# TAX-EXEMPT SUSTAINABLE STRATEGY REVIEW AND OUTLOOK

*AS OF JUNE 30, 2026*

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Economic activity remained resilient during the quarter, supported by stronger-than-consensus expected payroll growth, healthy consumer spending, and continued investment in artificial intelligence (AI). Ample liquidity across the financial system also continued to support business investment and economic growth. While supportive of growth, persistent demand and investment also kept inflationary pressures elevated, increasing the likelihood of additional Federal Reserve tightening later in 2026 or early 2027.

The quarter also marked the beginning of a new chapter for the Federal Reserve under Chairman Kevin Warsh. The Committee substantially shortened its policy statement, removing much of its forward guidance while describing the economy simply as "expanding at a solid pace."[1] Chairman Warsh reinforced the Fed's commitment to restoring price stability, underscoring a hawkish policy stance. Treasury yields rose at the front end of the curve and declined at the long end as investors reassessed the outlook for monetary policy. At the same time, geopolitical tensions added to market volatility. Energy prices surged following disruptions to oil and gas shipments through the Strait of Hormuz before retreating after the United States and Iran announced a memorandum of understanding to restore shipping and reduce regional tensions. Although energy markets stabilized by quarter-end, geopolitical risks remain an important source of uncertainty.

The municipal bond market rebounded during the second quarter after underperforming Treasuries during the first quarter's geopolitical selloff. Municipals outperformed Treasuries, led by longer maturities as resilient investor demand more than offset record issuance and ongoing market volatility.

Within the municipal market, the yield curve bull flattened as the first-quarter selloff left the municipal yield curve unusually steep, encouraging investors to extend duration and lock in attractive taxable-equivalent yields. The steep curve created by the first-quarter selloff presented compelling opportunities for long-term investors, driving strong demand for bonds with maturities of 20 years and longer. As a result, the 10-year/30-year municipal yield curve flattened by approximately 40 basis points (bps) from its February peak. Longer maturities significantly outperformed during the quarter, with the Bloomberg 20-Year Municipal Index returning 4.04%, compared with 1.90% for the Bloomberg 10-Year Municipal Index and 1.07% for the Bloomberg 5-Year Municipal Index. Meanwhile, relatively rich municipal-to-Treasury ratios and hawkish Fed rhetoric limited performance at the front end of the curve.

Municipal credit fundamentals remained constructive. Investment-grade returns were relatively consistent across rating categories, although BBB-rated bonds outperformed higher-rated sectors by approximately 100 basis points. High-yield municipals also generated strong returns as investors continued to seek additional income. Although credit fundamentals remain healthy, tight credit spreads continue to limit compensation for taking additional credit risk. We therefore continue to favor structural value over incremental credit risk, believing investors are better compensated through high-quality discount bonds, favorable coupon structures, and attractive call features than by extending into lower-quality credits.

| NAME | 3-MONTH RETURN (%) | 1-YEAR RETURN (%) | 3-YEAR* RETURN (%) | 5-YEAR* RETURN (%) | 10-YEAR* RETURN (%) |
|---|---|---|---|---|---|
| Tax Exempt Sustainable Composite (Gross of fees) | 1.93 | 6.21 | 4.21 | 1.47 | 2.12 |
| Tax Exempt Sustainable Composite (Net of fees) | 1.85 | 5.87 | 3.87 | 1.14 | 1.79 |
| Bloomberg Municipal 1 – 15 Year Index | 1.67 | 5.49 | 3.60 | 1.33 | 2.07 |

*Annualized Returns

*(Continued on the following page)*

[1]Source:Federal Reserve. Transcript of Chairman Wash's Press Conference as of June 17, 2026. Source: FactSet and Bloomberg. Past performance is not indicative of future results. Returns shown are through 06/30/2026 for each period. The composite performance shown above reflects the Brown Advisory Tax-Exempt Sustainable Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Returns greater than one year are annualized. Portfolio level information is based on a representative Tax-Exempt Sustainable 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.

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*AS OF JUNE 30, 2026*

Market technicals remained supportive despite record issuance. Year-to-date issuance reached approximately $235 billion, about 6% above last year's record pace and nearly 40% above the five-year average. Municipal mutual fund inflows approached $48 billion, the second-highest year-to-date total on record, supported by attractive taxable-equivalent yields, growing adoption of municipal ETFs, and ongoing portfolio rebalancing. Key risks to this favorable backdrop include a more hawkish Federal Reserve, renewed geopolitical tensions, and increased uncertainty surrounding the upcoming midterm election cycle.

