THE BIG PICTURE

Our Investment Outlook

As of September 30, 2023

Brown ADVISORY
Thoughtful Investing.

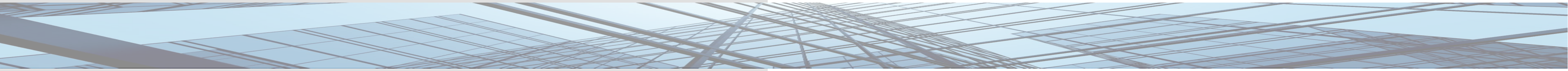
PORTFOLIO POSITIONING IN THE CURRENT ENVIRONMENT

Bonds are back

- **Core Fixed Income:** Core fixed income yields are trading at the highest levels over the last 15 years. We have been adding gradually to core fixed income, which we believe offers compelling risk-adjusted returns.
- **Private Credit*:** With banks pulling back lending, we are seeing more opportunities to provide senior-secured floating-rate loans to lower middle-market businesses.

Opportunities beyond U.S. large-cap equities

- **U.S. Small-Cap Focus:** Quality small-cap equities continue to trade at relative discounts to their large-cap counterparts, presenting attractive long-term opportunities.
- **Non-U.S. Equities:** Markets outside the U.S. may offer lower valuations and present selective opportunities, while a weakening dollar would likely be a boost to non-U.S. equity returns for U.S. investors.



Managing through a higher interest rate, higher inflation environment

- **Balance Across Asset Classes:** The prospect of higher interest rates for longer has pushed us to be more balanced across equities and fixed income. Within fixed income, we have been adding gradually to duration.
- **Real Assets Exposure:** We've maintained real asset exposure through allocations to infrastructure, which boast pricing that is contractually linked to inflation.

Looking for value and future opportunities

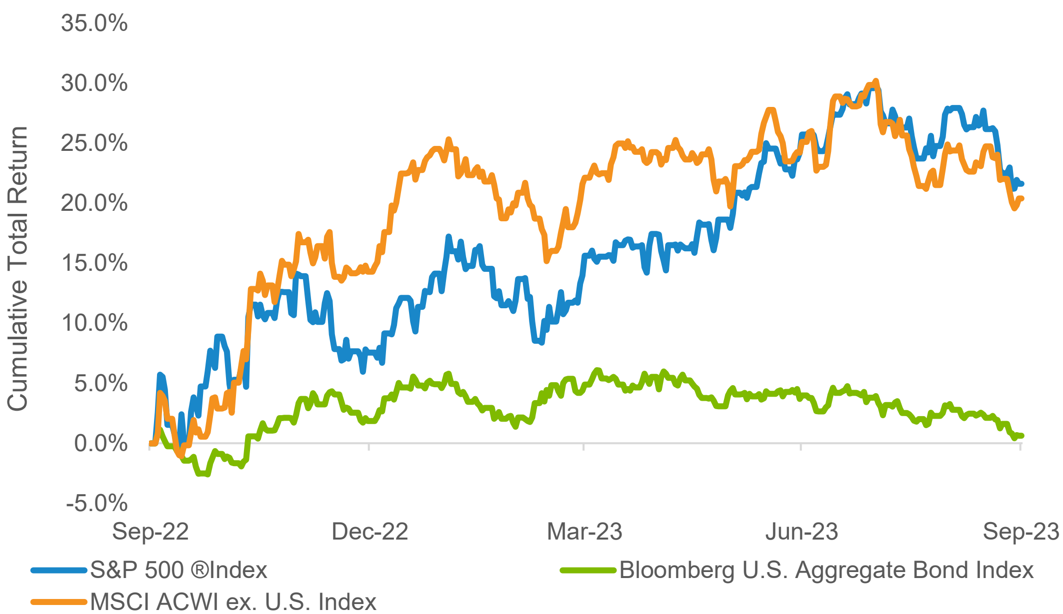
- **Alternatives*:** We expect valuations will continue to reset across private equity and venture capital, but we remain committed and see notable long-term value. Opportunities remain in diversifying strategies with idiosyncratic return streams.
- **Credit:** Elevated interest rates have created relative value in credit over U.S. large-cap equities, considering valuations and downside risk.
- **Innovation:** Long-term investment themes where we continue to look for opportunities include energy transition, biotechnology and generative A.I.

Source: Brown Advisory Analysis. *Alternative investments may be available for qualified purchasers and accredited investors only. Note: All commentary is as of 09/30/2023 and is the most recent available information unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

GLOBAL MARKETS REWIND

As of September 30, 2023

Trailing 1-Year Returns Across Major Indexes



Key Market Dynamics:

- U.S. economic data remained strong in Q3 2023, supported by U.S. household spending and healthy labor market dynamics.
- Interest rates moved higher as a result, with markets anticipating that the Federal Reserve will keep policy rates higher for longer.
- Conversely, non-U.S. economies have shown signs of weakness, with the Chinese economy weighed down by its real estate market and soft consumer spending.

Index Total Returns* by Asset Class	Quarter-to-Date	Year-to-Date	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Municipal Bonds (Bloomberg Municipal 1–10 Year Blend Index)	-2.2%	-0.8%	-1.4%	1.2%	1.7%
Investment-Grade Bonds (Bloomberg U.S. Aggregate Bond Index)	-3.2%	-1.2%	-5.2%	0.1%	1.1%
High-Yield Bonds (Bloomberg U.S. Corporate High Yield Index)	0.5%	5.9%	1.8%	3.0%	4.2%
U.S. Large-Cap Equities (S&P 500® Index)	-3.3%	13.1%	10.1%	9.9%	11.9%
U.S. Small-Cap Equities (Russell 2000® Index)	-5.1%	2.5%	7.1%	2.4%	6.6%
Developed Non-U.S. Equities (MSCI EAFE Net Total Return Index)	-4.1%	7.1%	5.8%	3.2%	3.8%
Emerging Market Equities (MSCI EM Net Total Return Index)	-2.9%	1.8%	-1.7%	0.6%	2.1%
Commodities (Bloomberg Commodity Total Return Index)	4.7%	-3.4%	16.2%	6.1%	-0.7%

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

Note: All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

PREPARING FOR A WIDE RANGE OF SCENARIOS

As of September 30, 2023

Brown ADVISORY
Thoughtful Investing.

Given the uncertainties of the current market environment, we aim to position portfolios to be able to weather various market outcomes and to take advantage of market volatility.

Scenario	Description	Anticipated Best Performer(s)	Anticipated Worst Performer(s)
Soft Landing: Inflation Recedes	Inflation continues to decline, allowing central banks to lower rates and provide stimulus to boost the economy.	▪ Small-cap stocks ▪ Long duration bonds	▪ Cash ▪ U.S. Dollar
Soft Landing: Sticky Inflation	Inflation stays elevated, prompting central banks to keep interest rates at current levels for far longer than the market anticipates. However, the economy proves resilient enough to avoid recession.	▪ Short duration credit ▪ Real Assets	▪ Long duration government bonds
“Muddle Along”	Inflation slowly moderates, and economic growth slows to a crawl, but the economy is able to remain positive and avoid recession.	▪ Credit ▪ Quality U.S. stocks	▪ Cyclical stocks
Hard Landing: Recession	Economic activity slows sharply as the headwinds from rising interest rates grow. In turn, inflation falls, allowing central banks to lower rates but not in time to prevent a significant recession.	▪ Long duration government bonds ▪ U.S. Dollar	▪ Cyclical stocks ▪ Emerging Markets

Source: Brown Advisory Analysis.

