	18,015	1.6	962	394	2.2
Bank of America Corp. - (bac)	296	4,590	39.68	11,745	1.1	7,155	308	2.6

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)

As of 09/30/2024

Security	Quantity	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Fiserv, Inc. - (fi)	142	16,374	179.65	25,510	2.3	9,136	0	0.0
Mastercard, Inc. - (ma)	103	8,495	493.80	50,861	4.5	42,366	272	0.5
Progressive Corp. - (pgr)	79	9,241	253.76	20,047	1.8	10,806	32	0.2
Blackstone Inc. - (bx)	51	2,061	153.13	7,810	0.7	5,749	167	2.1
Visa, Inc. - (v)	174	10,976	274.95	47,841	4.3	36,865	362	0.8
First Citizens BancShares, Inc. Cl A - (fcnca)	13	8,611	1,840.95	23,932	2.1	15,322	85	0.4
Berkshire Hathaway, Inc. Cl B - (brk.b)	102	14,566	460.26	46,947	4.2	32,381	0	0.0
KKR & Co., Inc - (kkf)	390	10,522	130.58	50,926	4.6	40,404	273	0.5
Health Care		70,892		134,244	12.0	63,352	1,237	0.9
Agilent Technologies, Inc. - (a)	103	9,722	148.48	15,293	1.4	5,571	97	0.6
Align Technology, Inc. - (algn)	48	9,641	254.32	12,207	1.1	2,566	0	0.0
Danaher Corp. - (dhr)	50	11,564	278.02	13,901	1.2	2,337	54	0.4
Edwards Lifesciences Corp. - (ew)	339	11,570	65.99	22,371	2.0	10,801	0	0.0
UnitedHealth Group, Inc. - (unh)	70	17,512	584.68	40,928	3.7	23,416	588	1.4
Elevance Health, Inc. - (elv)	40	6,453	520.00	20,800	1.9	14,347	261	1.3
Merck & Co, Inc. - (mrk)	77	4,431	113.56	8,744	0.8	4,314	237	2.7
Industrials		49,032		108,461	9.7	59,429	1,040	1.0
Canadian National Railway Co. - (cni)	107	9,154	117.15	12,535	1.1	3,381	263	2.1
General Electric Co. - (ge)	79	7,006	188.58	14,898	1.3	7,892	88	0.6
United Rentals, Inc. - (uri)	35	1,823	809.73	28,341	2.5	26,518	223	0.8
Uber Technologies, Inc. - (uber)	204	9,389	75.16	15,333	1.4	5,944	0	0.0
Carrier Global Corp. - (carr)	247	7,536	80.49	19,881	1.8	12,345	188	0.9
Ferguson Enterprises Inc - (ferg)	88	14,125	198.57	17,474	1.6	3,349	278	1.6
Information Technology		75,008		239,649	21.4	164,640	1,520	0.6
Apple, Inc. - (aapl)	159	4,039	233.00	37,047	3.3	33,008	159	0.4
Adobe, Inc. - (adbe)	35	11,979	517.78	18,122	1.6	6,144	0	0.0

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)

As of 09/30/2024

Security	Quantity	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Analog Devices, Inc. - (adi)	71	6,429	230.17	16,342	1.5	9,913	261	1.6
Autodesk, Inc. - (adsk)	68	14,940	275.48	18,733	1.7	3,792	0	0.0
Intuit, Inc. - (intu)	37	8,658	621.00	22,977	2.1	14,319	154	0.7
Microsoft Corp. - (msft)	181	7,378	430.30	77,884	7.0	70,507	543	0.7
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR - (tsm)	219	10,667	173.67	38,034	3.4	27,367	403	1.1
Workday, Inc. - (wday)	43	10,918	244.41	10,510	0.9	-409	0	0.0
Real Estate		7,843		10,591	0.9	2,748	172	1.6
SBA Communications Corp. - (sbac)	44	7,843	240.70	10,591	0.9	2,748	172	1.6
Total Portfolio		\$445,534		\$1,126,307	100.0	\$680,774	\$9,111	

The data contained herein is for informational purposes only and has been prepared from sources believed reliable but not guaranteed by us as to timeliness or accuracy. This information is not a complete summary or statement of all available data, and is not intended to be a suggestion or recommendation to engage in or refrain from a particular course of action. Please compare the investment information included in this report with the information you receive from your custodian and call your custodian or investment manager if you have questions or if there are any discrepancies.