The Brown Advisory Tax-Exempt Sustainable Strategy delivered strong absolute and relative performance during the quarter. Active yield curve positioning was the primary contributor to relative returns as the municipal yield curve bull flattened and yields beyond 20 years declined by more than 45 basis points while shorter-maturity yields changed little. Security selection and sector allocation also added value. High-quality discount bond structures, Energy Prepay securities, Public Power utilities, and Housing credits all generated strong relative performance.

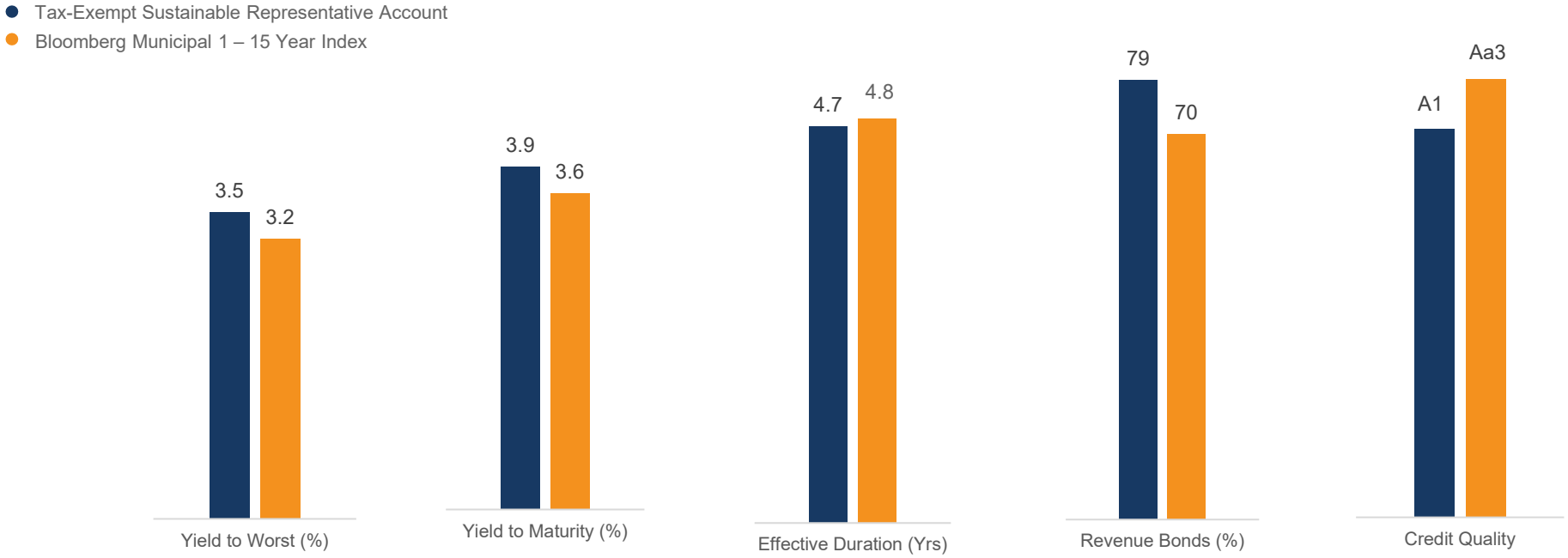
We continue to believe the municipal bond market is particularly well suited to active management. Municipal yield curves remain steeper than those of many taxable fixed income markets, creating opportunities through disciplined yield curve positioning. We believe the market also exhibits meaningful dispersion in credit spreads across issuers and sectors. Its diverse bond structures, including coupon features, tax treatment, call provisions, and liquidity characteristics, provide further opportunities for security selection. The market's predominantly retail investor base can also create attractive pricing dislocations during periods of volatility. We maintain portfolio liquidity and flexibility to capitalize on those opportunities as they arise, supporting our objective of delivering attractive after-tax, risk-adjusted returns over full market cycles.

Looking ahead, we believe the municipal market is entering a seasonally favorable period. Summer reinvestment flows from coupon payments and principal maturities have historically provided meaningful technical support, and we expect this favorable supply-demand backdrop to continue over the coming months. Although uncertainty surrounding monetary policy, geopolitics, and fiscal developments is likely to persist, we believe the Strategy is well positioned to capitalize on periods of market volatility through disciplined fundamental research, thoughtful portfolio construction, and active security selection.

