

National Municipal Bond

STRATEGY FACT SHEET

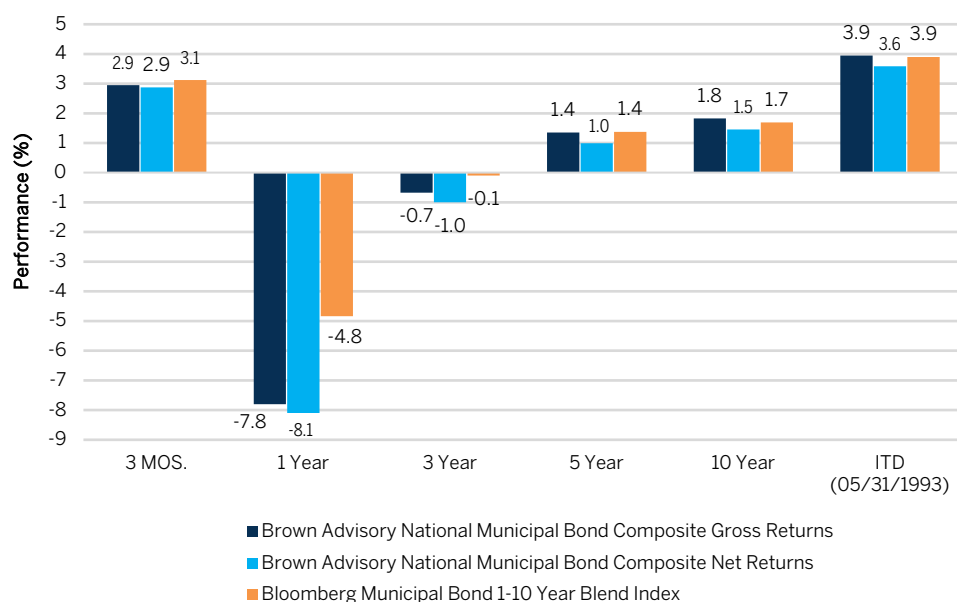
Fourth Quarter 2022

PHILOSOPHY

The Brown Advisory Municipal Bond team believes a portfolio of intermediate-term municipal fixed income securities, identified through fundamental analysis and concentrated on our best ideas, has the potential to deliver attractive and tax-efficient risk-adjusted returns over time.

STRATEGY INCEPTION DATE: 05/31/1993

PERFORMANCE (AS OF 12/31/2022)^{1,3}



STRATEGY CLASSIFICATION

Strategy Type	Separate Account
Asset Class Focus	Intermediate-term, High-grade Intermediate Municipal
Geographic Focus	United States
Domicile	United States
Objective	Total Return, Low Volatility
Benchmark	Bloomberg Municipal Bond 1-10 Year Blend Index

- Notes:
- Source: FactSet®. Returns shown are through 12/31/2022 for each period. All returns greater than one year are annualized. Past performance is not indicative of future results.
 - Source: FactSet. The portfolio information on the right is based on a representative National Municipal Bond account and is provided as Supplemental Information. Portfolio level information includes cash and cash equivalents. Fixed income sectors, quality distribution and duration distribution may not total 100% due to rounding.
 - The composite performance shown above reflects the National Municipal Bond Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a division of Brown Advisory LLC, and Brown Advisory Institutional is a GIPS compliant firm. Please see the reverse side for a GIPS compliant presentation and complete list of terms and definitions.
 - Bloomberg® and Bloomberg Municipal Bond 1-10 Year Blend 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 National Municipal Bond Strategy. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Brown Advisory National Municipal Bond Strategy.

