

TOWN OF DEWEY BEACH

June 30, 2022

GLOBAL MARKETS REWIND

As of June 30, 2022

Total Returns*	QTD	YTD	Trailing 3-Year	Trailing 5-Year
Large-Cap U.S. Equities S&P 500® Index	-16.1%	-20.0%	10.6%	11.3%
Small-Cap U.S. Equities Russell 2000® Index	-17.2%	-23.4%	4.2%	5.1%
Developed International Equities MSCI EAFE Net Total Return Index	-14.5%	-19.6%	1.1%	2.2%
Emerging-Market Equities MSCI Emerging Markets Net Total Index	-11.5%	-17.6%	0.6%	2.2%
Investment-Grade Fixed Income Bloomberg Aggregate Bond Index	-4.7%	-10.3%	-0.9%	0.9%
Municipal Fixed Income Bloomberg Municipal Bond 1-10 Year Blend Index	-0.8%	-5.6%	0.2%	1.3%
High-Yield Fixed Income Bloomberg U.S. Corporate High Yield Index	-9.8%	-14.2%	0.2%	2.1%
Commodities Bloomberg Commodity Index Total Return	-5.7%	18.4%	14.3%	8.4%

Chart Data: 06/30/2021 – 06/30/2022



Key Market Dynamics:

- With inflation still elevated, markets are expecting an economic slowdown due to tighter monetary policy and elevated input costs. Assets with higher sensitivity to interest rates, such as high-growth stocks and long-duration bonds, have been most volatile in the quarter.
- Economic data showed strong U.S. consumption despite higher inflation and broader macroeconomic uncertainty.
- Outside the U.S., zero-Covid lockdowns in China have weighed on economic activity. The war in Ukraine continues to disproportionately impact Europe's economy given the area's reliance on Russian gas and oil.
- With all this economic uncertainty we are taking advantage of higher interest rates which have reduced the opportunity cost of being defensive.

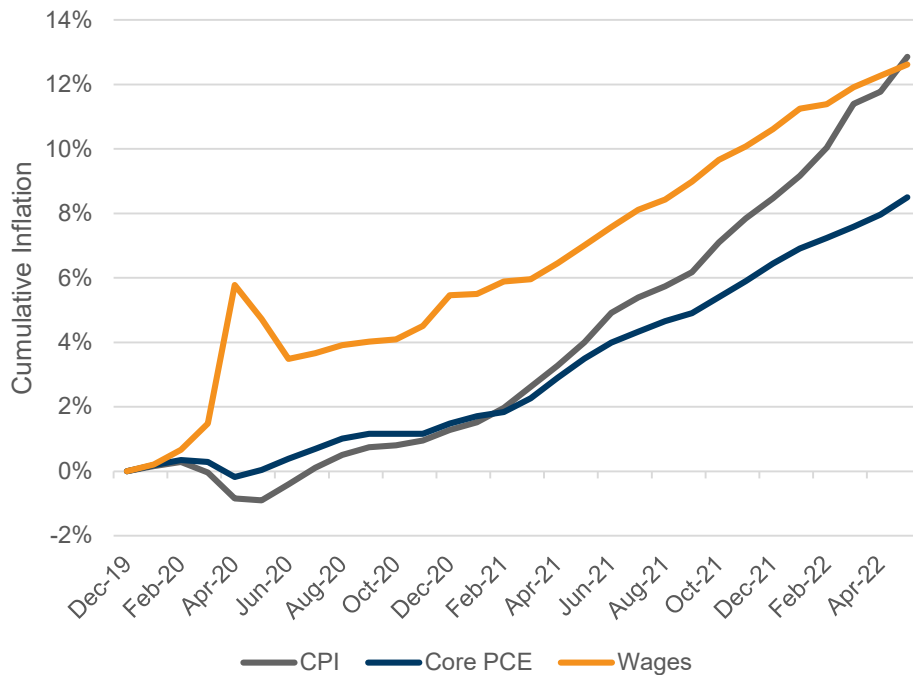
THE PAIN OF INFLATION

As of June 30, 2022

During 2021, the increase in inflation appeared mostly demand-driven but in 2022 has shifted to be more supply-oriented with the significant commodity inflation stemming largely from the conflict in Ukraine. These supply-oriented pressures are particularly challenging given the twin impacts of crowding out demand and pressuring margins with rising input prices.

Consumer price inflation has caught up to recent wage growth, putting pressure on consumers...

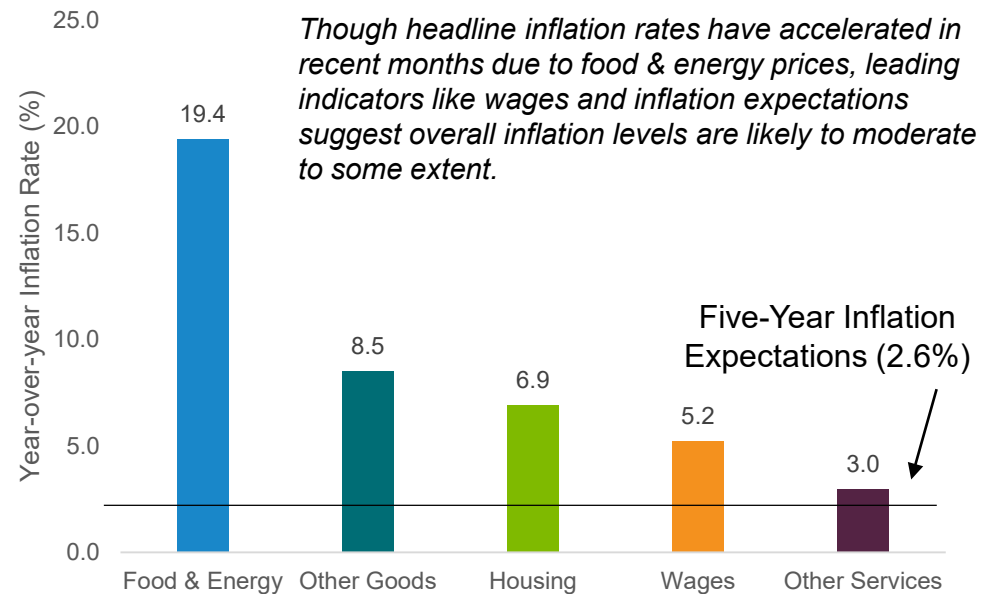
Headline CPI, Core PCE and Wage Growth, 12/31/2019 - 5/31/2022



Source: Bloomberg, LP, Bureau of Labor Statistics

Rising food and energy prices have been the largest recent driver as supply-side challenges grow out of the Ukraine conflict.

Year-over-year inflation rate, 5/31/2021 – 5/31/2022



Source: Bloomberg, LP, Bureau of Labor Statistics

Note: All commentary is as of 06/30/2022 unless otherwise noted. Please see the end of this presentation for important information.

CENTRAL BANKS ACROSS THE GLOBE FIGHTING INFLATIONARY PRESSURES

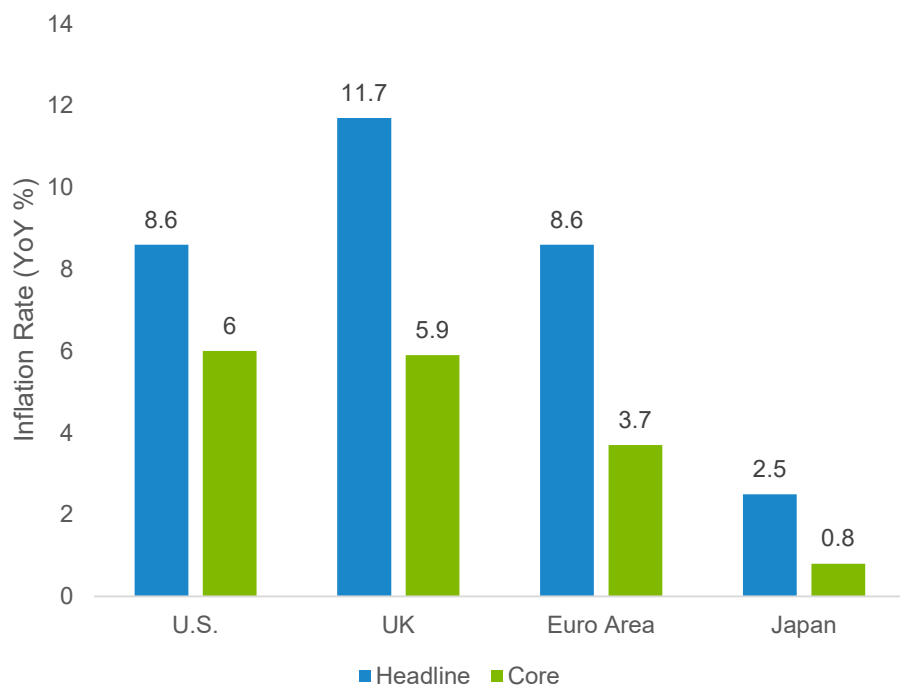
As of June 30, 2022

Most developed market economies have struggled with the highest inflation rates in decades.

The coordinated effort of tighter monetary policy sharply contrasts the easy monetary policies of the 2010s and will weigh on economic growth, particularly in Europe where the impacts of the war in Ukraine are more acute.

Supply-side constraints and the war in Ukraine have led to an acceleration in inflation across most developed markets.

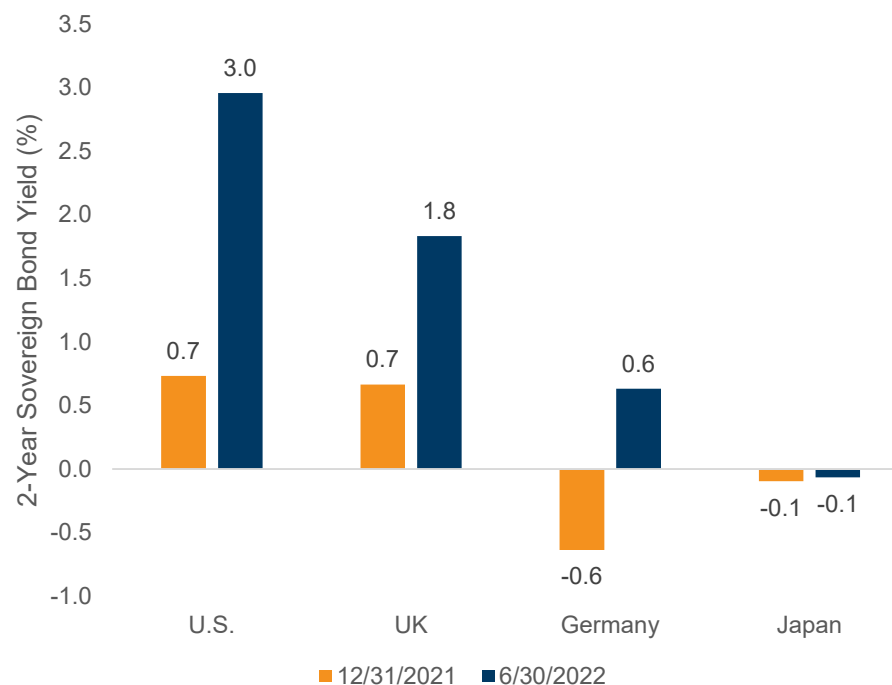
Headline and Core Inflation Rates (YoY %) as of 5/31/2022



Source: Bloomberg, LP

Consequently, global bond yields have jumped, with fixed income markets pricing in coordinated monetary tightening.

Sovereign Bond Yields (%), as of 12/31/2021 and 6/30/2022



Source: Bloomberg, LP

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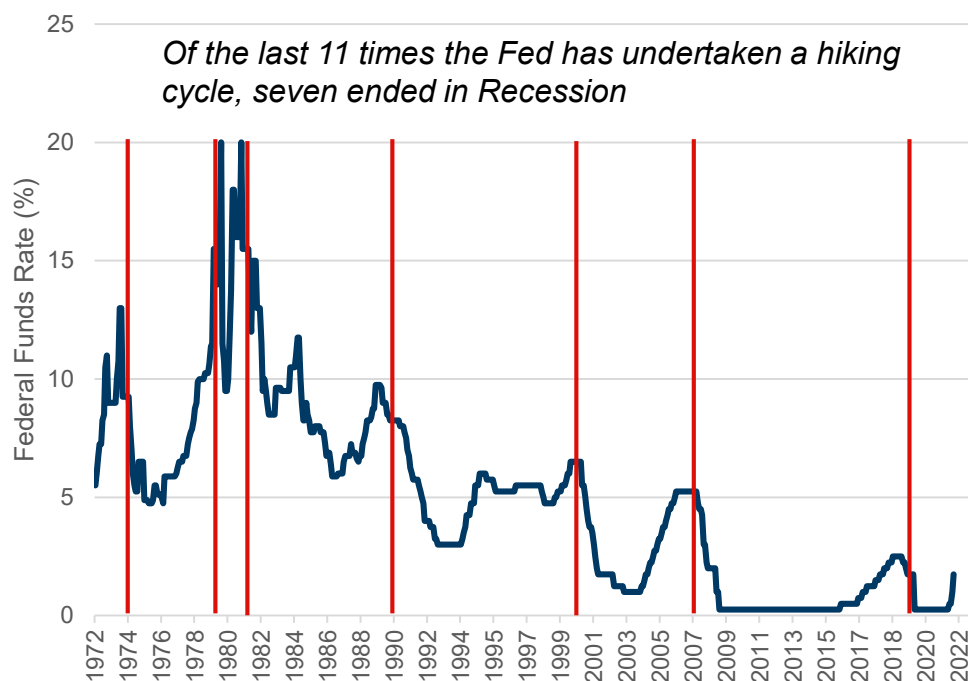
INTEREST RATES RAISE SPECTER OF RECESSION

As of June 30, 2022

Stubbornly high inflation at a 40-year high has led the Federal Reserve to hike interest rates at the fastest pace in over 40 years. This has led to a sharp downturn in both fixed income and equities. For equities, rising rates represent a triple threat putting pressure on economic growth, profit margins and valuations.