HOLDINGS SUMMARY

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

As of 09/30/2024

Security	Quantity	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Cash & Equivalents		88,222		88,222	41.0	0	4,221	5.2
CASH & EQUIVALENTS		88,222		88,222	100.0	0	4,221	5.2
First American Government Obligations Fund CI Z		88,222	0.00	88,222	100.0	0	4,221	5.2
Fixed Income		117,000		126,936	59.0	9,936	6,622	5.2
FIXED INCOME - TAXABLE		117,000		126,936	100.0	9,936	6,622	5.2
TAXABLE FIXED INCOME MUTUAL FUNDS		117,000		126,936	100.0	9,936	6,622	5.2
Voya Intermediate Bond Fund CI I - (iicix)	14,151	117,000	8.97	126,936	100.0	9,936	6,622	5.2
Total Portfolio		\$205,222		\$215,158	100.0	\$9,936	\$10,843	

The data contained herein is for informational purposes only and has been prepared from sources believed reliable but not guaranteed by us as to timeliness or accuracy. This information is not a complete summary or statement of all available data, and is not intended to be a suggestion or recommendation to engage in or refrain from a particular course of action. Please compare the investment information included in this report with the information you receive from your custodian and call your custodian or investment manager if you have questions or if there are any discrepancies.

HOLDINGS SUMMARY

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

As of 09/30/2024

Security	Quantity	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Cash & Equivalents		863,747		868,297	60.1	4,549	656	4.4
CASH & EQUIVALENTS		13,709		13,709	1.6	0	656	5.2
First American Government Obligations Fund CI Z		13,709	0.00	13,709	1.6	0	656	5.2
TREASURY BILLS		850,039		854,588	98.4	4,549	0	4.4
US Treasuries		850,039		854,588	98.4	4,549	0	4.4
U.S. Treasury Bill - (912797KT3)	202,600	200,053	99.88	202,365	23.3	2,312	0	4.2
U.S. Treasury Bill - (912797LP0)	658,100	649,986	99.11	652,223	75.1	2,237	0	4.4
Fixed Income		580,000		576,146	39.9	-3,854	30,058	5.2
FIXED INCOME - TAXABLE		580,000		576,146	100.0	-3,854	30,058	5.2
TAXABLE FIXED INCOME MUTUAL FUNDS		580,000		576,146	100.0	-3,854	30,058	5.2
Voya Intermediate Bond Fund CI I - (iicix)	64,230	580,000	8.97	576,146	100.0	-3,854	30,058	5.2
Total Portfolio		\$1,443,747		\$1,444,443	100.0	\$695	\$30,714	

The data contained herein is for informational purposes only and has been prepared from sources believed reliable but not guaranteed by us as to timeliness or accuracy. This information is not a complete summary or statement of all available data, and is not intended to be a suggestion or recommendation to engage in or refrain from a particular course of action. Please compare the investment information included in this report with the information you receive from your custodian and call your custodian or investment manager if you have questions or if there are any discrepancies.

DISCLOSURES

The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. Past performance is not a guarantee of future performance, and you may not get back the amount invested. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy and is not a complete summary or statement of all available data. This piece is intended solely for our clients and prospective clients, is for informational purposes only and is not individually tailored for or directed to any particular client or prospective client.

Past performance is not indicative of future results. Definitions of indices used are below. An investor cannot invest directly into an index.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The **Russell 2000® Index** is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 2000® Growth Index** measures the performance of the small-cap growth segment of the US equity universe. The **Russell 2000® Value Index** measures the performance of the small-cap value segment of the U.S. equity universe. The **Russell 3000 Index®** is a capitalization-weighted stock market index that seeks to be a benchmark of the entire U.S. stock market. It measures the performance of the 3,000 largest publicly held companies incorporated in America as measured by total market capitalization, and represents approximately 97% of the American public equity market. The **Russell 1000® Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. The **Russell 1000® Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. The index was developed with a base value of 140.00 as of December 31, 1986. The Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell ® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and / or underlying data contained in this communication. No further distribution of Russell data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

