NATIONAL MUNICIPAL BOND REVIEW AND OUTLOOK

Brown ADVISORY Thoughtful Investing.

AS OF SEPTEMBER 30, 2026

Municipal yields reached some of their most attractive levels in years as higher Treasury rates, record issuance and elevated secondary-market selling pressured valuations, while underlying investment-grade credit fundamentals remained generally strong.

Market volatility and increased dispersion are creating attractive opportunities for active management, particularly in bond structure and relative value, while relatively resilient credit spreads warrant continued selectivity around incremental credit risk.

The National Municipal Bond Strategy outperformed its benchmark during the third quarter and remains ahead year to date, supported by strong security selection across revenue bonds, including energy prepays, airports, higher education and utilities.

We believe the long-term outlook for municipal bonds is increasingly compelling, as historically high taxable-equivalent yields should support investor demand and provide a strong foundation for attractive long-term, after-tax returns.

As of the end of the third quarter of 2026, the municipal bond market has experienced significant volatility as changing expectations for inflation and monetary policy have driven interest rates higher, while record municipal issuance, tax-loss harvesting and elevated secondary-market selling have added technical pressure. These dynamics have pushed municipal yields to some of their most attractive levels in years and increased dispersion across individual securities. At the same time, underlying investment-grade municipal credit fundamentals remain generally strong, suggesting that much of the recent weakness has been driven by interest rates and market technicals rather than broad credit deterioration.

NAME	3-MONTH RETURN (%)	1-YEAR RETURN (%)	3-YEAR* RETURN (%)	5-YEAR* RETURN (%)	10-YEAR* RETURN (%)	25-YEAR* RETURN (%)
National Municipal Composite (Gross of fees)	-4.47	-0.96	3.56	0.79	1.97	3.22
National Municipal Composite (Net of fees)	-4.55	-1.28	3.23	0.46	1.64	2.89
Bloomberg Municipal 1 – 15 Year Index	-5.09	-2.41	2.79	0.29	1.56	3.27

* Annualized Returns

In our view, this combination of higher yields, sound credit fundamentals and greater market dispersion creates opportunities for active investors but warrants selectivity in how risk is taken. Credit spreads have widened only modestly in many sectors despite the broader market selloff, limiting the compensation available for incremental credit risk. Accordingly, the Strategy continues to favor opportunities in bond structure and relative value over simply extending credit risk, with a focus on individual securities and portions of the yield curve where compensation for risk appears more attractive.

Over time, we expect the municipal market's structural characteristics to continue to create opportunities for active management. Its fragmentation, diversity of issuers and bond structures, and predominantly retail investor base can create recurring opportunities for fundamental research and security selection. Shifts in supply and demand, market volatility and periods of reduced secondary-market liquidity can further amplify pricing dispersion, while evolving credit fundamentals and capital needs create differentiation across sectors and issuers.

(Continued on the following page)

Source: FactSet and Bloomberg. Past performance is not indicative of future results. Returns shown are through 09/30/2026 for each period. Returns greater than one year are annualized. The composite performance shown above reflects the Brown Advisory National Municipal Bond Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. The portfolio level information shown is based on a representative National Municipal account and provided as Supplemental Information. The information provided 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 a GIPS Report, important disclosures and a complete list of terms and definitions.

NATIONAL MUNICIPAL BOND REVIEW AND OUTLOOK

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AS OF SEPTEMBER 30, 2026

The Strategy is designed to capitalize on these opportunities through bottom-up fundamental research, disciplined analysis of individual bonds and relative value, thoughtful portfolio construction and sufficient liquidity to act when valuations become dislocated. Rather than relying on a particular interest-rate or market outcome, our process focuses on identifying securities where investors appear appropriately compensated for fundamental, structural, liquidity and duration risks, with the objective of delivering attractive after-tax, risk-adjusted returns over full market cycles.

Municipal Market Backdrop

The municipal bond market underperformed Treasuries during the third quarter, as municipal yields increased by more than 100 basis points across the yield curve. September was one of the worst months for municipal bonds on record, with the Bloomberg 1-15 Year Municipal Bond Index declining 3.74%, representing its largest single-month decline in more than 20 years. This move was primarily driven by the combination of higher interest rates and challenging market technicals, rather than deterioration in municipal credit fundamentals.

