TAX-EXEMPT SUSTAINABLE STRATEGY REVIEW AND OUTLOOK

Brown ADVISORY
Thoughtful Investing.

Fourth Quarter 2022

The broad municipal bond market posted its first positive quarterly performance of the year during the fourth quarter, outperforming the broad taxable bond market by a reasonably wide margin. This relative outperformance was cold comfort for municipal investors, as 2022 represented the worst calendar year for municipal returns in the 30+ years of available index data. All said, 2022 will be remembered as the worst year of broad bond market returns in over a generation, as persistently high inflation led to aggressive monetary policy tightening, and ever-higher Fed target rate expectations. Going into last year, market measures of investor expectations were for the Fed to hike short-term rates by a total of 75 basis points (bps). However, with inflation continuing its sharp upward trajectory, the Federal Open Market Committee (FOMC) quickly defied these expectations, and by year-end had raised the Fed funds rate by an extraordinary 425bps.

Broad interest rates showed early signs of stabilization after reaching 2022 peak levels in October, helped by modest improvements in November and December inflation data, and a downshift in the size of the final rate hike of the year. As we enter 2023, we believe the market is now pricing-in expectations for a continued reduction in the size of the projected remaining hikes to 25bps each, with an expected terminal funds rate of roughly 5%. While we believe interest rate volatility should continue to trend lower in the months ahead, economic uncertainty remains high. Questions surrounding economic growth and the ability for Fed policy to effectuate a continued decline in core inflation remain top of mind. Given the continued professed dependence on economic data, and a Fed that continues to lean toward hawkish commentary, we expect to see interest rates remain somewhat rangebound for the early part of the year.

As rates began to stabilize during the quarter, we believe demand for municipal bonds showed signs of incremental improvement as well. The lure of 3% high quality tax-exempt yields began to attract individual investors back into the market during the quarter, with a preferred habitat in 2-10 year maturity bonds. This demand was met with low liquidity conditions and very light primary market supply, which likely exacerbated the magnitude of the 50bps drop in intermediate bond yields during the quarter.

NAME	3-MONTH RETURN (%)	1-YEAR RETURN (%)	3-YEAR* RETURN (%)	5-YEAR* RETURN (%)	ITD RETURN (09/30/2014)
Tax Exempt Sustainable Composite (Gross of fees)	3.00	-7.49	-0.66	1.16	1.47
Tax Exempt Sustainable Composite (Net of fees)	2.95	-7.70	-0.89	0.82	1.09
Bloomberg 1-10 Year Blend Municipal Bond Index	3.12	-4.84	-0.10	1.37	1.60

*Annualized Returns

Demand segmentation across the municipal market has influenced the shape of the curve this year, and during the fourth quarter these dynamics were likely exacerbated by the very low levels of primary market supply.

Segmented demand has always played some role in factors like the shape of the municipal yield curve and the level of credit spreads, particularly given the fact that municipal investors cannot effectively hedge away market beta like taxable bond investors.

These have been ongoing challenges for the municipal asset class that is predominantly held by a retail buyer base. These demand patterns can become more pronounced, and have a larger market impact when volatility increases, liquidity declines, and other exogenous factors like tax-driven trading becomes more pronounced. All of these have likely been major pain points for municipal investors this year, and have likely increased pricing inefficiencies across the market.

This segmentation likely caused the front-end of the municipal yield curve to modestly invert for one of the first times on record. It also pushed short fixed-rate (3-10 year) municipal yields below the yields on both short-term floating rate and intermediate and longer maturity bonds. This led us to continue to increase our exposure to short-term floating rates and other ultra-short duration bonds, while also maintaining some exposure to 10-year and longer maturities due to the relative positive slope of the municipal yield curve. From an attribution standpoint, this barbell modestly dragged performance during the quarter as our overweight to floating-rate and ultra-short (0-1 year) bonds lagged the rally in short fixed-rate bonds. This was mostly offset by the strong performance in our overweight in 7-10+ year holdings.

Source: FactSet and Bloomberg**. Past performance is not indicative of future results. Returns shown are through 12/31/22 for each period. The composite performance shown above reflects the Brown Advisory Tax-Exempt Sustainable Fixed Income Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Returns greater than one year are annualized. The information provided is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. Please see the composite disclosure at the end of this presentation for more information.

TAX-EXEMPT SUSTAINABLE STRATEGY REVIEW AND OUTLOOK

Fourth Quarter 2022

Within credit, we have been actively reducing exposure in the not for profit Hospital and Senior Living sectors. Spreads have generally held up well in this sector, and the area was a relative outperformer for the strategy during the quarter. Generally, the sector has benefited from CARES Act and other federal stimulus money, but these funds are expected to begin running out in the next couple of years. Also, from a labor standpoint, the pandemic put extreme stress on health care workers, causing many to exit the field entirely. A tight labor market could exacerbate high inflation and continue to pressure the sector. We favor large hospital systems that are in a better position to address labor shortages and other inflationary challenges.