Rising interest rates are the most common historical catalyst for a recession given credit's vast role in modern economies...

Federal Reserve Funds Rate (%), 12/31/1972 – 5/31/2022



Source: Bloomberg, LP, Red line denotes start of recessionary period.

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Credit-sensitive sectors like housing are already showing a material slowdown.

Home Fixed-Rate Affordability Index and U.S. Home Sales (SAAR), 12/31/2017-5/31/2022



Source: Bloomberg, LP. For the home affordability index, measure of 100 means a family earning the median income has exactly the amount needed to purchase a median-price resale using conventional financing.

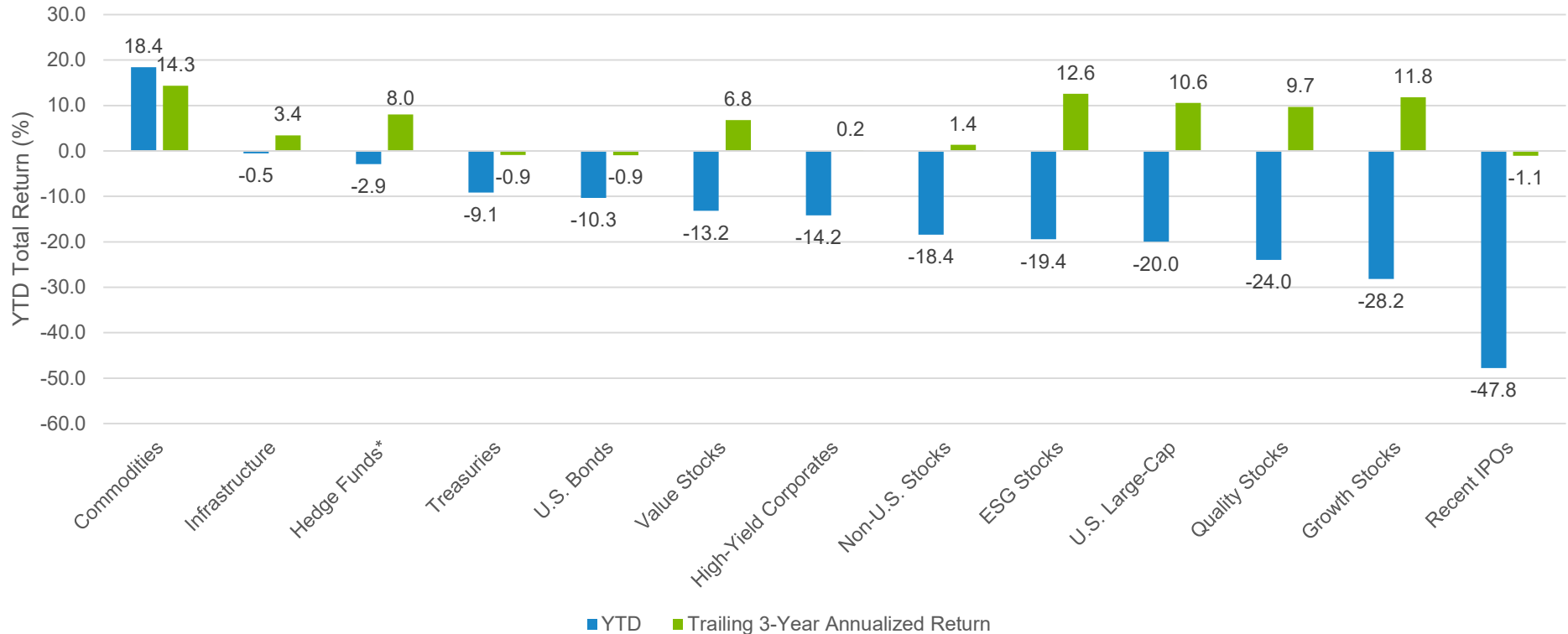
FINANCIAL MARKETS FEELING THE SQUEEZE FROM HIGHER RATES AND INFLATION

As of June 30, 2022

Financial market conditions have tightened considerably, with stocks and bonds falling meaningfully year-to-date. Real assets such as commodities and infrastructure have generally held up. The most speculative parts of the market have seen a dramatic pullback – signs that excesses in financial markets during the pandemic are normalizing.

Investors have had few places to hide year-to-date, with growth stocks and speculative assets falling the most

Year-to-date Returns through 6/30/2022



Source: Bloomberg, LP. Commodities using Bloomberg Commodity Total Return Index, Infrastructure using S&P Global Infrastructure Index, U.S. Bonds using Bloomberg U.S. Aggregate Bond Index, Value Stocks using Russell 3000 Value Index, High-Yield Corporates using Bloomberg U.S. Corporate High Yield Bond Index, Non-U.S. Stocks using MSCI ACWI ex. U.S. Net Total Return USD Index, ESG Stocks using S&P 500 ESG Index, U.S. Large-Cap using S&P 500 Index, Quality Stocks using MSCI World Quality Index, Growth Stocks using Russell 3000 Growth Index, Recent IPOs using Renaissance IPO Index. *Hedge funds using HFRI Fund Weighted Composite Index, performance as of 5/31/2022 for Hedge Funds.

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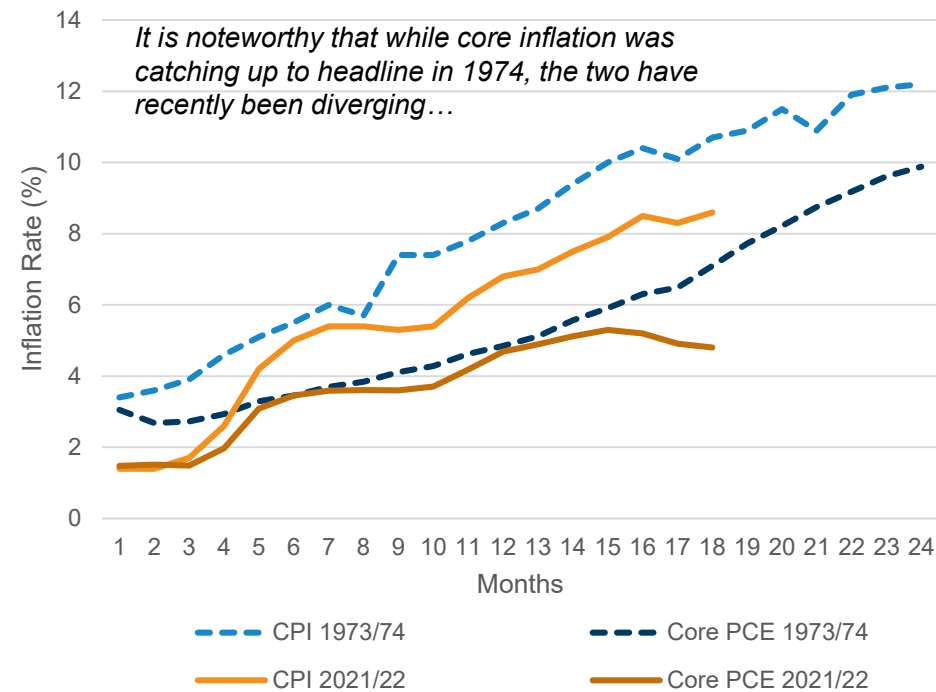
RISK OF STAGFLATION DEPENDS ON HOW IT'S DEFINED

As of June 30, 2022

The term “stagflation” was coined to describe the prolonged period of high inflation, weak economic growth and high unemployment experienced by many economies during the 1970’s and which persisted through recessions. While slowing growth and continued elevated inflation appears quite likely over the next 12-24 months, many of the conditions fueling inflation appear likely to be dampened by an economic slowdown.

Headline inflation is on a trajectory that has not been seen since the 1970’s...

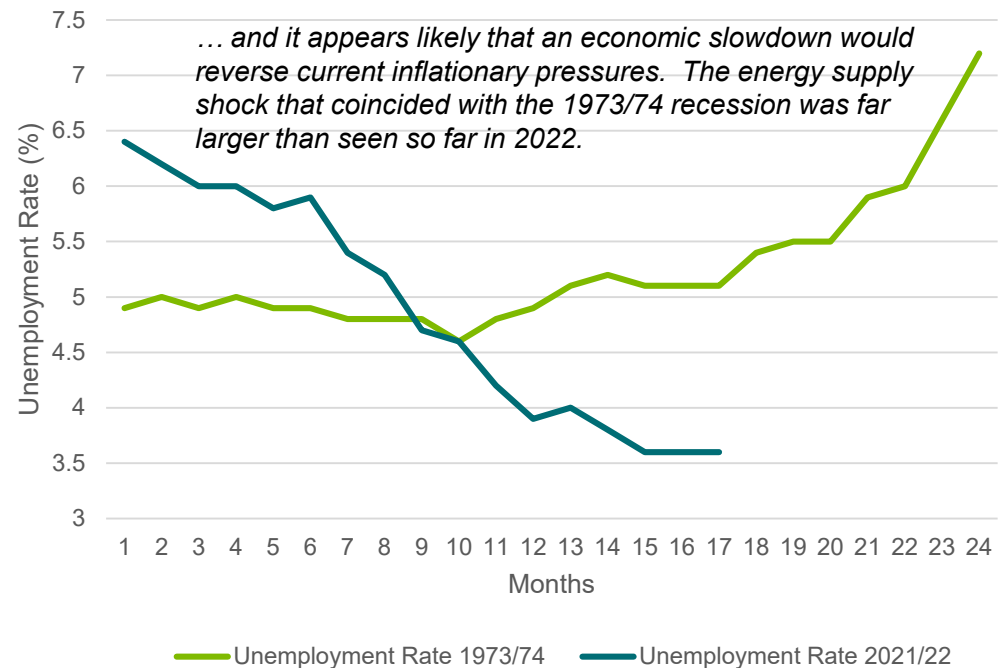
Headline CPI & Core PCE Inflation Rates, Jan 1973-Dec 1974 & Jan 2021-May 2022



Source: Bureau of Economic Analysis & Bureau of Labor Statistics

But what made “stagflation” was the fact that inflation continued to accelerate across the economy despite the recession in 1974.

Unemployment Rate, Jan 1973-Dec 1974 & Jan 2021-May 2022



Source: Bloomberg, LP, Bureau of Labor Statistics

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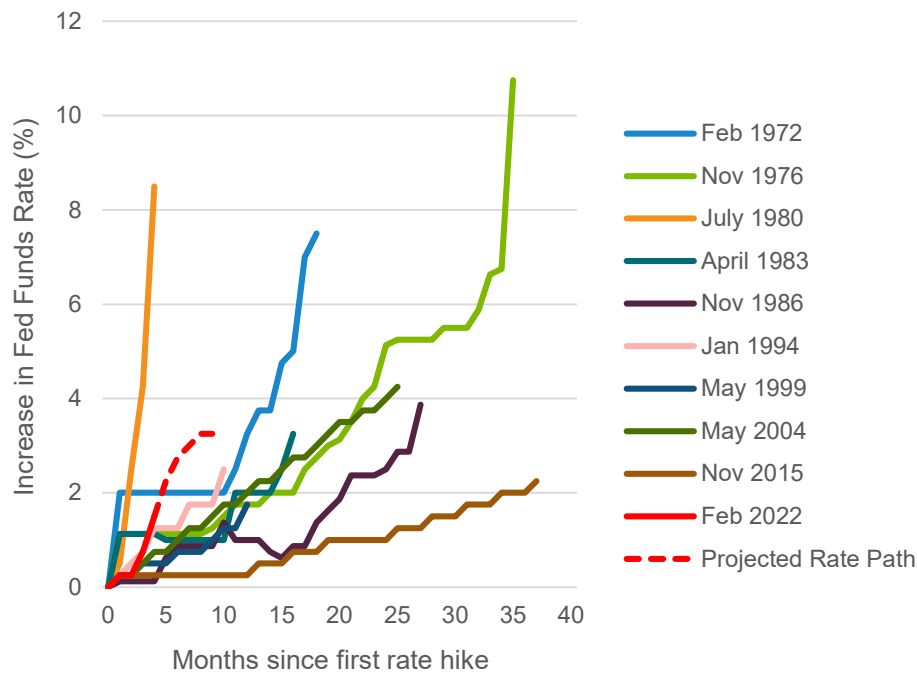
FEDERAL RESERVE PROJECTED TO RAISE RATES AT FASTEST PACE SINCE 1980

As of June 30, 2022

In an attempt to fight inflation, the Federal Reserve has communicated its intent to tighten monetary policy by raising the Fed funds rate and reducing the size of its balance sheet. Markets are pricing the fastest pace of rate increases since the late '70s/ early '80s when then-Fed president Paul Volcker “shocked” the economy to stamp out inflation.

The Fed is on track to raise rates at its fastest pace since 1980 in an attempt to fight inflation which will slow the economy...