Secondary-market sell volume, as measured by daily BWICs (bids wanted in competition), averaged approximately $6 billion per day in September, representing a new high-water mark for selling pressure. Much of this activity reflected tax-loss harvesting across professionally managed SMAs and mutual funds, with proceeds likely to be redeployed into the municipal market over time. Nevertheless, the breadth and scale of September's selling exacerbated the decline in bond prices during the month.

While still early, we have seen some encouraging signs of stabilization across the municipal bond market. New-issue supply has been trending modestly lower as the higher cost of capital associated with elevated yields appears to be slowing both new-money and refunding issuance. High taxable-equivalent yields have also begun to attract tax-paying institutional investors, including banks and insurance companies, back into the market. These investors have largely been net sellers of municipal bonds since the federal corporate income tax rate was reduced to 21% from 35% under the Tax Cuts and Jobs Act beginning in 2018. Their return could provide an additional source of demand, particularly at the long end of the yield curve.

From a credit standpoint, most states have preserved historically high rainy-day fund balances, which should provide a buffer against rising spending demands and other budgetary pressures. Credit spreads have also generally remained resilient across investment-grade issuers during the quarter. We anticipate that the municipal market will remain directionally influenced by movements in Treasury yields, but historically high taxable-equivalent yields should help support broad investor demand at current clearing levels.

Portfolio Moves

The National Municipal Bond Strategy outperformed the Bloomberg 1-15 Year Municipal Bond Index during the third quarter and remains ahead of its benchmark for the year. Portfolios benefited from strong security selection across many of our revenue bond sectors. The energy prepay sector continued to be a standout contributor from both a security-selection and portfolio-allocation perspective. We also saw solid relative performance across our airport, higher education and utility holdings.

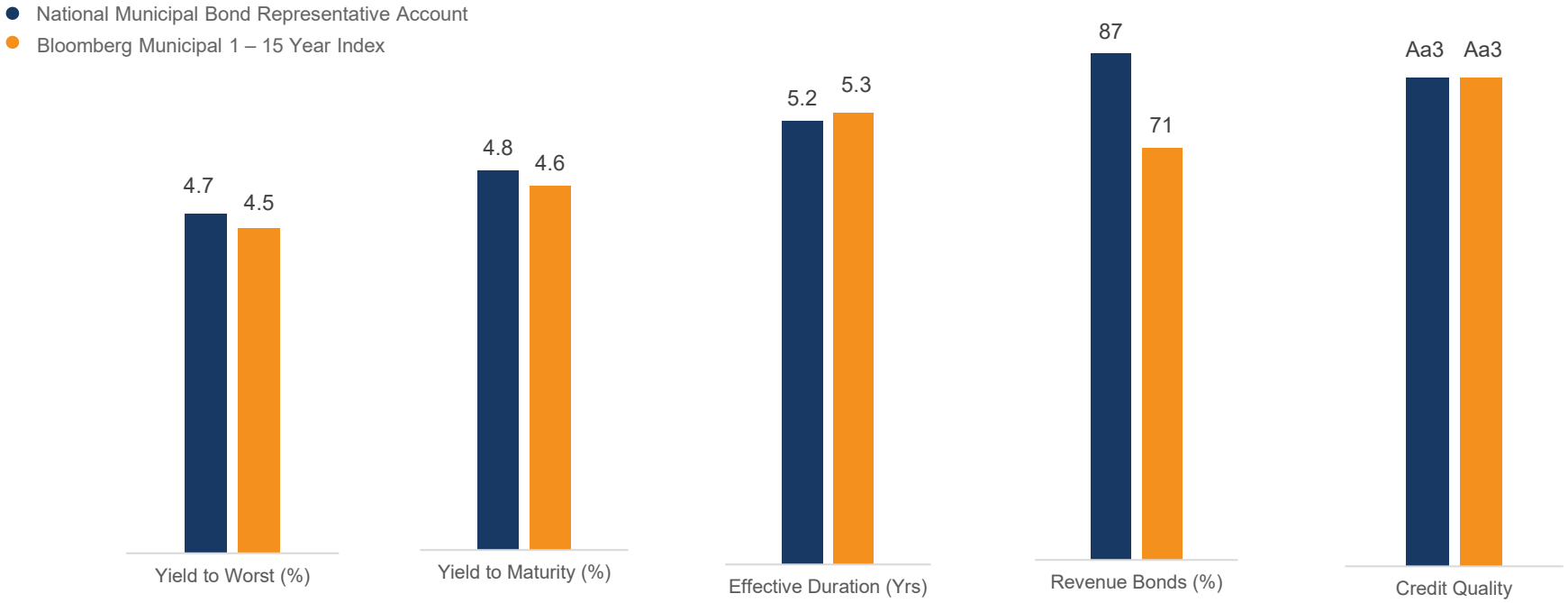
Yield curve positioning was a modest detractor during the quarter, but the team actively managed portfolios to remain aligned with target durations as the sharp increase in yields caused the duration of many premium callable bonds to extend. For context, the average effective duration of our benchmark, the Bloomberg 1-15 Year Municipal Bond Index, extended by approximately half a year during the quarter, from 4.8 years to 5.3 years. Our team remained focused on managing portfolio convexity, key-rate duration exposures and other risk factors across a range of stress-test scenarios.

