THE BIG PICTURE

Our Investment Outlook

As of December 31, 2024

Brown ADVISORY
Thoughtful Investing.

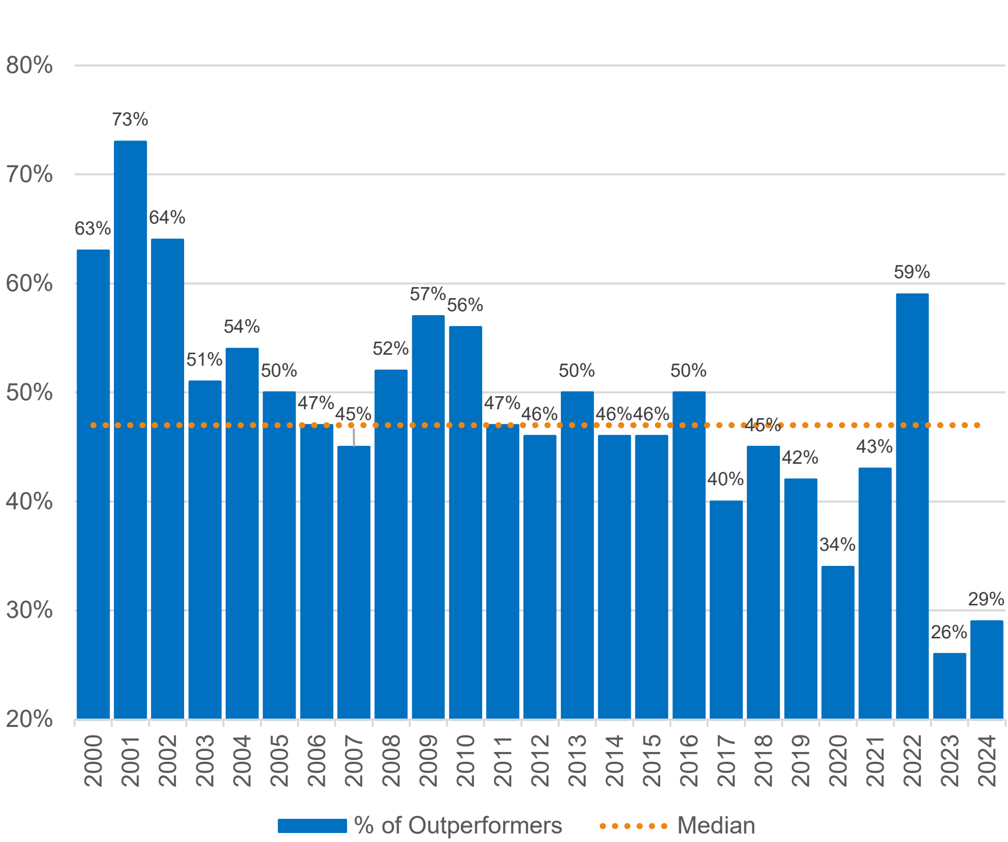
YEAR IN REVIEW: STRONG MARKET RETURNS LED BY MEGA TECHNOLOGY

As of December 31, 2024

Market performance in the first half of the year was significantly influenced by hyper-scalers, driven by soaring enthusiasm for artificial intelligence (AI). In the second half of the year, this concentration of performance began to subside, but the last two years remain a historical aberration.

Due to this concentration, few stocks have outperformed the broad Index over the past two years, a trend unlikely to persist.

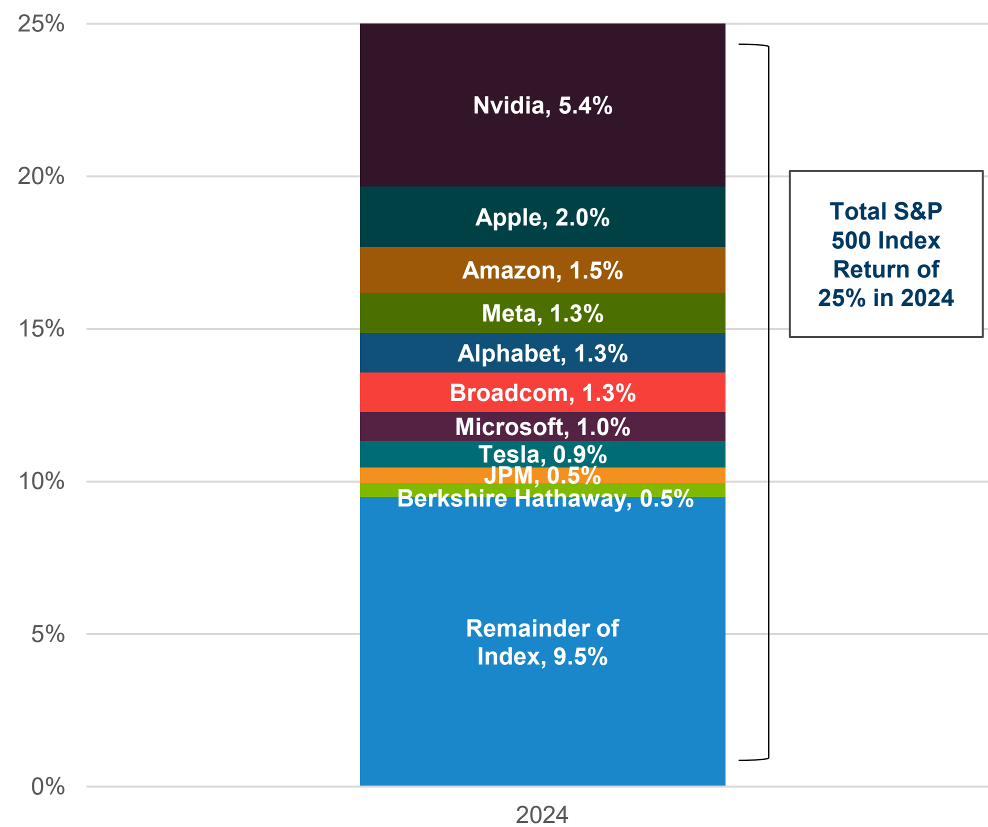
Number of individual stocks in the S&P 500 Index with a return greater than the overall Index; as of 12/31/2024



Source: Bloomberg

The market broadened in the second half of the year, but Nvidia still accounted for one-fifth of the S&P 500 Index's return in 2024.

Contributors to S&P 500 Index returns throughout 2024, as of 12/31/2024



Source: Bloomberg

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EXPECTATIONS FOR A CONTINUED BROADENING OF EARNINGS IN 2025

As of December 31, 2024

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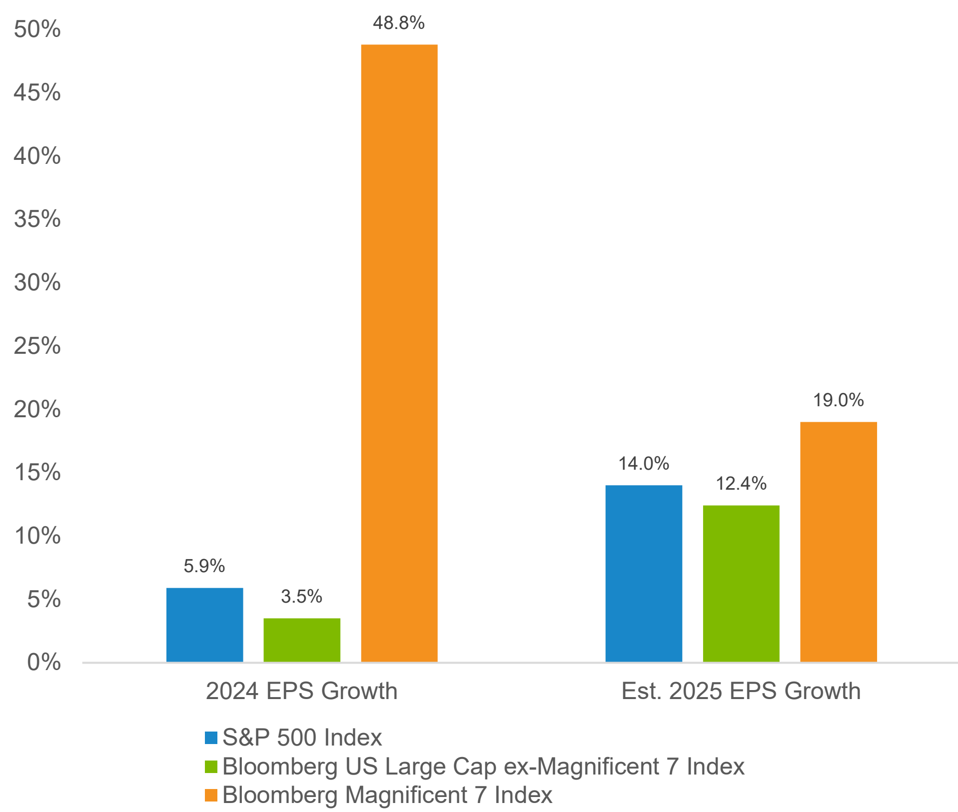
Earnings growth was steady in 2024, though largely driven by the Magnificent Seven (Apple, Microsoft, Alphabet, Amazon, NVIDIA, Meta Platforms and Tesla). The market expects similar earnings growth between the Magnificent Seven and the "Other 493" in 2025, along with healthier, more broad-based earnings growth. Sustained sector broadening will likely rely on a soft landing, continued monetary easing and earnings growth from the rest of the market.

The Magnificent Seven are projected to lead earnings growth in 2025, though by a thinner margin than 2024.

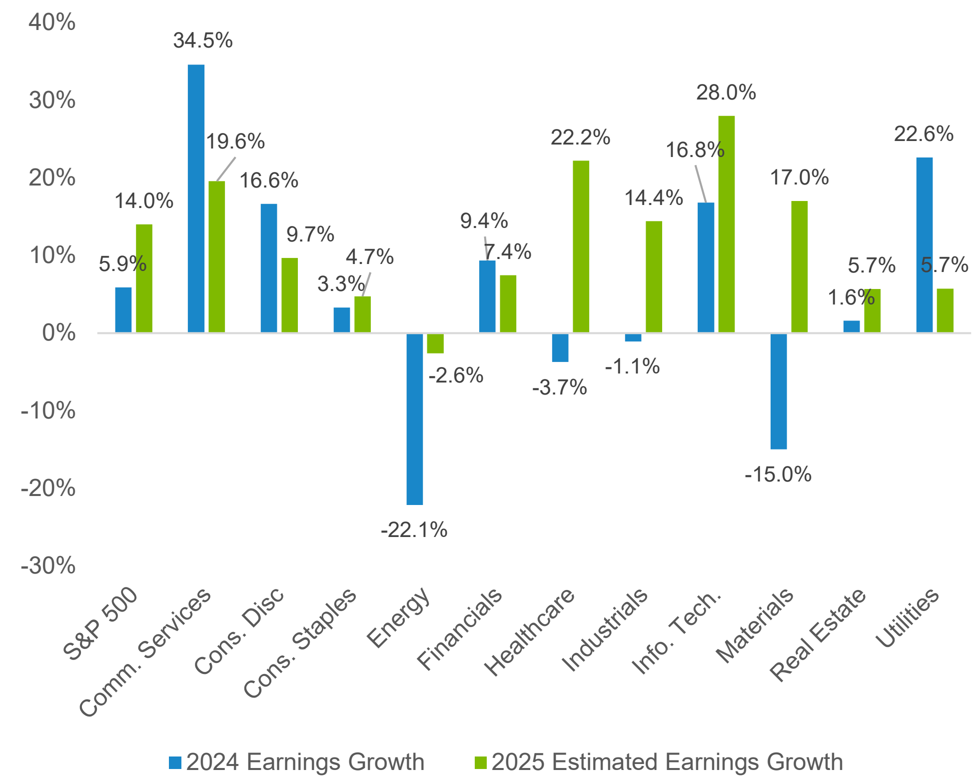
2024 forward EPS growth versus 2025 expected forward EPS growth; as of 12/31/2024



Source: Bloomberg

There was significant dispersion in earnings growth in 2024 but expectations for 2025 paint a more balanced picture.

Actual 2024 EPS growth versus Bloomberg consensus estimated 2025 EPS growth



Source: Bloomberg as of 12/31/2024. Sectors are based on the Global Industry Classification Standard (GICS®) classification system.

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VALUATION GAP WIDENING BETWEEN U.S. LARGE-CAPS AND OTHER SEGMENTS

As of December 31, 2024

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U.S. large-cap equity valuations have expanded thanks to investor enthusiasm for growth themes such as AI. These innovations could be transformative, however, we are mindful of valuations and are actively seeking balance. We see select opportunities in other segments of the equity market where valuations have been depressed due to negative sentiment.

Equity Segment	FY 2025 Expected Earnings Growth	Forward PE Ratio	Cyclically-Adjusted PE Ratio	Price-to-book	Price-to-Cash-Flow	Enterprise Value / EBITDA	Enterprise Value / Sales
U.S. Large-Cap	+14.0%	24.3	38.0	5.1	18.4	16.5	3.4
U.S. Small-Cap	+15.3%	17.6	19.7	1.9	9.6	11.2	1.7
Europe	+4.5%	14.3	23.5	2.0	9.5	10.1	2.0
Japan	+11.4%	15.6	26.3	1.6	9.2	6.6	1.0
Emerging Markets	+14.2%	13.4	20.8	1.7	7.4	9.6	1.8
Global	+8.7%	19.8	32.4	3.1	13.9	13.5	2.6

Source: Bloomberg, as of 12/31/2024 using S&P 500® Index for U.S. Large-Cap, S&P 600® Index for U.S. Small-Cap, MSCI Europe Index for Europe, MSCI Japan Index for Japan, MSCI Emerging Markets Index for EM, and MSCI ACWI Index for Global. Red shaded denotes most expensive equity segment by valuation, green shaded denotes cheapest equity segment by valuation.