Note: All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

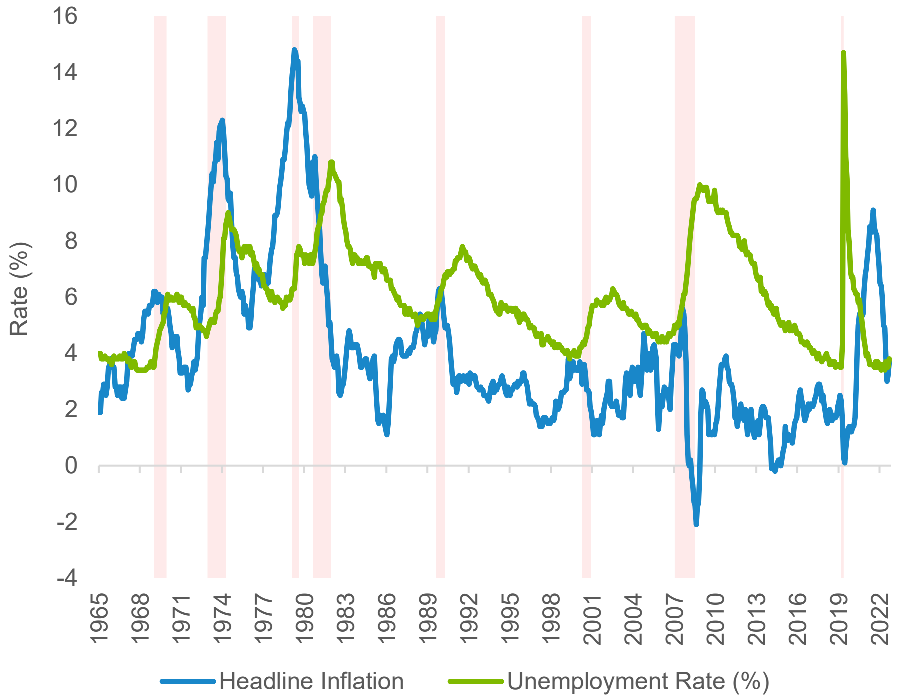
GOING FOR GOLDILOCKS: WILL THE FED FIND A SOFT LANDING?

As of September 30, 2023

As inflation begins to cool and economic momentum remains positive, general optimism for a soft-landing scenario has increased. However, the economy is far from out of the woods. The headwinds from rising interest rates are growing as old debt gets replaced by new loans at higher rates. Additional pressures, such as the resumption of student loan payments, labor disruptions and a potential government shutdown, present additional hurdles for the economy.

Inflation has come down while unemployment remains near 60-year lows, bolstering the case of a soft-landing outcome.

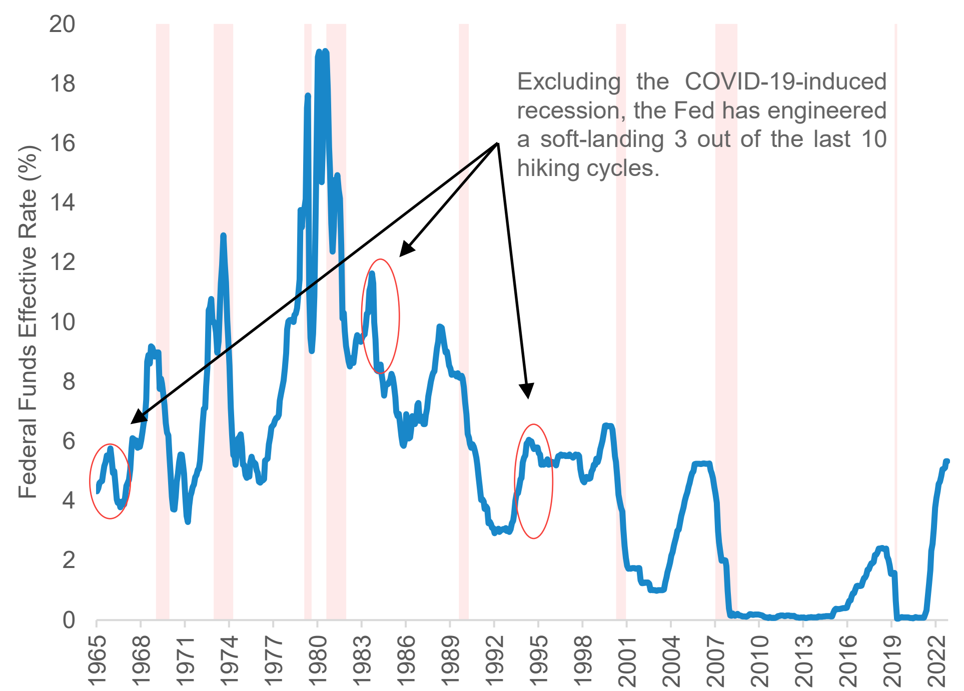
Unemployment Rate (%) and Headline CPI (%), 12/31/1965 – 8/31/2023



Source: Bloomberg, as of 8/31/23 and represents the most recent data available. Shaded areas denote recessions.

Yet over the last sixty years, the Federal Reserve's hiking cycles have typically led to a recession.

Federal Funds Effective Rate (%), 12/31/1965 – 9/30/2023



Source: Bloomberg, shaded areas denote recessions, as of 9/30/2023.

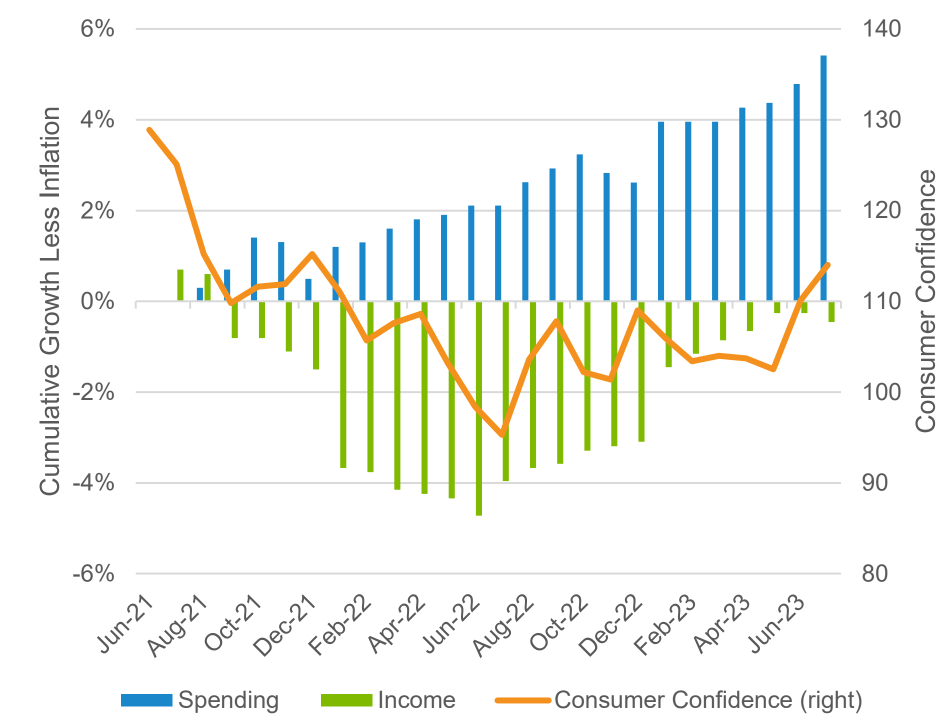
CONSUMERS HAVE BEEN SQUEEZED BY INFLATION, BUT BALANCE SHEETS REMAIN HEALTHY

As of September 30, 2023

Consumer spending has been consistently robust this cycle despite a squeeze on incomes from elevated inflation. Consumers have used debt to fuel spending, and due to pandemic stimulus, households have managed to maintain healthy balance sheets. However, incomes will need to start catching up for spending trends to continue at the current pace.

Consumers have continued to spend despite incomes only treading water relative to inflation.