Source: FactSet and Bloomberg. Past performance is not indicative of future results. Returns shown are through 06/30/2026 for each period. The composite performance shown above reflects the Brown Advisory Tax-Exempt Sustainable Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Returns greater than one year are annualized. The portfolio information is based on a representative Tax-Exempt Sustainable 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

*TAX-EXEMPT SUSTAINABLE REPRESENTATIVE ACCOUNT AS OF JUNE 30, 2026*




Source: FactSet. Past performance is not indicative of future results. Portfolio information is based on a representative Tax-Exempt Sustainable 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.

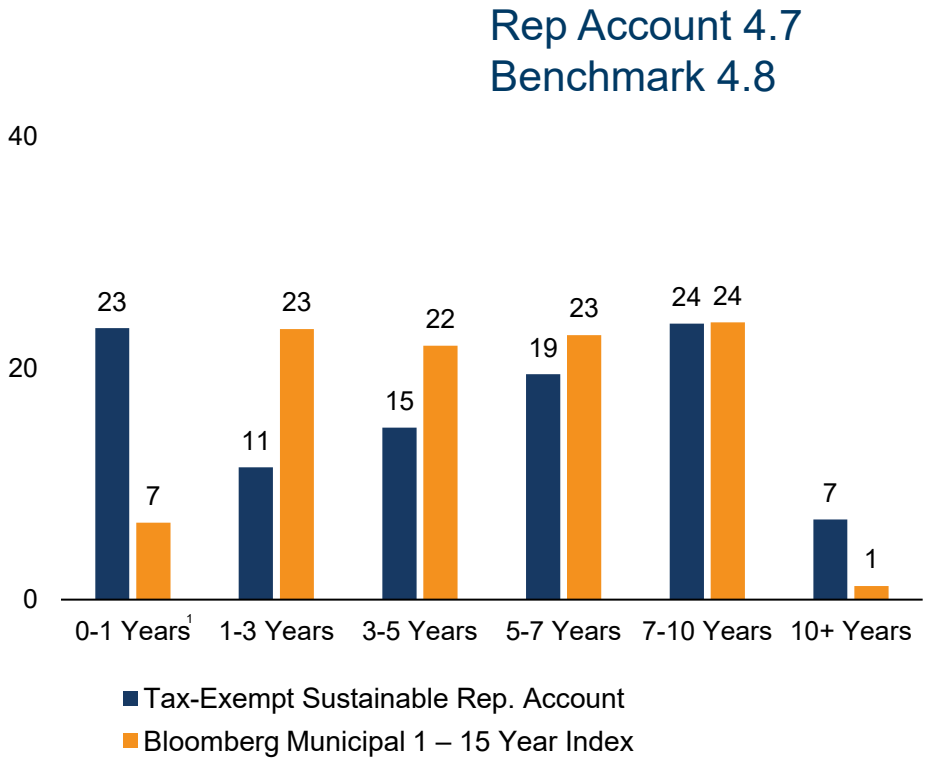
# DURATION AND QUALITY DISTRIBUTIONS

*AS OF JUNE 30, 2026*

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## Duration Distribution

Percentage Weight

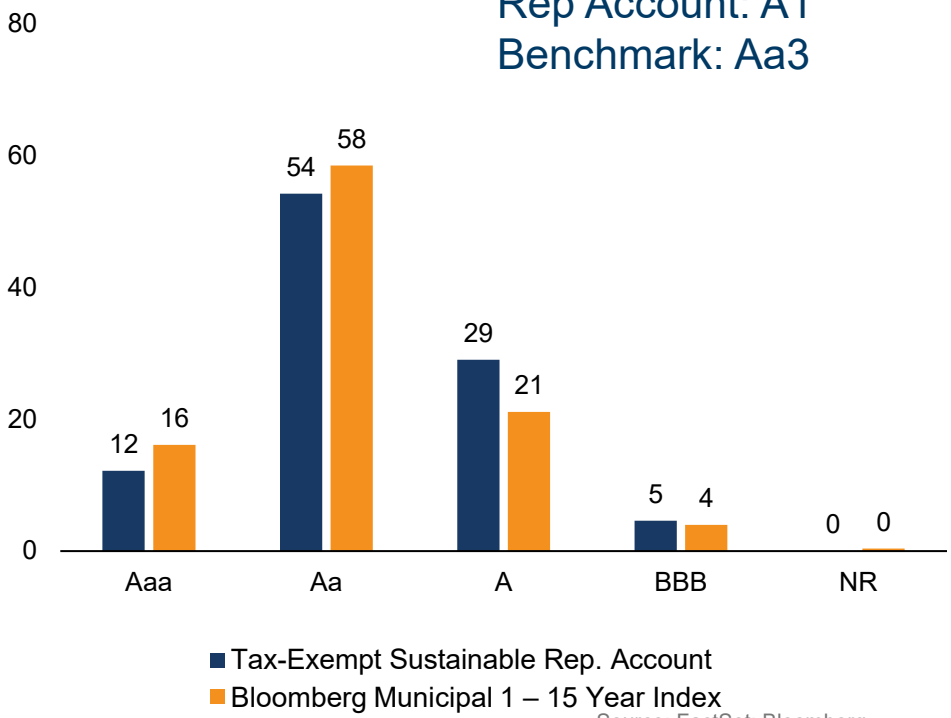



Source: FactSet, Bloomberg.

- Floating-rate securities and short-callable, high-coupon "kicker" bonds make up the majority of our ultrashort duration.
- We are underweight 1-7 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.

