

Maryland Bond Fund

Investor: **BIAMX**

Fourth Quarter 2023

U.S. MUNI SINGLE-STATE INTERMEDIATE

WHY INVEST IN BROWN ADVISORY MARYLAND BOND FUND?

The Fund seeks to invest primarily in high quality Maryland municipal bonds, which can offer Maryland taxpayers the opportunity for triple-tax-free income. The Fund focuses on securities that have provided a high level of income exempt from federal and Maryland state and local income taxes. We seek to maximize potential total return by actively managing the portfolio to changing market conditions and interest-rate environments based on an understanding of an array of market probabilities.

Our investment process seeks to add alpha and control risk. We have a time-tested process that incorporates bottom-up, fundamental research, which drives security selection and emphasizes risk mitigation. We look for opportunities for price appreciation potential, not just current yield, and focus attention to actively managing average maturity to fall between five to 10 years.

We believe the Fund benefits from the philosophy, process and people at Brown Advisory. We follow a philosophy that fixed income strategies built from a foundation of stability coupled with fundamental research can seek to generate alpha and control risk. Portfolios are concentrated based on security selection, but diversified across sectors. We have a culture and firm equity ownership structure that attract and retain professionals who share those beliefs, and we follow a repeatable investment process that helps us stay true to our philosophy.

Portfolio Managers: Stephen M. Shutz, CFA & Joshua Perry, CFA, CAIA, FRM

Benchmark Index: Bloomberg 1-10 Year Blend Municipal Bond Index

OBJECTIVE & STRATEGY

The Brown Advisory Maryland Bond Fund seeks to provide a high level of current income exempt from both Federal and Maryland state income taxes. The managers seeks to maintain diversification and liquidity, while seeking to enhance income and reduce capital gains. Our strategy for the Fund is to maintain an average maturity between five and 10 years. Should other non-Maryland securities offer a higher tax-adjusted return, we have the ability to purchase up to 20% of the portfolio in these entities.

FUND PROFILE & CHARACTERISTICS

As of 12/31/2023	BIAMX
Effective Duration (years)	4.8
Average life (yrs)	7.0
Yield to Worst (%)	3.6
# of Holdings	77.0
30-Day SEC Yield Unsubsidized (%)	3.15
Dividend Frequency	Monthly
Gross Expense Ratio	0.49%
Minimum Investment	\$5,000

Source: FactSet®. Characteristics include cash and equivalents.

SECTOR DIVERSIFICATION (%)

As of 12/31/2023	BIAMX	INDEX
Cash & Equivalents	0.5	--
Revenue	85.5	63.5
General Obligation	14.1	31.4
Pre-Refunded	--	5.2

Source: FactSet® and Advent Portfolio Exchange®. Sector diversification includes cash and equivalents. 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. Figures may not total 100% due to rounding.

AVERAGE ANNUAL TOTAL RETURNS % (As of 12/31/2023)

	3 MOS.	1 YR	3 YR	5 YR.	10 YR.	SINCE INCEPTION
Brown Advisory Maryland Bond Fund						
Investor Class – BIAMX Inception: 12/21/2000	6.13	5.74	-0.23	1.63	1.91	2.78
Bloomberg 1-10 Year Blend Municipal Bond Index	5.46	4.61	0.03	1.96	2.19	3.41
Excess Return vs. Index	0.67	1.14	-0.26	-0.33	-0.28	-0.64

Gross Expense Ratios: 0.49% (Investor) Net Expense Ratios: 0.49% (Investor)

Past performance does not guarantee future results.

Source: U.S. Bank. Performance data quoted represents past performance and is no guarantee of future results. Performance for periods greater than one year is annualized. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Shares redeemed or exchanged within 14 days of purchase will be charged a 1.00% fee. Performance data quoted does not reflect the redemption or exchange fee. If reflected, total returns would be reduced. For the most recent month end performance, please call 1-800-540-6807.

CREDIT QUALITY COMPOSITION (%)

As of 12/31/2023	BIAMX	INDEX
AAA/Aaa	14.8	18.2
AA/Aa	34.5	54.9
A	30.6	22.4
BBB	13.3	3.5
High Yield	--	--
Not Rated	6.8	1.0

Source: FactSet® Credit quality is calculated using ratings assigned by Moody's. If Moody's does not rate a holding then Standard & Poor's is used. If Moody's and Standard & Poor's do not rate a holding then Fitch is used. A bond is considered investment grade if its credit rating is BBB- or higher according to Standard & Poor's; more specifically, a rating of "AAA" represents the highest credit quality with minimal risk of default and a rating of "BB" or below represents speculative financial security. High Yield, if noted, includes holdings that are rated BB+ or lower according to Moody's. Not Rated category, if noted, includes holdings that are not rated by any rating agencies. All ratings are as of 12/31/2023.

DURATION DISTRIBUTION (%)

As of 12/31/2023	BIAMX	INDEX
Less than 1 Year	17.0	6.5
1 to 3 Years	24.5	35.6
3 to 5 Years	17.0	30.2
5 to 7 Years	14.8	19.0
7 to 10 Years	13.2	8.5
Greater than 10 years	13.6	0.2

Source: FactSet® Quality and duration distribution allocations as well as fund holdings (including cash and equivalents) are subject to change at any time and should not be considered recommendations 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. Figures may not total 100% due to rounding.