We continue to favor essential service revenue issuers from sectors that have exhibited pricing power or dominant market share with the ability to pass through higher costs to end users. In particular, we are overweight dedicated tax revenue issuers with a specific pledge to essential tax revenue streams (sales taxes, income taxes, etc.) from large and diverse jurisdictions. Dedicated tax revenue bonds can also be particularly defensive in an inflationary environment, as higher prices and incomes can lead to higher tax revenues and debt-service coverage. We believe these are a useful way to reflect a fundamental credit hedge against persistent inflation risk.

We are also overweight essential utilities and essential transportation issuers. Public utility issuers have a non-cyclical revenue stream that is often legally separated from the political uncertainty related to state and local entities. Within transportation, we express our overweight particularly with large or essential airports. Airports continue to maintain strong balance sheet liquidity and the uptick in demand from recent travel patterns continues to normalize to (and in some cases exceed) pre-pandemic levels.

However, staying true to our long-term, bottom-up approach to credit and sector selection, we are very focused on how issuers are likely to manage through this unique period of elevated inflationary pressure and late-cycle credit dynamics. Given this backdrop, we believe there are specific issuers and even sectors that are likely to face growing fundamental credit pressures. We are working to actively stay in front of these risks, while also maintaining a high level of portfolio liquidity.

As we enter the new year, macroeconomic uncertainty will likely continue to remain at the front of investors' minds, which may keep broad asset market volatility at elevated levels. Yet, amid the persistent negative sentiment bearing down on the municipal asset class during 2022, one possible bright spot is valuation for income generation. Yields across the municipal market have moved almost 300bps higher this year, and max tax-paying investors can now realize taxable-equivalent yields for intermediate AA-rated bonds solidly in the 5.5% range. We are encouraged by these valuations and believe demand will return to the asset class as an income-generation vehicle once interest rates start to stabilize.

Labeled bond growth declines.

It was a tough quarter and year for growth in labeled bonds. The global sustainable debt market posted its first decline ever in 2022. Reasons include; higher borrowing costs as a result of central banks raising rates to fight inflation, confusion on differing regulations and reporting requirements, and heightened skepticism from investors on newly emerged labeled bonds, particularly sustainability-linked bonds. According to Bloomberg, total issuance in 2022 was $863bn across all label types, a 19% drop from the record $1.1tn issued in 2021, making it the first annual decline since inception of this market in 2007.

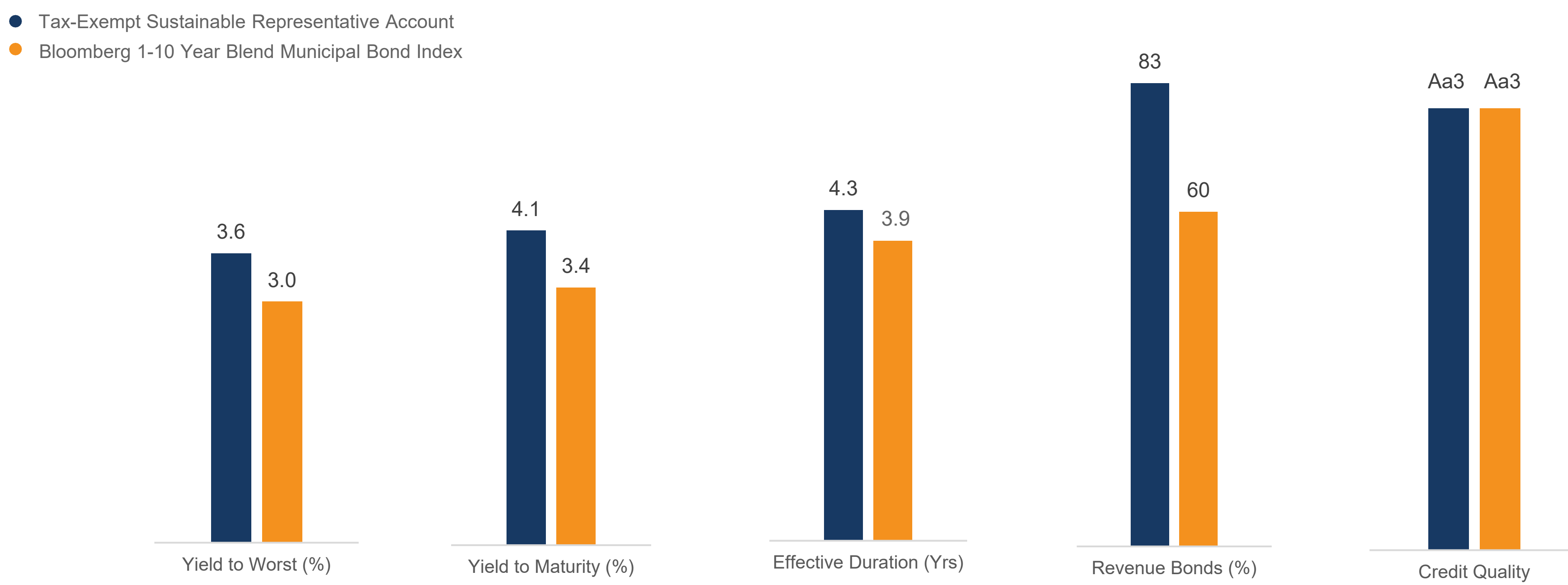
Our approach to casting a wider net beyond labeled bonds allows us to continue to maximize impact even in times of slowed growth and uncertainty of the future growth of the labeled bond market. We find compelling opportunities, in what we define as impactful issuers - issuance from an entity that may not be labeled or focused on use of proceeds, but ultimately we feel the issuer is actively solving environmental and/or social challenges through innovative products and services, and/or operating in a resource efficient and socially responsible way. An example is Texas Woman's University, the largest higher education institution in the nation primarily serving women. Additionally, it graduates more new health care professionals than any other university in Texas. According to US News & World Report, TWU is also the fourth most diverse university in the nation. In fact, as of the fall of 2022, minority students made up 62% of the entire student body. Hispanic students accounted for 43% of the first time in college cohort; Black students accounted for 20% of the entering class; and Asians made up 8.3%.