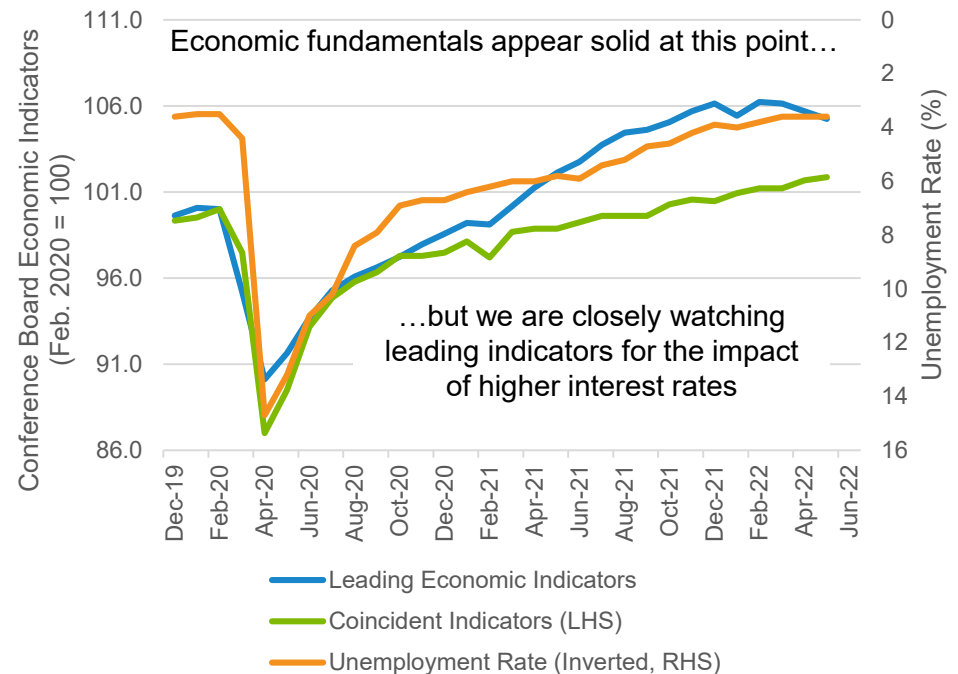
Increase in Federal Funds Rates since beginning of rate-hiking cycle, 1972 – Present



Source: Bloomberg, LP, Federal Reserve.

...But economic fundamentals are in solid shape so the scale of any slowdown is uncertain.

Conference Board Coincident Economic Indicators, 12/31/2019 – 5/31/2022



Source: Bloomberg, LP, Conference Board. The Conference Board Coincident Indicators Index tracks real personal income less transfer payments, nonfarm payrolls, industrial production and manufacturing and trade sales.

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CONSUMER SENTIMENT WEAK BUT HOUSEHOLDS IN A STRONG FINANCIAL POSITION

As of June 30, 2022

There are no shortage of factors weighing on consumers and investors today. Consumer sentiment has reached historically low levels, but households are on better financial footing today than at any time in the past two decades. Sentiment can change quickly and shouldn't be viewed in isolation when attempting to gauge prospective market returns or the health of the economy.

Consumer sentiment is historically low. Upturns can be sharp and typically coincide with higher than average equity returns.

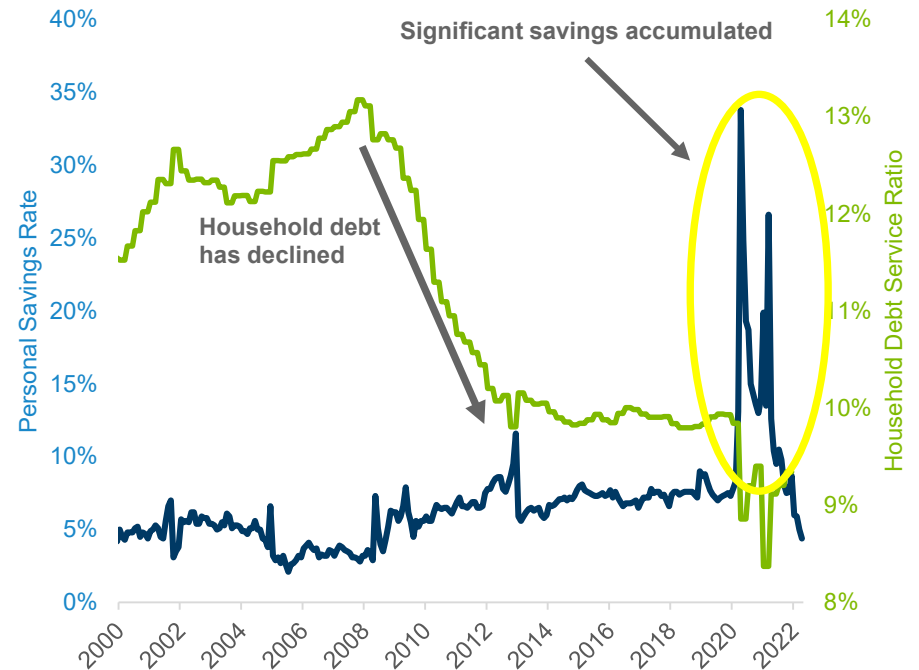
University of Michigan Consumer Sentiment Index Levels and Subsequent 12-month S&P 500 price returns, 6/30/1992 – 6/30/2022



Source: Bloomberg, LP. Graph shows most recent data available.

Despite negative sentiment, households are in a strong financial position to face inflationary headwinds.

Personal Savings as a % of Disposable Personal Income and Household Debt Service Ratio, debt payments as a % of personal income (SA), 3/31/2000 – 6/30/2022



Source: Bloomberg, LP. Graph shows most recent data available.

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ECONOMIC CYCLE AND MARKET DRAWDOWNS DURING RECESSIONS

As of June 30, 2022

Tighter monetary policy has often spelled the end of economic cycles. The biggest challenge for the Federal Reserve will be engineering a “soft-landing” of slower economic growth and, by extension, inflation. The risk of an economic slowdown and recession has increased going into the second half of 2022 and looking forward to 2023.

Conditions and Economic Indicators in Last Seven Recessions Since 1970

	Tighter Monetary Policy	Asset Bubble Bursting	Supply-Side Shock	Exogenous Demand Shock	Duration (Months)	Peak Unemployment	Peak-to-Trough GDP	S&P 500 Peak-to-Trough	Months to S&P 500 Recovery
Stagflation (1973)	X		X		16 months	9.0%	-3.2%	-44.8%	23 months
1980 Recession	X		X		6 months	7.8%	-2.2%	-16.7%	1 month
1981-1982 Recession	X				16 months	10.8%	-2.7%	-20.0%	2 months
Early '90s Recession	X		X		8 months	7.8%	-1.4%	-19.2%	9 months
2000-2001 Recession	X	X			8 months	6.3%	-0.3%	-47.4%	48 months
GFC (2007-2009)	X	X			18 months	10.0%	-5.1%	-55.2%	36 months
COVID-19 Pandemic				X	2 months	14.7%	-19.2%	-33.8%	5 months
Current Environment	X		X		??	??	??	-23.0%	??

Source: Bloomberg, LP, National Bureau of Economic Research, Brown Advisory Analysis.

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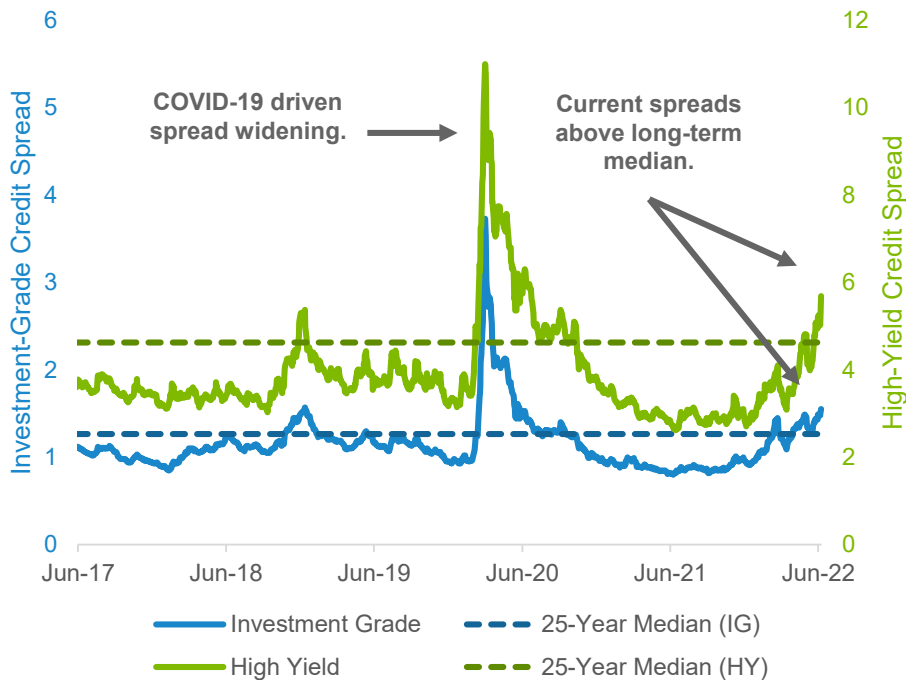
CURRENT BOND SELLOFF PRESENTING BETTER STARTING YIELDS GOING FORWARD

As of June 30, 2022

It has been a remarkably difficult year for bond investors. However, the year-to-date increase in bond yields and credit spreads has significantly improved forward return expectations. Most yields are now near or above 5-year expected inflation.

Investment grade and high yield credit spreads have widened beyond historical norms, but remain below past crisis levels.

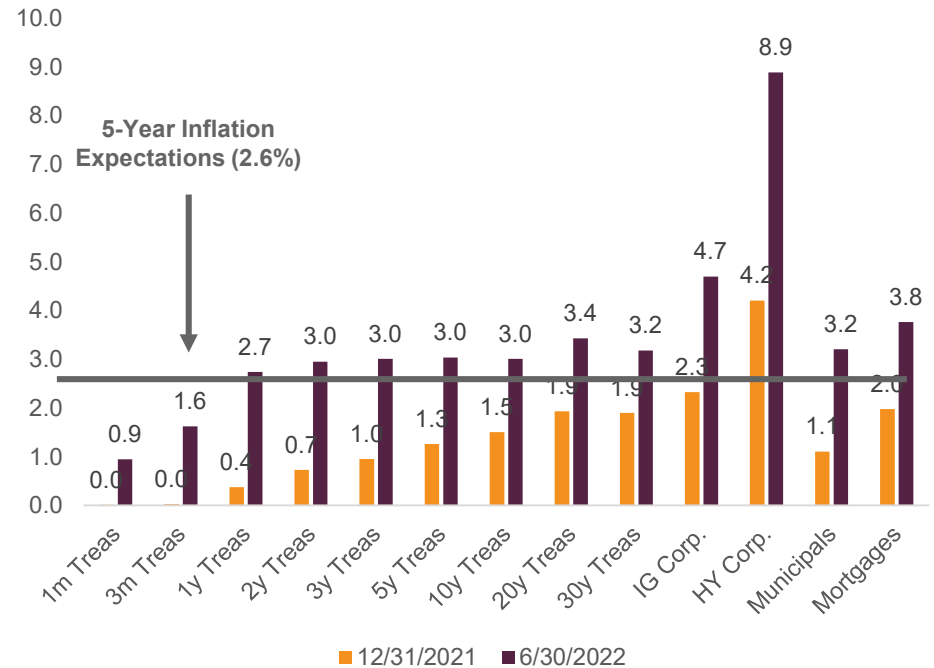
Investment-Grade and High-Yield Credit Spreads, 6/30/2017 – 6/30/2022



Source: Bloomberg, LP. Bloomberg Indices are defined at the end of the presentation.

Yields have risen significantly year-to-date across the yield curve and credit sectors.

Yield-to-worst (%), 12/31/2021 & 6/30/2022



Source: Bloomberg, LP. Investment grade spreads and IG Corp. - Bloomberg U.S. Aggregate Corporate Bond Index; High-yield spreads and HY Corp. - Bloomberg U.S. High Yield Corporate Index; Treasuries are U.S. government-issued Treasuries; Municipals - Bloomberg Municipal Bond Index Total Return; Mortgages - Bloomberg U.S. MBS Index Total Return

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THINKING ABOUT THE WAY FORWARD

As of June 30, 2022

In times of heightened uncertainty, it is important to consider a range of potential outcomes. Here are the key questions we are considering as to how markets will perform over the medium-term:

1. How does economic activity react as the impact of rising interest rates matriculates through the global economy (this will almost certainly slow economic growth but to what extent)?
2. Do supply chain pinch points begin to ameliorate?
3. To what extent do developments in Ukraine impact food and energy markets (importantly, unless prices continue to rise, inflation would naturally moderate)?
4. How does inflation react to the answers to the previous three questions?
5. Similarly, as economic activity is likely to slow down, does the Federal Reserve continue to focus on inflation or begin to focus more on protecting economic growth?