## Quality Distribution

Percentage Weight




Source: FactSet; Bloomberg.

- 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 Tax-Exempt Sustainable account, which includes cash and equivalents, as of 06/30/2026 and is provided as Supplemental Information. [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.

# SUSTAINABLE INVESTING AT A GLANCE

*AS OF JUNE 30, 2026*

A "lever" is a sustainable investment-related driver that we believe may contribute to a company or issuer's long-term value creation. While we do not target any particular lever or combination of levers as part of our investment process, our bottom-up research evaluates how a company's products, services, or business practices may be positioned to benefit from, or help address, natural resource, social, economic, climate, and/or governance outcomes.

These considerations are organized under two themes—Climate Conditions & Resource Access and Culture & Human Capital—and are used for analytical and reporting purposes.

## Diversification by Lever

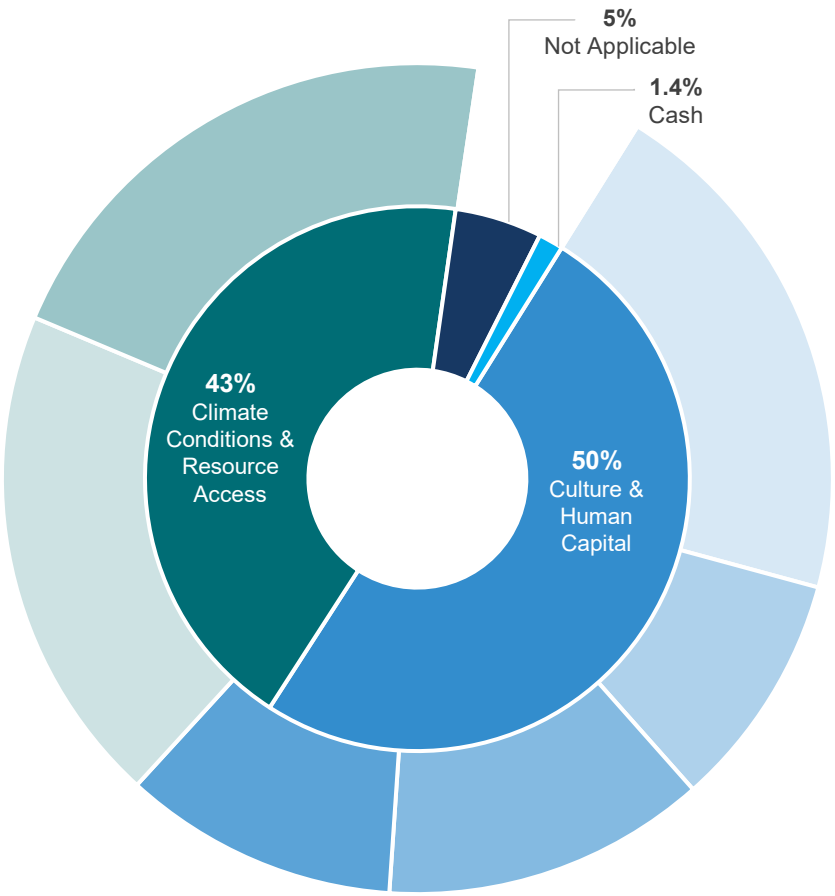
**Culture & Human Capital**

- **20.3%** Education
- **9.2%** Clean Water & Sanitation
- **12.6%** Health & Wellness
- **10.7%** Affordable Housing