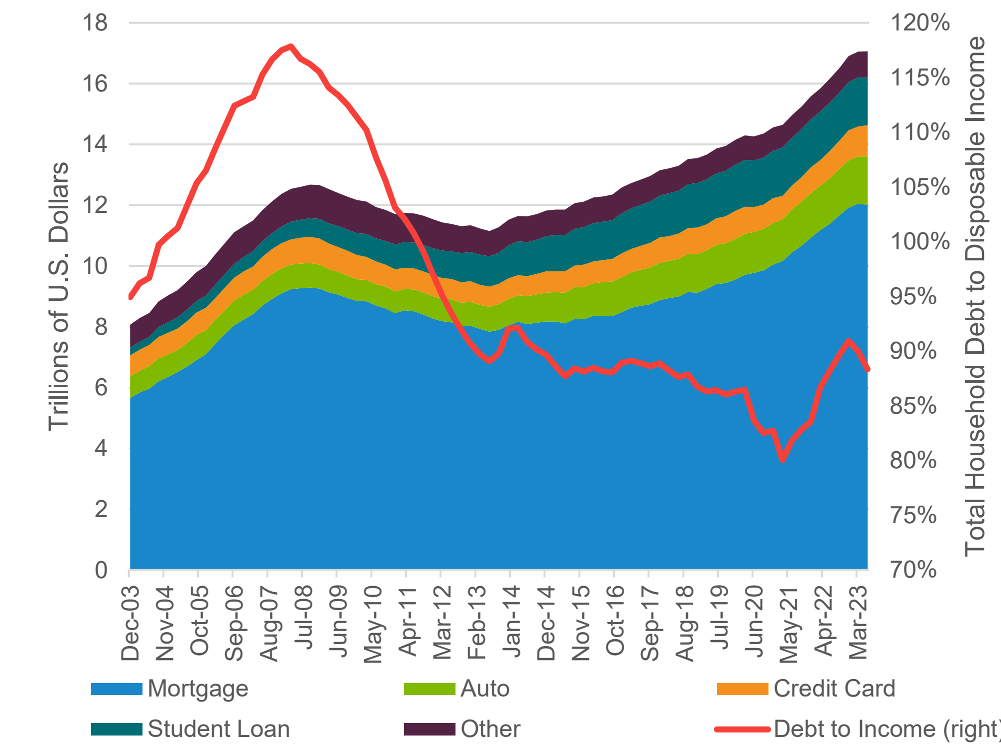
Real personal spending and income and consumer confidence: 6/30/2021-8/31/2023



Source: BEA (for Personal Consumption Expenditures and Disposable Income), Conference Board (for Consumer Confidence), as of 8/31/2023 and is the most recent data available.

Debt growth has helped sustain spending, but balance sheets are still in healthy shape thanks to the pandemic stimulus.

Breakdown of Household Debt and Debt to Disposable Income, 12/31/2003-6/30/2023



Source: Federal Reserve, as of 6/30/2023 and represents the most recent data available.

Note: All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

CHINA SLOWDOWN TO WEIGH ON OTHER KEY ECONOMIES

As of September 30, 2023

In China, economic indicators have recently shown signs of slower rates of growth. Thus far, government actions appear focused on securing economic and financial market stability rather than re-stimulating debt-laden sectors like real estate. As China transitions to prioritize new growth drivers such as the energy transition, the effects of the slowdown will likely be felt globally. From 2017-2021, exports to China accounted for 10% of the global total, and imports from China were 15%[1].

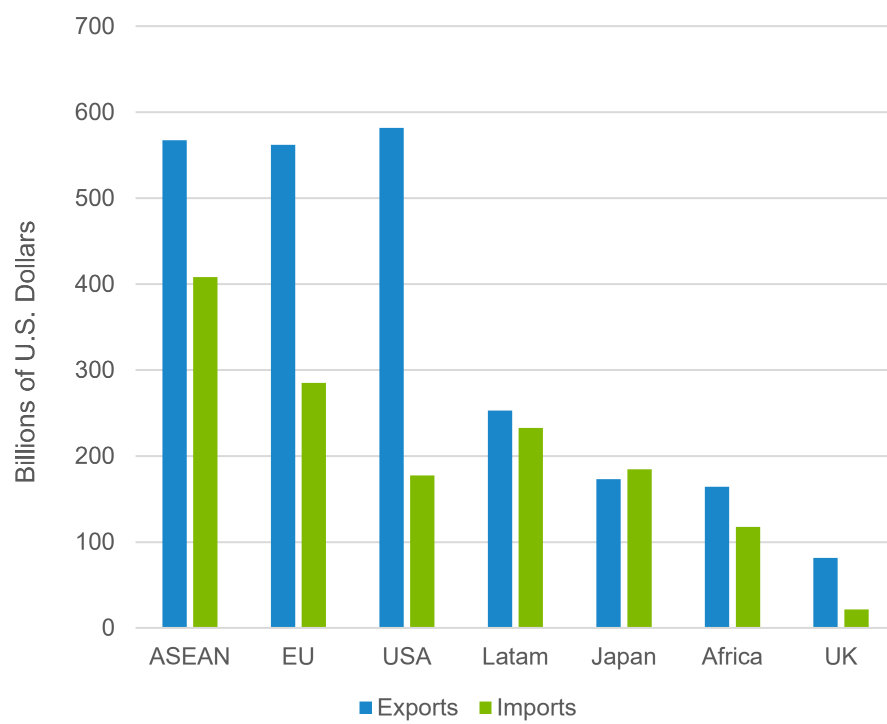
China's post-COVID reopening growth spurt has faded, and growth appears to be progressing at a sluggish pace.

Caixin China Manufacturing and Services PMI Surveys (Seasonally Adjusted)

Source: Bloomberg, as of 8/31/2023 and represents the most recent data available.

Given the size of China's trade relationships, its slowdown will impact growth and inflation around the world.

Value of China's Trading Relationships in 2022



Source: General Administration of Customs, People's Republic of China, as of 12/31/2022 and represents the most recent data available.

Note: [1]World Bank, World Trade Summary 2021 and represents most recent data available. All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

BOND YIELDS APPEAR ATTRACTIVE AS THE HIKING CYCLE COMES TO AN END

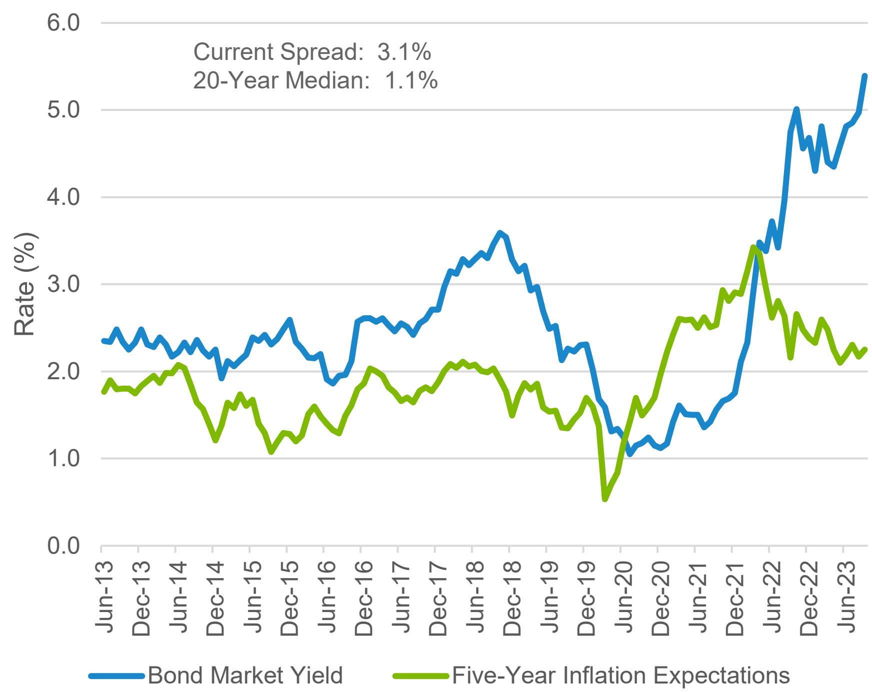
Brown ADVISORY
Thoughtful Investing.

As of September 30, 2023

Despite the potential for a few more interest rate hikes, bond yields are significantly higher than inflation expectations. Additionally, the end of a hiking cycle has historically portended strong returns for bonds and, often, equities… unless a recession derails earnings.

After the dramatic interest rate hiking cycle, the bond market's yield has risen well above inflation expectations.