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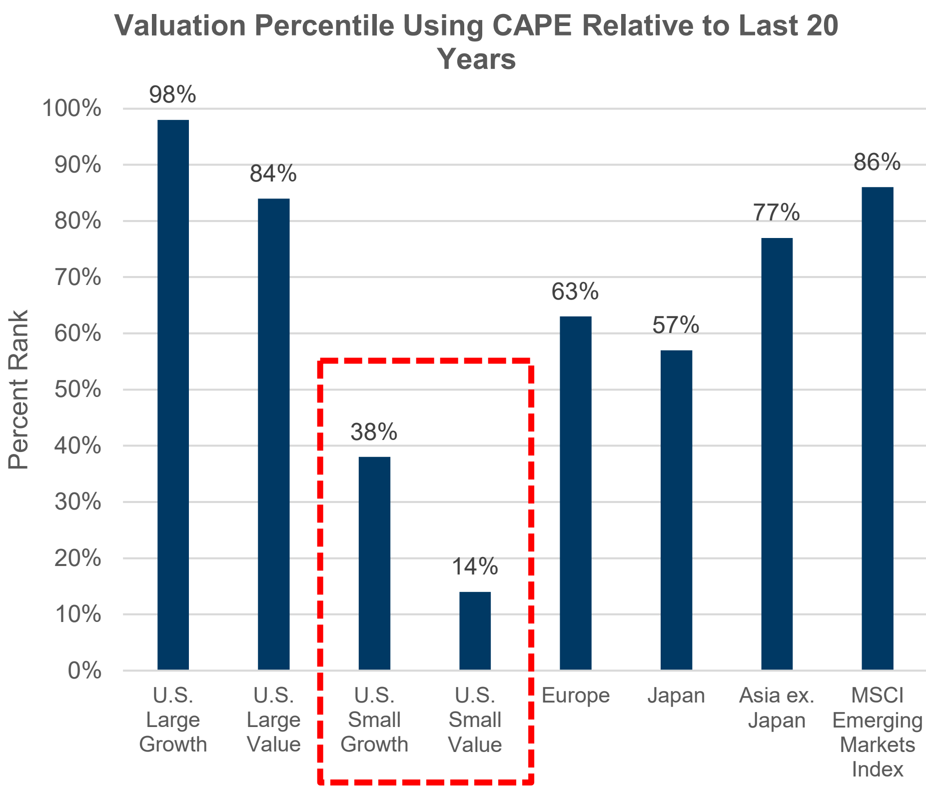
OPPORTUNITY IN SMALL CAPS

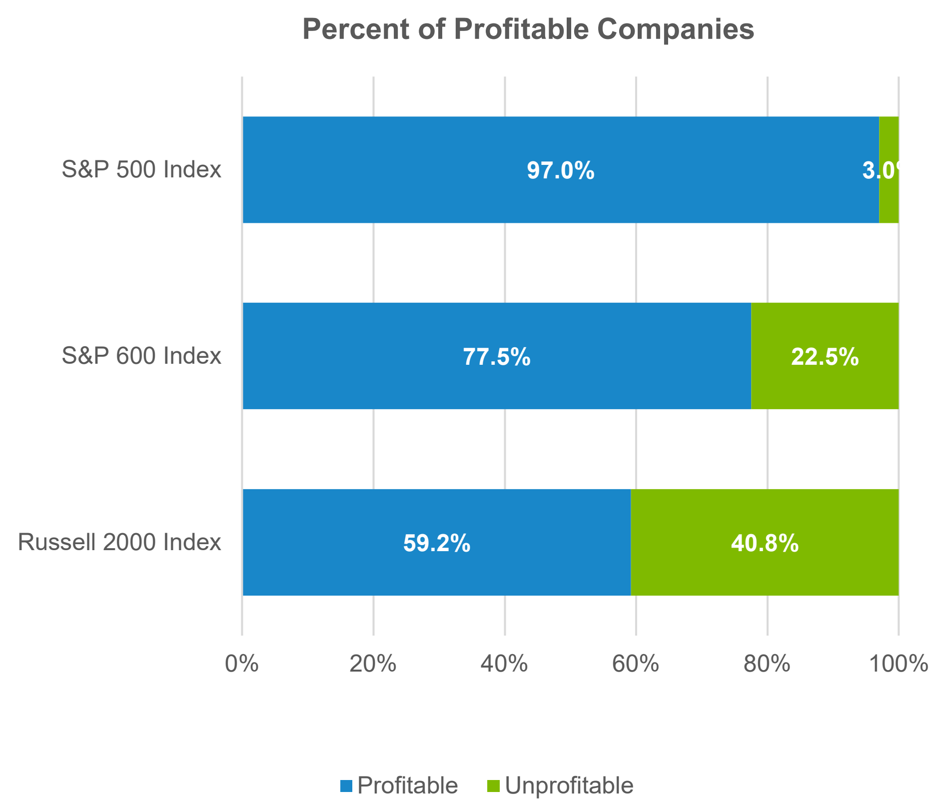
As of December 31, 2024

Small-cap companies experienced a post-election rally in the fourth quarter, but their valuations remain attractive compared to other equity markets. Many of these companies are domestically-oriented, which could be advantageous under the new administration. However, we believe the broad small-cap universe contains many companies with high leverage and/or precarious profitability. Therefore, we advocate for careful discernment to find high quality companies in order to balance risk with return opportunities.

Despite the small-cap rally, valuations continue to appear relatively attractive compared to the rest of the market…



…but an investable universe with lower profitability makes stock selection and investor discretion important.



Source: Bloomberg, as of 12/31/2024. U.S. Large Growth using Russell 1000® Growth Index, U.S. Large Value using Russell 1000® Value Index, U.S. Small Growth using Russell 2000® Growth Index, U.S. Small Value using Russell 2000® Value Index, Europe using MSCI Europe USD Total Return Index, Japan using MSCI Japan USD Total Return Index, Asia ex. Japan using MSCI Asia ex. Japan USD Total Return Index, and Emerging Markets using MSCI Emerging Markets Net USD Total Return Index Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important information and a complete list of terms and definitions.

RECENT U.S. ELECTIONS HAVE DRIVEN MARKET DISPERSION

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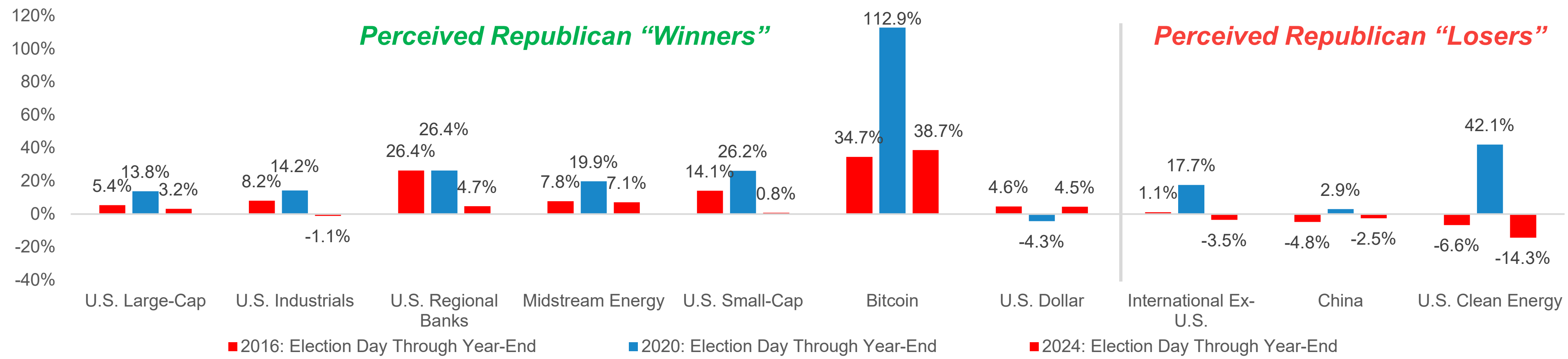
As of December 31, 2024

The incoming Republican administration is expected to prioritize tax cuts and deregulation as part of a pro-growth and U.S.-first agenda, leading to dispersion between perceived "winners" and "losers."

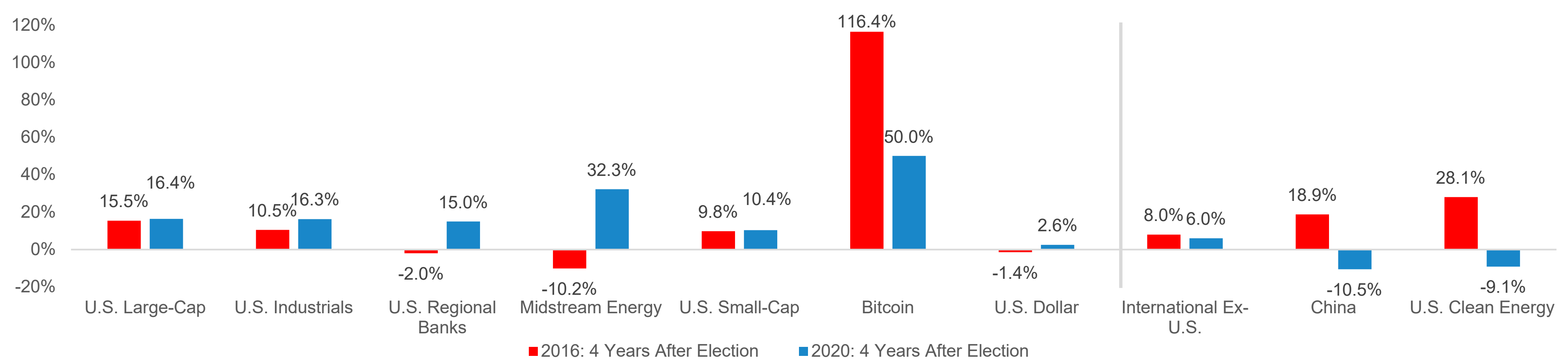
Similar to the immediate period after the 2016 Trump victory, investors have rewarded sectors and companies expected to benefit from tax cuts and deregulation (including cyclicals, small-caps, and crypto)…

Index Returns from Election Days Through Respective Year-Ends; Red indicates results following election of a Republican President and blue following election of a Democratic President



…However, expected policy changes do not necessarily determine future market performance, as evidenced by the performance of regional banks, midstream energy, China, and clean energy under recent administrations.

Annualized Index Returns Four Years After Election Days



Source: Bloomberg, as of 12/31/2024. Note: All commentary is as of 12/31/2024 unless otherwise noted. U.S. Large Cap using S&P 500® Index, U.S. Industrial using S&P 500® Industrials Sector GICS Level 1 Index, U.S. Regional Banks using KBW Regional Banking Index, Midstream Energy using Alerian Midstream Energy Index, U.S. Small Cap using Russell 2000® Index, Bitcoin using Bloomberg Bitcoin Index, U.S. Dollar using Dollar Index Spot, International ex-U.S. using MSCI ACWI Excluding United States Index, China using MSCI China Index, and U.S. Clean Energy using S&P Global® Clean Energy Index. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

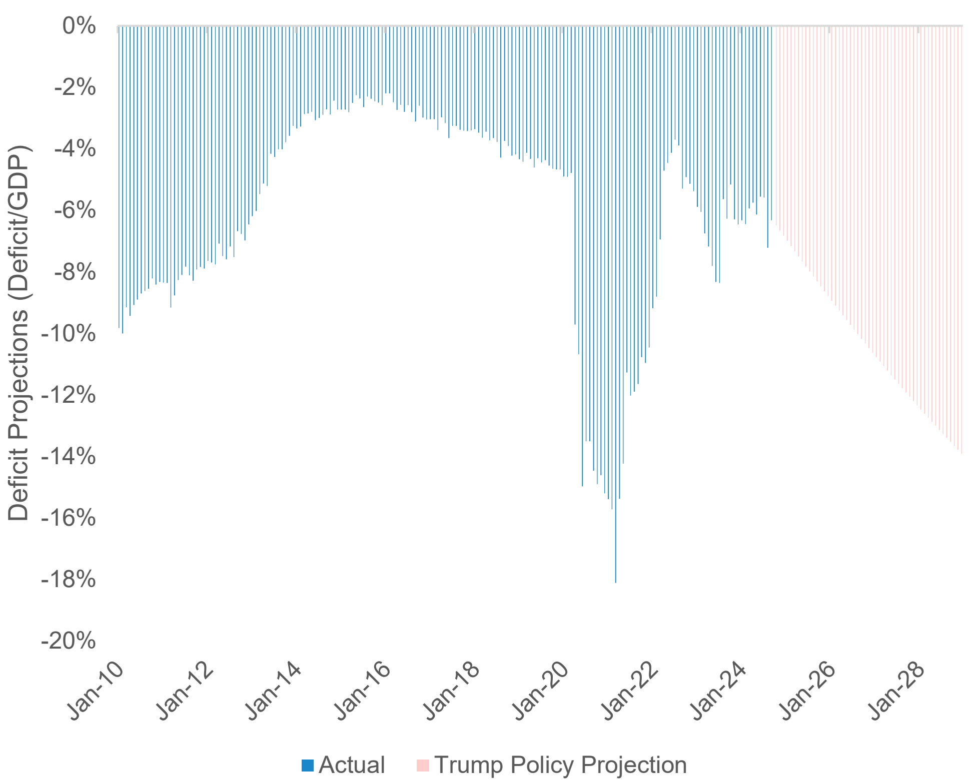
BALLOONING DEFICIT A POTENTIAL HEADWIND TO FEDERAL SPENDING

As of December 31, 2024

Federal debt payments, as a percentage of total budget spending, have increased significantly and are now the third largest item on the Federal budget (up from 7th just two years ago).[1] Aging demographics are also causing Social Security and Medicare to become more expensive, which will likely structurally expand the deficit. The incoming administration has ambitious plans that could either dramatically increase the deficit through tax cuts or decrease it through spending cuts.

The deficit is projected to expand in coming years, but this outlook hinges significantly on the new administration's actions.