We are watching these key leading indicators to see how these questions will be answered:

- Business sentiment surveys
- Consumer spending
- Jobless claims
- Wage inflation
- Inflation expectations
- Yield curves
- Central bank statements
- Geopolitical developments

PORTFOLIO OVERVIEW

ACCOUNT SUMMARY

All Accounts

As of 06/30/2022

Accounts	Cash	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)	561,601 41.8%	782,378 58.2%	0	0	0	0	\$1,343,979 21.4%
Town Of Dewey Beach, Delaware - Beach Replenishment (Short)	81,094 41.3%	115,056 58.7%	0	0	0	0	\$196,150 3.1%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FI)	35,346 1.1%	3,310,251 98.9%	0	0	0	0	\$3,345,597 53.3%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)	24,211 2.6%	0	900,976 97.4%	0	0	0	\$925,187 14.7%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long)	8,779 1.9%	0	0	144,590 30.8%	171,637 36.6%	143,956 30.7%	\$468,961 7.5%
Total	\$711,032 11.3%	\$4,207,685 67.0%	\$900,976 14.3%	\$144,590 2.3%	\$171,637 2.7%	\$143,956 2.3%	\$6,279,874 100.0%

PORTFOLIO OVERVIEW

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

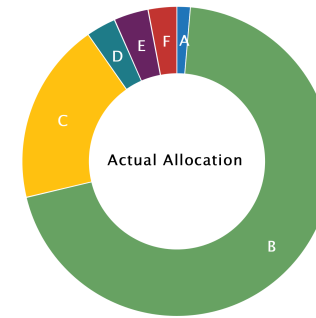
As of 06/30/2022

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	\$68,336	--	--	--	0.1	0.1
Fixed Income	\$3,310,251	0.9	-0.5	-7.7	-7.1	-2.9
Equities	\$1,361,158	8.1	7.2	-18.7	-21.8	-15.6
MSCI All Country World Net		7.2	6.2	-15.8	-20.2	-15.7
TOTAL PORTFOLIO - GROSS	\$4,739,746	3.1	2.3	-10.9	-11.8	-6.9
TOTAL PORTFOLIO - NET	\$4,739,746	2.8	1.9	-11.2	-12.0	-7.0
*Blended Benchmark		2.7	1.4	-9.7	-10.5	-6.1

Asset Allocation

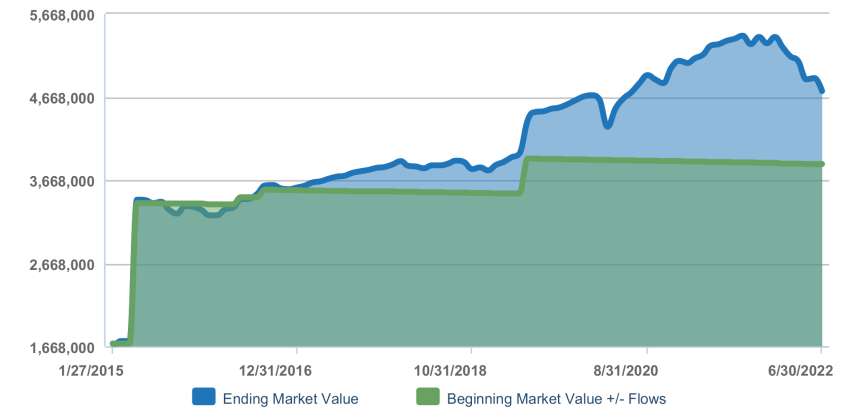


Asset Class	Weight	Target
A Cash	1.4%	3.0%
B Fixed Income	69.8%	72.0%
C Large Cap U.S. Equities	19.0%	15.0%
D Small/Mid Cap U.S. EQY	3.1%	3.5%
E Global/Developed Int'l	3.6%	3.5%
F Emerging Markets	3.0%	3.0%
Total	100.0%	100.0%

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	4,487,016	5,341,138	5,387,071	5,096,852
Net Contributions / Withdrawals	2,161,883	-63,647	-22,970	-11,471	-5,902
Market Value Gain / Loss	292,583	77,516	-665,537	-660,424	-367,288
Income and Capital Gains	585,529	238,861	87,115	24,570	16,084
Ending Market Value	\$4,739,746	\$4,739,746	\$4,739,746	\$4,739,746	\$4,739,746

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 06/30/2022

	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								
Brown Advisory Intermediate Income Fund	\$3,310,251	69.84%	02/28/2015	1.1	-0.5	-7.6	-7.0	-2.9
Bloomberg Intermediate Aggregate				1.1	-0.6	-7.9	-7.5	-2.9
Separately Managed Equity Portfolios								
Flexible Equity Portfolio	\$925,187	19.52%	01/31/2015	11.4	10.5	-17.1	-21.9	-16.3
S&P 500				11.1	10.6	-10.6	-20.0	-16.1
U.S. Small/Mid Cap Equity Funds								
Brown Advisory Sustainable Small-Cap Core Fund	\$144,590	3.05%	11/30/2021	-21.7	--	--	-24.3	-15.9
Russell 2000				-21.7	4.2	-25.2	-23.4	-17.2
Global/Developed International Funds								
Brown Advisory Global Leaders Fund	\$171,637	3.62%	04/30/2020	9.8	--	-18.3	-22.5	-15.9
FTSE All-World Index Net				11.4	6.2	-15.6	-20.0	-15.5
Emerging Markets Funds								
BA Emerging Markets Select Fund	\$143,956	3.04%	05/31/2019	5.5	3.6	-18.9	-14.4	-7.6
FTSE Emerging Net				3.4	1.6	-21.6	-15.0	-10.3

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)

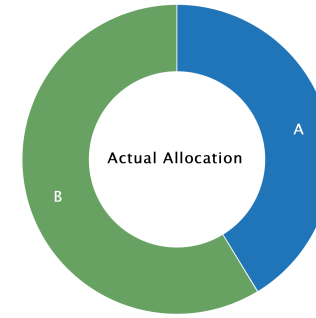
As of 06/30/2022

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	\$81,094	0.8	0.5	0.2	0.2	0.2
Fixed Income	\$115,056	--	--	--	-7.1	-2.9
TOTAL PORTFOLIO - GROSS	\$196,150	0.1	-1.0	-4.3	-4.3	-1.7
TOTAL PORTFOLIO - NET	\$196,150	-0.1	-1.2	-4.5	-4.3	-1.7
Merrill Lynch 0-3 Month US Treasury Bill Index		0.8	0.6	0.2	0.2	0.1

Asset Allocation

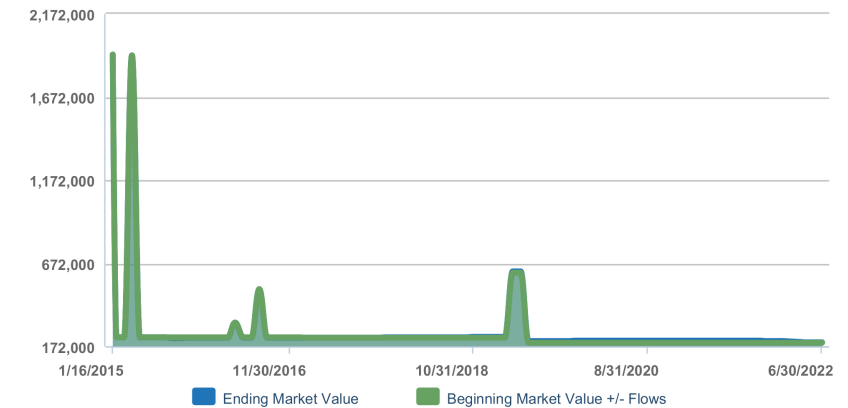


Asset Class	Weight	Target
A Cash	41.3%	40.0%
B Fixed Income	58.7%	60.0%
Total	100.0%	100.0%

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	203,679	205,350	204,955	199,494
Net Contributions / Withdrawals	-1,734,060	-1,619	-365	-73	-37
Market Value Gain / Loss	-19,874	-11,960	-10,925	-9,441	-3,797
Income and Capital Gains	23,350	6,050	2,090	709	490
Ending Market Value	\$196,150	\$196,150	\$196,150	\$196,150	\$196,150

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)

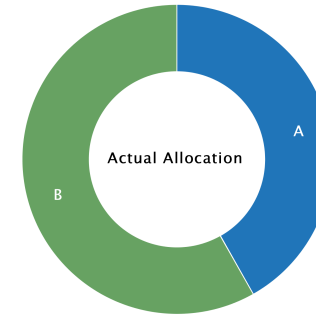
As of 06/30/2022

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	\$561,601	0.8	0.6	0.2	0.2	0.2
Fixed Income	\$782,378	--	--	--	-7.1	-2.9
TOTAL PORTFOLIO - GROSS	\$1,343,979	0.2	-0.9	-4.3	-4.2	-1.6
TOTAL PORTFOLIO - NET	\$1,343,979	0.0	-1.2	-4.4	-4.3	-1.6
Merrill Lynch 0-3 Month US Treasury Bill Index		0.8	0.6	0.2	0.2	0.1

Asset Allocation

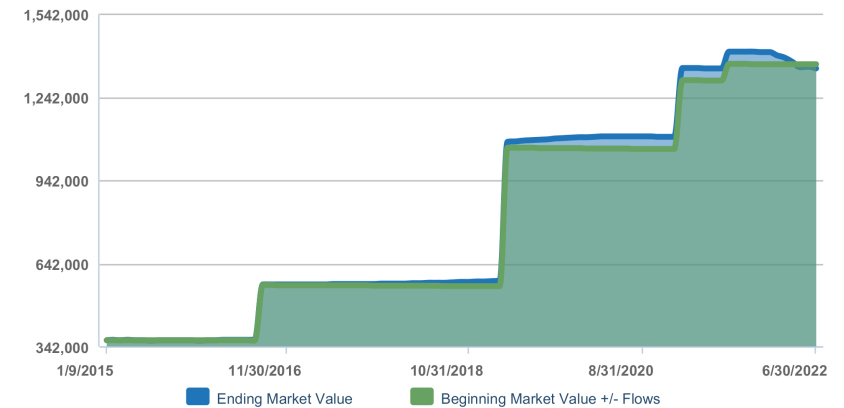


Asset Class	Weight	Target
A Cash	41.8%	40.0%
B Fixed Income	58.2%	60.0%
Total	100.0%	100.0%

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	1,086,548	1,345,387	1,403,848	1,366,707
Net Contributions / Withdrawals	995,368	301,015	58,655	-511	-256
Market Value Gain / Loss	-82,339	-78,670	-74,275	-64,177	-25,802
Income and Capital Gains	66,768	35,086	14,212	4,819	3,330
Ending Market Value	\$1,343,979	\$1,343,979	\$1,343,979	\$1,343,979	\$1,343,979

Historical Market Value



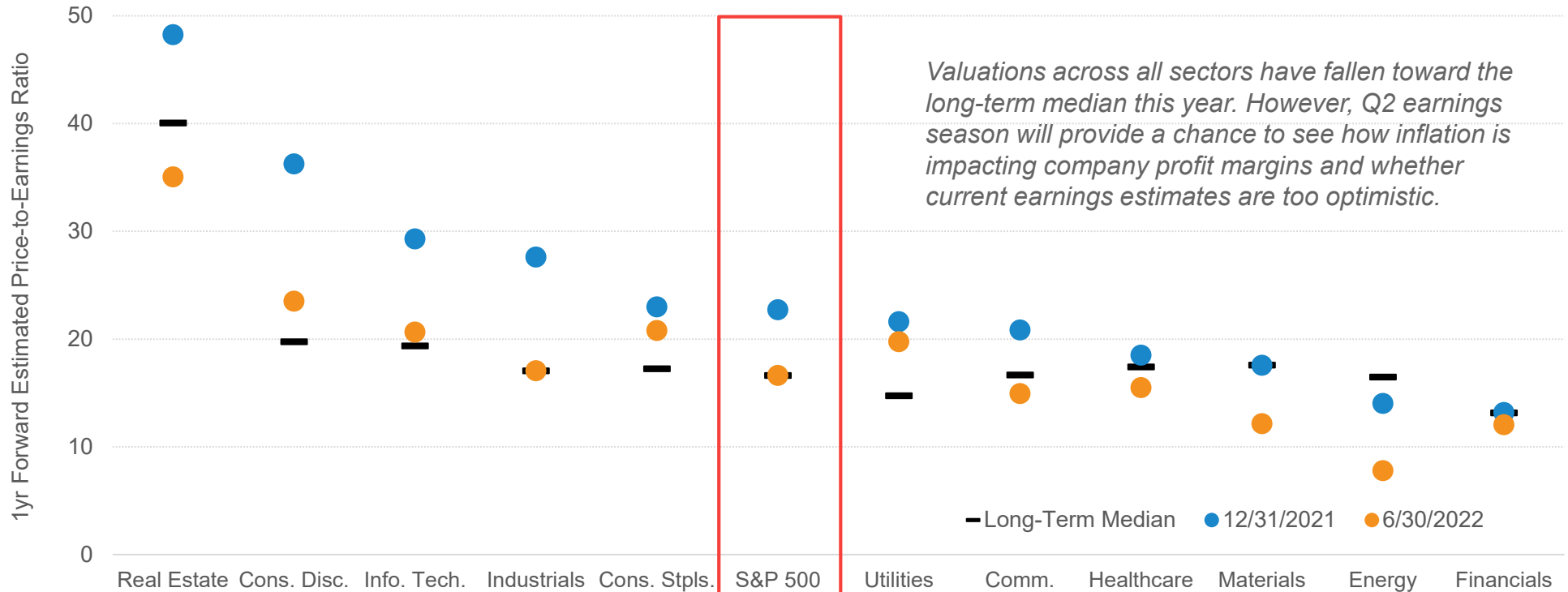
All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns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

THE BIG PICTURE ADDENDUM

STOCKS SIGNALING A CHALLENGING EARNINGS OUTLOOK THAT ISN'T REFLECTED IN ESTIMATES

As of June 30, 2022

Many sectors today, both cyclical- and growth-oriented, trade near or below their long-term median valuation. However, current earnings estimates likely do not fully reflect the deteriorations in the economic environment. How well earnings hold up will be key.



	Real Estate	Cons. Disc.	Info. Tech.	Industrials	Cons. Stpls.	S&P 500	Utilities	Comm. Serv.	Healthcare	Materials	Energy	Financials
YTD Return	-20.1%	-32.8%	-26.9%	-16.8%	-5.6%	-20.0%	-0.6%	-30.2%	-8.3%	-17.9%	31.6%	-18.7%
YTD Change in Valuation	-27.3%	-35.2%	-29.5%	-38.3%	-9.6%	-26.7%	-8.6%	-28.3%	-16.3%	-30.8%	-44.5%	-8.6%
YTD Change in Est. Earnings	8.8%	6.4%	4.6%	31.4%	2.3%	8.7%	3.7%	-0.5%	7.7%	17.5%	129.7%	-12.6%

Source: Bloomberg, LP. Median calculated from 1990-2022. Graph contains most recent data available. Sectors are based on the Global Classifications Standard (GICS) classification system.