Bloomberg U.S. Aggregate Yield and Five-Year TIPS Breakeven, 6/30/13-9/30/23



Source: Bloomberg, "Bond Market Yield" denoted by yield-to-worst of Bloomberg U.S. Aggregate Bond Index; "Five-Year Inflation Expectations" denoted by five-year TIPS breakeven inflation rate,

Bonds have notabley outperformed cash after hiking cycles end, and so have equities unless there is a recession.

Performance of Major Asset Classes Next 12 Months after last Fed hike, 1980-2022

Month of Last Hike	U.S. Equities	Bonds	Cash
May 1981	-13.9%	13.3%	15.3%
August 1984	14.6%	22.0%	9.5%
February 1989	16.7%	12.3%	8.8%
February 1995	32.4%	10.8%	5.8%
May 2000	-13.9%	11.2%	5.9%
June 2006	16.1%	5.6%	5.2%
December 2018	20.5%	9.6%	2.2%
Average	***10.3%***	***12.1%***	***7.5%***

Source: Bloomberg using the following indices – U.S. Equities – Russell 3000® Index; Bonds – Bloomberg U.S. Aggregate Bond Index; Cash – ICE BofA 3-Month T-Bill Index. Shaded denotes recession, as of 12/31/2022 and represents the most recent data available.

Note: All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

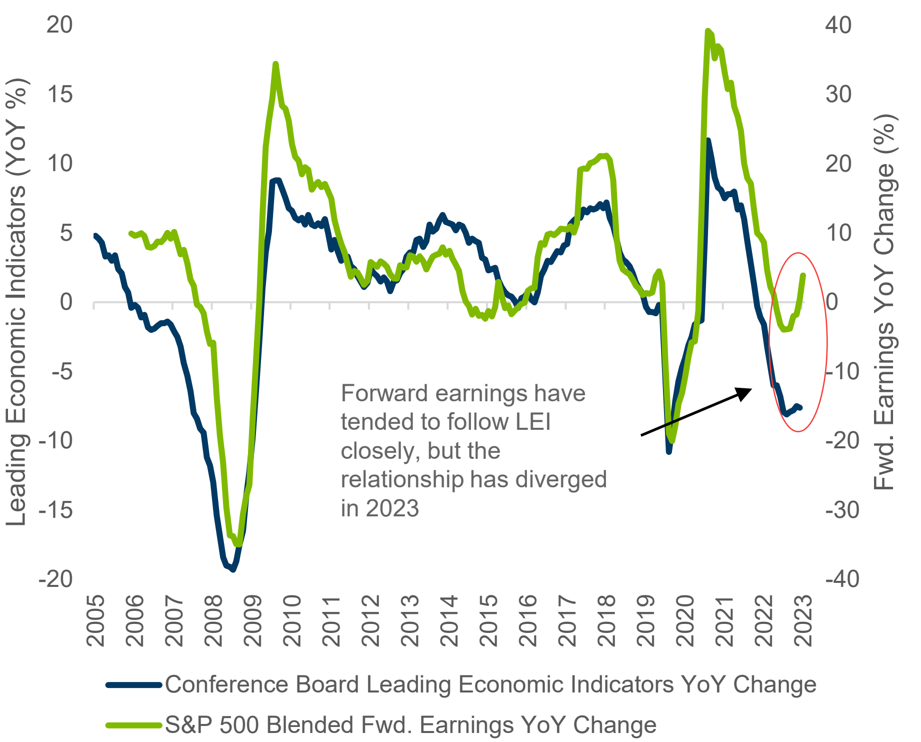
EARNINGS GROWTH PICTURE IS MIXED

As of September 30, 2023

Certain segments of the equity market have demonstrated resilient earnings growth expectations, with U.S. large-cap growth and developed non-U.S. equities seeing some improvement in earnings expectations. Other segments, such as small-caps and emerging markets, have seen slowing earnings growth due in part to a more challenging macroeconomic environment.

S&P earnings have been resilient, while leading economic indicators have pointed to a sharp economic slowdown.

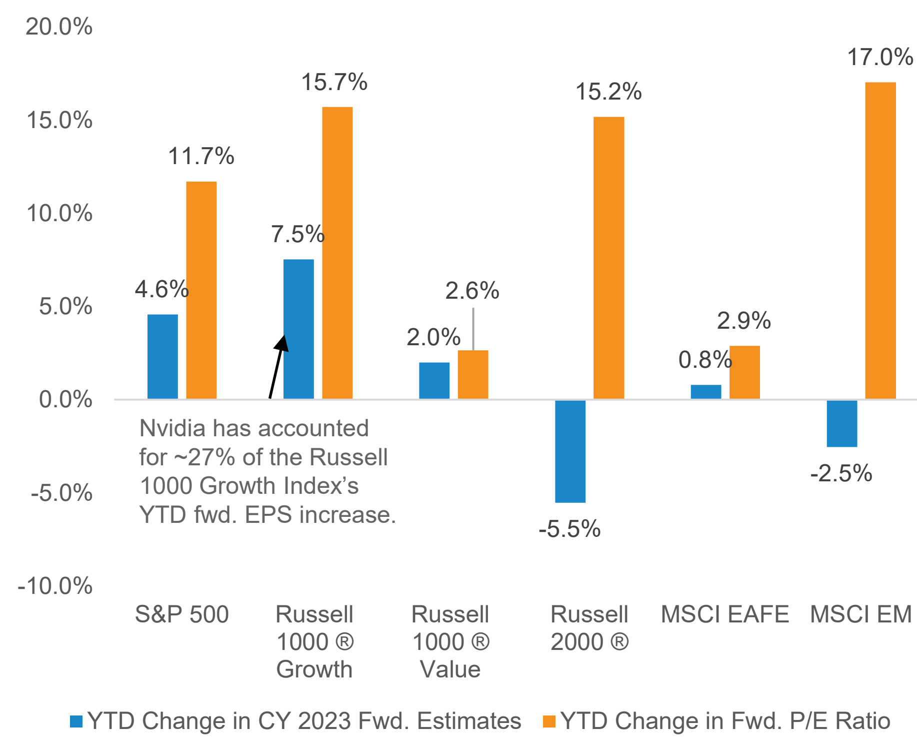
Leading Economic Indicators versus S&P 500 Fwd. Earnings, 9/30/2005 – 9/30/2023



Source: Bloomberg.

Earnings expectations across segments have diverged, with U.S. growth earnings seeing the largest upward revisions.

Change in forward earnings and multiples by equity market segment, as of 9/30/2023



Source: Bloomberg.

Note: All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

IMPACT OF “SENSATIONAL SEVEN”

As of September 30, 2023

The U.S. stock market has been particularly narrow, with seven stocks accounting for ~87% of the S&P 500 Index’s year-to-date return. These “sensational seven” stocks have benefited from renewed investor enthusiasm, particularly around generative A.I. and the potential to reaccelerate growth across mega-cap growth companies.

Mega-cap growth companies that make up the “sensational seven” are driving headline S&P 500 Index returns.