We also continue to apply rigorous relative value analysis to ensure that portfolios are adequately compensated for risk. This approach seeks to maintain upside potential while intentionally preserving sufficient defensive positioning and liquidity to help protect principal during periods of significant market stress.
Looking ahead, we expect demand for the municipal asset class to strengthen as investors increasingly recognize the value proposition offered by historically high taxable-equivalent yields. Empirical evidence suggests that, over the long term, starting yield has been a significant driver of returns in high-quality fixed income. While near-term volatility may persist, today's elevated yields provide a compelling foundation for long-term return potential, leaving the outlook for municipal bond investors as attractive as it has been in many years.

Source: FactSet and Bloomberg. Past performance is not indicative of future results. Returns shown are through 09/30/2026 for each period. Returns greater than one year are annualized. The composite performance shown above reflects the Brown Advisory National Municipal Bond Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. The portfolio level information shown is based on a representative National Municipal account and provided as Supplemental Information. The information provided 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 a GIPS Report, important disclosures and a complete list of terms and definitions.

PORTFOLIO ATTRIBUTES

AS OF SEPTEMBER 30, 2026



Source: FactSet. Past performance is not indicative of future results. Portfolio information is based on a representative National Municipal Bond account, includes cash and equivalents and is provided as Supplemental Information. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