Note: All commentary is as of 06/30/2022 unless otherwise noted. Please see the end of this presentation for important information.

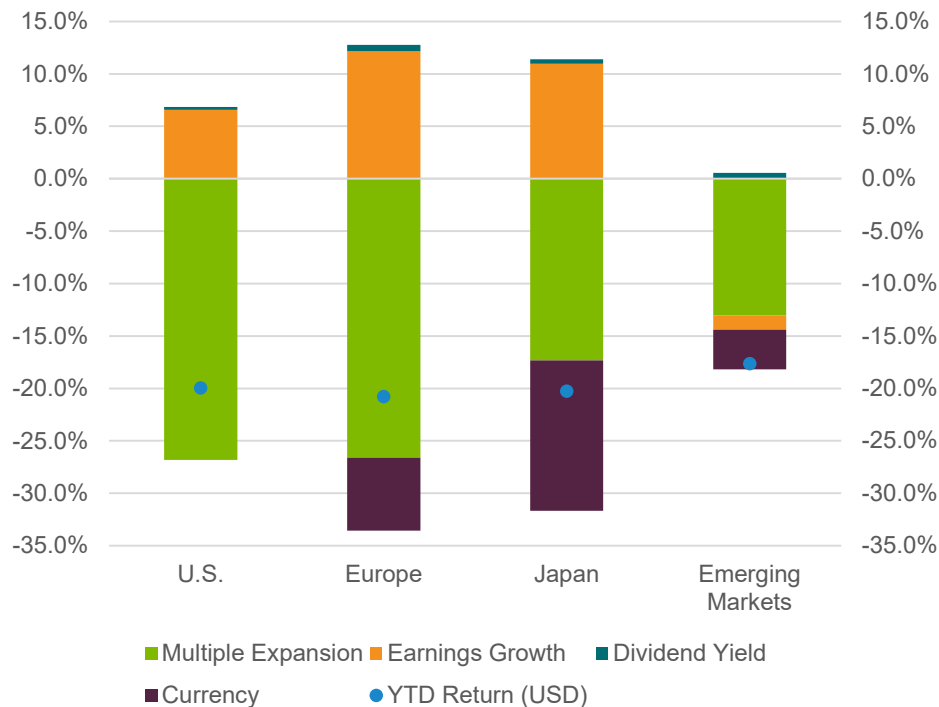
A STRONGER U.S. DOLLAR AND WEAKER GLOBAL GROWTH A HEADWIND TO NON-U.S. STOCKS

As of June 30, 2022

A stronger U.S. dollar and weak economic outlook beyond the U.S. have weighed on non-U.S. equity returns. This is especially true in Emerging Market economies, where expected earnings growth has turned negative for FY2023. Valuations have fallen across the globe (the premium of U.S. equities has fallen as well) to more historically normal levels.

The relative strengthening of the dollar has weighed on dollar-denominated investments in non-U.S. equities.

Year-to-date Total Returns by Various Components



Valuation premium of U.S. stocks over non-U.S. stocks is compressing although still trading above historical levels.

Price-to-Fwd. 12-Month Cash Flow, 12/31/2008 – 6/30/2022



Source: Bloomberg, LP; US - S&P 500; Europe - MSCI Europe Net Total Return USD; Japan - MSCI Japan Net Total Return USD; Emerging Markets- MSCI Emerging Markets Net Total Return USD

Source: Bloomberg, LP; U.S. Large-Cap – S&P 500

Note: All commentary is as of 06/30/2022 unless otherwise noted. Please see the end of this presentation for important information.

GLOBAL INFRASTRUCTURE COULD PROVIDE DIVERSIFICATION FROM GLOBAL EQUITIES

As of June 30, 2022

Infrastructure assets ranging from utilities, transportation and energy can offer investors cash flow that are backstopped by physical assets and feature regulated contracts that have some component tied to inflation.

Infrastructure assets can provide attractive investment characteristics, especially in an inflationary environment.

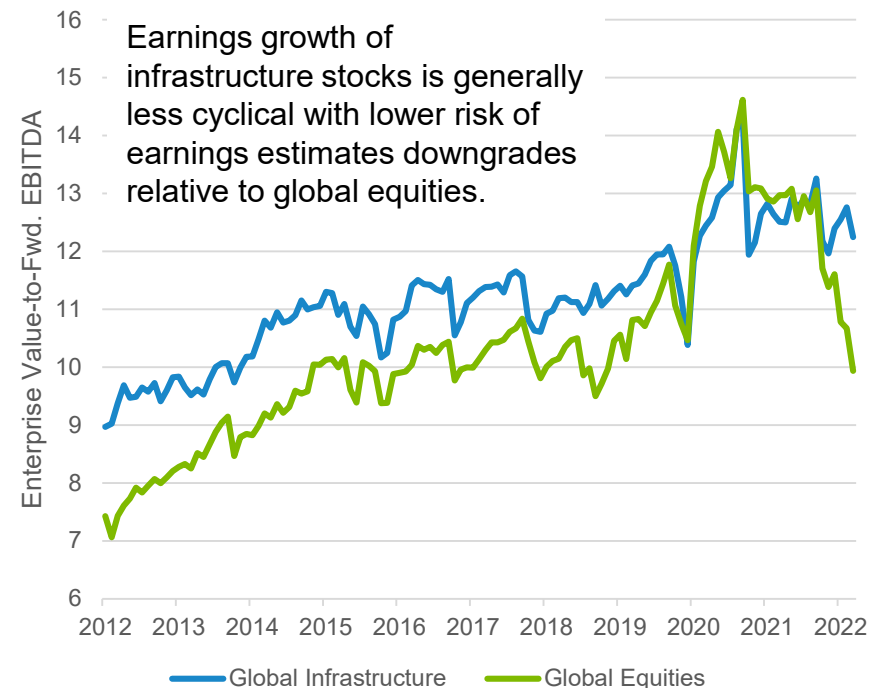
Qualitative Characteristics of Infrastructure vs. Other Real Assets

	Infrastructure	Real Estate	Commodities
Pricing Mechanism	Regulated or Contracted	Supply & Demand	Supply & Demand
Market Structure	Monopolistic	Competitive	Competitive
Demand Volatility	Low Cyclical	Moderate Cyclical	High Cyclical
Linked to Inflation?	Yes	Dependent on Asset	Dependent on Asset

Source: Brown Advisory Analysis

Global infrastructure have provided defensive exposure in portfolios, with valuations holding up year-to-date.

Enterprise Value-to-Fwd. 12-Month EBITDA, 3/31/2012 – 6/30/2022



Source: Bloomberg, LP. Global Infrastructure using S&P Global Infrastructure Index and Global Equities using MSCI ACWI Index.

CURRENT POSITIONING BY MAJOR ASSET CLASS

As of June 30, 2022

We continue to emphasize quality and resilience in portfolios amidst the crosscurrents of higher inflation, tighter monetary policies and heightened risk of an economic slowdown. In equities, our preference is to invest in high-quality companies that can generate free cash flow and navigate the current environment. In fixed income, we maintain a defensive posture by remaining underweight duration and cyclical corporate credits while adding Treasuries.

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 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. Given the space's economic sensitivity, we are biased toward quality small-cap companies.
Fixed Income	Maintaining shorter-duration posture across bond portfolios	Inflation risk creates the potential for higher interest rates but may also reduce the diversification value of longer-duration bonds. This risk is particularly acute in tax-exempt portfolios, given tight spreads in municipal bonds and shorter-duration taxable bonds can offer value.
	Limiting exposure to lower-rated credits and adding Treasury exposure in portfolios	Given the elevated uncertainty in today's environment, 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, like established real estate	While valuations in private markets are likely to get 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.
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 return and diversification.



Income as a growing part of total return

- **Equity Income Strategies:** Cash-flow oriented dividend payers tend to be higher quality companies that grow their income to keep up with inflation while also having more defensive characteristics during volatile market environments.
- **Private Real Estate*:** Offers opportunity for solid returns, near-term cash flow and inflation protection. We have benefited from our focus on multifamily, industrial and logistics assets but are keeping an eye on valuations.
- **Private Credit*:** As spreads widen and credit risks increase, we have slowed deployment into private credit 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, like Europe.
 - China carries regulatory and political risks, but we believe that a move to “common prosperity” should bode well for ESG focused strategies.
 - European and emerging market economies may be more acutely impacted from the cost of higher energy and food prices.
- **Global Strategies:** Prefer managers that 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 help to protect against the heightened risk of an economic slowdown as the Fed raises rates.
- **Maintaining Balance and Quality in Equities:** Higher interest rates continue to pressure hypergrowth stocks. A historical valuation gap exists between value and growth equities. We are emphasizing high-quality companies within value and small-cap.
- **Real Assets:** Diversification in the event of continued inflation, supply shocks and the potential for stagflation.
 - **Infrastructure:** Strategy that specifically targets companies whose revenues are contractually tied to inflation.
 - **Commodities:** Roll yields across most commodity prices are now positive, presenting a better risk-reward dynamic.



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 started to widen and are now trading above historical medians, but 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.
 - **Biotech:** Historic drawdown and market rotation has caused sector dislocation, but the sector could benefit from long-term tailwinds (e.g. therapeutic demand).

THE CASE FOR DIVERSIFICATION

As of June 30, 2022

Calendar Year Index Returns (%)

Data through June 30, 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD 2022	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="border-left: 1px solid black; border-right: 1px solid black; height: 100px; margin-right: 5px;"></div> <div style="writing-mode: vertical-rl; transform: rotate(180deg); margin-right: 5px;">Worst Performing</div> </div>	U.S. Small 38.8%	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 18.4%	U.S. Large 12.9%
	U.S. Large 32.4%	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 -10.3%	U.S. Small 9.3%
	Dev. Intl. 22.8%	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%	Em. Mkts. -17.6%	Dev. Intl. 5.4%
	IG Bonds -2.0%	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%	Dev. Intl. -19.6%	Em. Mkts. 3.1%
	Em. Mkts. -2.6%	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%	U.S. Large -20.0%	IG Bonds 1.5%
	Commodities -9.5%	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 -23.5%	Commodities -0.8%

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.

THE CASE FOR DIVERSIFICATION

As of June 30, 2022

Trailing Five-Year Annualized Returns

Data through June 30, 2022

		Trailing Five-Year Annualized Returns						Trailing 20-Year Annualized Returns	
		1995	2000	2005	2010	2015	2020	Q2 2022	
Best Performing ↑	Em. Mkts.	+20.5%	U.S. Large +18.3%	Em. Mkts. +19.1%	Em. Mkts. +12.8%	U.S. Large +12.6%	U.S. Large +15.2%	U.S. Large +11.3%	U.S. Large +9.1%
	U.S. Small	+19.4%	U.S. Small +10.3%	Commodities +10.7%	HY Bonds +8.9%	U.S. Small +9.2%	Em. Mkts. +12.8%	Commodities +8.4%	Em. Mkts. +8.4%
	HY Bonds	+18.5%	Commodities +7.3%	HY Bonds +8.8%	IG Bonds +5.8%	70/30 Portfolio +5.7%	U.S. Small +13.2%	70/30 Portfolio +5.5%	U.S. Small +8.1%
	U.S. Large	+16.6%	Dev. Intl. +7.1%	U.S. Small +8.2%	70/30 Portfolio +4.6%	HY Bonds +5.0%	70/30 Portfolio +10.3%	U.S. Small +5.1%	HY Bonds +7.3%
Worst Performing ↓	70/30 Portfolio	+10.1%	IG Bonds +6.4%	IG Bonds +5.9%	U.S. Small +4.4%	Dev. Intl. +3.6%	HY Bonds +8.6%	Dev. Intl. +2.2%	70/30 Portfolio +6.5%
	IG Bonds	+9.5%	70/30 Portfolio +4.9%	Dev. Intl. +4.6%	Dev. Intl. +2.5%	IG Bonds +3.2%	Dev. Intl. +7.4%	Em. Mkts. +2.2%	Dev. Intl. +5.3%
	Dev. Intl.	+9.4%	HY Bonds +4.3%	70/30 Portfolio +4.2%	U.S. Large +2.3%	Em. Mkts. -4.8%	IG Bonds +4.4%	HY Bonds +2.1%	IG Bonds +3.6%
	Commodities	+4.8%	Em. Mkts. -4.4%	U.S. Large +0.5%	Commodities +1.2%	Commodities -13.5%	Commodities +1.0%	IG Bonds +0.9%	Commodities +2.0%