**Climate Conditions & Resource Access**

- **20.0%** Clean Energy
- **21.0%** Efficient Production & Conservation

## Distribution (%)




## Percentage of Portfolio in Labeled Bonds




Source: FactSet. The levers presented in the Brown Advisory framework above, Climate Conditions & Resource Access and Culture & Human Capital, have been developed with the sole purpose of explaining the potential sustainability outcomes of our investments. We work closely with our clients to help them translate our levers against their own tools or other internationally recognized frameworks, such as the U.N. Sustainable Development Goals (SDGs). Whilst we do not invest to achieve these goals, some clients have found it useful to show how our levers map against the SDGs to understand a strategy's investment outcomes. Lever breakdowns are based on a representative Tax-Exempt Sustainable Fixed Income account, include cash and equivalents and are provided as Supplemental Information. Not Applicable refers to sustainability-related neutral securities. Numbers may not total due to rounding. 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. 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 JUNE 30, 2026*

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| SECTOR | TAX-EXEMPT SUSTAINABLE 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 (%) |
| Ports/Airports | 20.1 | 8.5 | 0.37 | 0.16 | 0.21 | 0.35 | 0.16 | 0.19 |
| General Obligation | 17.2 | 28.5 | 0.42 | 0.47 | -0.05 | 0.40 | 0.47 | -0.06 |
| Utilities | 15.0 | 16.6 | 0.29 | 0.26 | 0.03 | 0.28 | 0.26 | 0.02 |
| Lease/Housing | 14.1 | 4.9 | 0.18 | 0.09 | 0.08 | 0.17 | 0.09 | 0.07 |
| Hospital/CCRC | 13.2 | 7.9 | 0.20 | 0.14 | 0.06 | 0.19 | 0.14 | 0.05 |
| Tax Revenue | 7.1 | 11.2 | 0.18 | 0.20 | -0.02 | 0.17 | 0.20 | -0.03 |
| Education | 3.7 | 6.4 | 0.03 | 0.11 | -0.08 | 0.03 | 0.11 | -0.08 |
| Pre-Refunded | 2.8 | 2.3 | 0.02 | 0.02 | -0.01 | 0.01 | 0.02 | -0.01 |
| Miscellaneous Revenue | 2.7 | 5.3 | 0.02 | 0.08 | -0.06 | 0.02 | 0.08 | -0.06 |
| Toll Roads & Other Transportation | 2.5 | 8.3 | 0.06 | 0.13 | -0.07 | 0.06 | 0.13 | -0.07 |
| Cash | 1.7 | -- | 0.02 | -- | 0.02 | 0.02 | -- | 0.02 |
| **Total** | **100** | **100** | **1.78** | **1.66** | **0.12** | **1.70** | **1.66** | **0.04** |

Source: FactSet and Brown Advisory calculations. Portfolio information is based on a representative Tax-Exempt Sustainable 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. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions. Total strategy composite performance can be found on slide 1. Past performance is not indicative of future results.

# AVERAGE WEIGHT BY DURATION AND CREDIT QUALITY

*AS OF JUNE 30, 2026*

| DURATION | TAX-EXEMPT SUSTAINABLE 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 | 20.1 | 6.8 | 0.17 | 0.06 | 0.11 | 0.15 | 0.06 | 0.09 |
| 1 – 3 | 15.2 | 22.9 | 0.20 | 0.18 | 0.02 | 0.18 | 0.18 | 0.01 |
| 3 – 5 | 16.6 | 21.9 | 0.16 | 0.26 | -0.10 | 0.15 | 0.26 | -0.11 |
| 5 – 7 | 14.7 | 23.4 | 0.29 | 0.44 | -0.15 | 0.28 | 0.44 | -0.17 |
| 7 – 10 | 29.4 | 23.6 | 0.69 | 0.67 | 0.02 | 0.66 | 0.67 | 0.00 |
| 10 + | 4.1 | 1.3 | 0.28 | 0.06 | 0.22 | 0.28 | 0.06 | 0.22 |
| **Total** | **100** | **100** | **1.78** | **1.66** | **0.12** | **1.70** | **1.66** | **0.04** |

| QUALITY | TAX-EXEMPT SUSTAINABLE 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 | 16.5 | 16.2 | 0.31 | 0.26 | 0.05 | 0.29 | 0.26 | 0.03 |
| AA | 44.6 | 58.4 | 0.87 | 0.95 | -0.08 | 0.83 | 0.95 | -0.12 |
| A | 36.2 | 21.1 | 0.58 | 0.36 | 0.22 | 0.55 | 0.36 | 0.19 |
| BBB | 2.7 | 4.0 | 0.02 | 0.08 | -0.06 | 0.02 | 0.08 | -0.06 |
| NR | 0.0 | 0.4 | -- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total** | **100** | **100** | **1.78** | **1.66** | **0.12** | **1.70** | **1.66** | **0.04** |

Source: FactSet and Brown Advisory calculations. Portfolio information is based on a representative Tax-Exempt Sustainable account. 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.