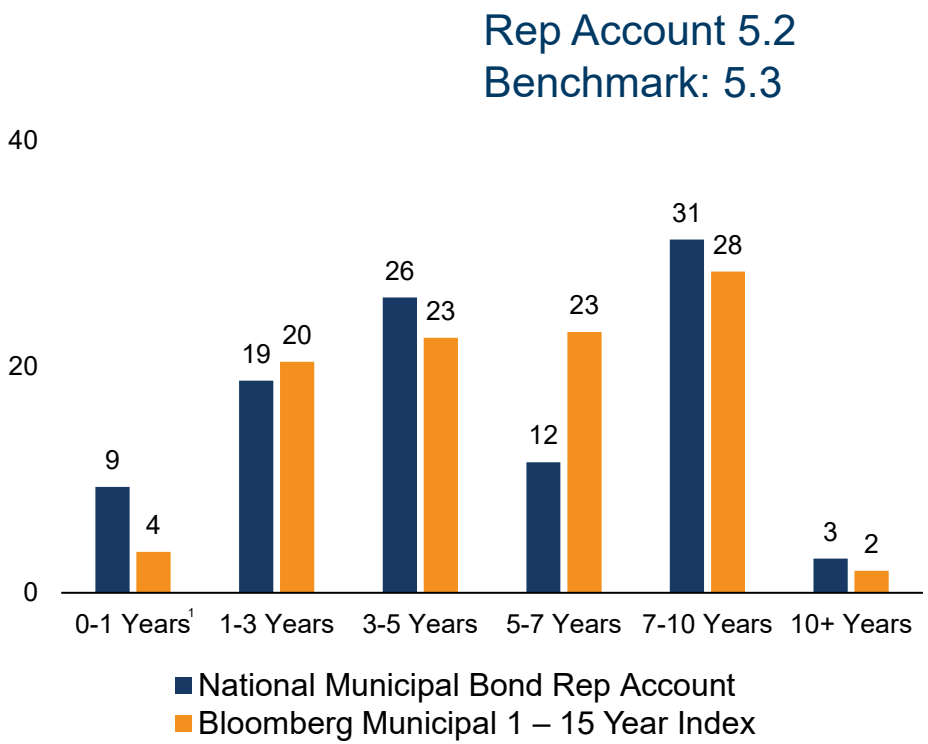
DURATION AND QUALITY DISTRIBUTIONS

AS OF SEPTEMBER 30, 2026

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Duration Distribution

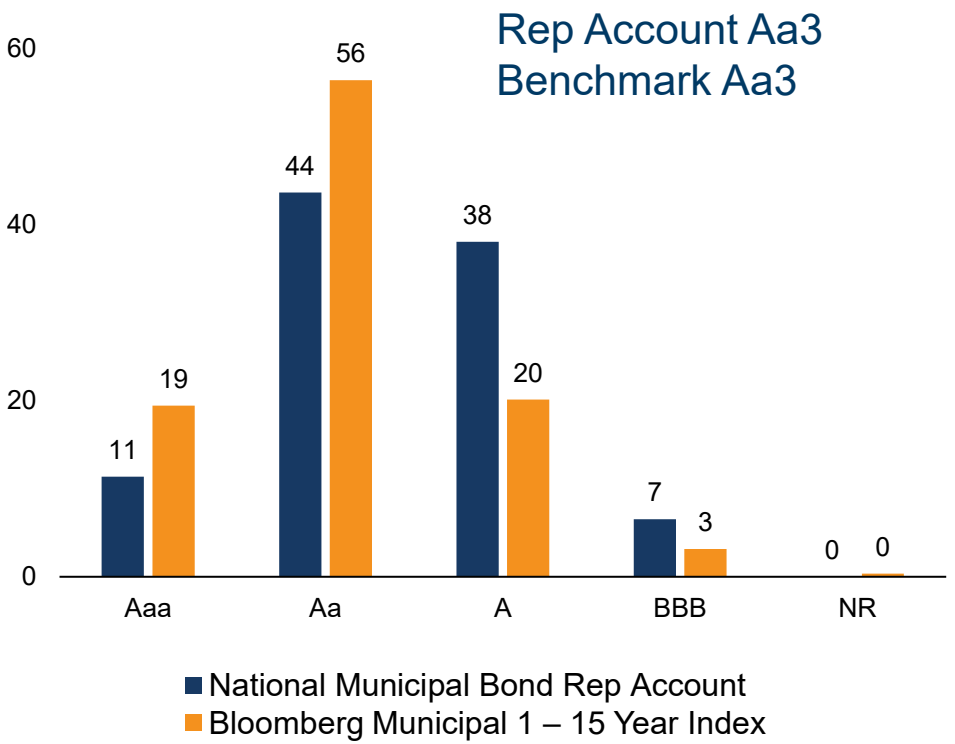
Percentage Weight



Source: FactSet, Bloomberg.

Quality Distribution

Percentage Weight



Source: FactSet; Bloomberg.

- Floating-rate securities and short-callable, high-coupon “kicker” bonds make up the majority of our ultrashort duration.
- We are underweight 1-3 year and 5-7 year bonds because we believe that part of the yield curve is overvalued.
- We are overweight higher quality 10+ year bonds which we view as having an attractive relative valuation.

- We focus on bottom-up credit and sector selection to drive investment performance, rather than hugging a benchmark.
- Our focus on revenue-backed issues, from sectors like Health Care and Utilities, tends to create a more balanced ratings distribution than the benchmark. We view our credit expertise as a strong differentiating factor.