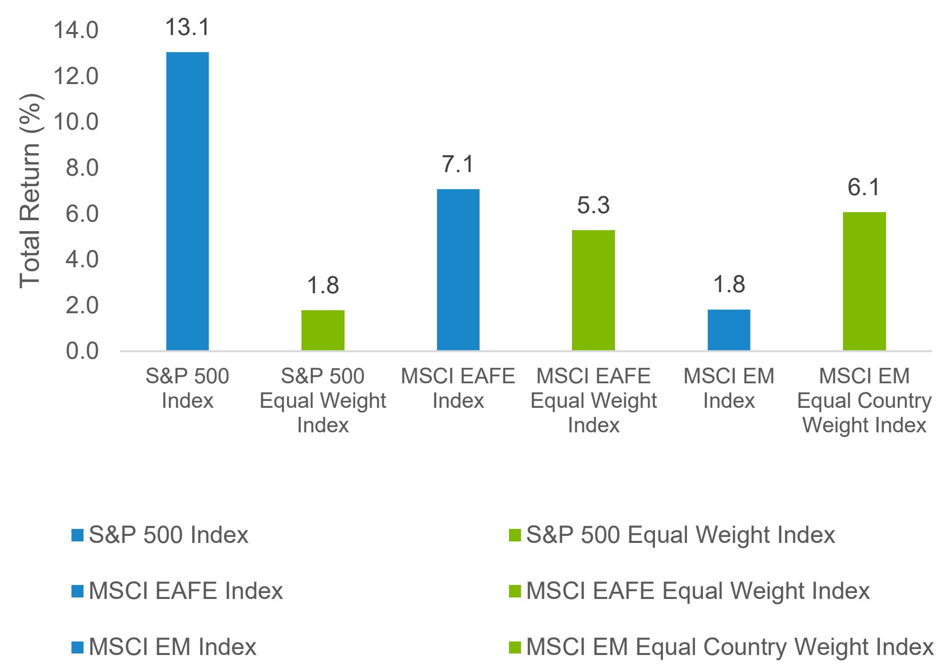
Breakdown of S&P 500® Index returns between the “Sensational Seven” and rest of Index

Segment	Weight of Index	Median YTD Return	Median Forward P/E
Sensational Seven*	27.3%	50.0%	27.7
Rest of S&P 500 Index	72.7%	2.0%	16.1
S&P 500 Index	100.0%	13.1%**	19.6**

Source: Bloomberg, Sensational Seven* composed of Apple, Microsoft, Amazon, Alphabet, Nvidia, Tesla and Meta. **Based on overall S&P 500® Index year-to-date return and forward P/E as of 9/30/2023.

Market-cap concentration is a fairly U.S.-centric phenomenon.

Year-to-date Total Returns (%) across geography as of 9/30/2023



Source: Bloomberg.

Note: All commentary is as of 9/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

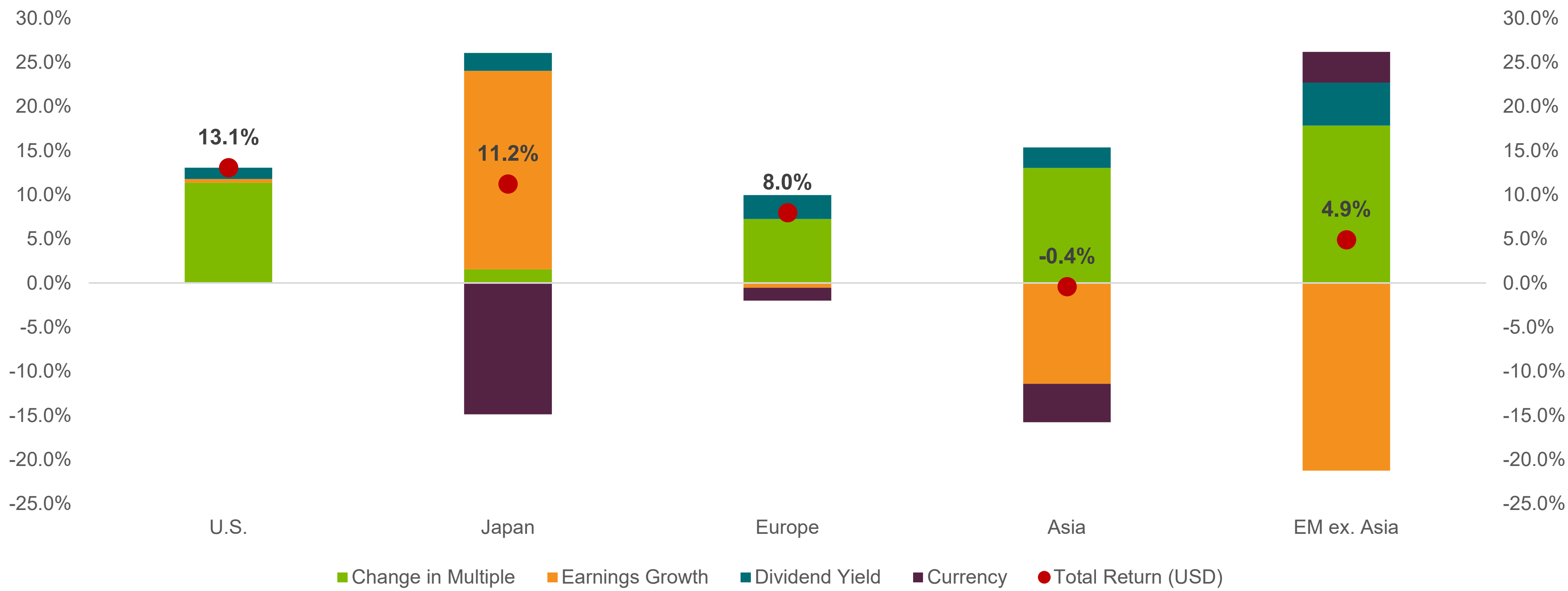
YEAR-TO-DATE BREAKDOWN OF EQUITY RETURNS

As of September 30, 2023

Multiple expansion has been a bigger driver of returns, while earnings growth has been mixed by geography. Japanese equities have seen a strong uptick in earnings growth, thanks in part to a rebound in economic activity and efforts to improve corporate governance. Broadly speaking, dollar strength has been a headwind to non-U.S. equity returns.

Multiple expansion has been a common driver of year-to-date returns, while earnings growth has largely been mixed.

Estimated Composition of Total Returns across Various Markets as of 09/30/2023



Source: Bloomberg; U.S. - S&P 500® Index; Europe - MSCI Europe USD Total Return Index; Japan - MSCI Japan USD Total Return Index; Asia - MSCI AC Asia ex Japan USD Total Return Index; EM ex. Asia – MSCI Emerging Markets Excluding Asia Index.

LARGE-CAP GROWTH LEADING EQUITIES

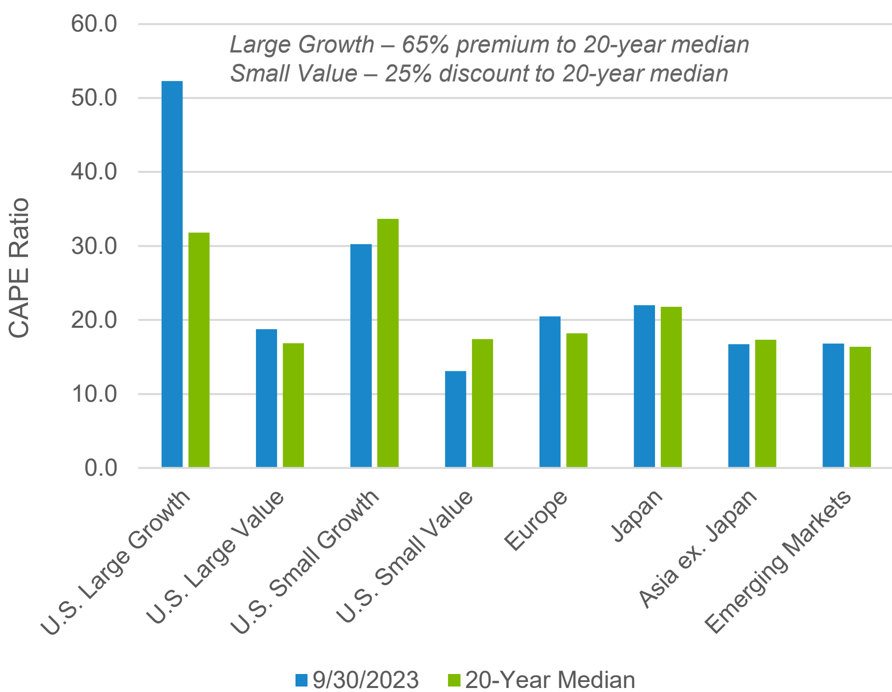
As of September 30, 2023

Brown ADVISORY
Thoughtful Investing.

Equity indices finished the quarter mixed across the board, with large-cap broadly outperforming small-cap. Domestic large-cap growth equities continue to boast valuations well above historical levels, while other segments of the global equity space are more reasonably valued. Earnings estimates have adjusted higher in large-cap and European equities, reflecting more resilience than previously expected.

U.S. large-cap growth is more expensive relative to history, while small-caps are relatively inexpensive.