# QUARTER-TO-DATE TOP FIVE AND BOTTOM FIVE CONTRIBUTORS TO RETURN

*AS OF JUNE 30, 2026*

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## Representative Tax-Exempt Sustainable Account Top Five Contributors

| NAME | DESCRIPTION | WEIGHT (%) | CONTRIBUTION TO RETURN (NET) |
|---|---|---|---|
| City of Fort Worth TX Water & Sewer System Revenue | Finances and improves the city's water and wastewater infrastructure. | 2.00 | 0.13 |
| Town of Middleton MA | A town located in northeastern Massachusetts with a population of 9,779 at the 2020 census. | 2.21 | 0.09 |
| California Community Choice Financing Authority | Prepay for the delivery of renewable energy over a 30-year period | 5.82 | 0.09 |
| Presbyterian Homes Obligated Group/IL | Operates in Illinois and features independent living, assisted living, memory care, and skilled nursing units. | 2.69 | 0.09 |
| Denton Independent School District | Public school district serving over 30,000 PK-12 students. | 2.98 | 0.08 |

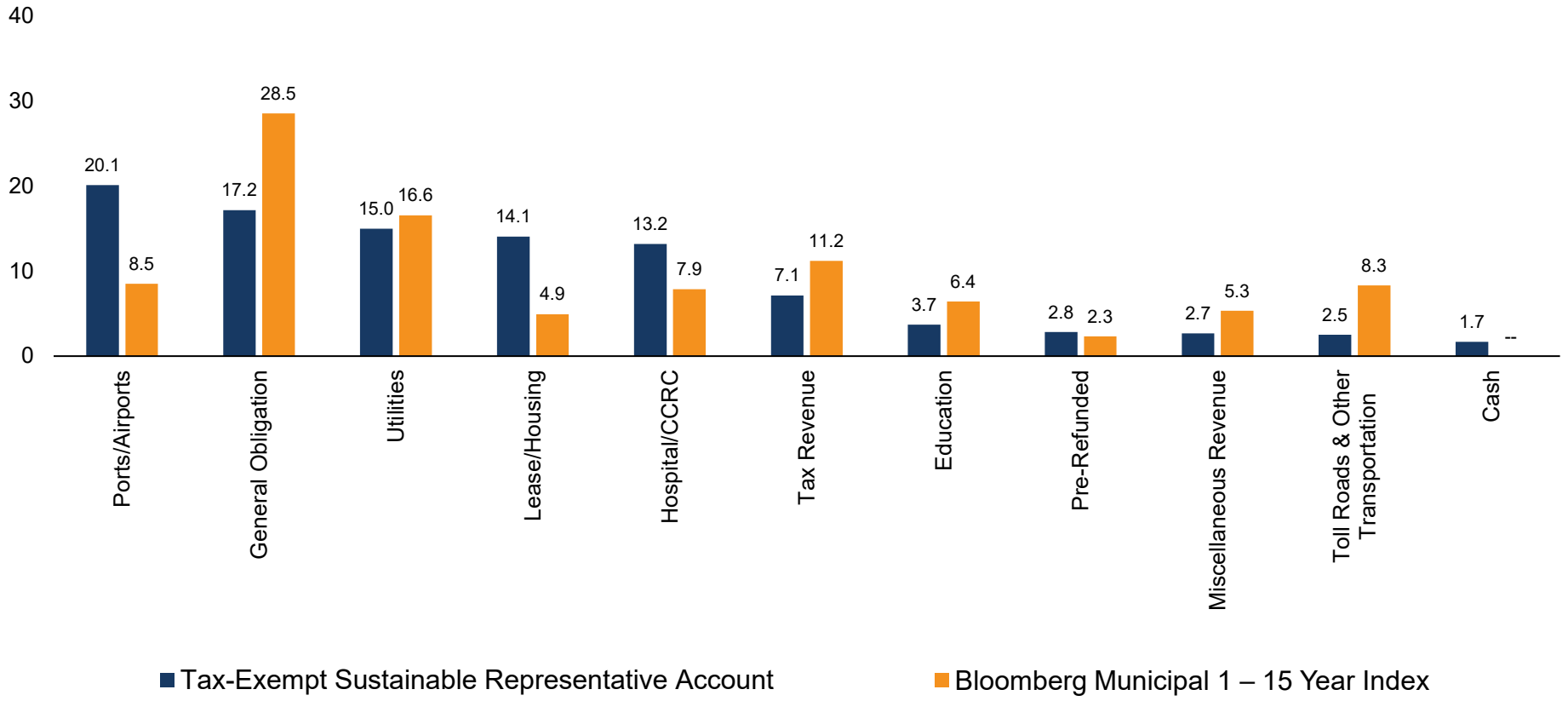
## Representative Tax-Exempt Sustainable Account Bottom Five Contributors