Source: FactSet and Bloomberg. Portfolio information is based on a representative National Municipal Bond account and provided as Supplemental Information. Duration Distribution excludes cash and cash equivalents. [1]0-1 Years includes cash and cash equivalents. Numbers may not total due to rounding. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

AVERAGE WEIGHT BY DURATION AND CREDIT QUALITY

AS OF SEPTEMBER 30, 2026

DURATION	NATIONAL MUNICIPAL REP ACCOUNT	BLOOMBERG MUNICIPAL 1 – 15 YEAR INDEX	CONTRIBUTION TO RETURN (GROSS)			CONTRIBUTION TO RETURN (NET)		
DURATION RANGE	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)
0 – 1	9.4	3.6	0.10	0.02	0.08	0.09	0.02	0.07
1 – 3	18.7	20.4	-0.27	-0.34	0.07	-0.29	-0.34	0.06
3 – 5	26.1	22.6	-0.80	-0.87	0.08	-0.81	-0.87	0.06
5 – 7	11.6	23.0	-0.60	-1.46	0.86	-0.61	-1.46	0.85
7 – 10	31.2	28.4	-2.38	-2.25	-0.13	-2.41	-2.25	-0.16
10 +	3.0	2.0	-0.52	-0.19	-0.33	-0.52	-0.19	-0.33
Total	**100**	**100**	**-4.47**	**-5.09**	**0.62**	**-4.55**	**-5.09**	**0.54**

QUALITY	NATIONAL MUNICIPAL REP ACCOUNT	BLOOMBERG MUNICIPAL 1 – 15 YEAR INDEX	CONTRIBUTION TO RETURN (GROSS)			CONTRIBUTION TO RETURN (NET)		
CREDIT RATING	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)
AAA	11.4	19.5	-0.27	-0.87	0.60	-0.29	-0.87	0.57
AA	43.7	56.5	-2.18	-2.99	0.81	-2.21	-2.99	0.78
A	38.1	20.2	-1.85	-1.06	-0.79	-1.88	-1.06	-0.82
BBB	6.6	3.1	-0.17	-0.17	0.00	-0.18	-0.17	-0.01
NR	0.0	0.4	--	-0.01	0.03	0.02	-0.01	0.03
Total	**100**	**100**	**-4.47**	**-5.09**	**0.62**	**-4.55**	**-5.09**	**0.54**

Source: FactSet and Brown Advisory calculations. Portfolio information is based on a representative National Municipal Bond account and is provided as Supplemental Information. Net of fees returns are calculated by adjusting gross of fees returns by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis and allocated pro rata based on position weight. Actual fees may be lower based on assets under management and other factors. Net of fees returns for actual accounts may therefore differ from the returns shown above. 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. Past performance is not indicative of future results. Total strategy composite performance can be found on slide 1. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

AVERAGE WEIGHT DETAIL BY SECTOR

AS OF SEPTEMBER 30, 2026

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Sector	NATIONAL MUNI REP ACCOUNT	BLOOMBERG MUNICIPAL 1 – 15 YEAR INDEX	CONTRIBUTION TO RETURN (GROSS)			CONTRIBUTION TO RETURN (NET)		
SECTOR	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)
Airport/Port	16.0	5.5	-0.58	-0.28	0.3	-0.59	-0.28	-0.31
Tax Revenue	16.0	11.3	-0.93	-0.61	0.32	-0.94	-0.61	-0.33
Energy Prepay	13.6	9.1	-0.5	-0.34	0.16	-0.51	-0.34	-0.17
Health Care	11.6	8.2	-0.72	-0.45	0.27	-0.73	-0.45	-0.28
Utilities	10.4	12.7	-0.19	-0.66	-0.47	-0.20	-0.66	0.46
Housing	7.5	2.5	-0.31	-0.17	0.14	-0.32	-0.17	-0.15
Transportation	7.3	6.8	-0.51	-0.36	0.15	-0.52	-0.36	-0.16
Education	7.2	14.8	-0.59	-0.85	-0.26	-0.60	-0.85	0.25
General Obligation	4.3	26.3	-0.14	-1.28	-1.14	-0.15	-1.28	1.13
Tobacco	3.4	0.4	0	-0.01	-0.01	0.00	-0.01	0.01
Cash	2.1	0.1	0.02	0	-0.02	0.02	0.00	0.02
Miscellaneous Revenue	0.6	1.4	0.01	-0.05	-0.06	0.01	-0.05	0.06
Total	**100**	**100**	**-4.47**	**-5.09**	**0.62**	**-4.55**	**-5.09**	**0.54**