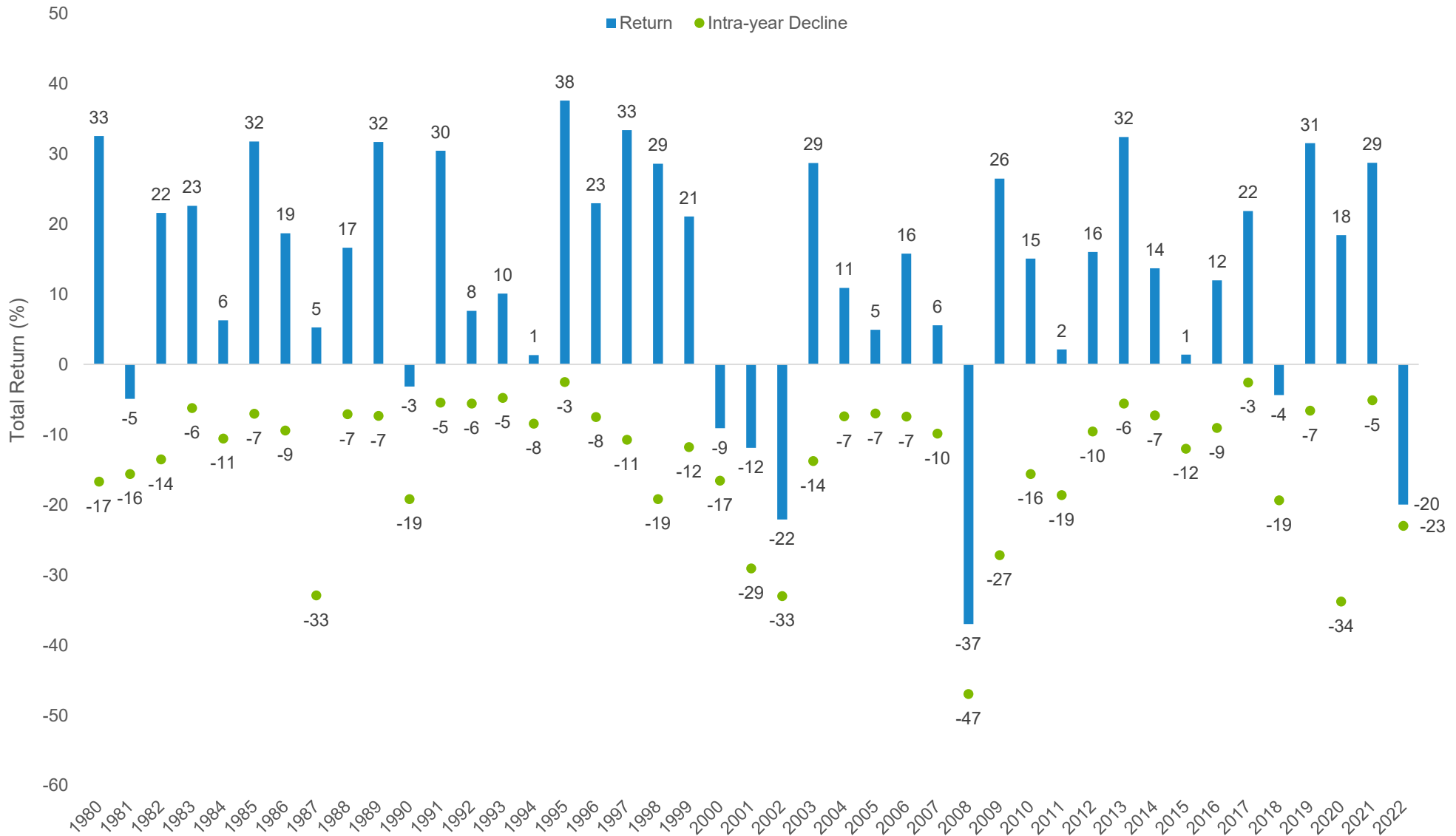
Source: Bloomberg. Indices: IG Bonds – Bloomberg Aggregate Bond Index; U.S. Large-Cap – S&P 500 Index; HY Bonds: Bloomberg US Corporate High Yield Bond Index; 70% Equity: MSCI ACWI Index 30% Bonds: Bloomberg US Aggregate Bond Index; U.S. Small-Cap – Russell 2000 Index; Dev. Intl. – MSCI EAFE Net Total Return USD Index; Em. Mkts. – MSCI Emerging Markets Net Total Return USD Index; Commodities – Bloomberg Commodity Index Total Return (BCOMTR). Note: Commentary on this slide is as of 06/30/2022. Please see the end of this presentation for important information.

ANNUAL RETURNS AND INTRA-YEAR DECLINES

Data as of 6/30/2022

U.S. markets produced positive returns in 35 of the past 43 years despite intra-year drawdowns.

S&P 500 Index Total Returns, 1980–2022



Source: Bloomberg.

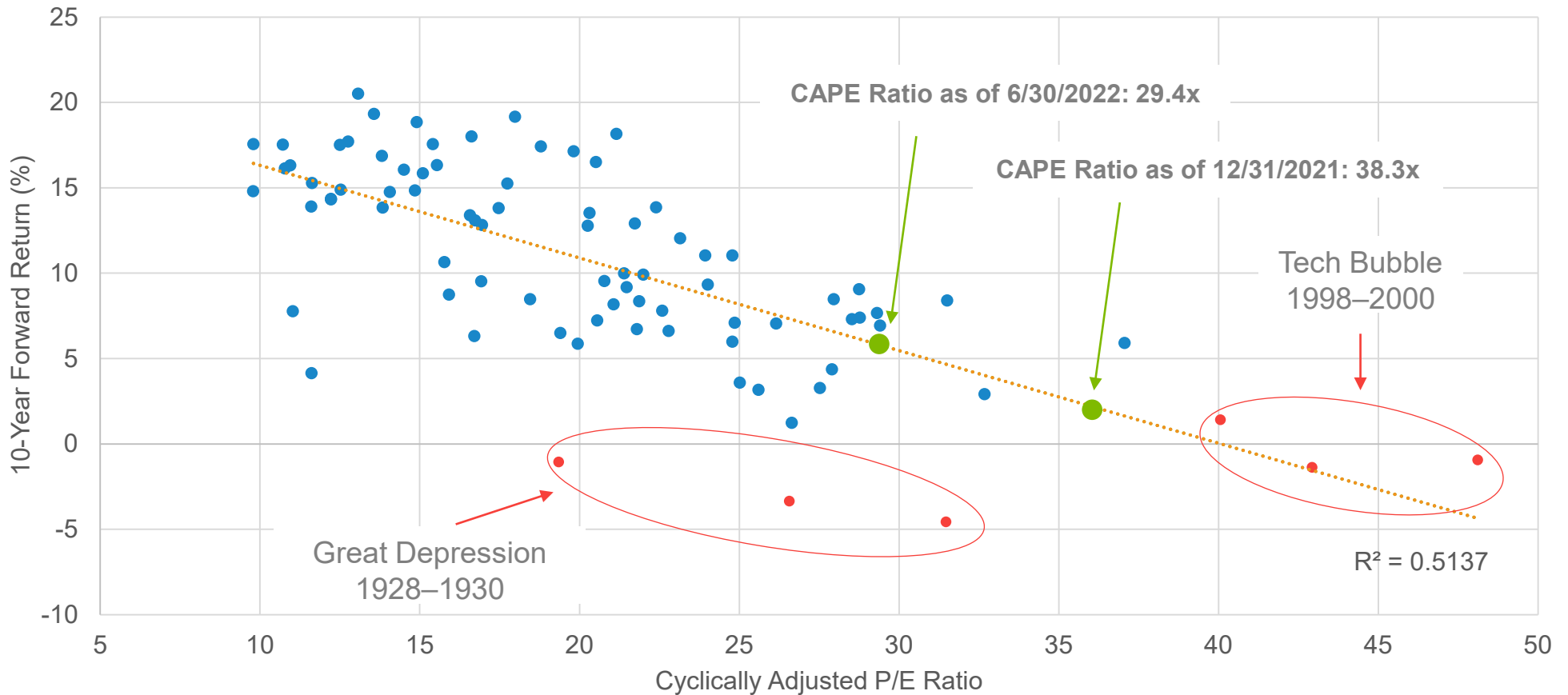
STARTING VALUATIONS IMPROVING, WHICH SHOULD HELP LONG-TERM RETURN ESTIMATES

As of June 30, 2022

We expect stock returns to remain well above those of cash and bonds despite rising interest rates but we are still seeking alternatives to traditional equity and bond markets.

Historically, Higher Valuations (X-axis) Have Correlated with Lower Returns (Y-axis)

S&P® 500 Index Cyclically-Adjusted P/E (CAPE) Ratio and 10-Year Annualized Returns, 12/31/1928–12/31/2011



Source: Bloomberg, LP, Brown Advisory Analysis. Data from 12/31/1928–12/31/2011. The chart above is an annual scatter plot where the horizontal axis represents starting annual CAPE ratios from 12/31/1928 to 12/31/2011 and the vertical axis represents forward 10-year annualized returns for the same time period. The orange line represents the statistical analysis performed by Brown Advisory to highlight the degree of correlation between the two measurements. R² represents the percent of total variation in total returns that can be explained by the CAPE ratio. Estimated U.S. return using statistical regression and Brown Advisory analysis.

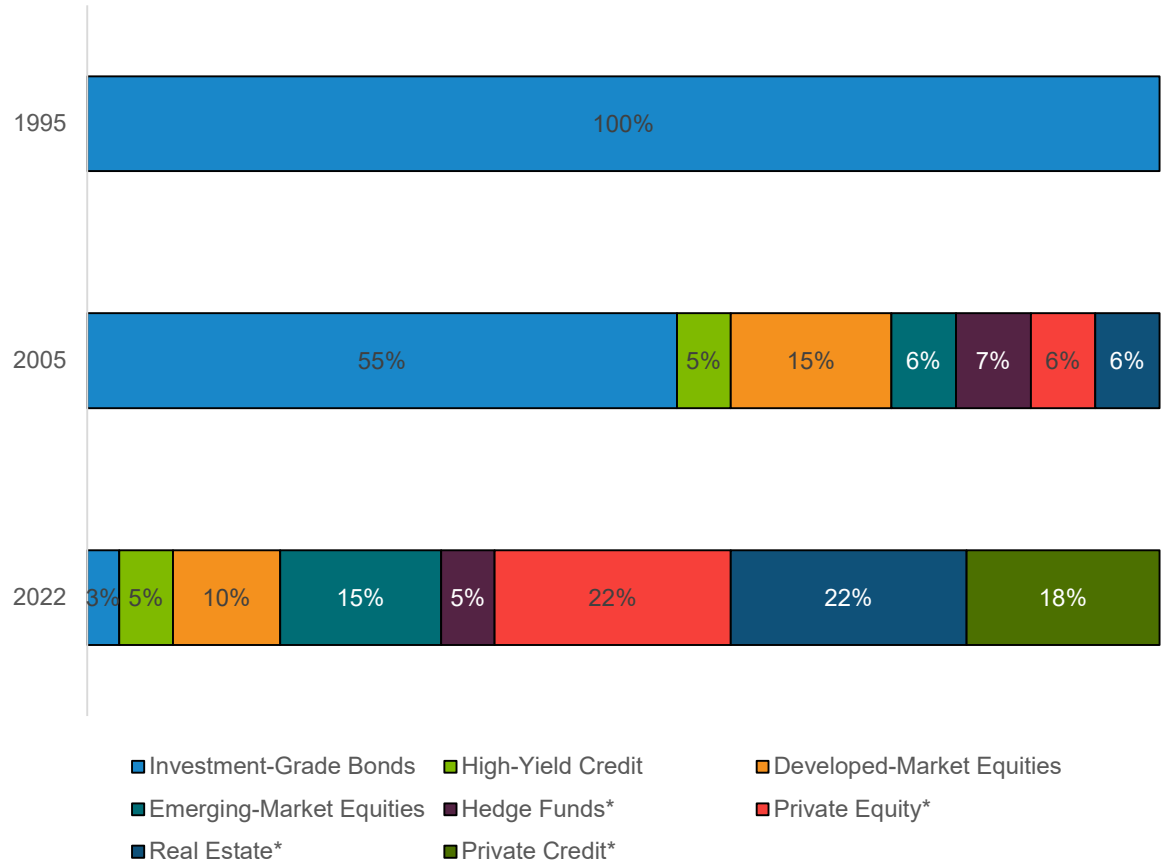
WHAT A DIFFERENCE 25 YEARS MAKES

As of June 30, 2022

The Importance of Strategic Asset Allocation

In 1995, if you wanted to build a portfolio capable of producing a 7.5% return, little diversification was needed—you could simply buy investment-grade bonds. Twenty-five years later, a more complex and risky portfolio is typically required to pursue the same result due to lower return expectations as a result of slower economic growth and lower interest rates.

Asset Allocation to Achieve 7.5% Return Target



Source: Brown Advisory Analysis. Performance data using Bloomberg. This analysis is not intended to be a guarantee of future results. It is not representative of an actual portfolio. Asset allocations could change depending on risk tolerance, investment objective and assets available for investment. The relationship team will customize portfolios to meet the guidelines, requirements and risk tolerance of our clients. The information provided in this is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular investment strategy, including whether or not to buy, sell or hold investments in any asset class mentioned. It should not be assumed that investments in such asset classes have been or will be profitable. Estimated performance of the Brown Advisory proposed portfolio is based on the internal research of our Investment Solutions Group and Private Equity team. The estimated volatility is based on the historical volatility of the indexes presented on the disclosures page in the back of this presentation. Estimated returns as of 06/30/2022. The estimated returns are representative of a hypothetical portfolio and asset allocation and is for illustrative purposes. Rebalancing is set at semi-annual. This performance output does not include any cash flows in or out of the portfolio and past performance is not indicative of future results. Investment Grade Bonds using the Bloomberg Aggregate Bond Index; High-Yield Credit using the Bloomberg U.S. Corporate High Yield Index; Developed Market Equities using the MSCI ACWI ex USA Index; Emerging Market Equities using the MSCI Emerging Markets Index; Hedge Funds using HFRI® Equity Hedge Index; Private Equity using Cambridge Associates Fund of Funds Benchmark; Real Estate using the FTSE NAREIT® Equity REIT Index; Private Credit using the Cliffwater Direct Lending Index. All commentary is as of June 30, 2022, unless otherwise noted. Please see the end of this presentation for important information. *Alternative investments may only be available for accredited investors and qualified purchasers.