CAPE Ratios across Market Segments, 9/30/2003 – 9/30/2023



Equity market characteristics show increased earnings expectations for large-cap growth equities.

Equity segment characteristics as of 9/30/2023

Equity Segment	QTD Return	YTD Return	Fwd. PE Ratio	YTD Earnings Revision
U.S. Large Growth	-3.1%	25.0%	27.3	7.5%
U.S. Large Value	-3.2%	1.8%	15.1	1.9%
U.S. Small Growth	-7.3%	5.2%	43.0	-11.7%
U.S. Small Value	-3.0%	-0.6%	20.4	-3.8%
Europe	-5.0%	8.0%	12.8	2.7%
Japan	-1.6%	11.2%	15.2	-3.0%
Asia ex. Japan	-3.3%	-0.4%	14.4	-1.7%
Emerging Markets	-2.9%	1.8%	13.4	-2.4%

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 9/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

HIGHER YIELDS CREATE OPPORTUNITIES IN BONDS EVEN IF INTEREST RATES ARE HIGHER FOR LONGER

Brown ADVISORY
Thoughtful Investing.

As of September 30, 2023

Bond yields have continued to rise in 2023 on the back of better-than-expected economic data and the prospect of higher interest rates for longer. At this point, we believe yields offer attractive opportunities for returns well above inflation expectations, without credit risk or reliance on interest rates falling.

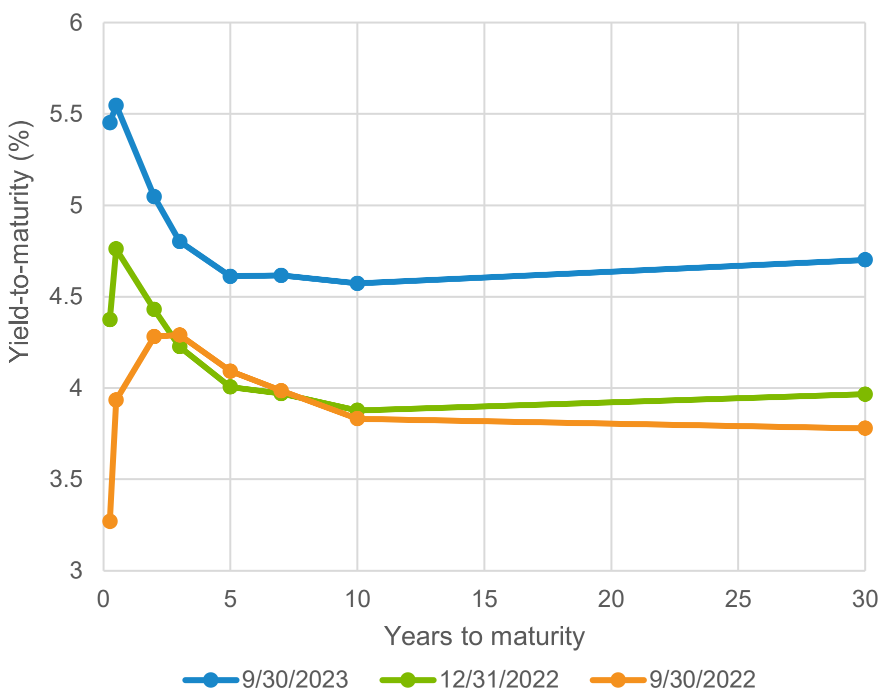
Fixed income is now providing relatively attractive yields, which lowers the opportunity cost for defense in portfolios.

Returns, Yield-to-worst and Duration across Fixed Income Segments, as of 9/30/2023

Fixed Income Segment	YTD Return	Yield-to-worst (%)	Duration (Years)
U.S. Aggregate	-1.2%	5.4	6.1
Municipal Bonds*	-1.4%	7.3	6.4
IG Corp. Credit	0.0%	6.0	6.7
High Yield	5.9%	8.9	3.5
Agency MBS	-2.3%	5.6	6.4
IG CMBS	0.1%	6.2	4.3
IG ABS	2.0%	5.8	2.5
T-Bills	3.7%	5.4	0.1
Treasuries (7-10 Yr)	-2.9%	4.6	7.3

The yield curve shows how volatile interest rates have been amidst the Federal Reserve's hawkish monetary policy.

Treasury Yield Curve (%) as of various dates, as of 9/30/2023



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 (7-10 Yr) using Bloomberg U.S. Treasury: 7-10 Years Index.

Note: All commentary is as of 9/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

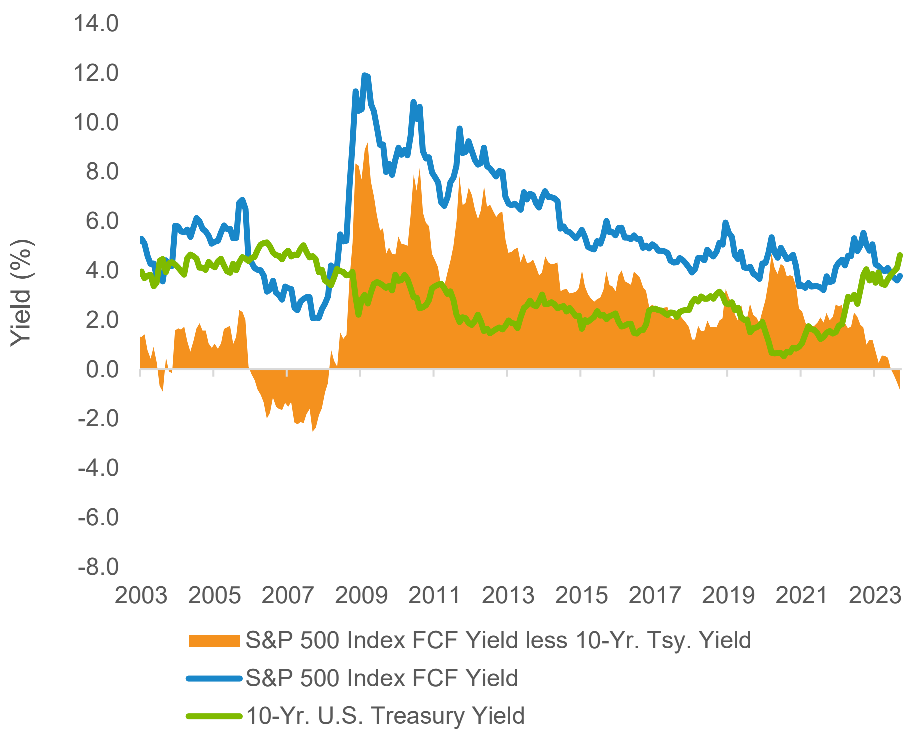
EQUITY RISK PREMIUM LESS COMPELLING

As of September 30, 2023

As interest rates continue to rise and equity market valuations stay elevated, the apparent return premium for investing in equities has fallen meaningfully over the last 18 months. This dynamic puts pressure on robust earnings growth without which equities are likely to underwhelm relative to bonds.