Source: Bloomberg. Past performance is not indicative of future results. The portfolio information is based on a representative Tax Exempt Sustainable account and provided as Supplementary Information. The information provided is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. Please see the composite disclosure at the end of this presentation for more information.

Texas Woman's University is a current holding in the Tax-Exempt Sustainable Strategy as of 12/31/2022 and was selected because it was a credit bought during the quarter that offers both strong relative value and impact opportunity. It does not represent all of the securities purchased, sold or recommended for clients. Please see slide 1 for performance as of 12/31/2022.

PORTFOLIO ATTRIBUTES

Fourth Quarter 2022 Tax-Exempt Sustainable Representative Account as of 12/31/2022



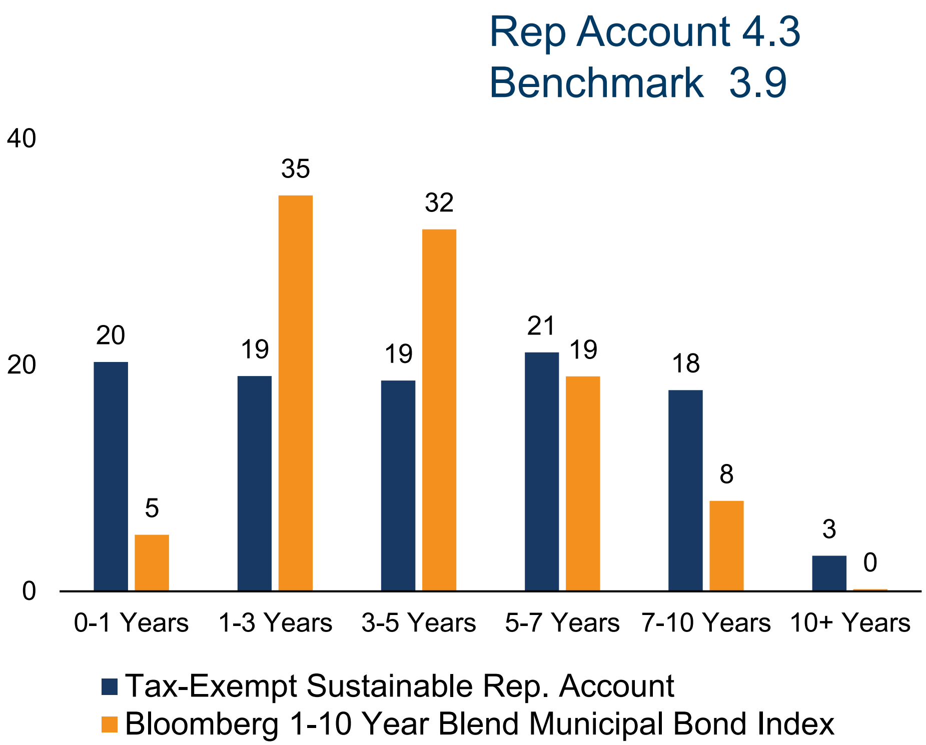
Source: FactSet. Past performance is not indicative of future results. Portfolio information is based on a representative Tax-Exempt Sustainable Fixed Income account, includes cash and is provided as Supplemental Information. Please see the end of this presentation for important disclosures.