Source: FactSet and Brown Advisory calculations. Portfolio information is based on a representative National Municipal Bond account and is provided as Supplemental Information. 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. Net of fees returns are calculated by adjusting gross of fees returns by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis and allocated pro rata based on position weight. Actual fees may be lower based on assets under management and other factors. Net of fees returns for actual accounts may therefore differ from the returns shown above. Past performance is not indicative of future results. Total strategy composite performance can be found on slide 1. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

TOP FIVE AND BOTTOM FIVE CONTRIBUTORS

AS OF SEPTEMBER 30, 2026

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Representative National Municipal Bond Account Top Five Contributors

NAME	DESCRIPTION	WEIGHT (%)	CONTRIBUTION TO RETURN NET (%)
Chicago O'Hare International Airport	One of the nation's busiest aviation hubs, providing extensive domestic and international passenger and cargo services	1.88	0.01
Tobacco Settlement Financing Corp/RI	Backed by tobacco settlement payments to finance state obligations and provide funding for public expenditures	1.18	0.01
City of Phoenix AZ Water System Revenue	Finances improvements to Phoenix's public water system, supporting reliable drinking water delivery and infrastructure	1.50	0.01
North Carolina Housing Finance Agency	Provides financing for affordable homeownership and rental housing throughout North Carolina	2.10	0.01
Presbyterian Homes Obligated Group/NC	Finances senior living communities, assisted living, and healthcare services for older adults.	0.71	0.01
New York City Water & Sewer System	finances affordable multifamily housing, supporting housing access for low- and moderate-income residents across NYC.	0.83	0.00

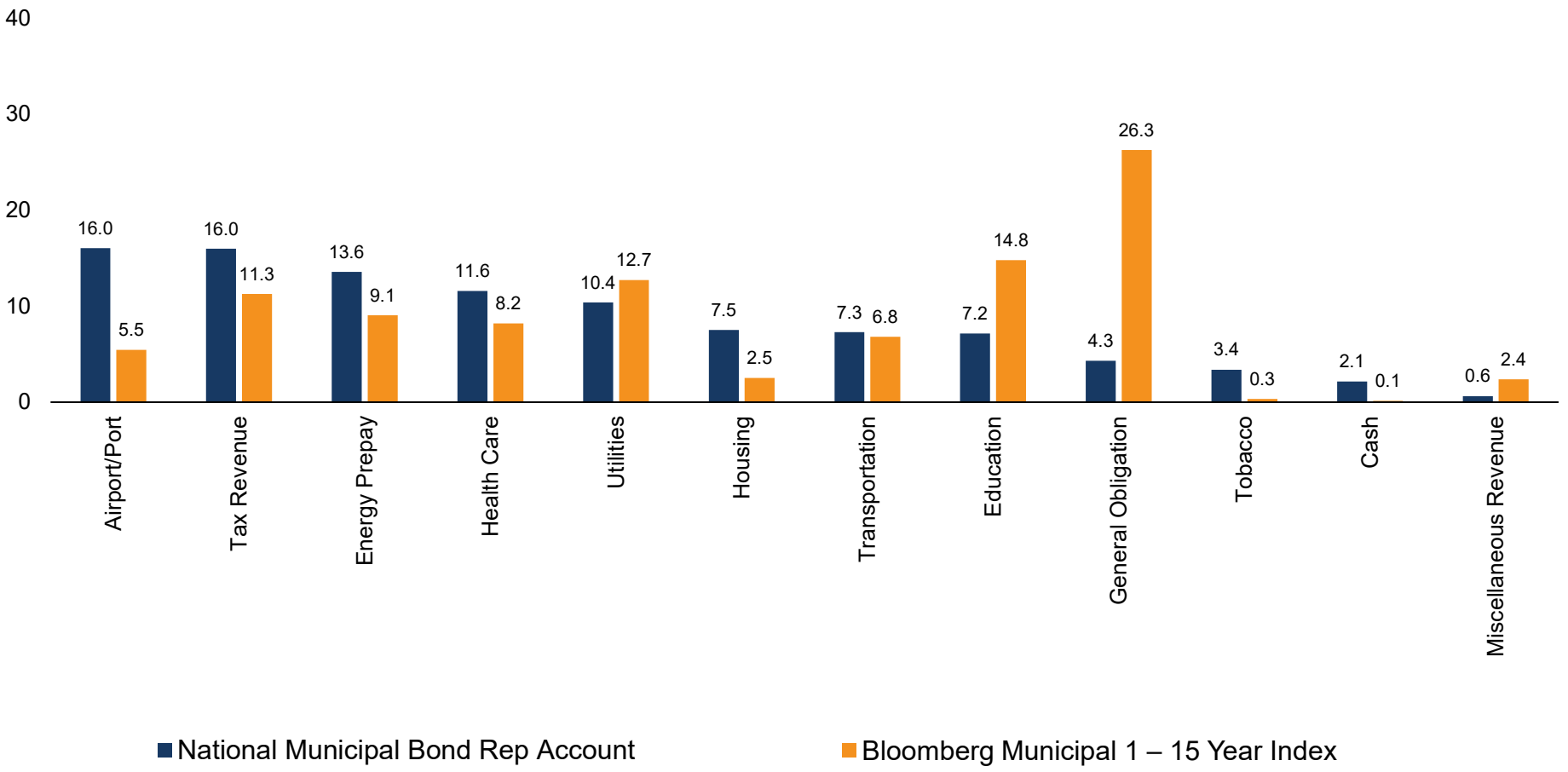
Representative National Municipal Bond Account Bottom Five Contributors