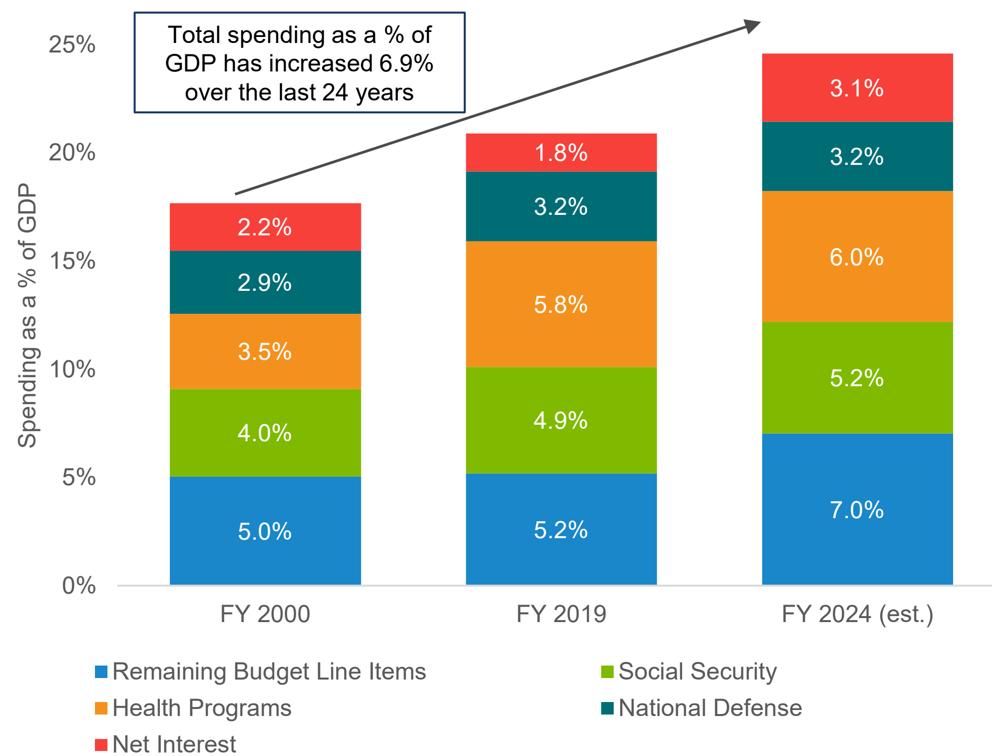
Committee for a Responsible Federal Budget Projections 12/31/2024



Source: Committee for a Responsible Federal Budget

Rising interest payments and aging demographics are increasing the deficit and make meaningful spending cuts challenging.

Budget Outlays as a percentage of GDP 10/01/2000 – 10/01/2024



Source: Congressional Budget Office

[1] Source: Congressional Budget Office. Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

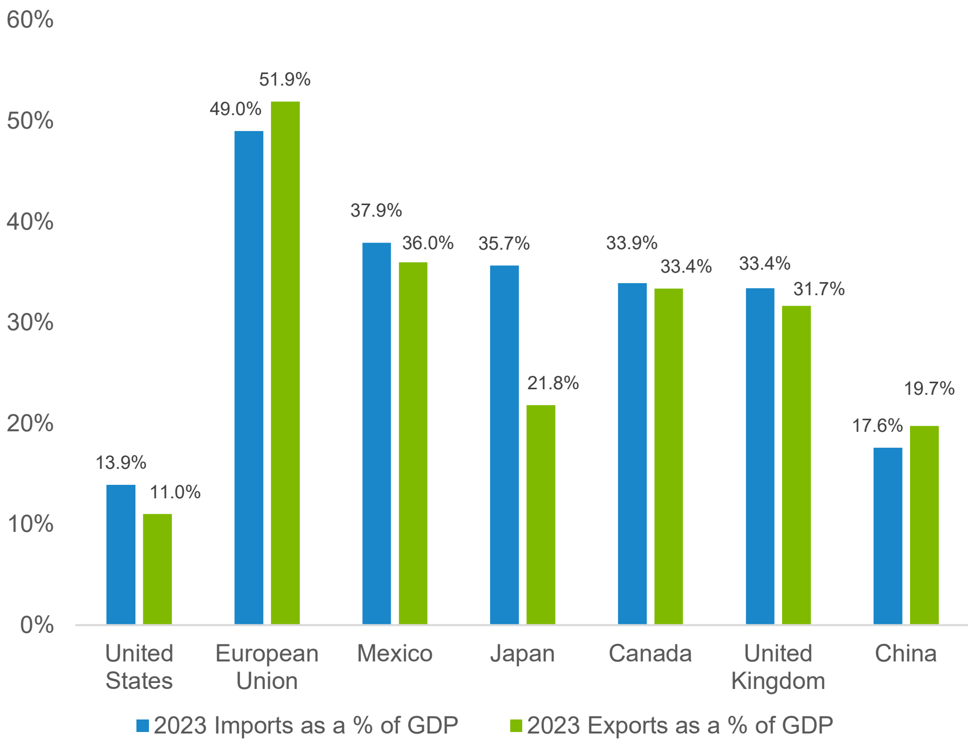
TO WHAT EXTENT WOULD TARIFFS HAVE AN IMPACT ON ECONOMIC GROWTH?

As of December 31, 2024

As attention increases on potential tariffs, it is important to remember that the U.S. economy is far more internally-driven than most other economies. Mexico, Canada and China are by far the U.S.' largest trading partners, so trade barriers with those countries are the most impactful. Much will depend on the specifics and the reactions of trading partners.

The U.S. economy is less trade-oriented, which reduces the impact of tariffs, but specific companies will feel the effects of tariffs more acutely.

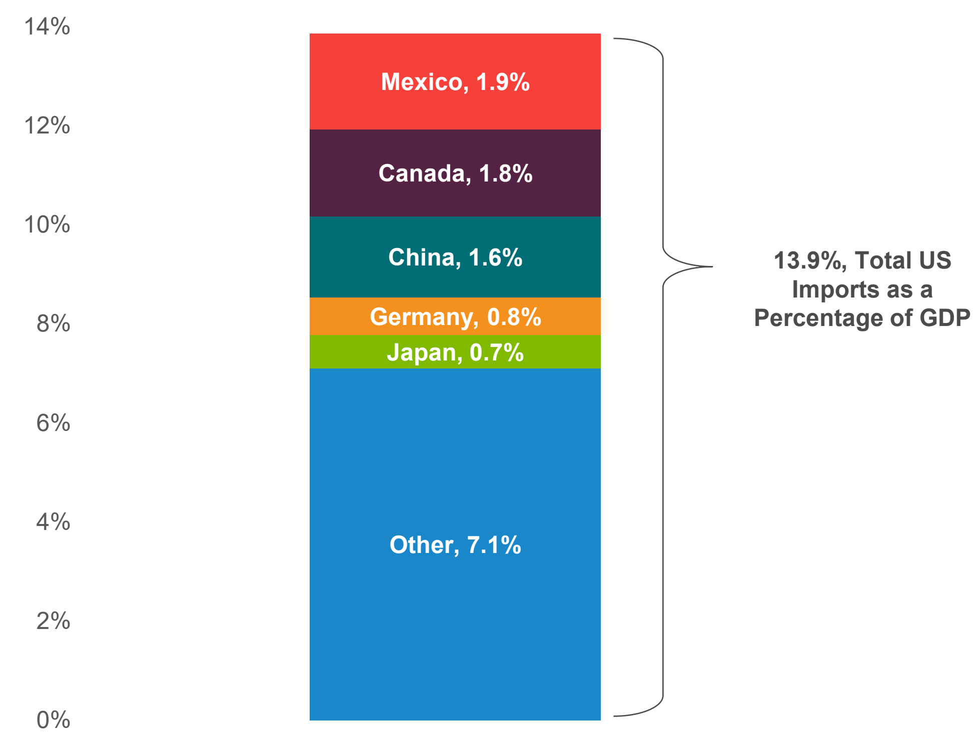
Total imports as a percentage of GDP, CY 2023, representing the most recent data available



Source: World Bank

Mexico, Canada and China represent 40% of U.S. trade, so policy related to these three countries will dictate the economic impact.

Imports as a % of GDP, by country of origin, CY 2023, representing the most recent data available



Source: United States Census Bureau

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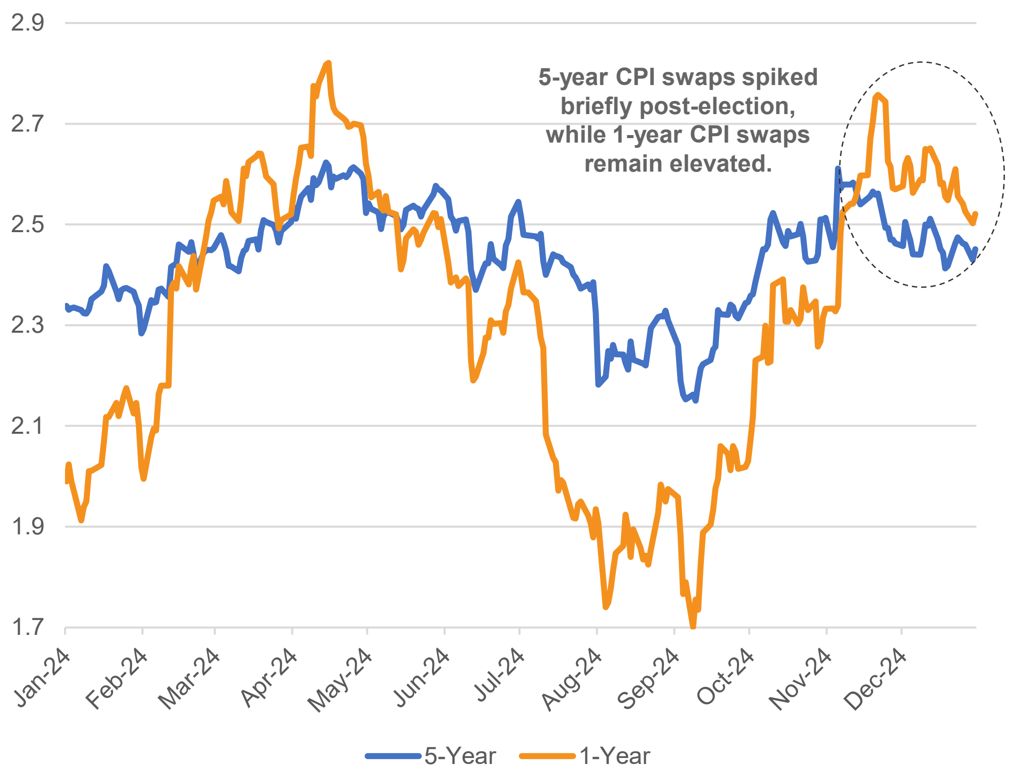
SHIFTING INFLATION EXPECTATIONS

As of December 31, 2024

Inflation data has remained stubbornly above the Federal Reserve’s 2% target in recent months, and some policies of the incoming administration, such as tariffs, could put additional upward pressure on prices. This has caused the market to reconsider the Fed’s course on interest rates, even though inflation expectations have not moved significantly.

While proposed policies may impact near-term inflation, the market does not expect a long-term effect.

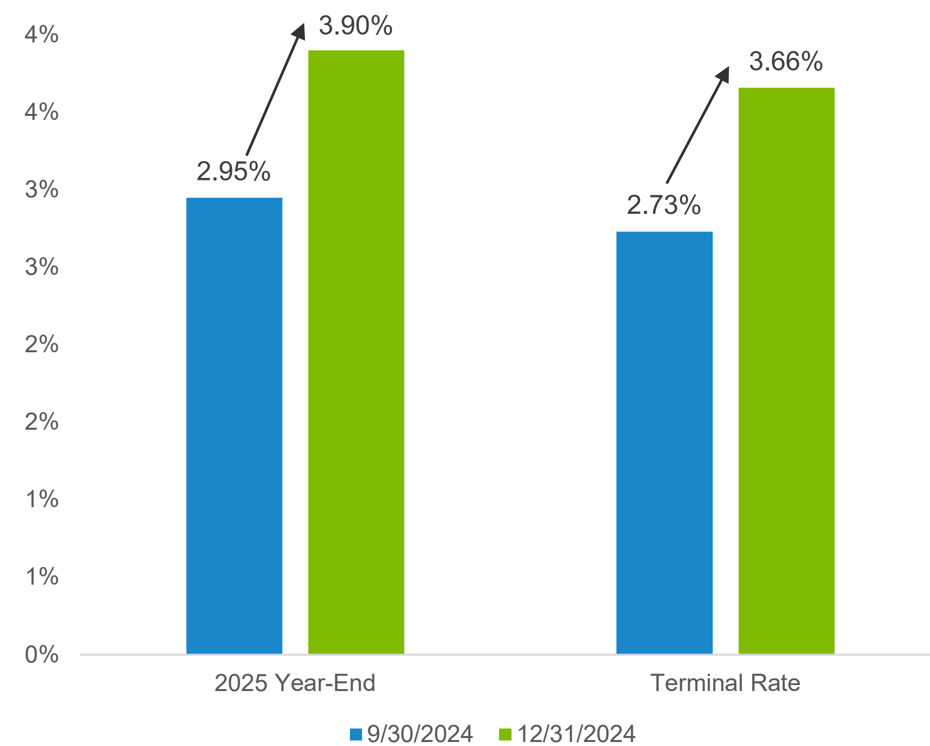
Implied inflation rate expectation from CPI Swaps; 01/01/2024 – 12/31/2024



Source: Bloomberg

Stubborn inflation and stronger economic data have caused the market to expect fewer rate cuts in 2025.

Federal funds rate expectations; 09/30/2024 versus 12/31/2024



Source: Bloomberg

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BONDS CONTINUE TO PRESENT STRONG VALUE FOLLOWING YIELD FLUCTUATIONS

As of December 31, 2024

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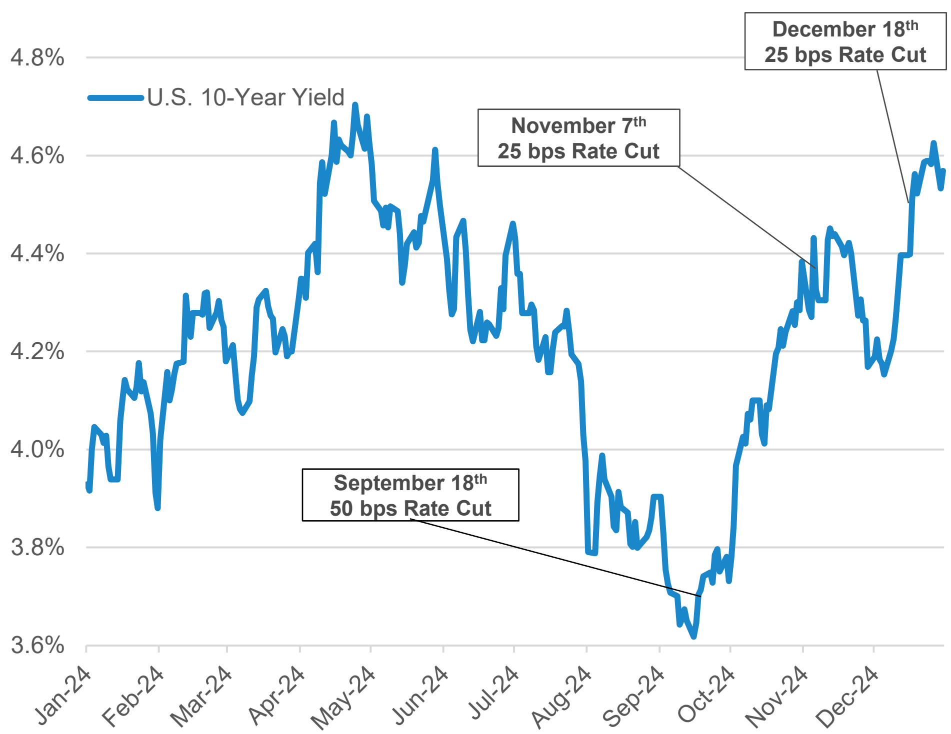
Although the Federal Reserve has been cutting rates, stronger-than-expected economic data, concerns about planned deficit spending, and potential tariffs have led Treasury yields to rise significantly after the Fed's first rate cut, nearing the highest levels of 2024. While the future direction of yields is uncertain, they currently appear to offer good value relative to inflation expectations.