| NAME | DESCRIPTION | WEIGHT (%) | CONTRIBUTION TO RETURN (NET) |
|---|---|---|---|
| Oglethorpe Power Corp | Among the nation's largest power supply cooperatives and is one of the largest energy producers in Georgia | 2.11 | -0.01 |
| ACTS Retirement-Life Communities Inc Obligated Group | Capex across PA and FL senior living campuses. | 1.74 | 0.01 |
| City of Sherman TX Water & Sewer System Revenue | Fund water and sewer improvements. | 0.87 | 0.01 |
| LifeSpire of Virginia Obligated Group | Operates five life plan communities throughout Virginia. | 1.19 | 0.01 |
| Massachusetts Housing Finance Agency | Supports affordable homeownership and rental housing opportunities in Massachusetts | 1.33 | 0.01 |

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# SECTOR DIVERSIFICATION

*AS OF JUNE 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 Tax-Exempt Sustainable account and is provided as Supplemental Information. Sector diversification includes cash and cash equivalents. 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.

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# SAMPLE HOLDINGS

## TAX-EXEMPT SUSTAINABLE

# CITY OF AUSTIN TX AIRPORT SYSTEM REVENUE

## Portfolio Holding: City Of Austin Tx Airport System Revenue

**Serves as the primary commercial airport for the Austin region while advancing one of the nation's leading airport sustainability programs.**



### Fundamental Drivers

- Large-hub airport serving one of the nation's fastest-growing metropolitan areas, with more than 10 million annual passengers and approximately 90% origin-and-destination traffic supporting resilient demand.
- Long-term airline agreement with signatory carriers representing over 90% of enplanements, enhanced cost recovery provisions, and a 1.25x rate covenant supporting stable cash flows.
- Strong liquidity (~800+ days cash on hand) and financial performance provide flexibility to execute a multi-billion-dollar capital program.

### Sustainable Drivers

- Among one of the first U.S. airports to achieve Airport Carbon Accreditation Level 3+ Carbon Neutrality, supported by renewable energy, clean vehicle initiatives, and low-carbon operations.
- The Airport Expansion & Development Program integrates energy-efficient infrastructure, reclaimed water systems, climate resilience, and support for Sustainable Aviation Fuel.
- Sustainability initiatives extend beyond infrastructure through food recovery, accessibility programs, community engagement, and environmental stewardship.

**City Of Austin Tx Airport System Revenue is a current holding in the Tax-Exempt Sustainable portfolio as of 06/30/2026 and was selected because the investment team believes it demonstrates the strategy's stated investment philosophy regarding attractive business fundamentals, compelling valuation, and strong or improving Sustainable Drivers. It does not represent all of the securities purchased, sold or recommended for advisory clients. Please see slide 1 for composite performance as of 06/30/2026.**

Source: City Of Austin Tx Airport System Revenue as of 06/30/2026. The information provided is based on a representative Tax-Exempt Sustainable account and provided as Supplemental Information. 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. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# BAYLOR SCOTT & WHITE HEALTH OBLIGATED GROUP

## Portfolio Holding: Baylor Scott & White Health Obligated Group

**Delivers integrated healthcare through Texas' largest nonprofit health system, serving communities across one of the nation's fastest-growing states.**



### Fundamental Drivers

- One of Texas' largest nonprofit health systems has more than 50 hospitals, thousands of physicians, and leading market positions across multiple high-growth regions.
- Strong operating performance with consistent mid-to-high single-digit operating margins, solid liquidity, and low leverage supports ongoing capital investment and financial flexibility.
- Diversified healthcare platform spanning hospitals, ambulatory care, physician networks, digital health, and a health plan, supporting resilient cash flow and operating flexibility.

### Sustainable Drivers

- Expands access to high-quality healthcare across Texas through an integrated nonprofit delivery system serving rapidly growing communities.
- Advances population health through value-based care, digital health, and coordinated care models that improve patient outcomes.
- Continued investment in hospitals, outpatient facilities, and community-based services expands access to care and improves long-term community health.