THE IMPORTANCE OF REBALANCING

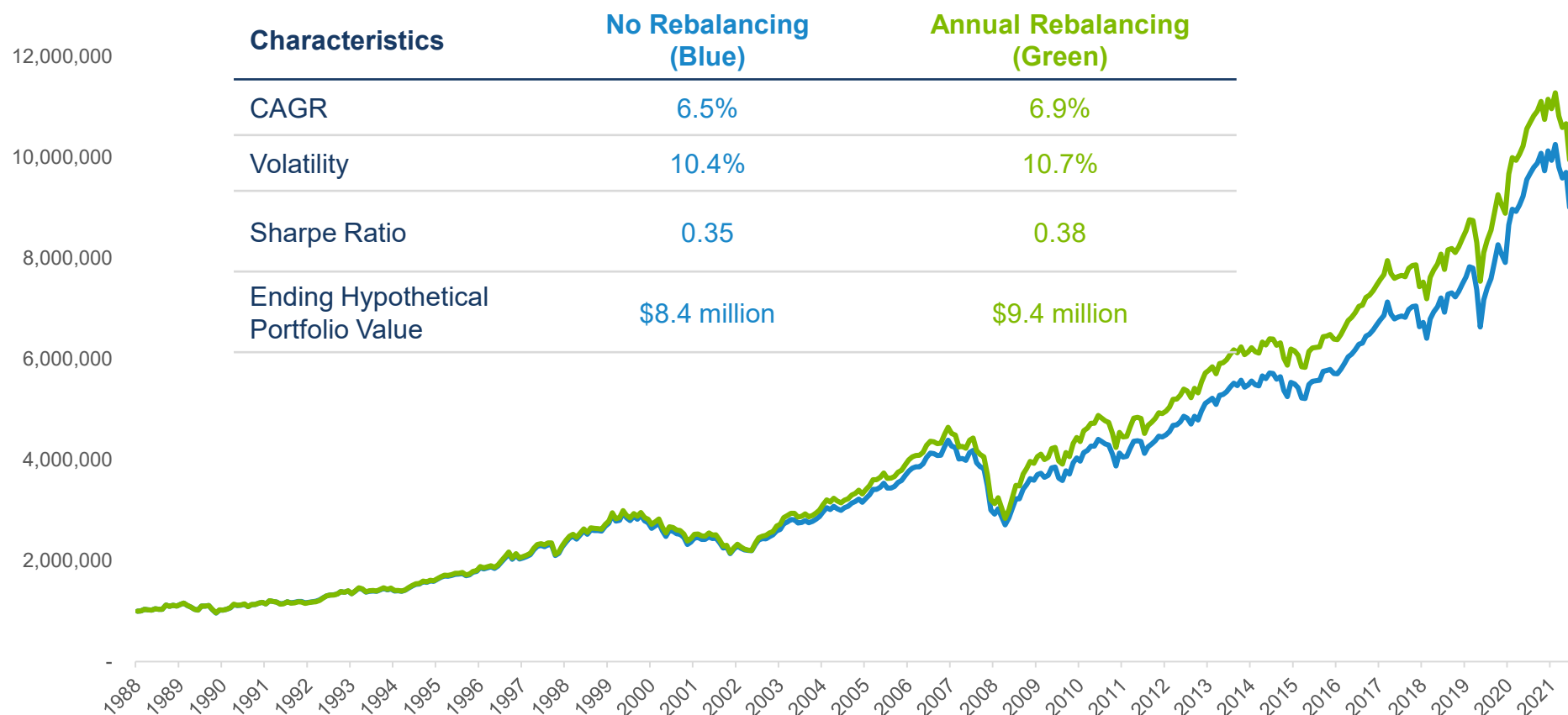
As of June 30, 2022

Prudent portfolio rebalancing, especially during periods of equity market stress, can add value over time.

Hypothetical Portfolio

Data as of June 30, 2022

Performance of Balanced Portfolio Over 30 Years



Source: Bloomberg, LP. Hypothetical portfolio based on a 70% Allocation to MSCI ACWI Index and 30% Bloomberg U.S. Aggregate Bond Index. The information provided above illustrates hypothetical portfolios that are not necessarily representative of any current portfolios and are for illustrative purposes only. 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. The hypothetical portfolio is rebalanced on an annual basis back to the strategic asset allocation targets of 70% equities and 30% bonds. Reinvestment of dividends and interest income are included in the calculation of the hypothetical portfolios' total return. The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. Values are estimated and subject to change.

Note: All commentary is as of 06/30/2022 unless otherwise noted. Please see the end of this presentation for important information.

LONG-TERM INVESTMENT THEMES

As of December 31, 2021

While there are great uncertainty and elevated valuations in the current environment, we still see meaningful long-term opportunity created by the underlying securities in which we invest. Here are some examples of themes we believe are capable of driving returns for many years to come.

Emerging Asia Middle Class

Asia contains half the world's population and continues to benefit from positive economic reforms that support above-average economic growth and a rapidly growing middle class. The region is expected to account for over half of global GDP growth over the next 20 years, while today, it only accounts for approximately 12% of global equity market cap.

Health Care Innovation

Health care continues to be a space for long-term innovation and value creation, as evidenced by the rapid turnaround on vaccinations for COVID-19 (nine months versus 10–40 years). Current exploration in gene editing, personalized medicine, telemedicine and advancement in disease treatment should continue to benefit society and expand the investment horizon.

Cloud/Digitization

Cloud computing enables companies cost-efficient access to the most powerful systems of the tech giants. Adoption is accelerating but is still in the early stages. Worldwide end-user spending on public cloud services is forecasted to grow 18.4% in 2021 to total \$304.9 billion.

Environmentally and Socially Aligned Opportunities

Aligning portfolios and business models to help solve the greatest environmental and social challenges of our time can produce both societal benefits and long-term returns. The value of progressing issues, such as diversity and sustainability—including climate change-led innovations in energy—should accrue to society and shareholders alike.

E-Commerce

As retailers find more cost-efficiency in direct-to-consumer sales, supported by the concurrent changes in digital payments, growth in this area is expected to continue and accelerate due to the pandemic-induced changes in consumer behavior. 2020 saw 30–40% growth in e-commerce sales.

Fin Tech

Financial technology is seeing a burst of innovation in several areas that should create value and efficiencies for businesses and consumers for many years. For example, the total value of digital payments grew from \$1.1 trillion in 2010 to \$2.0 trillion in 2019, but cash still represents 70% of global transactions, leaving a long runway for growth.

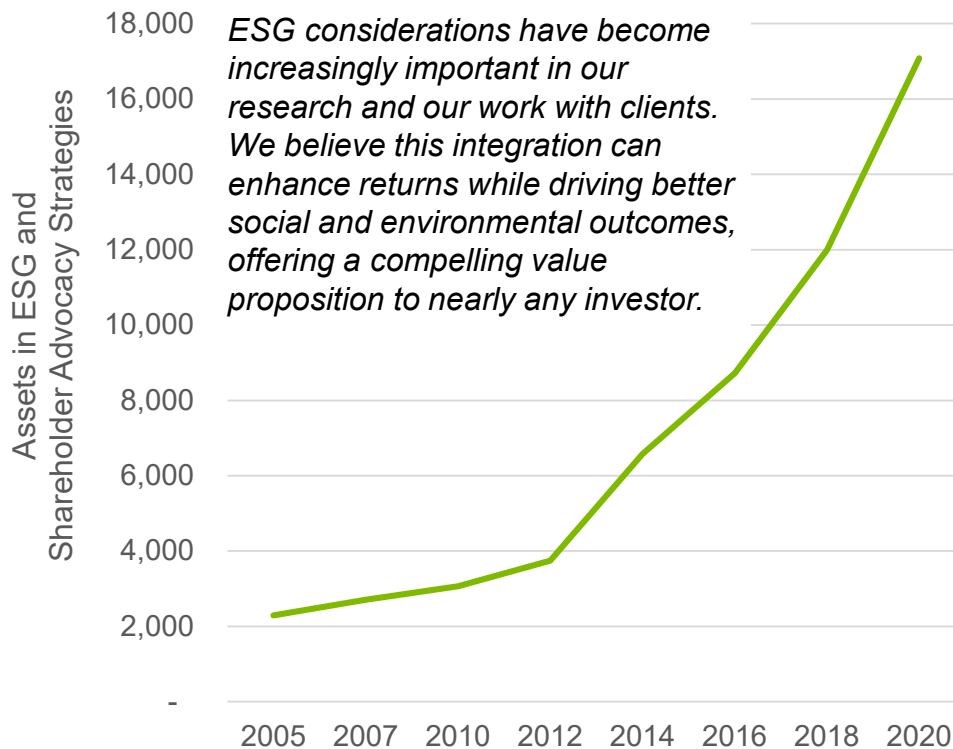
LONG-TERM INVESTMENT THEMES

As of December 31, 2021

ESG and sustainable investing seeks to align portfolios with values and fuels innovative solutions to address challenges like climate change that should create attractive social and shareholder value.

ESG assets have seen a sevenfold increase, but integrating investment and sustainability expertise is essential.

Assets in ESG-oriented and shareholder advocacy strategies – 2005-2020



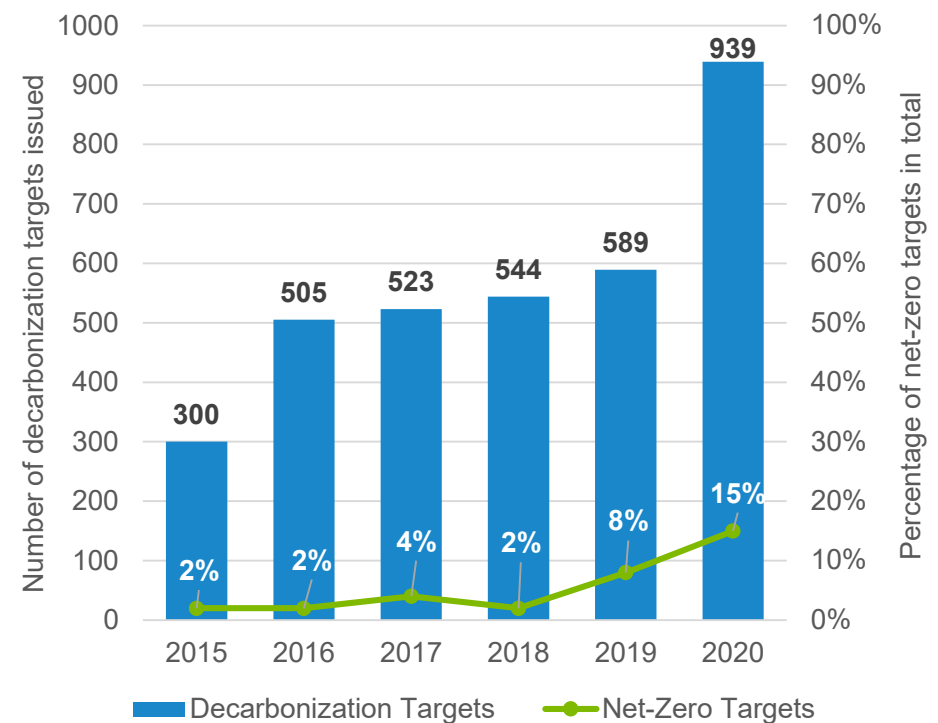
Source: Morningstar

Note: All commentary is as of 12/31/2021 unless otherwise noted. Please see the end of this presentation for important information.

Innovations addressing climate change have increased as we approach 2050, the U.N. carbon neutrality target. Companies that can smoothly transition from current energy sources and emission levels to the required decarbonization are poised to succeed over the next decades.

As capital has aligned with environmental goals, an increasing number of companies are decarbonizing in order to retain investors.

Number of companies in the MSCI ACWI with established climate related targets



Source: MSCI ACWI as of 01/05/2021. Graph shows most recent data available.

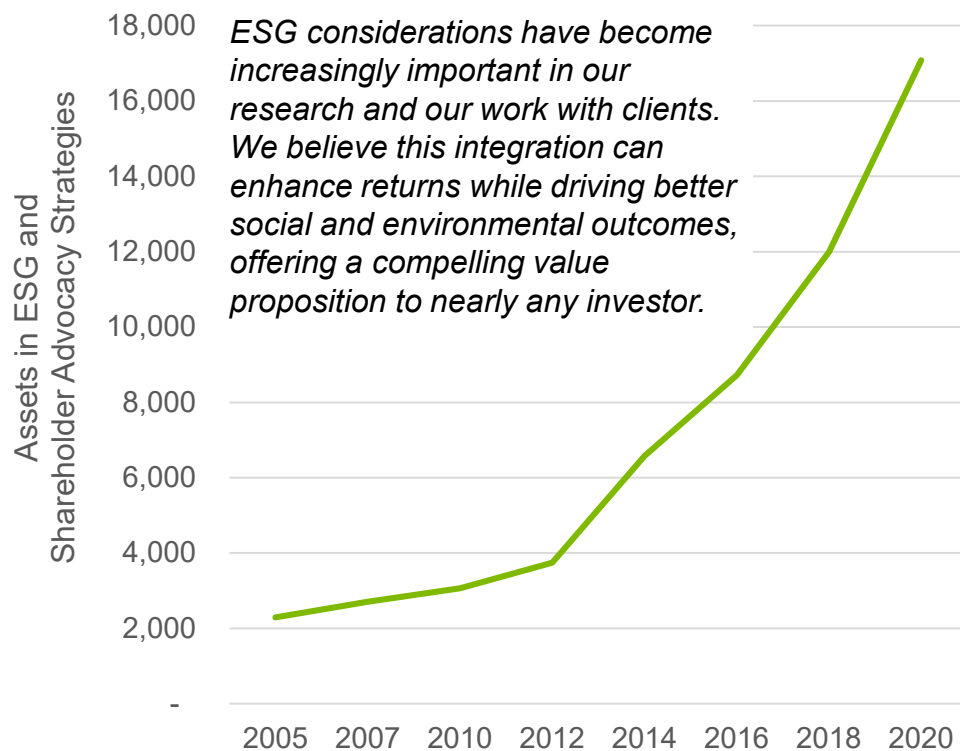
LONG-TERM INVESTMENT THEMES

As of December 31, 2021

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Assets in ESG-oriented and shareholder advocacy strategies – 2005-2020