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, 9/30/2003 – 9/30/2023



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 – 09/30/2023

Compound Annualized Growth Rates	U.S. Large-Cap Equities (A)	Core Fixed Income (B)	Return Differential (A minus B)
Historical Return (1922 – 2023)	10.5%	4.9%	+5.6%
Trailing 10-Year Returns (2013 – 2023)	11.9%	1.1%	+10.8%
Current Return Estimate (as of 09/30/2023)	***6.1%***	***5.4%***	***+0.7%***

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

Note: All commentary is as of 9/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

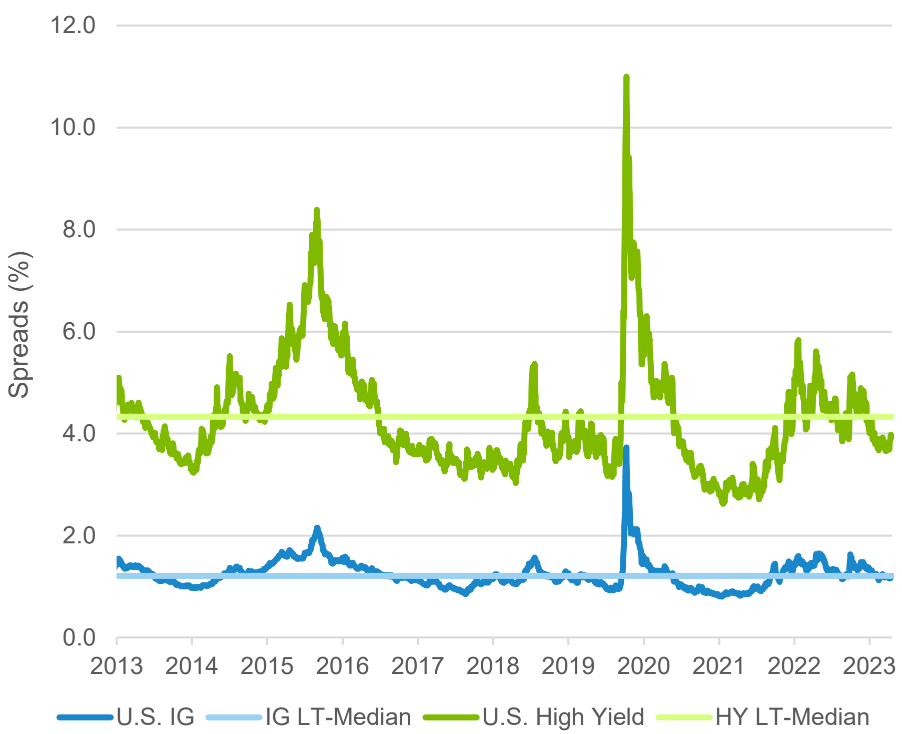
OPPORTUNITIES IN CREDIT

As of September 30, 2023

Although credit spreads remain relatively close to long-term levels and could widen significantly in a recessionary scenario, we believe that with proper diligence to manage risk, credit offers attractive absolute returns with far less risk than equities.

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

Bloomberg Corporate Credit Spreads, 12/31/2013 – 9/30/2023



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

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

Return and Risk Characteristics, U.S. Equities vs. High Yield, 9/30/2023

Statistics	U.S. Large-Cap	High-Yield Corp. Credit	Investment-Grade Corp. Credit
Current Spread*	-0.5%	3.9%	1.2%
20-Year Median Spread*	2.5%	4.3%	1.3%
CY 2008 Total Return	-37.0%	-26.2%	-4.9%
Current Return Est. as of 9/30/23	***6.1%***	***6.6%***	***5.4%***

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.

Note: All commentary is as of 9/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

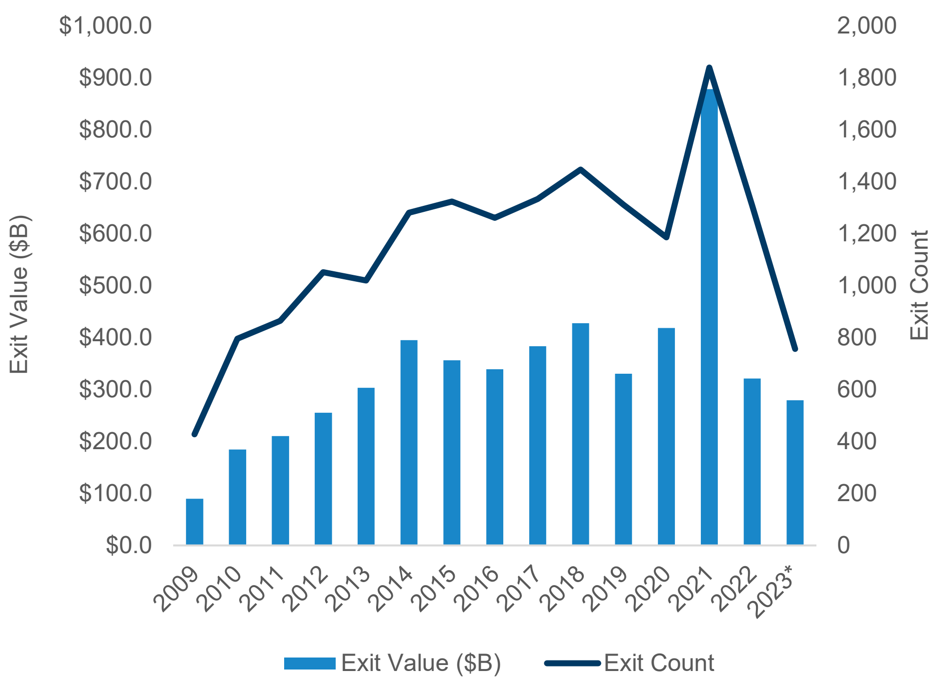
EXIT ACTIVITY IN PRIVATE MARKETS REMAINS MUTED

As of June 30, 2023

An uncertain macroeconomic environment has led to a slowdown in private market exits, although exit activity is generally reverting from outsized 2021 levels. Venture valuations have come down, most notably in late stages, and companies have cut spending and reduced cash-burn rates to extend the cash runway before additional financing is required. The current environment presents an opportunity for investors who can negotiate better terms from prospective sellers or founders.

While exit opportunities have slowed down over the last two years, they are generally trending back to pre-2021 levels.

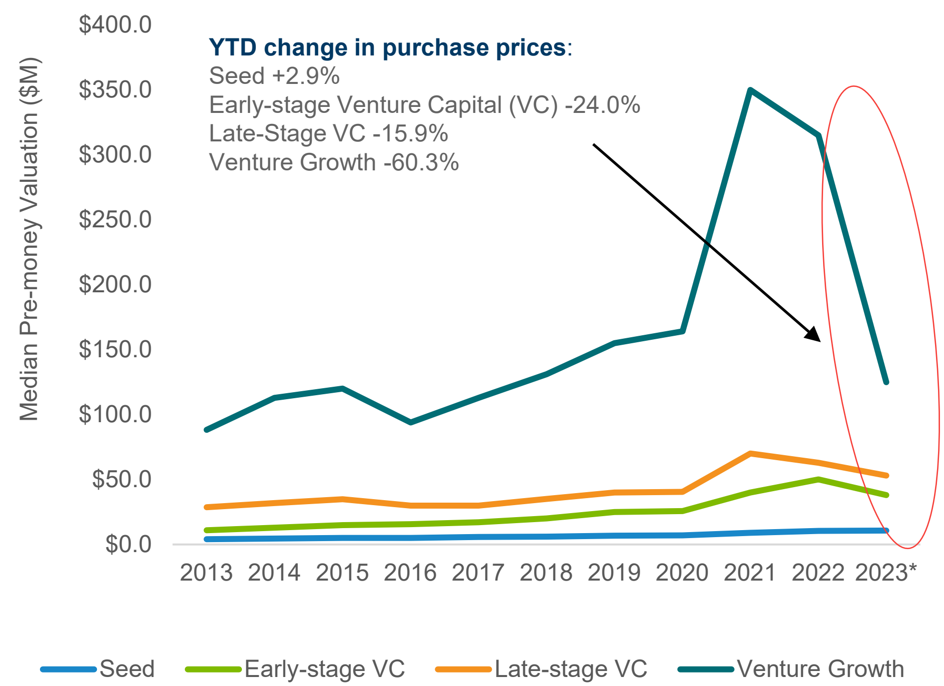
Exit Value ($B) and Exit Count across PE and Venture, 12/31/2009 – 6/30/2023*



Source: Pitchbook, *Latest data represent year-to-date activity as of 6/30/2023 and represents the most recent data available. 2023 based on run-rate exit count and value.

Early- and late-stage venture valuations have corrected, while seed round prices have been stable.

Median Pre-money Valuation ($M), 12/31/2013 – 6/30/2023*



Source: Pitchbook, *Latest data as of 6/30/2023 and represents the most recent data available. Pre-money valuation is the value of a company prior to raising new outside investment.