DURATION AND QUALITY DISTRIBUTIONS

Fourth Quarter 2022

Duration Distribution

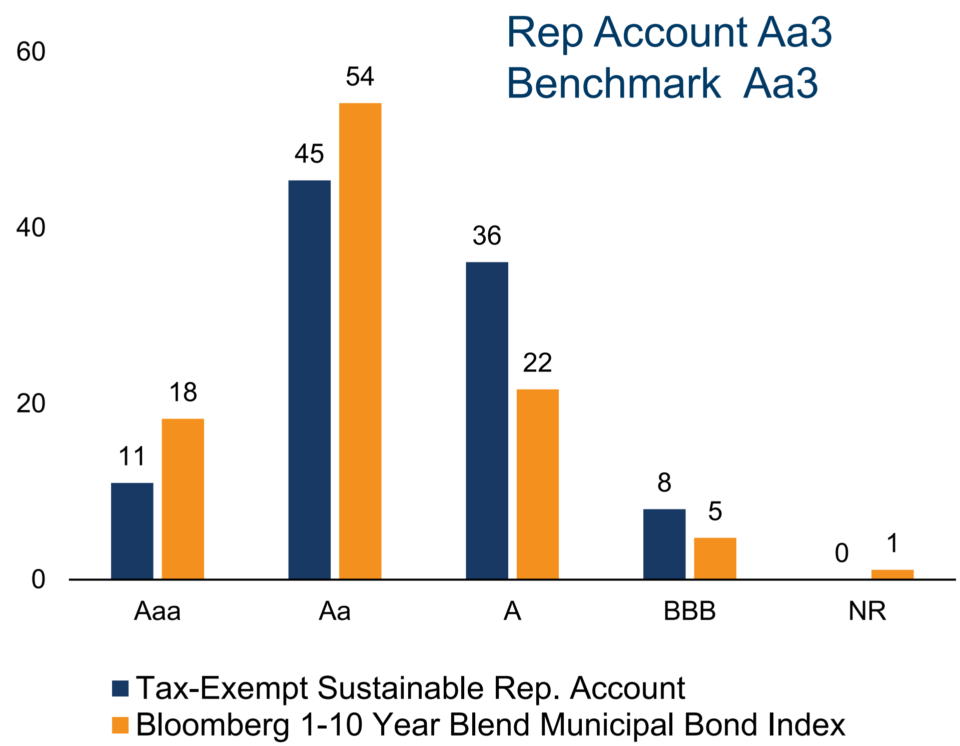
Percentage Weight



Source: FactSet, Bloomberg.

Quality Distribution

Percentage Weight



Source: FactSet; Bloomberg.

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

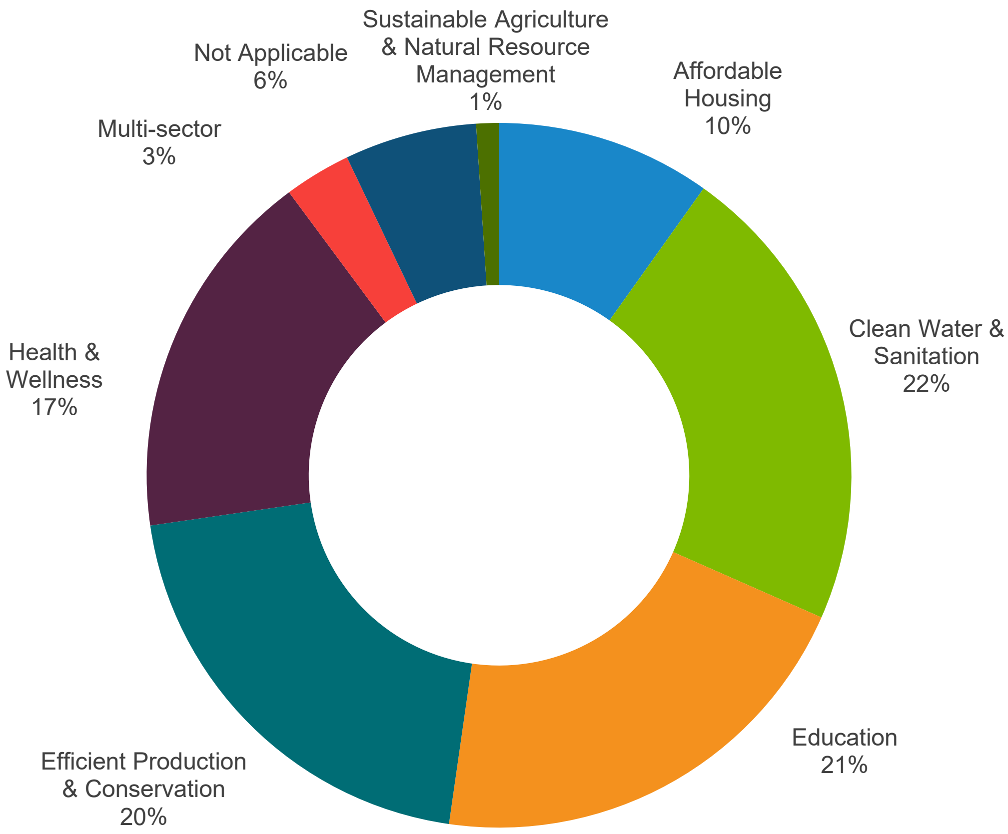
- We focus on bottom-up credit and sector selection to drive investment performance, rather than hugging a benchmark.
- Our focus on revenue-backed issues, from sectors like healthcare and utilities, tends to create a more balanced ratings distribution than the benchmark. We view our credit expertise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