TOP 10 HOLDINGS (As of 12/31/2023)

	SECURITY	% PORTFOLIO		SECURITY	% PORTFOLIO
1	County of Frederick MD, 1.88% Due 10/01/2038	3.9	6	Miami-Dade County Expressway Authority, 6.51% Due 07/01/2032	3.0
2	County of Howard MD, 1.75% Due 08/15/2036	3.7	7	County of Baltimore MD, 3.00% Due 02/01/2035	2.9
3	Main Street Natural Gas Inc, 5.32% Due 12/01/2053	3.3	8	Maryland State Transportation Authority, 5.00% Due 07/01/2028	2.8
4	Maryland Stadium Authority, 5.00% Due 05/01/2038	3.2	9	Maryland Health & Higher Educational Facilities Authority, 5.00% Due 05/15/2042	2.6
5	Maryland Health & Higher Educational Facilities Authority, 5.00% Due 05/15/2037	3.0	10	Maryland State Transportation Authority Passenger Facility Charge Revenue, 4.00% Due 06/01/2035	2.6

Source: U.S. Bank. Portfolio holdings include cash and equivalents. Fund holdings are subject to change and should not be considered a recommendation 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.

EXPERIENCED MANAGEMENT



STEPHEN M. SHUTZ, CFA

Steve Shutz is a portfolio manager of the Brown Advisory Maryland Bond Fund and a member of the Fixed Income Investment Team.

Investment experience dating from 1996; joined Brown Advisory 2003; portfolio manager since 2014.



JOSHUA PERRY, CFA, CAIA, FRM

Josh Perry is a portfolio manager of the Brown Advisory Maryland Bond Fund and a member of the Fixed Income Investment Team.

Investment experience dating from 2006; joined Brown Advisory 2012; portfolio manager since 2019.

BROWN ADVISORY: AN INDEPENDENT INVESTMENT FIRM

that offers a wide range of solutions to institutions, corporations, nonprofits, families and individuals. Our mission is to make a material and positive difference in the lives of our clients by providing them first-rate investment performance, customized strategic advice and the highest level of personalized service.

- Independent since 1998
- Founded in 1993
- 100% of colleagues own approximately 70% of the firm

Before investing you should carefully consider the Fund's investment objectives, risks, charges, and expenses. This and other information is in the summary or statutory prospectus, a copy of which may be obtained by calling 1-800-540-6807 or visiting the Fund's website, www.brownadvisoryfunds.com. Please read the prospectus carefully before you invest.

Mutual fund investing involves risk. Principal loss is possible.

Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. The Fund is non-diversified which means it may invest a large percentage of its assets in the securities of fewer issuers. Adverse economic or political factors in Maryland will affect the Fund's NAV more than if the Fund invested in more geographically diverse investments. Adverse economic or political factors in the municipal bond market, including changes in the tax law, could impact the Fund in a negative manner. Income from tax-exempt funds may be subject to state and local taxes and a portion of income may be subject to the federal alternative minimum tax for certain investors. A non-diversified fund may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, a non-diversified Fund is more exposed to individual stock volatility than a diversified fund. In addition, the Fund is susceptible to risks from investments in derivatives and changes in interest rates.

Any tax or legal information provided should not be viewed as an exhaustive interpretation of some of the current income tax regulations. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation. Neither the Fund nor any of its representatives may give legal or tax advice.

Diversification does not assure a profit nor protect against loss in a declining market.

Prior to October 19, 2012, Investor Shares were known as Institutional Shares. The Fund is the successor to the investment performance of the Predecessor Fund as a result of the reorganization of the Predecessor Fund into the Fund on October 19, 2012. Accordingly, the performance information shown is for periods prior to October 19, 2012 is that of the Predecessor Fund.

The **Bloomberg 1-10 Year Blend Municipal Bond 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 pre-refunded bonds with maturities of at least 1 year and less than 12 years. It is an unmanaged index representative of the tax-exempt bond market. Bloomberg Indices are trademarks of Bloomberg or its licensors, including Bank PLC.

An investor cannot invest directly into an index.

Bloomberg® and **Bloomberg 1-10 Year Blend 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. Bloomberg is not affiliated with Brown Advisory, and Bloomberg does not approve, endorse, review, or recommend the Brown Advisory Maryland Bond Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Brown Advisory Maryland Bond Fund.

Income from tax-exempt funds may be subject to state and local taxes and a portion of income may be subject to the Federal Alternative minimum tax for certain investors.

References to other mutual funds should not be interpreted as an offer of these securities.

Performance figures include the reinvestment of dividend and capital gain distributions.

Past performance is no guarantee of future results. **Terms and Definitions for Fund Characteristics**

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. **Average Life** is the average period of time for all principal dollars to be returned to investors. **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. **SEC Yield (Unsubsidized)** is computed under an SEC standardized formula based on income net income earned over the past 30 days excluding expense reimbursements. **Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. FactSet® is a registered trademark of Factset Research Systems, Inc.

The Brown Advisory Funds are distributed by ALPS Distributors, Inc., which is not affiliated with Brown Advisory LLC.