Note: Alternative Investments available for qualified purchasers and accredited investors only. All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

CURRENT POSITIONING BY MAJOR ASSET CLASS

As of September 30, 2023

We remain cautiously positioned due to heightened uncertainty with an emphasis on balance, diversification and liquidity to ensure that portfolios can take advantage of volatility.

Asset Class	Decision	Rationale
Public Equities	Within U.S. equities, emphasizing high-quality companies with strong pricing power in areas of the market with lower valuations	Given heightened macroeconomic uncertainty and tighter financial conditions, we maintain our allocations in high-quality companies that we believe can navigate elevated volatility and generate meaningful cash flow to weather the storm.
	Maintain allocations in global infrastructure-related companies and U.S. small-caps	Infrastructure companies may continue to perform well in a higher-inflation environment given the real-asset-backed nature of their businesses. U.S. small-cap companies continue to trade at relatively attractive valuations.
Fixed Income	Adding to duration within fixed income	We are getting more comfortable adding to duration within fixed income portfolios, particularly as inflation moderates and the risk of an economic slowdown increases with central banks maintaining a hawkish stance.
	Leaning into select opportunities within credit markets	Relative to equities, we are seeing interesting risk-adjusted return opportunities to lean into credit, particularly as banks pull back from lending.
Private Investments*	Continuing allocation to traditional private asset classes	Higher funding costs and a pullback in capital markets will continue to weigh on private market activity, but this will also create opportunities. We still see long-term value in allocating to skilled managers across buyout, venture and growth.
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 offer differentiated return streams can help add returns and diversification.

Source: Brown Advisory Analysis. *Alternative investments may be available for qualified purchasers and accredited investors only. Note: All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

THE CASE FOR DIVERSIFICATION

As of September 30, 2023

Calendar Year Index Returns (%)

Data through September 30, 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD 2023	Trailing 10-Year Annualized
Best Performing	U.S. Large 13.7%	U.S. Large 1.4%	U.S. Small 21.3%	Em. Mkts. 37.3%	IG Bonds 0.0%	U.S. Large 31.5%	U.S. Small 19.9%	U.S. Large 28.7%	Commodities 16.1%	U.S. Large 13.1%	U.S. Large 11.9%
	IG Bonds 6.0%	IG Bonds 0.5%	U.S. Large 12.0%	Dev. Intl. 25.0%	U.S. Large -4.4%	U.S. Small 25.5%	U.S. Large 18.4%	Commodities 27.1%	IG Bonds -13.0%	Dev. Intl. 7.1%	U.S. Small 6.6%
	U.S. Small 4.9%	Dev. Intl. -0.8%	Commodities 11.8%	U.S. Large 21.8%	U.S. Small -11.0%	Dev. Intl. 22.0%	Em. Mkts. 18.3%	U.S. Small 14.8%	Dev. Intl. -14.5%	U.S. Small 2.5%	Dev. Intl. 3.8%
	Em. Mkts. -2.2%	U.S. Small -4.4%	Em. Mkts. 11.2%	U.S. Small 14.6%	Commodities -11.2%	Em. Mkts. 18.4%	Dev. Intl. 7.8%	Dev. Intl. 11.3%	U.S. Large -18.1%	Em. Mkts. 1.8%	Em. Mkts. 2.1%
	Dev. Intl. -4.9%	Em. Mkts. -14.9%	IG Bonds 2.6%	IG Bonds 3.5%	Dev. Intl. -13.8%	IG Bonds 8.7%	IG Bonds 7.5%	IG Bonds -1.5%	Em. Mkts. -20.1%	IG Bonds -1.2%	IG Bonds 1.1%
Worst Performing	Commodities -17.0%	Commodities -24.7%	Dev. Intl. 1.0%	Commodities 1.7%	Em. Mkts. -14.6%	Commodities 7.7%	Commodities -3.1%	Em. Mkts. -2.5%	U.S. Small -20.5%	Commodities -3.4%	Commodities -0.7%

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

DYNAMIC PORTFOLIO MANAGEMENT

As of September 30, 2023

Brown ADVISORY
Thoughtful Investing.

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.

Operating Account

Provide Liquidity and Stability

Replenish and Maintain

- Given heightened market volatility, we believe now is a good time to have a full operating bucket. This allows us to ensure we are covering near-term cash needs while giving us the flexibility to take advantage of future dislocations, particularly as credit conditions tighten.

Core Portfolio

Pursue Long-Term Goals

Balance and Rebalance

- Given recent market volatility, we are regularly rebalancing portfolios to maintain balance and liquidity across asset classes.
- We maintain a preference for quality across equities and fixed income. Additionally, we are positioning portfolios to manage through a potentially higher interest-rate, higher inflation environment.

Opportunistic Allocation

Enable Timely Investments

Seek Opportunities

- We are eyeing potential opportunities in credit, particularly as yields and spreads move higher. While spreads are not yet at levels we would deem opportunistic, we believe the space could offer attractive risk-adjusted returns, particularly for companies that can weather an economic slowdown.

Note: All commentary is as of 09/30/2023 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

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 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 **Russell 3000 ® Index** is composed of 3000 large U.S. companies, as determined by market capitalization. This portfolio of securities represents approximately 98% of the investable U.S. equity market. The Russell 3000 Index is comprised of stocks within the Russell 1000 and the Russell 2000 Indices. 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 EAFE Equal Weight Net Total Return Index (USD)** is an alternative to market capitalization-weighted indices. Each security is weighted equally at each quarterly rebalance. Weights may fluctuate between rebalancing based on the performance of each security. 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 Equal Country Weighted Index (USD)** captures large and mid-cap representation across 24 countries. The index represents an alternative weighting scheme to its market-cap weighted parent index, the MSCI Emerging Markets Index. The Index includes the same constituents as its parent index but applies an equal country weighting at each semi-annual index review date. 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. The **S&P 500 Total Return Index** is calculated based on price changes and reinvested dividends of the S&P 500 Index. **The S&P 500 Equal Weighted Index (EWI)** is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight – or 0.2% of the index total at each quarterly rebalance. 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.

DISCLOSURES

Continued

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 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: I00095US). 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: I00951US). The **Bloomberg US Agg ABS Total Return Value Unhedged USD Index** measures the investment-grade market of asset-backed deals with a minimum deal size of $300mn. The index features US Aggregate eligible (ERISA eligible) securities. The **Bloomberg U.S. Corporate High Yield Index** measures the market of U.S.D-denominated, noninvestment grade, fixed rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. The **Bloomberg Commodity Index Total Return (BCOMTR) Index** is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. The BCOM is composed of commodities exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The **Bloomberg US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers. The **Bloomberg US Treasury: 7-10 Year 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 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.

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

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

The **Conference Board Leading Economic Index®** (LEI) for the U.S.: The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component. The CEI is highly correlated with real GDP. The LEI is a predictive variable that anticipates (or "leads") turning points in the business cycle by around 7 months. Shaded areas denote recession periods or economic contractions. The Conference Board® and the Conference Board Leading Economic Index® (LEI) are trademarks and service marks of the Conference Board, or it subsidiaries.

PBOC Banker's Survey or Overall loan demand Index is a diffusion index reflecting bankers' judgement in overall loan demand. This index is derived by calculating the proportions of bankers who considered their bank's loan demand in the current quarter "increased" and "stayed unchanged basically", assigning the weights of 1 and 0.5 respectively, and adding the multiplication results together.

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.

DISCLOSURES

Continued

Terms and Definitions:
Price-to-Earnings Ratio or P/E Ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings.
Forward Price-to-Earnings or Forward P/E is a version of the ratio of price-to-earnings (P/E) that uses forecasted earnings for the P/E calculation.
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.
Option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option. Typically, an analyst uses the Treasury securities yield for the risk-free rate. The spread is added to the fixed-income security price to make the risk-free bond price the same as the bond.
Earnings per Share (EPS) is a company's net profit divided by the number of common shares it has outstanding.
Headline PCE is a deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100. **Core PCE** excludes food and energy prices from the deflator calculation.
Earnings yield is calculated as the inverse of an index's price-to-earnings ratio. In other words, it is calculated as the expected earnings of the index divided by the index's current price.
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.