Source: FactSet and Bloomberg. Portfolio information is based on a representative Tax-Exempt Sustainable account, which includes cash, as of December 31, 2022 and is provided as Supplemental Information. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

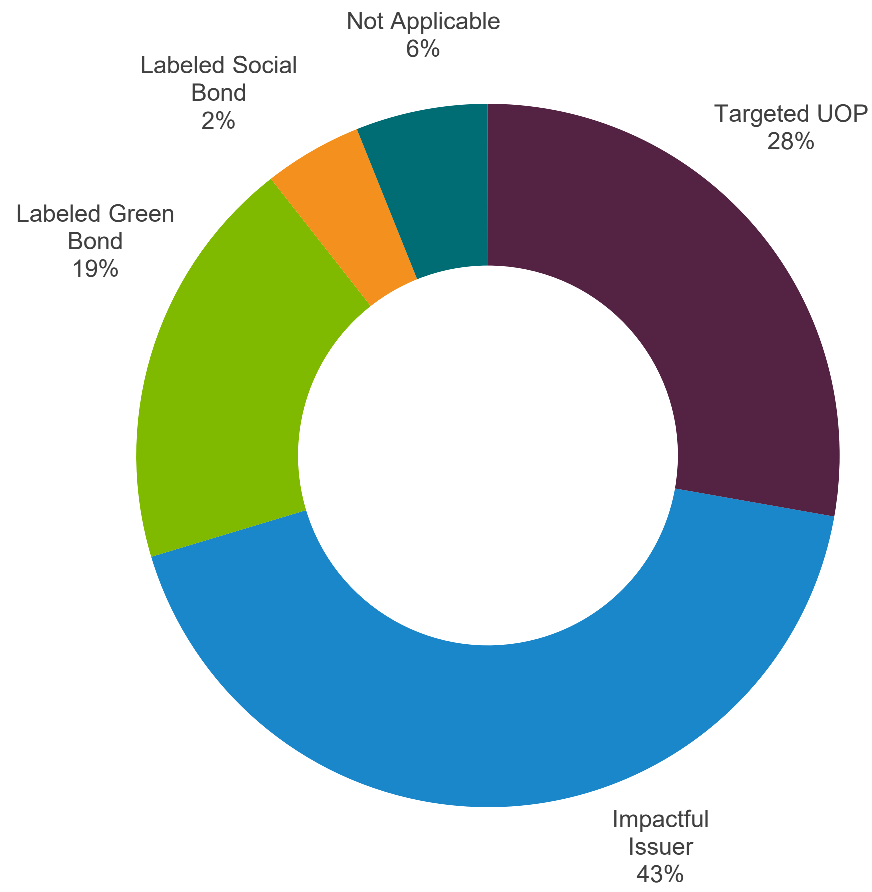
TAX-EXEMPT SUSTAINABLE FIXED INCOME

Impact Distribution as of 12/31/2022

Impact Distribution



Impact Source



Source: FactSet. Impact breakdowns are based on a representative Tax-Exempt Sustainable Fixed Income account, include cash and are provided as Supplemental Information. *NA refers to cash and equivalents, treasuries, and ESG neutral securities. Numbers may not total due to rounding. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. Please see the end of this presentation for important disclosures.

PERFORMANCE ATTRIBUTION

Tax-Exempt Sustainable

ATTRIBUTION DETAIL BY SECTOR

Fourth Quarter 2022

SECTOR	TAX-EXEMPT SUSTAINABLE REP ACCOUNT		BLOOMBERG 1-10 YEAR BLEND MUNICIPAL BOND INDEX		CONTRIBUTION TO RETURN		
SECTOR	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)
Transportation	18.0	2.0	13.7	3.1	0.38	0.46	-0.08
Hospital/CCRC	13.3	3.2	5.3	3.3	0.35	0.17	0.18
General Obligation	12.7	2.7	31.7	3.3	0.34	1.03	-0.69
Education	10.7	3.5	4.9	3.3	0.32	0.16	0.16
Utilities	10.2	4.7	11.3	3.1	0.48	0.35	0.13
Tax Revenue	9.0	3.4	10.6	3.5	0.32	0.37	-0.05
Miscellaneous Revenue	9.0	3.3	10.0	2.9	0.29	0.29	0.00
Lease/Housing	8.5	3.3	3.8	3.1	0.33	0.12	0.21
Cash	4.6	1.1	--	--	0.04	--	0.04
Pre-Refunded	4.0	1.0	8.7	2.0	0.04	0.18	-0.14
Total	**100**	**2.89**	**100**	**3.13**	**2.89**	**3.13**	**-0.24**

Source: FactSet. Portfolio information is based on a representative Tax-Exempt Sustainable account and is provided as Supplemental Information. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. Total portfolio return figures provided above are gross of fees. Sector attribution includes cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. Past performance is not indicative of future results.