10-Year yields rebounded to levels last seen in May, reversing the rally in bond prices leading up to the Fed's first rate cut.

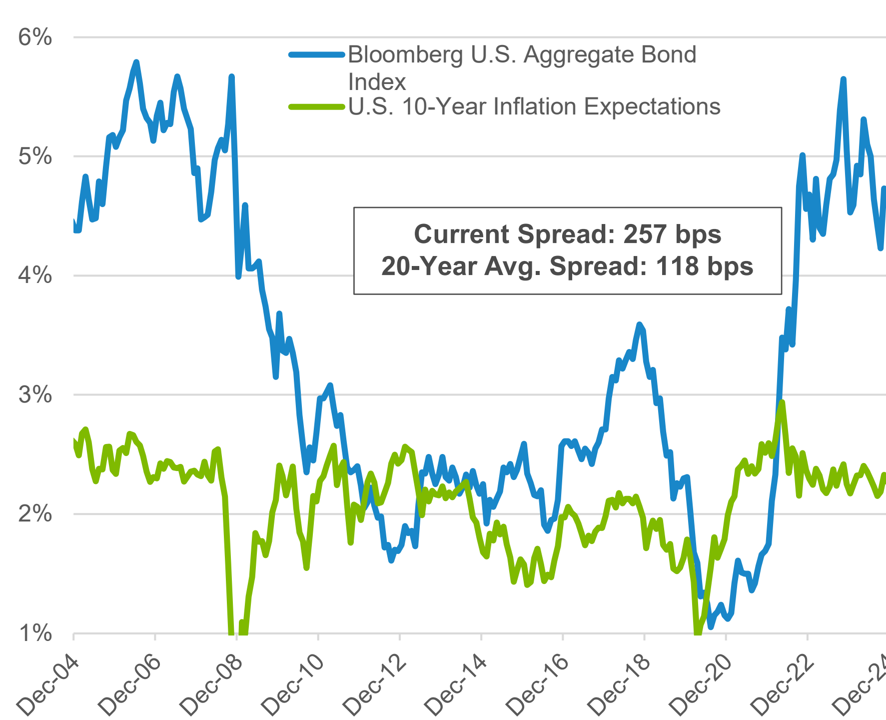
10-Year Treasury Yields 01/02/2024 – 12/31/2024



Source: Bloomberg.

The premium of long-term bond yields relative to 10-year inflation expectations remains attractive relative to history.

Bloomberg U.S. Agg. Index Yield & 10-Yr Breakeven Inflation Rate 12/31/04 – 12/31/24



Source: Bloomberg, Federal Reserve Economic Data.

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ATTRACTIVE SPREADS IN SECURITIZED CREDIT PERSIST DESPITE INCREASED SCRUTINY

As of December 31, 2024

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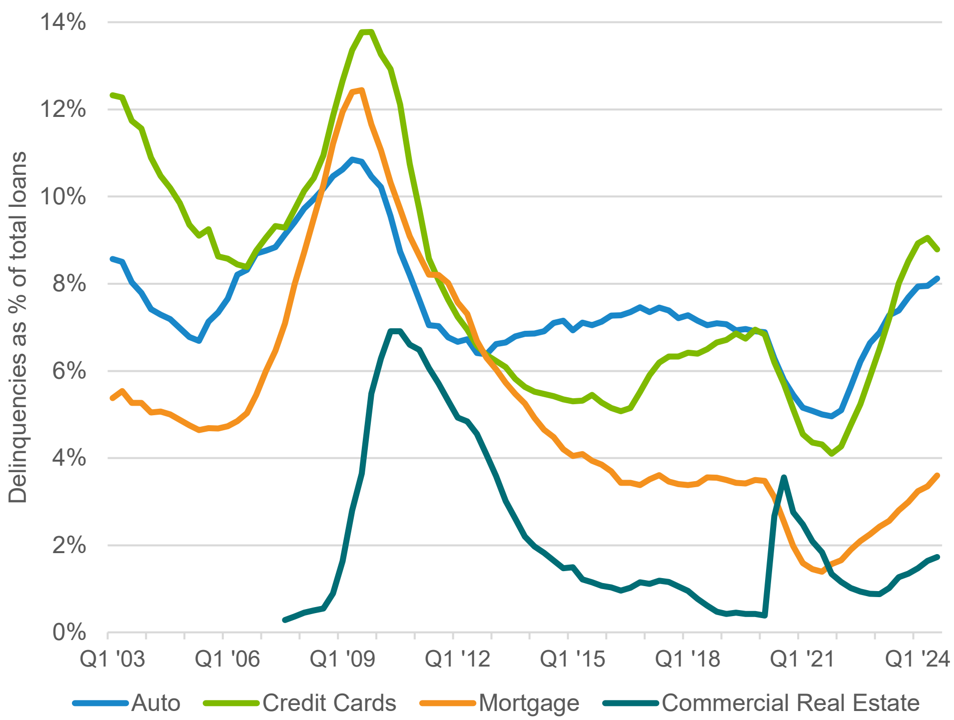
While a rise in delinquency rates has made headlines, the actual increase in delinquencies has varied by sector and started from a very low base. In general, household balance sheets remain healthy, home equity has grown, and securitized spreads are far wider relative to history than those of corporate bonds. These strong fundamentals make Residential Mortgage-Backed Securities (RMBS) and Agency Mortgage-Backed Securities (MBS) particularly compelling.

Although delinquency rates have climbed from historic lows across the consumer and commercial loan markets…

30+ day delinquency rates on loans by sector 03/31/2003 – 9/30/2024, representing the most recent data available



Source: Equifax, New York Fed Consumer Credit Panel, Bloomberg.

…attractive relative spreads in securitized credit compensate managers that diligently underwrite underlying assets.

Current spread relative to historical median spread by sector 03/31/2003 – 12/31/2024

	Current Spread	Median Historical Spread	Spread Differential	Absolute Yield	Duration
IG Corps	82 bps	130 bps	-48 bps	5.35%	6.6
High Yield Corps	292 bps	436 bps	-144 bps	7.30%	3.2
RMBS	139 bps	191 bps	-52 bps	5.77%	3.0
Agency MBS	42 bps	43 bps	-1 bps	5.28%	5.7
ABS	81 bps	86 bps	-5 bps	5.12%	2.1
CMBS	144 bps	128 bps	+16 bps	5.82%	3.7

Source: Bloomberg, Federal Reserve Economic Data.

Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions. RMBS Proxy Index: ICE BofA US Fixed Rate Equity Loan Asset Backed Securities Index. Agency MBS Index: ICE BofA US Mortgage-Backed Securities Index. ABS Index: ICE BofA US Fixed Rate Asset Backed Securities Index. Commercial Mortgage-Backed Securities (CMBS) Index: ICE BofA US Fixed Rate CMBS Index. IG Corps Index: ICE BofA US Corporate Index. High Yield Corps: ICE BofA US High Yield Index. Green shaded denotes strong relative spread differential.

HIGHER STARTING VALUATIONS COULD DAMPEN LONG-TERM RETURNS FOR U.S. LARGE-CAP EQUITIES

As of December 31, 2024

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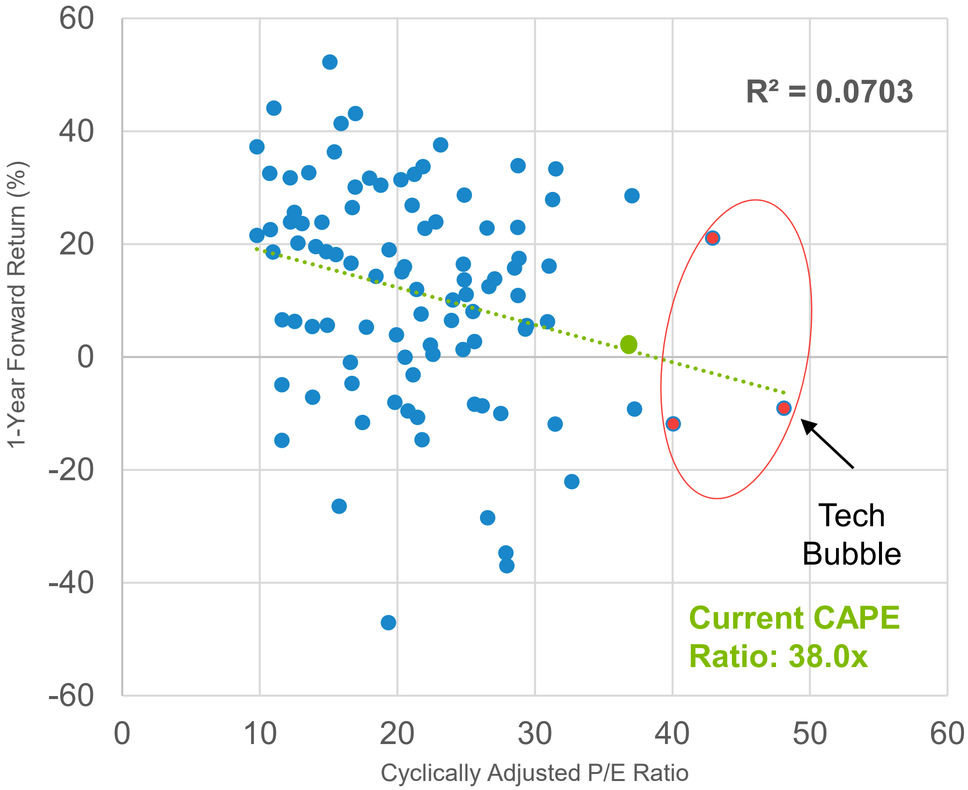
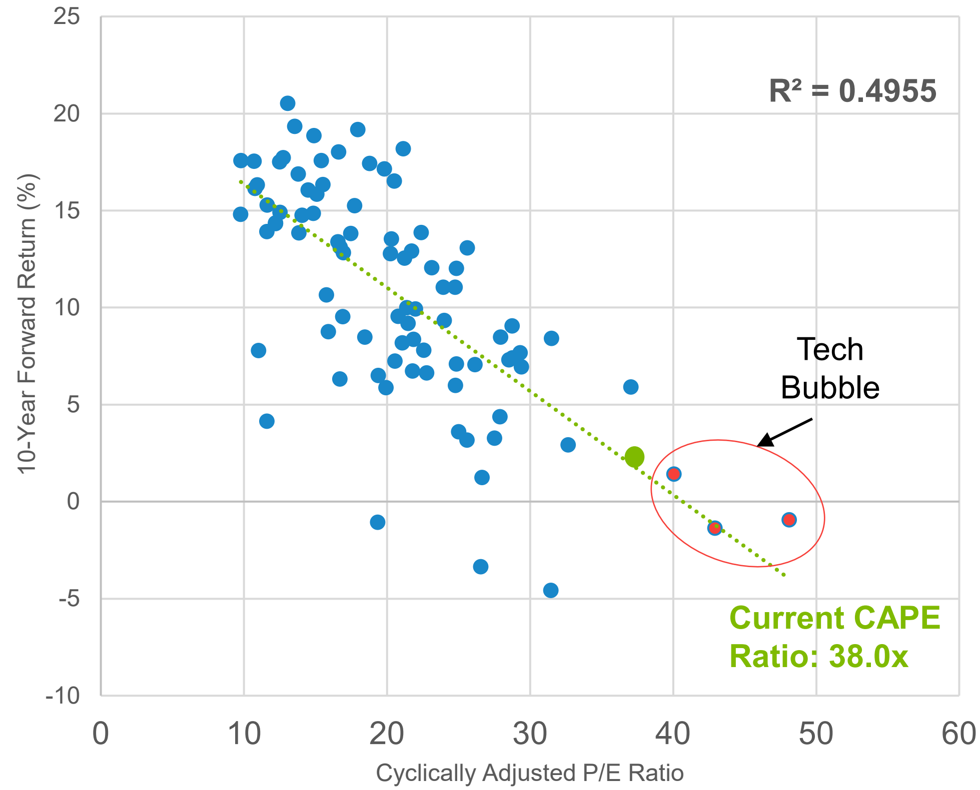
Historically, Lower Valuations (x-axis) Have Correlated with Higher Returns (y-axis)

S&P® 500 Index Cyclically-Adjusted P/E (CAPE) Ratio and 1-Year and 10-Year Annualized Returns, 12/31/1928 – 12/31/2024

Starting Valuation vs. 1-Yr. Fwd. Returns



Starting Valuation vs. 10-Yr. Fwd. Returns



Source: Bloomberg, Brown Advisory Analysis. Data from 12/31/1928–12/31/2024. The chart above is an annual scatter plot where the horizontal axis represents starting annual CAPE ratios from 12/31/1928 to 12/31/2024 and the vertical axis represents forward 10-year annualized returns for the same time period. The orange line represents the statistical analysis performed by Brown Advisory to highlight the degree of correlation between the two measurements. R^2 represents the percent of total variation in total returns that can be explained by the CAPE ratio. Estimated U.S. return using statistical regression and Brown Advisory analysis. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

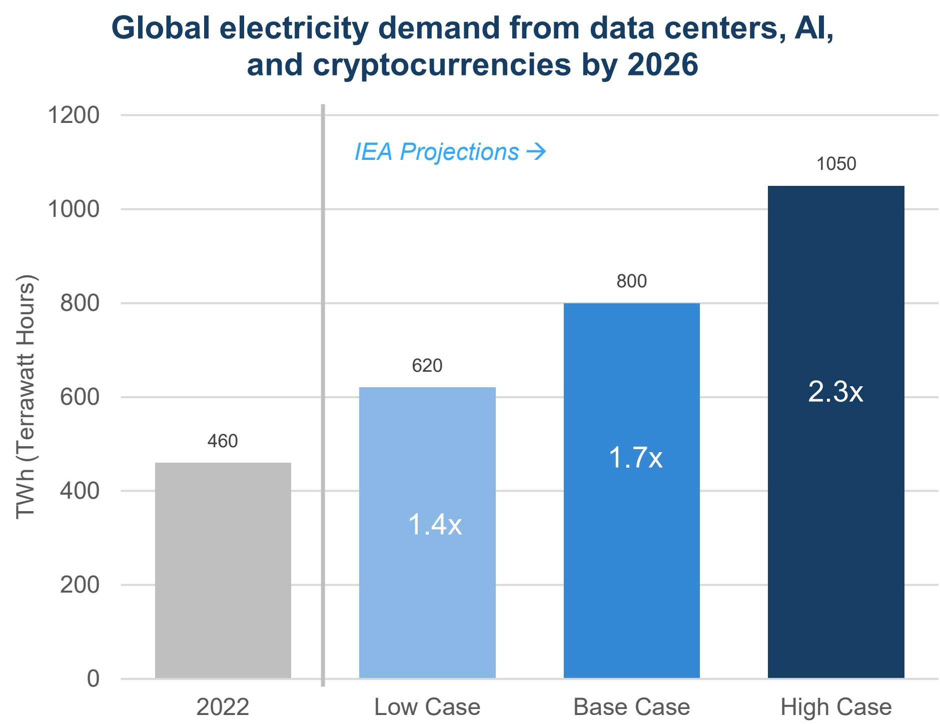
DATA CENTER ELECTRICITY DEMAND ON THE RISE

As of December 31, 2024

While electricity demand from data centers is projected to increase, it remains a small portion of total electricity needs. However, data centers tend to be geographically clustered, and the need for capacity is concentrated. Already, data centers account for over 10% of demand in five U.S. States.[1]

Global electricity demand from data centers, AI, and cryptocurrencies are projected to increase significantly by 2026.