PORTFOLIO CHARACTERISTICS²

	REP. ACCOUNT	BLOOMBERG MUNI BOND 1-10 YR BLEND INDEX
Avg. Credit Quality	A2	Aa3
Effective Duration (years)	4.1	3.9
Average life (yrs)	7.0	4.2
Yield to Worst (%)	3.9	3.0

SECTOR BREAKDOWN (%)²

	REP. ACCOUNT	BLOOMBERG MUNI BOND 1-10 YR BLEND INDEX
Cash & Equivalents	2.4	--
Revenue	90.8	60.0
General Obligation	6.8	31.9
Pre-Refunded	--	8.1

QUALITY DISTRIBUTION (%)²

	REP. ACCOUNT	BLOOMBERG MUNI BOND 1-10 YR BLEND INDEX
AAA/Aaa	2.4	18.3
AA/Aa	43.2	54.4
A	37.9	21.6
BBB	12.7	4.8
High Yield	--	--
Not Rated	3.7	1.1

DURATION DISTRIBUTION (%)²

	REP. ACCOUNT	BLOOMBERG MUNI BOND 1-10 YR BLEND INDEX
Less than 1 Year	19.7	4.9
1 to 3 Years	21.4	35.0
3 to 5 Years	24.7	33.2
5 to 7 Years	16.6	18.9
7 to 10 Years	11.1	7.8
Greater than 10 years	6.5	0.2

About Brown Advisory

Brown Advisory is a leading 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. We are committed to delivering a combination of first-class performance, customized strategic advice and the highest level of personalized service.

We follow a philosophy that fixed income strategies built from a foundation of stability coupled with fundamental credit research can seek to generate alpha and control risk. 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.

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Brown Advisory National Municipal Bond

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)
2021	2.4	2.0	0.5	4.1	2.8	211	0.4	2,369	79,715
2020	3.9	3.5	4.2	4.0	2.8	216	0.7	2,374	59,683
2019	7.1	6.7	5.6	1.8	1.9	226	0.3	2360	42,426
2018	1.9	1.5	1.6	2.5	2.5	205	0.2	1601	30,529
2017	4.4	4	3.5	2.4	2.5	142	0.3	993	33,155
2016	0.7	0.3	-0.1	2.5	2.4	134	0.3	883	30,417
2015	1.9	1.6	2.5	2.3	2.1	123	0.3	731	43,746
2014	5.7	5.4	4.7	2.4	2.2	45	0.5	415	44,772
2013	-1.1	-1.4	-0.3	2.5	2.5	24	0.4	283	40,739
2012	3.5	3.1	3.6	2.3	2.5	20	0.9	293	26,794

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, 2020. 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.

- *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.
- The National Municipal Bond Composite (the Composite) is comprised of all discretionary accounts with no material investment restrictions, which invest in tax-exempt fixed income securities of an intermediate target duration, and flexibility to invest in bonds from multiple states. At least 80% of the securities in each portfolio in the Composite will have credit quality ratings of A or better at the time of purchase. The minimum account market value required for Composite inclusion is \$2 million, and accounts in the Composite will have an average effective duration between 3.5 and 5.5 years.
- Prior to October 2012 the name of the Composite was Intermediate Municipal Bond (AMT-Free) Composite. The strategy remains the same except the maximum federal tax bracket requirement is relaxed. Prior to October 2012 the minimum account market value required for composite inclusion was \$1 million.
- The Composite creation date is March 1, 2006. The Composite inception date is June 1, 1993.
- The current benchmark is the Bloomberg Municipal Bond 1-10 Year Blend (1-12) Index. The Bloomberg Municipal Bond 1-10 Year Blend (1-12) 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 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. Benchmark returns are not covered by the report of the independent verifiers.
- 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.
- 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-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 0.375% on the first \$10 million; 0.25% on the next \$15 million and 0.20% on the balance over \$25 million. Further information regarding investment advisory fees is described in Part II A of the firm's form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- The investment management fee for the Investor Shares of the Brown Advisory Tax-Exempt Bond Fund (the Fund), which is included in the Composite, is 0.30%, and represents the highest fee charged excluding Advisor Shares. The total expense ratio for the Investor Shares of the Fund as of the most recent fiscal year end (June 30, 2020) was 0.84%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
- 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.
- Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
- Portfolios in the Composite do not make material use of derivative securities.
- Duration is a measure of interest rate risk.
- A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
- Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- Past performance is not indicative of future results.
- This piece is provided for informational purposes only and should not be construed as a research report, a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell or hold any of the securities mentioned, including any mutual fund managed by Brown Advisory.

Terms and Definitions for Representative Account Calculations

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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. Average Life is the average period of time for all principal dollars to be returned to investors. 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.