**Baylor Scott & White Health Obligated Group is a current holding in the Tax-Exempt Sustainable portfolio as of 06/30/2026 and was selected because the investment team believes it demonstrates the strategy's stated investment philosophy regarding attractive business fundamentals, compelling valuation, and strong or improving Sustainable Drivers. It does not represent all of the securities purchased, sold or recommended for advisory clients. Please see slide 1 for composite performance as of 06/30/2026.**

Source: Baylor Scott & White Health Obligated Group as of 06/30/2026. The information provided is based on a representative Tax-Exempt Sustainable account and provided as Supplemental Information. 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. Please see the end of this presentation for a GIPS Report, important disclosures 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 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.

All investments involve risk. The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned.

Sustainable investment considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify companies that it believes may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. As a result, the strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The strategy may also invest in companies that would otherwise be excluded from other funds that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.

All investments involve risk. The value of the investment and the income from it will vary. There is no guarantee that the initial investment will be returned.

**An investor cannot invest directly in an index.**

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.

A **General Obligation (GO) Bond Index** is a benchmark tracking the performance of municipal bonds secured by the full faith, credit, and taxing power of state or local governments rather than revenue from specific projects.

A **Revenue Bond Index** is a financial benchmark, often represented by the Bond Buyer 25-Revenue Bond Index, that tracks the average yield on 25 top-tier (rated A1/A+) municipal revenue bonds with 30-year maturities.

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

**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. **Contribution to return** measures the contribution of certain portfolio constituents (symbols, sectors) to the portfolio's overall return. **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.

Brown Advisory

# TAX-EXEMPT SUSTAINABLE COMPOSITE

Brown ADVISORY
Thoughtful Investing.

| Year | Composite Total Gross Returns (%) | Composite Total Net Returns (%) | Benchmark Returns (%) | Composite 3-Yr Annualized Standard Deviation (%) | 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 | 5.0 | 4.7 | 5.2 | 4.2 | 4.5 | 61 | 0.3 | 657 | 83,812 |
| 2024 | 2.4 | 2.1 | 0.9 | 5.6 | 6.0 | 58 | 0.3 | 603 | 88,323 |
| 2023 | 5.5 | 5.1 | 5.3 | 5.5 | 5.8 | 50 | 0.4 | 577 | 78,241 |
| 2022 | -7.5 | -7.8 | -5.9 | 5.1 | 5.1 | 42 | 0.5 | 488 | 58,575 |
| 2021 | 2.0 | 1.7 | 0.9 | 3.4 | 3.2 | 56 | 0.7 | 494 | 79,715 |
| 2020 | 3.9 | 3.5 | 4.7 | 3.3 | 3.2 | 51 | 0.6 | 491 | 59,683 |
| 2019 | 6.4 | 5.9 | 6.4 | 1.8 | 2.1 | 27 | 0.5 | 206 | 42,426 |
| 2018 | 1.6 | 1.3 | 1.6 | 2.4 | 2.9 | 48 | 0.2 | 114 | 30,529 |
| 2017 | 3.7 | 3.3 | 4.3 | 2.4 | 2.9 | 10 | 0.4 | 41 | 33,155 |
| 2016 | -0.1 | -0.4 | 0.0 | N/A | N/A | Five or fewer | N/A | 29 | 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 Tax-Exempt Sustainable 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. Bonds in Composite accounts are evaluated according to a variety of considerations including sustainability related risk and opportunities. These inputs are used by the portfolio manager to seek holdings with effective management of sustainability-related risks and or bonds whose uses of proceeds meet the standards of the Green Bond Principles. Sustainability considerations are not used for the purposes of absolute negative screening in Composite accounts.
4. Sustainable investment considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The Tax-Exempt Sustainable Strategy ("Strategy") seeks to identify issuers that it believes may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. As a result, the Strategy may invest in issuers that do not reflect the beliefs and values of any particular investor. The Strategy may also invest in issuers that would otherwise be excluded from other strategies that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The Strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.
5. The Composite creation date is May 1, 2016. The Composite inception date is October 1, 2014.
6. 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.
7. 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.
8. 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. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the Composite for the entire period.
9. 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 may 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.
10. 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.
11. 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. The 3-year annualized standard deviation is not presented as of December 31, 2016, because 36 month returns for the Composite were not available (N/A).
12. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
13. Portfolios in the Composite do not make material use of derivative securities.
14. Duration is a measure of interest rate risk.
15. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
16. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
17. Past performance is not indicative of future results.
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