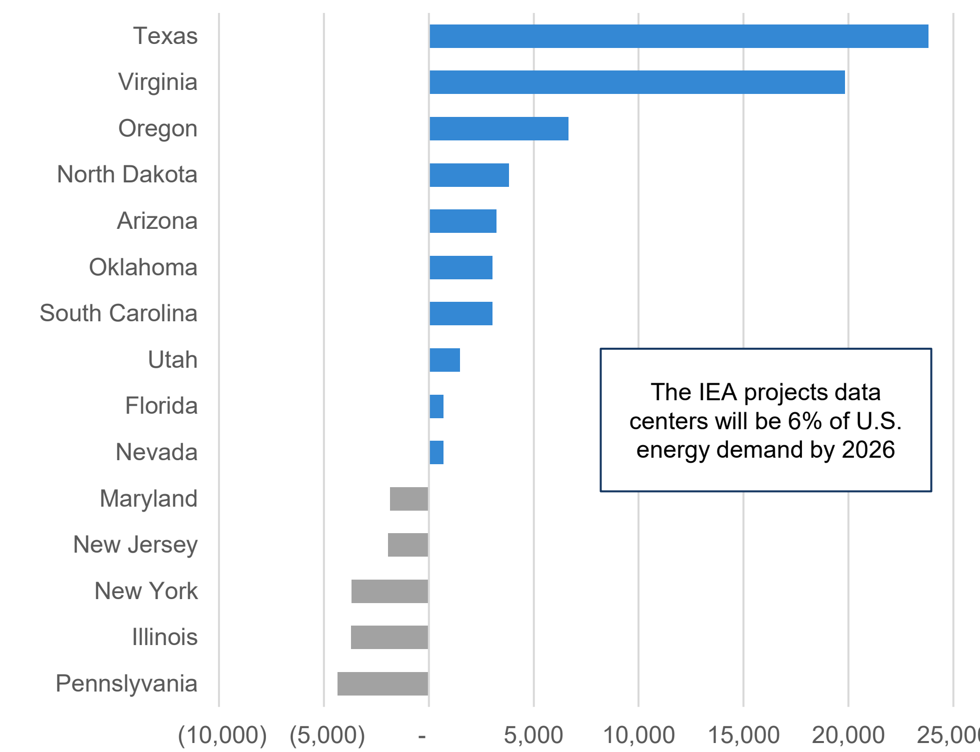
International Energy Agency (IEA) Estimates for 2026



Source: IEA (2024), Electricity 2024, IEA, Paris https://www.iea.org/reports/electricity-2024, Licence: CC BY 4.0; As of 1/31/2024, representing latest available data

Data center energy usage has increased commercial electricity consumption, but capacity constraints exist at the state level.

Change in annual sales of electricity for commercial customers by Gigawatt hours (GWh) for select states; (2019-2023)



Source: U.S. Energy Information Administration (EIA); As of 12/31/2023; representing the most recent data available

1. Source: International Energy Agency (IEA) Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

EUROPE CONTINUES TO FACE CHALLENGES, THOUGH NOT WITHOUT AREAS FOR OPPORTUNITY

As of December 31, 2024

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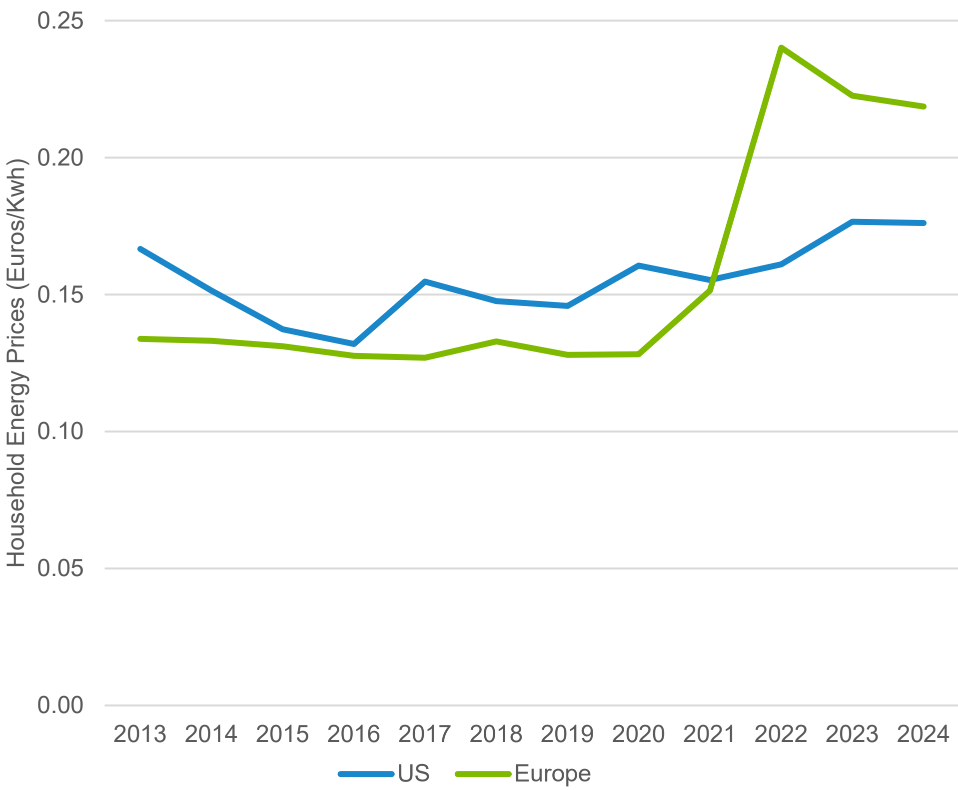
Europe faces challenges compared to the U.S., including weaker demographics, lower productivity and elevated energy prices, which are further reducing its competitiveness. A second Trump administration may add further pressures. However, valuations in Europe are much lower, and we believe there are many world-class global companies domiciled there, creating selective opportunities.

Energy costs in Europe rose dramatically after Russia's invasion of Ukraine hurting consumers and businesses.

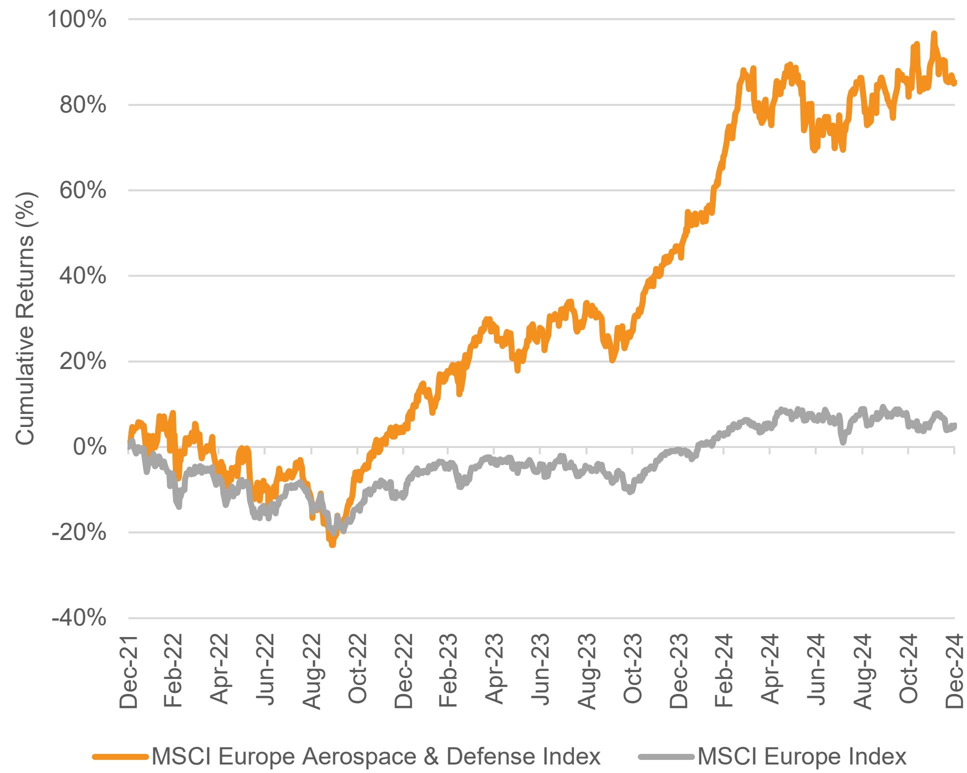
Household energy prices (Euros/Kwh) for the United States and the European Union; 01/01/2013 – 06/30/2024 and is the most recent data available



Source:, Eurostat EPA, Bloomberg

Defense expenditures have been rising in Europe, and European defense stocks have outperformed as a result.

Cumulative trailing 3-year performance of MSCI European Aerospace & Defense Index versus MSCI Europe Index; as of 12/31/2024



Source: Bloomberg

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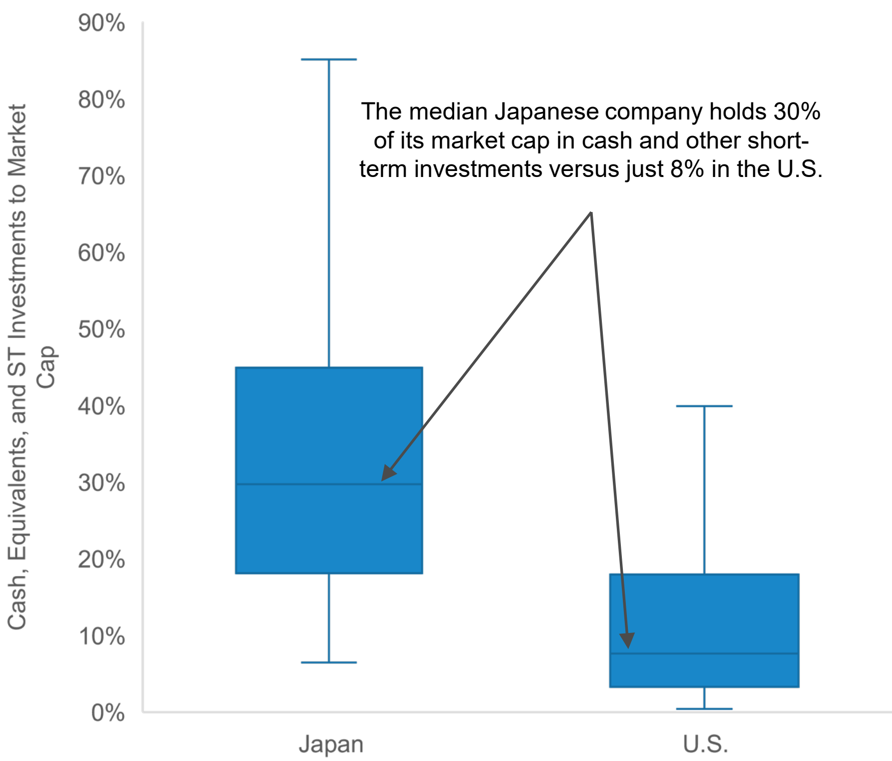
JAPAN: POTENTIALLY LOW HANGING FRUIT

As of December 31, 2024

In 2023, the Tokyo Stock Exchange published guidelines pressuring companies to improve their valuation by considering the cost of capital and profitability based on balance sheets rather than just sales or profit levels. Management teams are responding with plans, highlighting ample opportunity for companies to improve profitability and shareholder return by shifting to a more efficient balance sheet structure like companies in the U.S.

Excessive cash on Japanese balance sheets provides an easy way to improve shareholder return.