The **MSCI ACWI Index** captures large and mid-cap representation across Developed Markets (DM) and Emerging Markets (EM) countries. The Index covers approximately 85% of the global investable equity opportunity set. MSCI Indexes and products are trademarks and service marks of MSCI or its subsidiaries. The MSCI ACWI captures large and mid-cap representation across Developed Markets (DM) and Emerging Markets (EM) countries. The index covers approximately 85% of the global investable equity opportunity set. The **MSCI ACWI ex U.S. Index** captures large and mid-cap representation across Developed Markets (DM) countries, excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI EAFE Net Total Return Index** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. Excluding the U.S. and Canada, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Emerging Markets Index** captures large and mid-cap representation across Emerging Markets (EM) countries. The Index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Emerging Markets ex Asia Index** captures large and mid-cap representation across 15 Emerging Markets (EM) countries. With 248 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country excluding Asia. The **MSCI Europe Index** is a stock market index that measures the performance of large and mid-cap companies across developed countries in Europe. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. The **MSCI AC Asia ex Japan Index** captures large and mid-cap representation across two of three Developed Markets (DM) countries* (excluding Japan) and eight Emerging Markets (EM) countries* in Asia. *DM countries include: Hong Kong and Singapore. EM countries include: China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand. MSCI and other MSCI brands are trademarks, service marks or registered trademarks of MSCI Group.

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. 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 U.S. 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 US ABS Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index only includes ABS securities. 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 US Mortgage Backed Securities (MBS) Index** tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage. (Future Ticker: 100095US). The **Bloomberg US CMBS Investment Grade Index** measures the investment-grade 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 Index eligible (ERISA eligible) and non-US Aggregate eligible (non-ERISA eligible) securities. (Future Ticker: 100951US). 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.

Continued

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 US Treasury Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with 7-9.9999 years to maturity. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. (Future Ticker: I00058US). The **Bloomberg U.S. Municipal Bond Index** covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds. (Future Ticker: I00730US)

"Bloomberg®", and the Bloomberg Indices used are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Brown Advisory. Bloomberg is not affiliated with Brown Advisory, and Bloomberg does not approve, endorse, review, or recommend Brown Advisory strategies. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to Brown Advisory strategies.

ICE BofA US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. In order to qualify for inclusion, securities must be auctioned on or before the third business day before the last business day of the month and settle before the following calendar month end. Inception date: December 31, 1977.

The **Tokyo Price Index**, known as TOPIX, is a Japanese stock market index calculated and published by the Tokyo Stock Exchange (TSE). TOPIX tracks domestic companies in the exchange's first section, which represents Japan's largest firms by market capitalization. The **TOPIX Small Cap Index** is a capitalization-weighted index designed to measure the performance of the stocks listed on the First Section of the Tokyo Stock Exchange, excluding the TOPIX 500 stocks and non-eligible stocks.

The **CBOE Volatility Index, or VIX**, is an index created by CBOE Global Markets, which shows the market's expectation of 30-day volatility. The **Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The **Personal Consumption Expenditures Price Index (PCE)** is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services. The PCE price index is known for capturing inflation (or deflation) across a wide range of consumer expenses and reflecting changes in consumer behavior.

ICE® IS A REGISTERED TRADEMARK OF ICE DATA OR ITS AFFILIATES, AND BOFA® IS A REGISTERED TRADEMARK OF BANK OF AMERICA CORPORATION.

FactSet Research Systems Inc. ("FactSet") FactSet is a registered trademark of FactSet Research Systems Inc.. All proprietary rights, including intellectual property rights, in the FactSet Data will remain property of FactSet

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.

Alternative Investments may be available for Qualified Purchasers and Accredited Investors only. Private equity investments will be characterized by a high degree of risk, volatility and illiquidity due, among other things, to the nature of the investments.

Terms and Definitions:

Duration is a time measure of a bond's interest-rate sensitivity, based on the average of the time periods over which a bond's cash flows accrue to the bondholder

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.

Forward earnings per share (EPS) is a projection of a company's future earnings per share, usually for the next four quarters.

Price-to-book (P/B) ratio measures the market's valuation of a company relative to its book value.

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

Free cash flow is a measure of financial performance calculated as operating cash flow minus capital expenditures and changes to net working capital.

Cape Ratio is Cyclically Adjusted 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.

ROE (Return on Equity) is a measure of profitability calculated by dividing a company's average shareholder equity value by its net income.

CAGR or Compound Annual Growth Rate is the measure of an investment's annual growth rate over time, with the effect of compounding taken into account.

Dividend Payout Ratio (DPR) is the amount of dividends paid to shareholders in relation to the total amount of net income the company generates.