ATTRIBUTION DETAIL BY DURATION AND CREDIT QUALITY

Fourth Quarter 2022

DURATION	TAX-EXEMPT SUSTAINABLE REP ACCOUNT		BLOOMBERG 1-10 YEAR BLEND MUNICIPAL BOND INDEX		CONTRIBUTION TO RETURN		
DURATION RANGE	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)
0 – 1	20.3	0.8	4.6	1.0	0.15	0.04	0.11
1 – 3	19.0	1.5	35.4	1.7	0.32	0.58	-0.26
3 – 5	18.7	2.6	32.4	3.1	0.46	1.08	-0.62
5 – 7	21.1	4.0	19.0	4.7	0.87	0.96	-0.09
7 – 10	17.8	5.1	8.4	6.3	0.90	0.45	0.45
10 +	3.1	8.7	0.2	7.6	0.19	0.02	0.17
Total	**100**	**2.89**	**100**	**3.13**	**2.89**	**3.13**	**-0.24**

QUALITY	TAX-EXEMPT SUSTAINABLE REP ACCOUNT		BLOOMBERG 1-10 YEAR BLEND MUNICIPAL BOND INDEX		CONTRIBUTION TO RETURN		
CREDIT RATING	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)
AAA	10.5	2.1	18.3	3.1	0.25	0.57	-0.32
AA	45.4	3.1	54.2	3.2	1.45	1.73	-0.28
A	36.1	2.6	21.6	3.1	0.91	0.67	0.24
BBB	8.0	5.0	4.8	2.7	0.28	0.13	0.15
NR	0.0	0.0	1.1	2.6	--	0.03	-0.03
Total	**100**	**2.89**	**100**	**3.13**	**2.89**	**3.13**	**-0.24**

Source: FactSet. Portfolio information is based on a representative Tax-Exempt Sustainable account and provided as Supplemental Information. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. Total portfolio return figures provided above are gross of fees. Sector attribution includes cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions. Past performance is not indicative of future results.

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

Brown ADVISORY
Thoughtful Investing.

Fourth Quarter 2022

Representative Tax-Exempt Sustainable Account Top Five Contributors

NAME	DESCRIPTION	WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
Massachusetts Clean Water Trust	Fund wastewater and clean drinking water projects	5.16	4.17	0.20
Children's Hospital Obligated Group	145-bed acute care pediatric hospital in Nebraska	1.85	9.39	0.17
North Fort Bend Water Authority	Converts retail customers' water supply from groundwater to surface water	2.80	5.99	0.17
Metropolitan Pier & Exposition Authority	Refund McCormick Place expansion project bonds	3.00	5.10	0.16
West Contra Costa Unified School District	Provides K-12 education in Contra Costa County	2.17	6.94	0.15