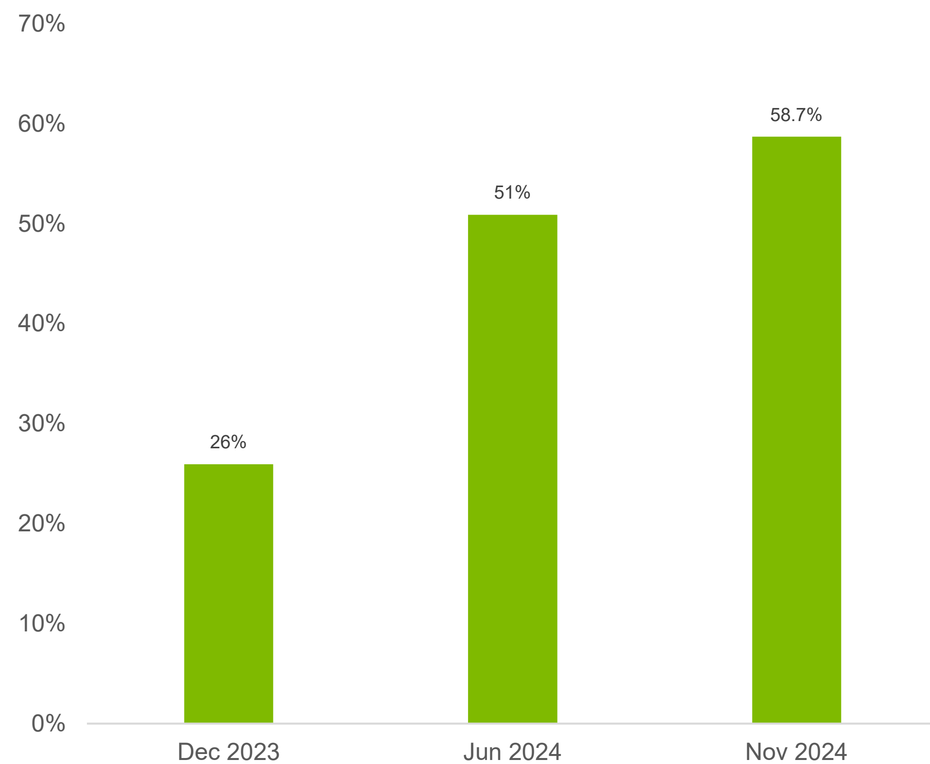
Distribution of Cash and Short-term Investments Relative to Market Cap as of 12/31/24



Source: Bloomberg LP as of 12/31/24, Japan (TOPIX Index), U.S. (Russell 3000 Index). Analysis excludes financial sector. Whiskers of box plot indicate 5th and 95th percentiles of cash and short-term investment allocation relative to market cap on Japanese company balance sheets, excluding financial sector.

Implementing disclosed plans will help to reduce the 48% of the Tokyo Stock Exchange (TSE) still valued below a 1.0x P/B ratio.

% of TSE companies with disclosed plans to address cost of capital and stock price; As of 11/30/2024 and is the most recent data available



Source: Bloomberg LP, Japan Exchange Group. Includes companies listed on the Prime and Standard Tokyo Stock Exchange (TSE) markets.

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PRIVATE MARKETS POISED TO RETURN?

As of December 31, 2024

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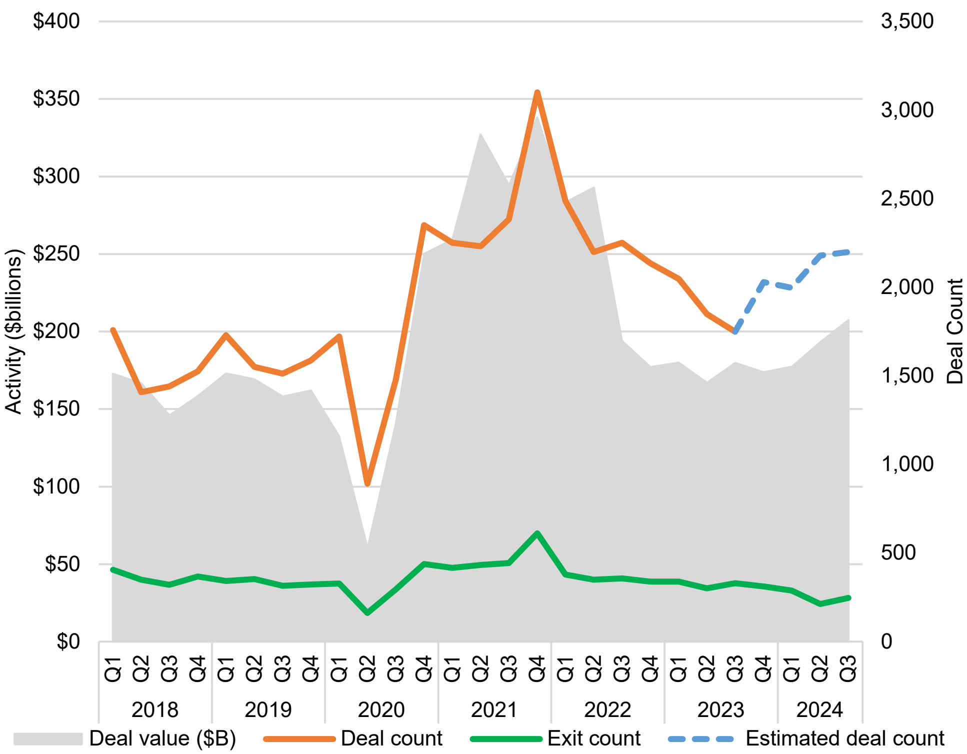
Private market deal activity shows a nascent uptrend, with some early signs of improvement in the buyout, venture and real estate sectors. Exit activity is also ticking up (albeit from low levels). The potential for more rate cuts, along with a need for liquidity and expectations of a pro-business regulatory environment, are likely to boost deal activity in the near future.

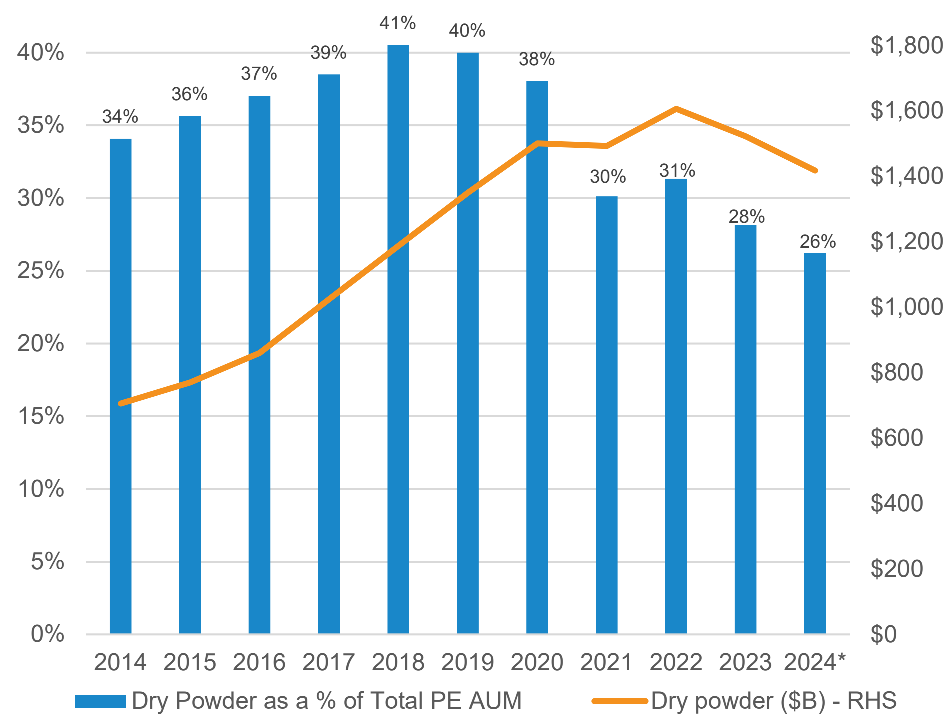
Since mid 2022, we have seen a decline in deal count and value. Estimates show a shift in deal count this year from a rise in smaller 'add on' deals.

Private Equity Deal Value, Deal count, exit count and estimated deal count as of 11/30/2024



Dry powder levels are low relative to the size of the private equity market which should create better conditions for buyers moving forward.

Private Equity dry powder as a percent of total Private Equity AUM; as of 11/30/2024 and is the most recent data available



*2024 YTD through 11/30/2024

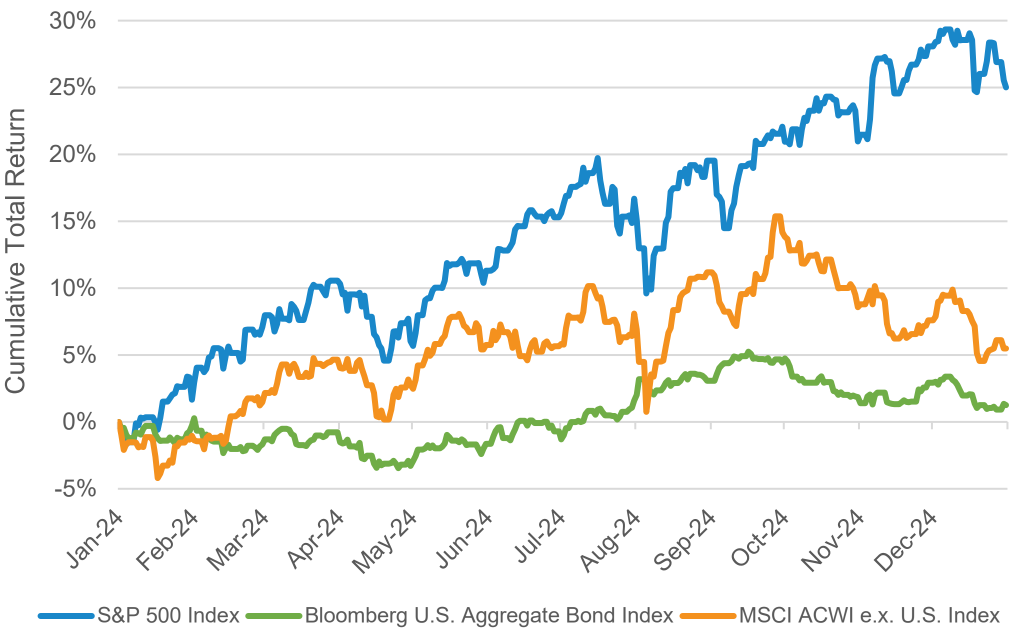
Source: Pitchbook Data as of 11/30/24; representing the most recent data available. Private equity deal count, deal value, and estimated deal value. US Private equity dry powder levels in billions. Total Private equity AUM in billions. Note: All commentary is as of 12/31/2024 unless otherwise noted. Investments in Private Equity may be available for Accredited Investors and Qualified Purchasers only. Please see the end of this presentation for important information and a complete list of terms and definitions.

CORE SLIDES

GLOBAL MARKETS REWIND

As of December 31, 2024

Trailing 1-Year Returns Across Major Indexes



Key Market Dynamics:

- U.S. equity markets were volatile but positive throughout the quarter as investors reacted to the results of the U.S. Presidential Election and the Federal Reserve's interest rate decisions. Despite the December dip in the markets, the S&P 500 Index achieved over a 20% return for the second straight year, a first since the late 1990s.
- International markets declined this quarter as both developed and emerging markets anticipate the impacts of potential tariffs from the incoming U.S. administration and feel the effects of a strengthening dollar.
- Bonds struggled throughout the quarter with the 10-year Treasury yield rising nearly 80 basis points (bps) as stronger-than-anticipated economic data and stubborn inflation caused the market to rethink how far the Fed will cut rates.

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)	-0.9%	0.9%	0.1%	1.0%	1.8%
Investment-Grade Bonds (Bloomberg U.S. Aggregate Bond Index)	-3.1%	1.3%	-2.4%	-0.3%	1.3%
High-Yield Bonds (Bloomberg U.S. Corporate High Yield Index)	0.2%	8.2%	2.9%	4.2%	5.2%
U.S. Large-Cap Equities (S&P 500® Index)	2.4%	25.0%	8.9%	14.5%	13.1%
U.S. Small-Cap Equities (Russell 2000® Index)	0.3%	11.5%	1.2%	7.4%	7.8%
Developed Non-U.S. Equities (MSCI EAFE Net Total Return Index)	-8.1%	3.8%	1.6%	4.7%	5.2%
Emerging Market Equities (MSCI EM Net Total Return Index)	-8.0%	7.5%	-1.9%	1.7%	3.6%
Commodities (Bloomberg Commodity Total Return Index)	-0.4%	5.4%	4.0%	6.8%	1.3%

Source: Bloomberg as of 12/31/2024. *Total returns greater than one year are reported as annualized returns.

Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

VALUATIONS AND EARNINGS ACROSS EQUITIES

As of December 31, 2024

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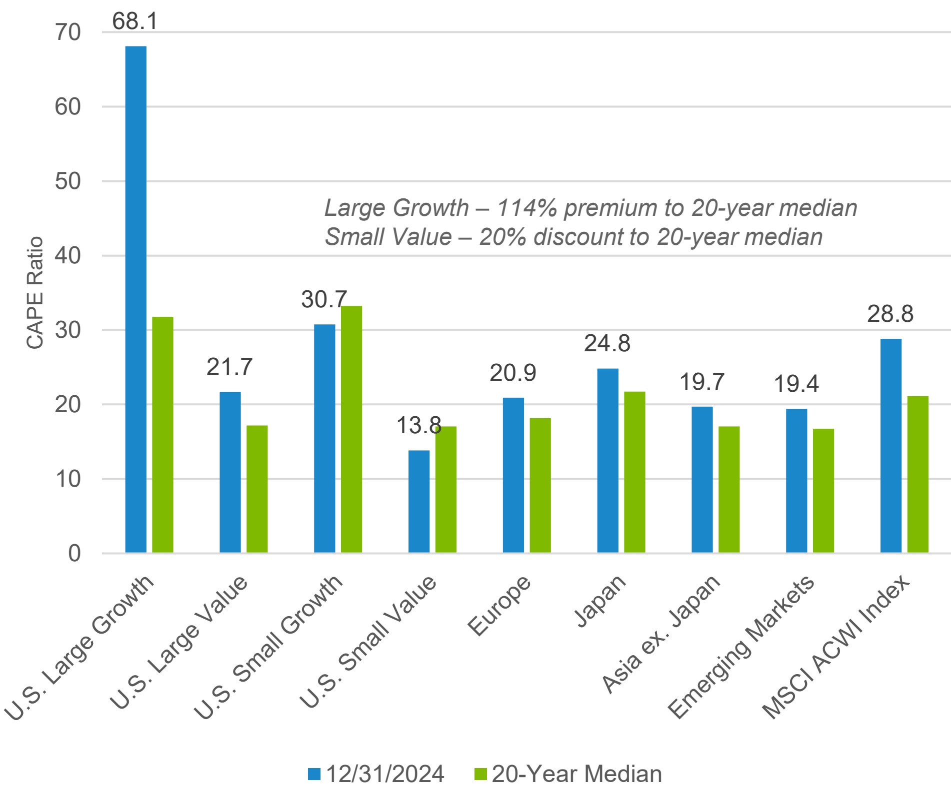
U.S. large-cap growth continues to look expensive relative to history, while small-cap value looks far better relative to history.