NAME	DESCRIPTION	WEIGHT (%)	CONTRIBUTION TO RETURN NET (%)
E-470 Public Highway Authority	Operates and maintains the E-470 toll highway serving the Denver metropolitan area.	1.75	-0.27
Black Belt Energy Gas District	Provides long-term natural gas supply to municipal utilities and public agencies	4.65	-0.25
Maryland Community Development Administration	Provides affordable housing financing through mortgage assistance, homeownership programs, and rental initiatives	1.39	-0.25
Texas Christian University	Known for its strong undergraduate teaching, business and nursing programs, and growing research initiatives	2.68	-0.23
Hidalgo County Drain District No 1	Finance drainage and flood-control channel upgrades.	3.11	-0.23

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SECTOR DIVERSIFICATION

AS OF SEPTEMBER 30, 2026



- We focus on bottom-up credit and sector selection to drive relative performance.
- We find credit fundamentals in revenue-backed bonds to be more transparent and more easily modeled, with the bonds yielding more than most general obligation (GO) issues.

Source: FactSet. Portfolio information is based on a representative National Municipal Bond account and is provided as Supplemental Information. Sector diversification includes cash and cash equivalents. Numbers may not total due to rounding. Sectors are based on the Bloomberg sector classifications. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

TERMS AND DEFINITIONS

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 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 of money 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.

The **Bloomberg Municipal 1 – 15 Year Index** is a measure of the US municipal tax-exempt investment grade bond market. It includes general obligation and revenue bonds. The Index includes bonds with at least 1 year and up to but not including 17 years until final maturity.

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Prior to May 31, 2025, the benchmark was the Bloomberg 1-10 Year Blended Municipal Bond Index.

An investor cannot invest directly in an index.

Effective Duration is a time measure of a bond's interest-rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder. **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. **Yield to Maturity** is the total return of a bond if it is held until maturity. **The Average Weight** of a position or sector refers to the daily average for the period covered in this report of a stock's value as a percentage of the portfolio **Volatility** is a measurement that looks at the dispersion of prices or returns of securities or indices. It is generally measured by using the standard deviation or variance between returns. **Contribution To Return** is calculated by multiplying a security's beginning weight as a percentage of a portfolio by that security's return for the period covered in the report. A **yield curve** is a graphical representation of yields over time; it's often depicted by plotting the yield of any given bond across different maturities in a given interval, perhaps by month.