Representative Tax-Exempt Sustainable Account Bottom Five Contributors

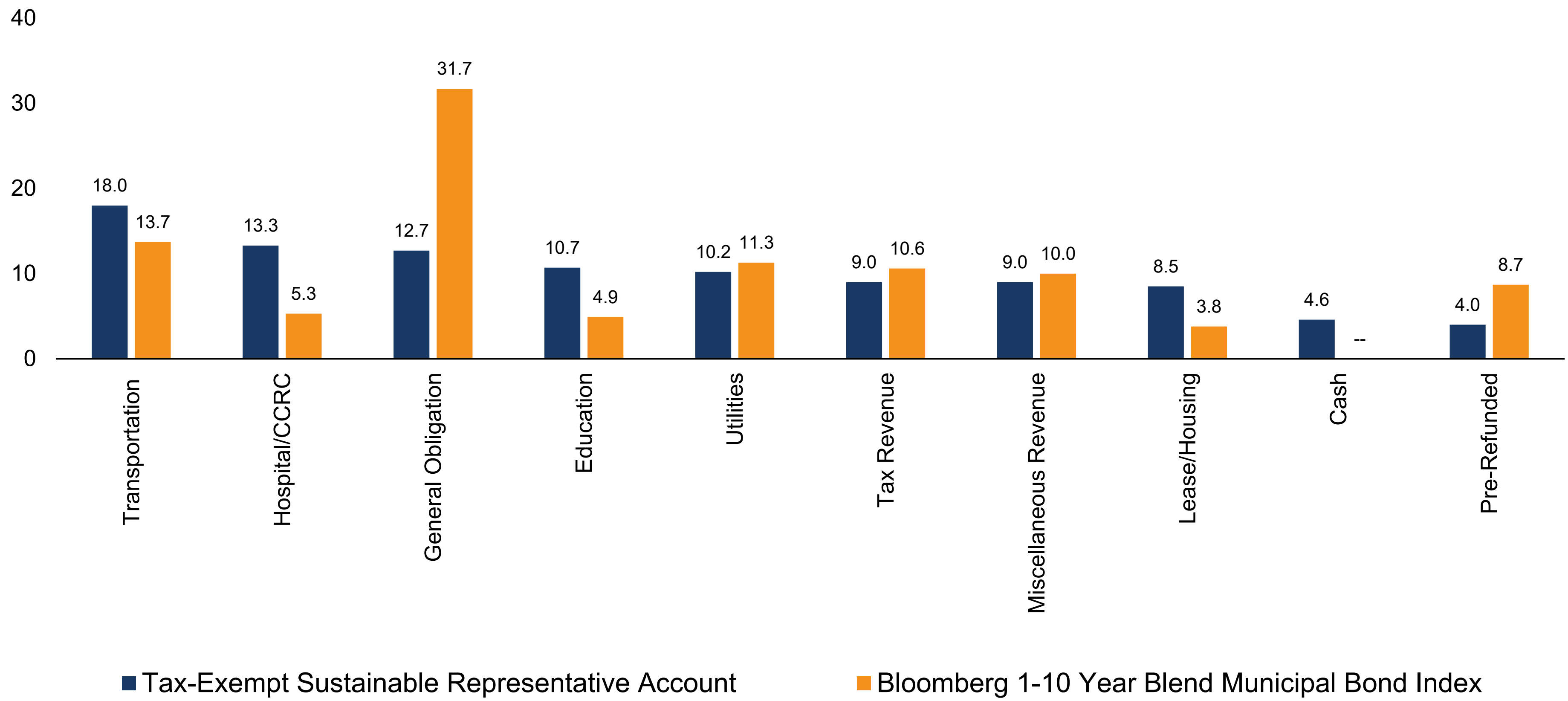
NAME	DESCRIPTION	WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
City of Phoenix AZ Airport Revenue	Committed to sustainability through infrastructure and energy management investments	1.25	-0.81	-0.02
Trustees of Boston College	A private research university located in Chestnut Hill, MA	0.75	-0.53	-0.01
Tallahassee Memorial HealthCare Inc	Finance a new patient tower	0.74	-0.55	-0.01
Baystate Medical Obligated Group	Operates four hospitals in western Massachusetts	0.56	0.09	0.00
Lakeland Regional Health Systems Obligated Group	The fifth largest hospital in Florida, and the busiest emergency department in the country	0.25	1.64	0.00

Source: FactSet. Portfolio information is based on a representative Tax-Exempt Sustainable account and provided as Supplemental Information. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. 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. Contributors and detractors excludes cash and cash equivalents. Returns listed represent the period that the security was held during the quarter. Past Performance is not indicative of future results. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

SECTOR DIVERSIFICATION

Brown ADVISORY
Thoughtful Investing.

Fourth Quarter 2022



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

Source: FactSet. Portfolio information is based on a representative Tax-Exempt Sustainable account and is provided as Supplemental Information. Sector diversification includes cash and cash equivalents. Sectors are based on the Bloomberg sector classifications. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Brown ADVISORY
Thoughtful Investing.

SAMPLE HOLDINGS

Tax-Exempt Sustainable

CALLIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY (GREEN BOND)

Brown ADVISORY Thoughtful Investing.

Portfolio Holding: California Community Choice Financing Authority (CCCFA)

CCCFA utilizes pre-payment structures to reduce the cost of clean power purchases.

CCCFA California Community Choice Financing Authority

Fundamental Drivers

- The green bond issued by CCCFA is expected to prepay electricity deliveries over 30 years as part of the Clean Energy Project with Marin Clean Energy (MCE).
- The prepayment amount is loaned to the guarantor for payments due, Goldman Sachs, under the Funding Agreement.
- A debt service reserve account is funded at the value of two months of electricity.

Sustainable Drivers

- CCCFA was established in 2021 to reduce the cost of power purchases for member community choice aggregators (CCAs) (including MCE) through pre-payment structures.
- CCCFA is a joint powers authority which can help member CCAs save up to 10% or more on power purchase agreements, helping to reduce costs for ratepayers.
- **Green Bond Proceeds:** Proceeds are expected to prepay for the purchase of over 450MW of clean electricity, reduce 765,000 mt of GHG emissions annually, and reduce renewable power costs by almost $7mm annually for the first five to ten years.