CAPE Ratios across Market Segments, 12/31/2004 – 12/31/2024



Top-heavy markets do not invalidate the need for diversification and expectations are very high in large growth.

Equity segment characteristics as of 12/31/2024

Equity Segment	YTD Return	CAPE Ratio	YTD Earnings Revision
U.S. Large Growth	33.4%	68.1	20.6%
U.S. Large Value	14.3%	21.7	11.1%
U.S. Small Growth	15.1%	30.7	54.9%
U.S. Small Value	8.0%	13.8	20.5%
Europe	9.2%	20.9	4.5%
Japan	21.1%	24.8	11.4%
Asia ex. Japan	12.5%	19.7	13.8%
Emerging Markets	8.0%	19.4	14.2%

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. All international equity segments calculated in local currency.

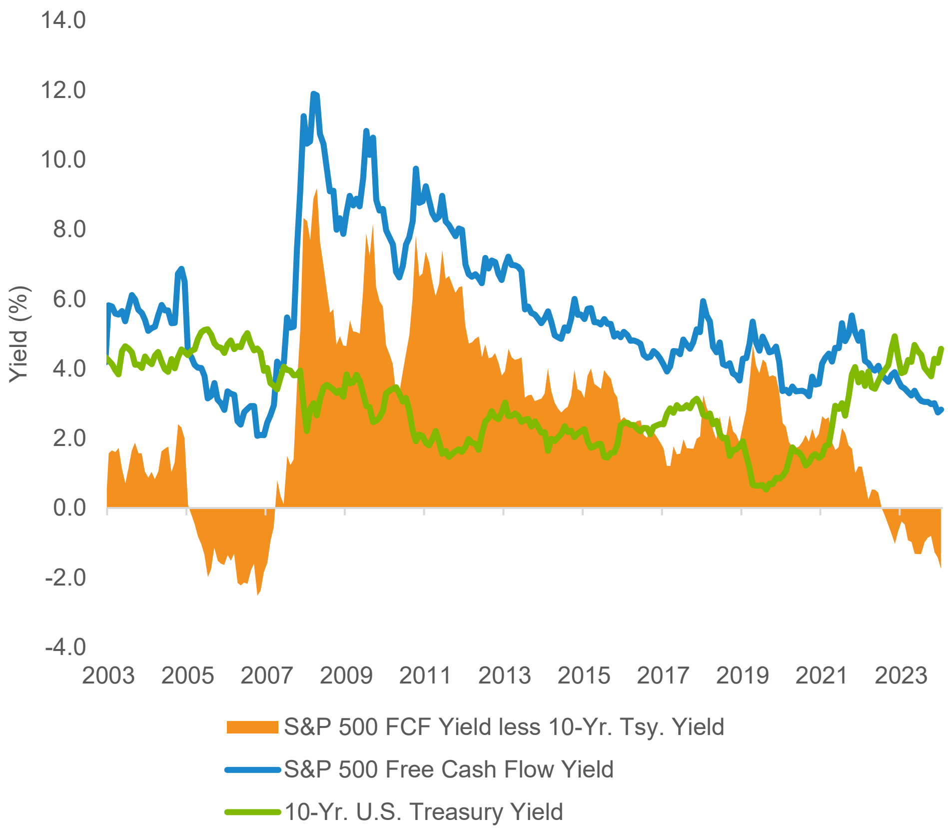
Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

EQUITY RISK PREMIUM APPEARS LOW RELATIVE TO HISTORY

As of December 31, 2024

The equity risk premium continues to compress, with bond yields and equity markets rising.

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



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

The equity risk premium is currently, according to our estimates, at its lowest level since the early 2000's.

Historical and Forward Equity Return Premium, 12/31/1922 – 12/31/2024

Compound Annualized Growth Rates	Large-Cap Equities (A)	Core Fixed Income (B)	Return Differential (A minus B)
Historical Return (1925 – 2024)	9.6%	5.0%	+4.6%
Trailing 10-Year Returns (2014 – 2024)	9.2%	1.3%	+7.9%
Current Return Estimate* (as of 12/31/2024)	***5.6%***	***5.4%***	***+0.2%***

Source: Bloomberg, Brown Advisory Analysis using MSCI ACWI (1988-2024), MSCI World (1970-1987), S&P 500 (1929-1969) and Dow Jones Industrial Average (1925-1928) and Bloomberg U.S. Aggregate Bond Index for Core Fixed Income.

Note: All commentary is as of 12/31/2024 unless otherwise noted. *Forecasted returns are based on Brown Advisory's 10-year forecasted capital market assumptions and the indicated target allocations to each respective asset class. These assumptions are based on the indices for those asset classes. Forecasted returns assume re-investment of dividends and daily re-balancing back to the stated target allocation. Additional information about the performance calculations is available upon request. The investment results stated on this page are for illustrative purposes only. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

PORTFOLIO POSITIONING IN THE CURRENT ENVIRONMENT

Balancing risk-adjusted return opportunities across portfolios

- **Valuation Consciousness:** While there is significant enthusiasm around the strength of the economy, we know this also creates risks. Therefore, as equities rally, we are consistently rebalancing portfolios.
- **Private market discipline*:** Private markets have seen major ups and downs in recent years but success in the long run requires the patient discipline to make consistent investments with strong managers.

Diversification in a concentrated world

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

Bonds provide attractive returns

- **Maintaining target weight in core fixed income:** Despite uncertainty about future interest rates, bonds are providing an attractive yield profile. However, we are keeping duration in check given concerns around inflation and deficits.
- **Alternative Credit*:** Spreads in the corporate bond markets have tightened considerably, but private credit and some areas of securitized credit are still offering yields at or above the type of returns we would expect from equities with lower risk.

Opportunities beyond U.S. large-cap equities

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

Source: Brown Advisory Analysis. *Alternative investments may be available for qualified purchasers and accredited investors only. Sectors are based on the Global Industry Classification Standard (GICS ®) classification system. Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

RATES RISE CREATING SOLID YIELD, THOUGH WE ARE MAINTAINING INTERMEDIATE DURATION

As of December 31, 2024

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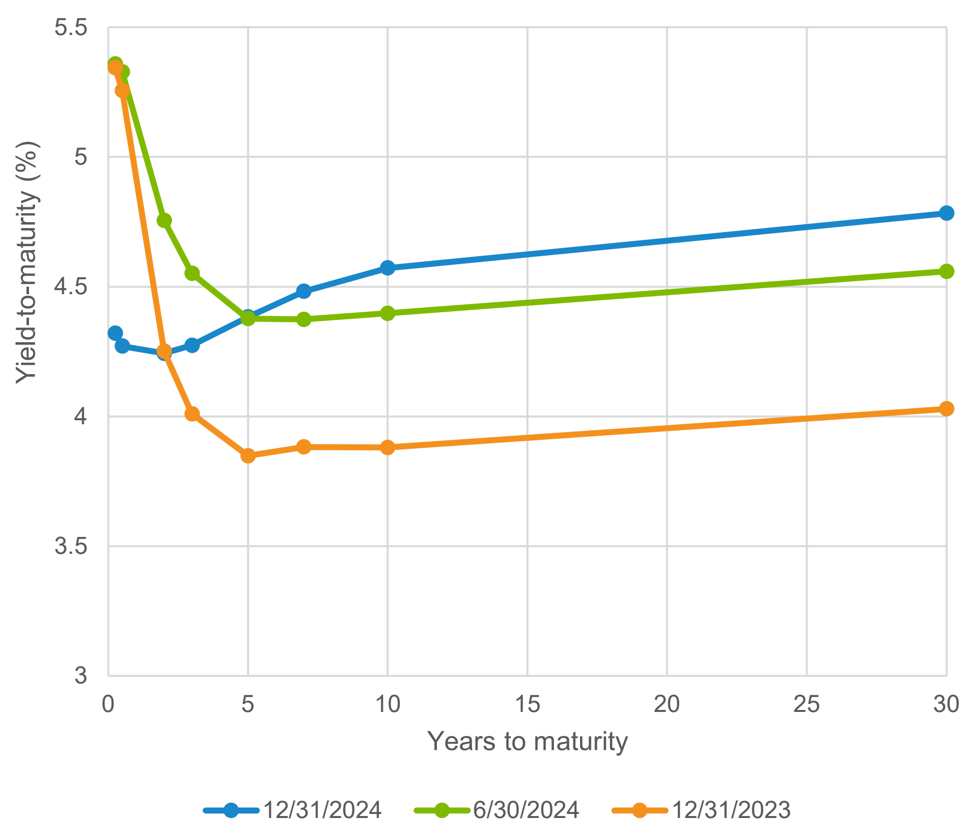
Yields rose into year-end, and we believe current yields represent an attractive risk-adjusted return.

Returns, Yield and Duration across Fixed Income Segments, as of 12/31/2024

Fixed Income Segment	YTD Return	Yield-to-Worst	Duration (Years)
U.S. Aggregate	1.3%	4.9%	6.0
Municipal Bonds*	0.9%	5.7%	4.1
IG Corp. Credit	2.1%	5.3%	6.8
High Yield	8.2%	7.5%	3.1
Agency MBS	1.2%	5.3%	6.1
IG CMBS	5.0%	5.3%	4.1
IG ABS	5.0%	4.7%	2.6
T-Bills	5.3%	4.3%	0.1
Treasuries	0.6%	4.5%	5.7

Stubborn inflation, stronger-than-expected economic data and policy concerns led bond yields higher into year-end.

Treasury Yield Curve (%) as of various dates, as of 12/31/2024



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

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CORPORATE CREDIT SPREADS HAVE FALLEN BUT ABSOLUTE YIELDS PROVIDE REASONABLE VALUE

As of December 31, 2024

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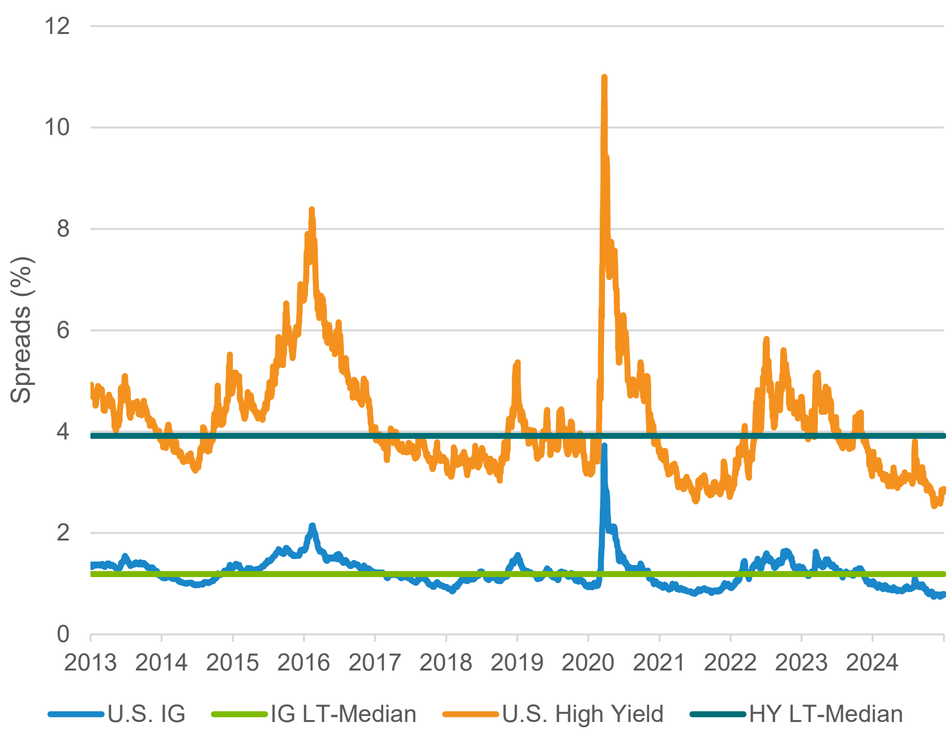
High-yield and investment-grade credit spreads have compressed and are now well below long-term medians…

Bloomberg Corporate Credit Spreads, 01/01/2013 – 12/31/2024



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

…yet relative to equities, the risk-return profile of credit looks reasonable considering strong balance sheets.

Return and Risk Characteristics, U.S. Equities versus High Yield, 12/31/2024

Statistics	U.S. Large-Cap	High-Yield Corp. Credit	Investment-Grade Corp. Credit
Current Spread*	-1.7%	2.9%	0.8%
20-Year Median Spread*	2.5%	4.2%	1.3%
CY 2008 Total Return	-37.0%	-26.2%	-4.9%
Current Return Est. as of 12/31/2024	***5.3%***	***5.7%***	***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 12/31/2024 unless otherwise noted. **Forecasted returns are based on Brown Advisory's 10-year forecasted capital market assumptions and the indicated target allocations to each respective asset class. These assumptions are based on the indices for those asset classes. Forecasted returns assume re-investment of dividends and daily re-balancing back to the stated target allocation. Additional information about the performance calculations is available upon request. The investment results stated on this page are for illustrative purposes only. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

CURRENT POSITIONING BY MAJOR ASSET CLASS

As of December 31, 2024

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The market has modestly broadened, with strong performance across many equity sectors in the second half of 2024. Despite a healthy economic outlook in the U.S., equity valuations are quite elevated and impending policy changes are unclear. Therefore, we are seeking to emphasize balance, diversification, and liquidity to capitalize on potential volatility.