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Brown Advisory

NATIONAL MUNICIPAL BOND COMPOSITE

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Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Composite 3-Yr Annualized Standard Deviation (%)	Current Benchmark 3-Yr Annualized Standard Deviation (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets ($USD Millions)*	GIPS Firm Assets ($USD Millions)*
2025	5.6	5.2	5.2	4.0	4.5	285	0.2	2,614	83,812
2024	2.4	2.0	0.9	5.6	6.0	271	0.3	2,528	88,323
2023	6.4	6.0	5.3	5.6	5.8	244	0.4	2,120	78,241
2022	-7.8	-8.0	-5.9	5.7	5.1	146	0.6	1,447	58,575
2021	2.4	2.0	0.9	4.1	3.2	211	0.4	2,369	79,715
2020	3.9	3.5	4.7	4.0	3.2	216	0.7	2,374	59,683
2019	7.1	6.8	6.4	1.8	2.1	226	0.3	2,360	42.426
2018	1.9	1.5	1.6	2.5	2.9	205	0.2	1,601	30,529
2017	4.4	4.1	4.3	2.4	2.9	142	0.3	993	33,155
2016	0.7	0.4	0.0	2.5	2.8	134	0.3	883	30,417

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2025. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

1. *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
2. The National Municipal Bond Composite (the Composite) is comprised of all discretionary accounts with no material investment restrictions, which invest in tax-exempt fixed income securities of an intermediate target duration, and flexibility to invest in bonds from multiple states. At least 80% of the securities in each portfolio in the Composite will have credit quality ratings of A or better at the time of purchase. The minimum account market value required for Composite inclusion is $2 million, and accounts in the Composite will have an average effective duration between 3.5 and 5.5 years.
3. The Composite creation date is March 1, 2006. The Composite inception date is June 1, 1993.
4. The current benchmark is the Bloomberg Municipal Bond 1-15 Year Index. The Bloomberg Municipal Bond 1-15 Year Index consists of a broad selection of investment-grade general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and prerefunded bonds with maturities of at least 1 year and less than 15 years. It is an unmanaged index representative of the tax-exempt bond market. “Bloomberg®” and Bloomberg Municipal Bond Index 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 Institutional. Bloomberg is not affiliated with Brown Advisory Institutional, and Bloomberg does not approve, endorse, review, or recommend the Composite. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Composite. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
5. As of May 31, 2025, the Composite benchmark was changed from the Bloomberg Municipal 1 – 10 Year Blend Index to the Bloomberg Municipal 1 – 15 Year Index. The change was applied retroactively from the Composite inception date. The Advisor determined that the 15 Year index was a more applicable comparison to the way portfolio managers invest the strategy and thereby provide more relevant data to shareholders and prospects as well as comparisons to competitors.
6. The composite dispersion presented is an equal-weighted standard deviation of portfolio gross returns calculated for the accounts in the Composite for the entire calendar year period.
7. Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fees performance returns are calculated by adjusting the gross-of-fees performance return by the highest fee for the institutional strategy as outlined in Part 2A of the firm’s Form ADV, applied on a monthly basis. Certain accounts in the Composite pay asset-based custody fees that include commissions. For these accounts, gross returns are also net of custody fees. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 0.325% on the first $10 million; 0.30% on the next $15 million and 0.25% on the balance over $25 million. Further information regarding investment advisory fees is described in Part 2A of the firm’s Form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
8. Effective July 1, 2023, the firm transitioned from using actual account fees in the calculation of net performance returns to applying the highest fee for the institutional strategy as outlined in Part 2A of the firm’s Form ADV. The net performance track record was revised back to Composite inception.
9. The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31.
10. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
11. Portfolios in the Composite do not make material use of derivative securities.
12. Duration is a measure of interest rate risk.
13. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
14. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
15. Past performance is not indicative of future results.
16. This piece is provided for informational purposes only and should not be construed as a research report, 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, including any mutual fund managed by Brown Advisory.