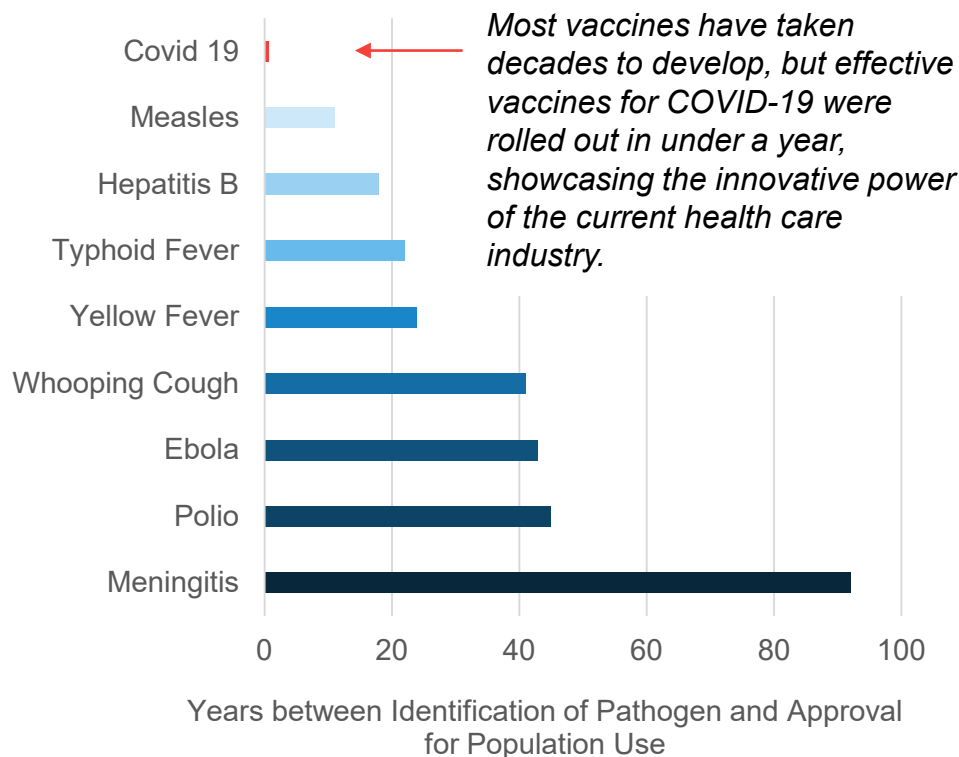


Source: Morningstar

Health care innovation has been on full display with the incredible COVID-19 vaccine development, but other innovations, such as gene editing and personalized medicine, also have potential, in our view.

The innovative revolution underway in health care helped drive the incredibly rapid and effective COVID-19 vaccine development.

Comparison of time taken to develop historical vaccines from identification to rollout



Source: CDC, NIH as of 03/31/2021. Graph shows most recent data available.

Note: All commentary is as of 12/31/2021 unless otherwise noted. Please see the end of this presentation for important information.

LONG-TERM INVESTMENT THEMES

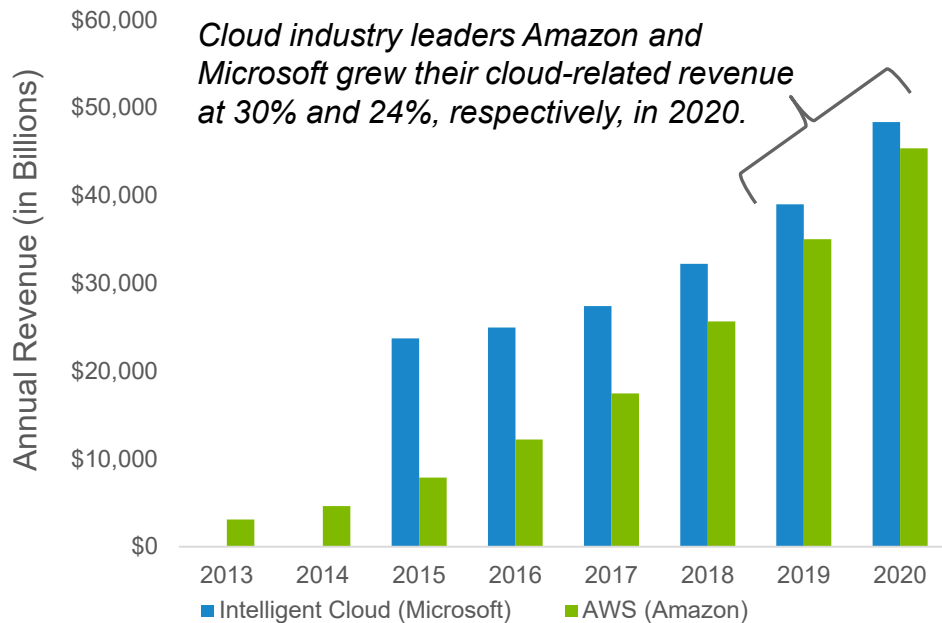
As of December 31, 2021

Cloud computing allows enterprises to consume computing power and storage from a third party, helping to lower costs and broaden access to these services. We are seeing rapid adoption across many different industries.

Financial technology is seeing a burst of innovation in areas such as blockchain-distributed ledger technology and digital payments, which should continue creating value and efficiencies for businesses and consumers for many years.

Amazon's and Microsoft's cloud businesses are still growing rapidly despite generating tens of billions in annual revenue.

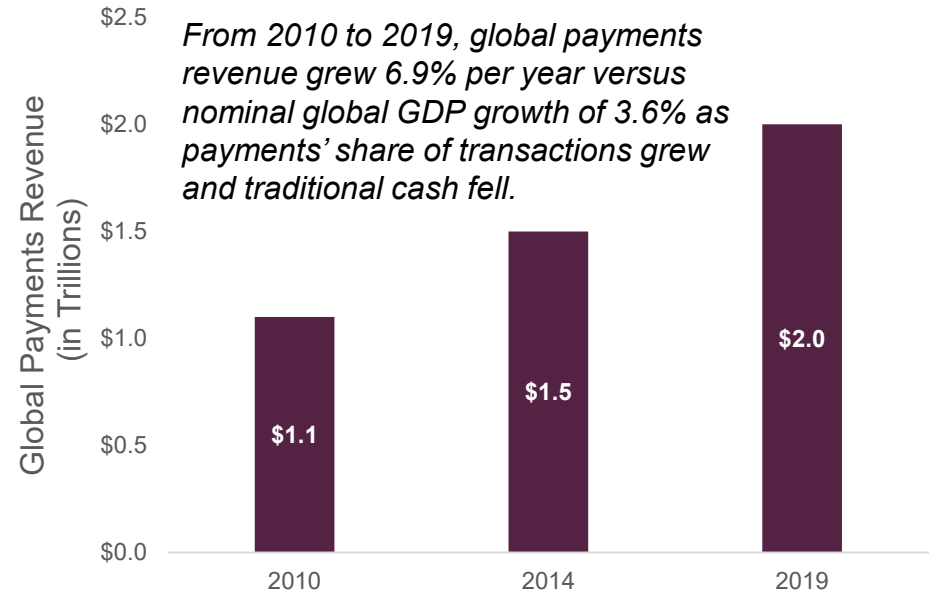
Annual Cloud Related Revenue



Source: Company reports and Bloomberg, LP

Global noncash payments revenue has grown twice as fast as GDP, yet cash still accounts for ~70% of global transactions.

Commercial and Consumer Global Payments Revenue



Source: 2020 McKinsey Global Payments Report and Bloomberg, LP

Note: All commentary is as of 09/30/2021 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. Please see the end of this presentation for important information.

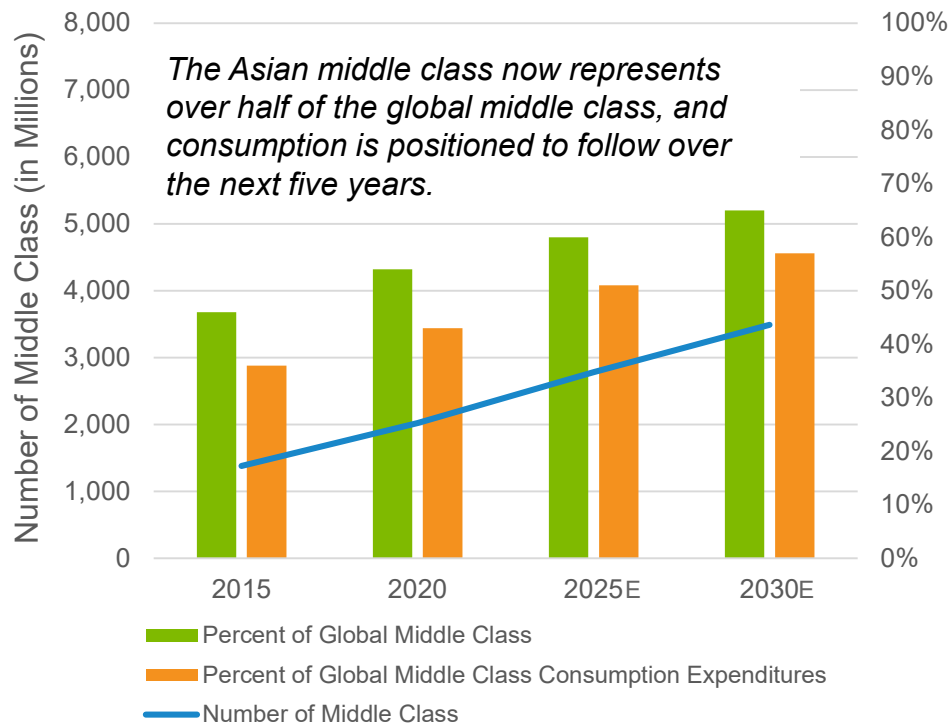
LONG-TERM INVESTMENT THEMES

As of December 31, 2021

Emerging Asian middle class is a core driver for above-average economic growth in the region and is poised to account for over half of global GDP growth in the next 20 years.

This region, which contains half of the world’s population, continues to catch up to more developed markets through growth in consumption expenditures.

Brookings data as of 03/31/2021

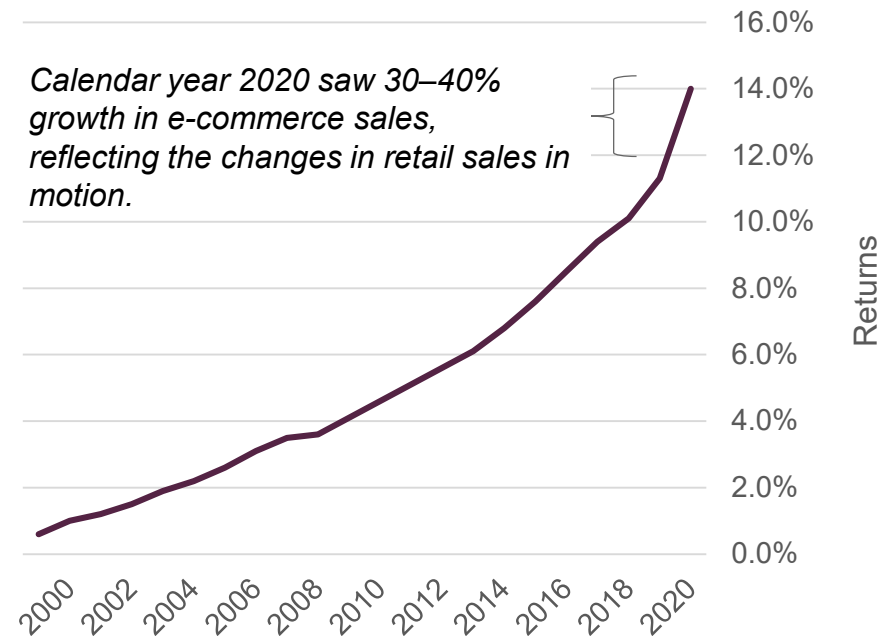


Source: Brookings Institute. Graph shows most recent data available.

E-commerce retailers find more cost-efficiency in direct-to-consumer sales, supported by the concurrent changes in digital payments and pandemic-induced changes to consumer behavior.

The consumer revolution underway has been in motion since the early 2000s, but recent changes in consumer behavior ushered in a rapid growth in sales.

E-commerce sales as a percent of Total Retail sales as of 12/31/2020



Source: Census Bureau. Graph shows most recent data available.

Note: All commentary is as of 12/31/2021 unless otherwise noted. Please see the end of this presentation for important information.

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The **Cyclically Adjusted P/E Ratio (CAPE Ratio or Shiller Cyclical P/E)** is a P/E ratio variant that uses a trailing, inflation-adjusted long-term average (typically 10 years) as its earnings figure. **R²** helps explain the variance of returns from starting valuation of a P/E Ratio. **Volatility** is a statistical measure of the returns for a security or an Index. **Sharpe Ratio** is a benchmark-independent risk-adjusted measure of performance. It is equal to the excess return of a portfolio over a risk-free investment, per unit of volatility or total risk. **Compound Annual Growth Rate (CAGR)** is a measurement that helps calculate the annual growth rate for an investment from its beginning balance to its ending balance and assumes that the profits were reinvested at the end of each year of the investment's lifespan. CAGR is generally calculated by dividing the final value by the beginning value and raising it to one divided by the time in years and subtracting one from the total. This ratio helps measure a company's leverage and its ability to pay of its loans. **Trailing Returns** are the returns generated over a given period. It can be the year to date (YTD), one year, three years, and so on. These are also called point to point returns. Trailing returns are the most relevant measures to evaluate the performance for a mutual fund. **Forward 10-year return** is a 10-year annualized return an investor would have earned if they invested at the stated starting date.