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

Source: Brown Advisory Analysis. *Alternative investments may be available for qualified purchasers and accredited investors only. Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

THE CASE FOR DIVERSIFICATION

As of December 31, 2024

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Calendar Year Index Returns (%)

Data through December 31, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Trailing 10-Year Annualized
Best Performing	U.S. Large 1.4%	U.S. Small 21.3%	Em. Mkts. 37.3%	IG Bonds 0.0%	U.S. Large 31.5%	U.S. Small 19.9%	U.S. Large 28.7%	Commodities 16.1%	U.S. Large 26.3%	U.S. Large 25.0%	U.S. Large 13.1%
	IG Bonds 0.5%	U.S. Large 12.0%	Dev. Intl. 25.0%	U.S. Large -4.4%	U.S. Small 25.5%	U.S. Large 18.4%	Commodities 27.1%	IG Bonds -13.0%	Dev. Intl. 18.2%	U.S. Small 11.5%	U.S. Small 7.8%
	Dev. Intl. -0.8%	Commodities 11.8%	U.S. Large 21.8%	U.S. Small -11.0%	Dev. Intl. 22.0%	Em. Mkts. 18.3%	U.S. Small 14.8%	Dev. Intl. -14.5%	U.S. Small 16.9%	Em. Mkts. 7.5%	Dev. Intl. 5.2%
	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. 9.8%	Commodities 5.4%	Em. Mkts. 3.6%
	Em. Mkts. -14.9%	IG Bonds 2.6%	IG Bonds 3.5%	Dev. Intl. -13.8%	IG Bonds 8.7%	IG Bonds 7.5%	IG Bonds -1.5%	Em. Mkts. -20.1%	IG Bonds 5.5%	Dev. Intl. 3.8%	IG Bonds 1.3%
Worst Performing	Commodities -24.7%	Dev. Intl. 1.0%	Commodities 1.7%	Em. Mkts. -14.6%	Commodities 7.7%	Commodities -3.1%	Em. Mkts. -2.5%	U.S. Small -20.5%	Commodities -7.9%	IG Bonds 1.3%	Commodities 1.3%

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

DYNAMIC PORTFOLIO MANAGEMENT

As of December 31, 2024

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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

- 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

- When valuations are elevated and investors seem enthusiastic, discretion becomes the better part of valor. However, we are investigating many potential opportunities to be prepared when market volatility strikes.

Note: All commentary is as of 12/31/2024 unless otherwise noted. Please see the end of this presentation for important disclosures.

BROWN ADVISORY | INSIGHTS

Our latest thinking on capital markets, investment strategy & long-term planning.

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PODCAST SERIES

NOW Podcast | Powering the Future of AI

The race for AI supremacy is dramatically increasing electricity consumption, as hyperscalers, such as Microsoft, Google and Amazon, invest heavily in expanding data center capacity—straining an already outdated U.S. energy grid. In this episode, recorded live at our NOW conference in Austin, Brown Advisory's Katherine Kroll sat down with three experts—Dr. Brian Spears, Dr. Michael Webber and Alex Hernandez—to explore critical questions, including: Is the data center expansion exaggerated? How will it impact the energy transition? What role will nuclear energy play? What are the national security implications?

NOW Podcast | National Security and the Frontier of Tech Innovation

With artificial intelligence, quantum computing and autonomy, we are at a technology inflection point--one that will transform so many aspects of our lives, including the way we go to war. In a world fraught with geopolitical risks, the U.S. military is in a race to adapt and adopt new technologies. In this conversation, recorded live at our NOW conference in Austin, Brown Advisory's Brett Gibson sat down with The Honorable Christine Fox and Dr. Casey Perley--ideal guides to explore defense tech innovation and the path to a safer world.

NOW Podcast | A New World Order: The Shifting Geopolitical Landscape

In the wake of the U.S. election, Emily Harding, Robin Niblett and James Harding kicked off the NOW conference in Austin by examining the geopolitical risks, alliances and power dynamics that could drive the global order.

CIO Perspectives | Election Reflections: Economic, Market and Policy Implications

In this episode, Sid Ahl and Erika Pagel discuss the impact of the recent U.S. elections on markets and policy. Joined by colleagues Eric Gordon and Alice Paik, they delve into the implications of a "red sweep" with Trump winning the presidency and Republicans gaining control of both the House and Senate. This political shift is expected to lead to pro-growth, pro-business policies, including potential corporate tax cuts and deregulation, which have already sparked significant market reactions.

CIO Perspectives | Japan's Reforms, China's Struggles and the Case for Asian Stocks with Ward Ferry's Vineet Mitera

In this episode, Sid Ahl and Erika Pagel have a chat with Vineet Mitera, the CIO/Manager at Ward Ferry Management, an independent investment firm based in Hong Kong. The discussion highlights the investment landscape across various Asian markets, emphasizing the importance of healthy balance sheets, regional economic conditions, and sector-specific opportunities. Key themes include the resilience of Indian companies, the cautious yet opportunistic approach in China, the promising reforms and undervalued sectors in Japan and the growth potential in ASEAN markets.

PUBLICATIONS

Equity Beat | A Year of Surprises: 2024's Triumphs and Tribulations by Eric Gordon

Planning & Strategic Advice | 2024 Year End Planning Letter by the Strategic Advisory Team

Equity Beat | Playbook For Trump Trade 2.0 by Eric Gordon

Equity Beat | The New Power Couple by Eric Gordon

Additional Podcasts & Publications can be found in the Insight section on brownadvisory.com

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

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

The **MSCI ACWI Index** captures large and mid-cap representation across Developed Markets (DM) and Emerging Markets (EM) countries. The Index covers approximately 85% of the global investable equity opportunity set. The MSCI ACWI captures large and mid-cap representation across Developed Markets (DM) and Emerging Markets (EM) countries. The index covers approximately 85% of the global investable equity opportunity set. The **MSCI ACWI ex U.S. Index** captures large and mid-cap representation across Developed Markets (DM) countries, excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI EAFE Net Total Return Index** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. Excluding the U.S. and Canada, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Emerging Markets Index** captures large and mid-cap representation across Emerging Markets (EM) countries. The Index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Emerging Markets ex Asia Index** captures large and mid cap representation across 15 Emerging Markets (EM) countries. With 248 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country excluding Asia. The **MSCI Europe Index** is a stock market index that measures the performance of large and mid-cap companies across developed countries in Europe. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. The **MSCI AC Asia ex Japan Index** captures large and mid-cap representation across two of three Developed Markets (DM) countries* (excluding Japan) and eight Emerging Markets (EM) countries* in Asia. *DM countries include: Hong Kong and Singapore. EM countries include: China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand. MSCI and other MSCI brands are trademarks, service marks or registered trademarks of MSCI Group. The **MSCI Europe Aerospace and Defense Index** is composed of large and mid cap stocks across 15 Developed Markets (DM) countries in Europe*. All securities in the index are classified in the Aerospace and Defense industry group (within the Industrials sector) according to the Global Industry Classification Standard (GICS®). The **MSCI China Index** captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 581 constituents, the index covers about 85% of this China equity universe. Currently, the index includes Large Cap A and Mid Cap A shares represented at 20% of their free float adjusted market capitalization. MSCI Indexes and products are trademarks and service marks of MSCI or its subsidiaries.

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® Industrials Sector GICS Level 1 Index** includes companies from the S&P 500 that are classified under the **Global Industry Classification Standard (GICS®) Industrials sector**. This sector encompasses industries such as aerospace and defense, construction and engineering, electrical equipment, and machinery. The **S&P SmallCap 600®** seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. The **S&P Global Clean Energy Index** is designed to measure the performance of companies involved in clean energy-related businesses from both developed and emerging markets. The index aims to include a target of 100 constituents. It covers a broad range of clean energy sectors, including renewable energy production, clean technology, and energy efficiency. These trademarks have been licensed to S&P Dow Jones Indices LLC. S&P, Dow Jones Indices LLC, Dow Jones, S&P and their respective affiliates (collectively "S&P Dow Jones Indices") do not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged, market-value weighted index composed of taxable U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate, asset-backed, and mortgage-backed securities between one and 10 years. The **Bloomberg US ABS Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index only includes ABS securities. The **Bloomberg Municipal Bond 1-10 Year Blend Index** is a market value-weighted index which covers the short and intermediate components of the Bloomberg Municipal Bond Index—an unmanaged, market value-weighted index which covers the U.S. investment-grade tax-exempt bond market. The 1-10 Year Municipal Blend index tracks tax-exempt municipal General Obligation, Revenue, Insured, and Prerefunded bonds with a minimum $5 million par amount outstanding, issued as part of a transaction of at least $50 million, and with a remaining maturity from one up to (but not including) 12 years. The index includes reinvestment of income. The **Bloomberg US Mortgage Backed Securities (MBS) Index** tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage. (Future Ticker: 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 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 Bitcoin Index** is designed to measure the performance of a single bitcoin traded in USD. The index is owned and administered by Bloomberg Index Services Limited ("BISL" or "Administrator"). The **Bloomberg Magnificent 7 Index** is an equal-dollar weighted equity benchmark consisting of a fixed basket of 7 companies classified in the United States and representing the Communications, Consumer Discretionary and Technology sectors as defined by the Bloomberg Industry Classification System (BICS). The indices are calculated in Price, Total and Net Return variants. The **Bloomberg US Large Cap ex Magnificent 7 Index** is a float market-cap weighted benchmark designed to measure the most highly capitalized US companies, while excluding securities whose parent company is an index member of the Bloomberg Magnificent 7 Index. The indices are calculated in Price, Total and Net Return variants. **The Bloomberg Commodity Total Return (BCOMTR) Index** is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. The BCOM is composed of commodities exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).

The **Bloomberg US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers. The **Bloomberg US Treasury Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with 7-9.9999 years to maturity. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. (Future Ticker: I00058US).The **Bloomberg U.S. Municipal Bond Index** covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds. (Future Ticker: I00730US) “Bloomberg®”, and the Bloomberg Indices used are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the index (collectively, “Bloomberg”) and have been licensed for use for certain purposes by Brown Advisory. Bloomberg is not affiliated with Brown Advisory, and Bloomberg does not approve, endorse, review, or recommend Brown Advisory strategies. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to Brown Advisory strategies.

ICE BofA US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. In order to qualify for inclusion, securities must be auctioned on or before the third business day before the last business day of the month and settle before the following calendar month end. Inception date: December 31, 1977. **ICE BofA US Corporate Index** tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one-year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million. Original issue zero coupon bonds, 144a securities (with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities (“cocos”) are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Equity-linked securities, securities in legal default, hybrid securitized corporates, Eurodollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and $1000 par preferred, and DRD-eligible securities are excluded from the index. Inception date: December 31, 1972. **ICE BofA US Fixed Rate CMBS Index** tracks the performance of US dollar denominated investment grade fixed rate commercial mortgage-backed securities publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch), a fixed coupon schedule, at least one-year remaining term to final maturity and at least one month to the last expected cash flow. In addition, qualifying securities must have an original deal size for the collateral group of at least $250 million, a current outstanding deal size for the collateral group that is greater than or equal to 10% of the original deal size and at least $50 million current amount outstanding for senior tranches and $10 million current amount outstanding for mezzanine and subordinated tranches. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Floating rate, inverse floating rate, interest only and principal only tranches of qualifying deals are excluded from the Index as are all tranches of re-securitized and agency deals. U.S. agency and 144a securities qualify for inclusion in the Index. The **ICE BofA US High Yield Index** tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly. **ICE BofA US Fixed Rate Asset Backed Securities Index** tracks the performance of US dollar denominated investment grade fixed rate asset backed securities publicly issued in the US domestic market. The **ICE BofA US Fixed Rate Equity Loan Asset Backed Securities Index** is a benchmark that tracks the performance of US dollar-denominated fixed-rate asset-backed securities (ABS) backed by equity loans. These securities are typically backed by various types of consumer and commercial loans, providing a way for investors to gauge the performance of this segment of the ABS market. The **ICE BofA US Mortgage-Backed Securities (MBS) Index** tracks the performance of US dollar-denominated, fixed-rate residential mortgage-backed securities issued by US agencies such as Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). This index is widely used by investors to gauge the performance of the MBS market and to benchmark their investments in mortgage-backed securities. ICE® IS A REGISTERED TRADEMARK OF ICE DATA OR ITS AFFILIATES, AND BOFA® IS A REGISTERED TRADEMARK OF BANK OFAMERICA CORPORATION.

An **Agency Mortgage-Backed Securities (MBS) Index** tracks the performance of mortgage-backed securities that are issued or guaranteed by U.S. government-sponsored entities (GSEs) such as Fannie Mae, Freddie Mac, and Ginnie Mae.

An **Asset-Backed Securities (ABS) Index** tracks the performance of asset-backed securities, which are bonds or notes backed by financial assets other than mortgages.

Residential Mortgage-Backed Securities (RMBS) Proxy Index is an RMBS Proxy Index is typically used to track the performance of residential mortgage-backed securities. These indices are often created by financial institutions and index providers to provide a benchmark for evaluating the performance of RMBS investments.

The **Tokyo Price Index**, known as TOPIX, is a Japanese stock market index calculated and published by the Tokyo Stock Exchange (TSE). TOPIX tracks domestic companies in the exchange’s first section, which represents Japan's largest firms by market capitalization. **The TOPIX Small Cap Index** is a capitalization-weighted index designed to measure the performance of the stocks listed on the First Section of the Tokyo Stock Exchange, excluding the TOPIX 500 stocks and non-eligible stocks. According to the Tokyo Stock Exchange, the Prime Market is for companies with a market cap large enough for investment by institutional investors, with higher governance standards; the Standard Market is for companies with a basic market cap, with basic governance standards appropriate for listed companies.

The **Alerian Midstream Energy Index** (AMNA) is a broad-based composite index that tracks North American energy infrastructure companies. These companies primarily earn their cash flow from midstream activities involving energy commodities, such as transportation, storage, and processing. The index is float-adjusted and capitalization-weighted, and it is disseminated in real-time on a price-return, total-return, net total-return, and adjusted net total-return basis.

The **Dollar Index Spot** (DXY) measures the value of the US dollar relative to a basket of six major world currencies: the euro (EUR), Japanese yen (JPY), British pound (GBP), Canadian dollar (CAD), Swedish krona (SEK) and Swiss franc (CHF). It is a widely recognized benchmark for the international value of the US dollar.

The **KBW Regional Banking Index** (KRX) tracks the performance of US regional banks and thrifts. It is a capitalization-weighted index that includes banks and thrifts that are publicly traded in the US.

A **Commercial Mortgage-Backed Securities (CMBS) Index** tracks the performance of securities that are backed by commercial real estate loans. These indices typically include a variety of commercial property types such as retail, office, multifamily, and industrial properties.

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:

Cape Ratio: Cyclically Adjusted Price–to-Earnings Ratio or P/E Ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings.

Duration: 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.

Enterprise Value/EBITDA: A valuation metric used to compare the value of a company, including debt and excluding cash, to the company's earnings before interest, taxes, depreciation, and amortization (EBITDA).

Enterprise Value/Sales: A valuation measure that compares the enterprise value (EV) of a company to its annual sales. It is used to determine how much investors are willing to pay per dollar of sales.

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

Forward PE Ratio: A valuation measure that compares the current share price of a company to its projected earnings per share (EPS) over the next 12 months.

Free cash flow yield: 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.

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

Price to Cash Flow: A valuation ratio that compares a company's market value to its operating cash flow. It is used to assess the value of a company's stock relative to its cash flow.

Total return: 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: 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.