California Community Choice Financing Authority (CCCFA) is a current holding in the Tax-Exempt Sustainable Fixed Income portfolio as of 12/31/2022 and was selected because the investment team believes it demonstrates the strategy's stated investment philosophy regarding attractive business fundamentals, compelling valuation, and strong or improving Sustainable Drivers. It does not represent all of the securities purchased, sold or recommended for advisory clients. Please see slide 1 for composite performance as of 12/31/2022.

HEALTHRIGHT 360 (SOCIAL BOND)

Brown ADVISORY
Thoughtful Investing.

Portfolio Holding: California State Municipal Authority

Safety net health care provider in California

Fundamental Drivers

- **Cash Flows:** Decades-long history of contract renewals with federal, state and county payors. Growth in revenues over the past five years.
- **Limited Competition:** No competitors offer a similar scope of services in the state. There are high barriers to entry.
- **Security:** Pledge of gross revenues with real property collateral and a fully funded debt service reserve fund.

Sustainable Drivers

- **Access to Health:** One of the largest safety net health care providers in California, providing access to vital health and social services to vulnerable and underserved communities, including low-income, unsheltered and other safety net populations.
- **Social Bond Proceeds:** Intended to finance the renovating and equipping of various care facilities, including those that provide residential treatment, primary care, substance abuse treatment, and mental health services.

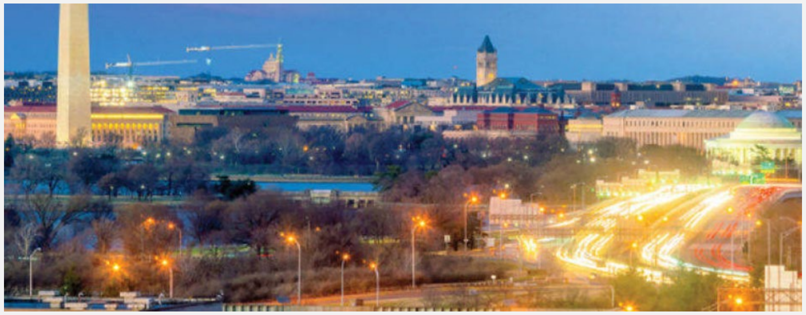
HEALTHRIGHT 360 California State Municipal Authority is a current holding in the Tax-Exempt Sustainable Fixed Income portfolio as of 12/31/2022 and was selected because the investment team believes it demonstrates the strategy's stated investment philosophy regarding attractive business fundamentals, compelling valuation, and strong or improving Sustainable Drivers. It does not represent all of the securities purchased, sold or recommended for advisory clients. Please see slide 1 for composite performance as of 12/31/2022.

PLENARY INFRASTRUCTURE DC LLC, SMART STREET LIGHTING PROJECT

Brown ADVISORY
Thoughtful Investing.

Portfolio Holding: Plenary Infrastructure DC LLC, Smart Street Lighting Project

Plenary is an investor, developer, and manager of infrastructure with an emphasis on upholding environmental, social, and corporate governance responsibilities to linked communities.



Fundamental Drivers

- Upgrading DC's street lighting network is a relatively straightforward project with limited construction risk.
- The equity sponsors (Plenary Americas, Kiewit Development Company and Phoenix Infrastructure Group) have extensive experience with similar P3 projects. Plenary, a 72% equity sponsor, has completed over $16 billion P3 transactions since 2005.
- Availability payments are backed by federal-aid funds and the DC Department of Transportation's capital and operating budget (DC's credit rating is Aaa/AA+/AA+).

Sustainable Drivers

- Proceeds should be allocated to upgrading the entirety of the District's street light network to LED and smart technology, which should make the network more efficient, reliable, and able to be monitored remotely.
- The upgrade is expected to result in a more than 50% decrease in energy use (and associated costs), and a 38,000-ton reduction in GHG emissions.

Plenary Infrastructure DC LLC, Smart Street Lighting Project is a current holding in the Tax-Exempt Sustainable Fixed Income portfolio as of 12/31/2022 and was selected because the investment team believes it demonstrates the strategy's stated investment philosophy regarding attractive business fundamentals, compelling valuation, and strong or improving Sustainable Drivers. It does not represent all of the securities purchased, sold or recommended for advisory clients. Please see slide 1 for composite performance as of 12/31/2022.

Source: Plenary Infrastructure DC LLC, Smart Street Lighting Project and Brown Advisory analysis; data as of 12/31/22. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

DISCLOSURES

The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. Past performance is not a guarantee of future performance and you may not get back the amount of money invested. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. This piece is intended solely for our clients and prospective clients, is for informational purposes only, and is not individually tailored for or directed to any particular client or prospective client.

ESG considerations are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making. ESG analysis may not be performed for every holding in the strategy. ESG considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify companies that it believes may have desirable ESG outcomes, but investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, the strategy may invest in companies that do not reflect the beliefs and values of any particular investor. The strategy may also invest in companies that would otherwise be screened out of other ESG oriented funds. Security selection will be impacted by the combined focus on ESG assessments and forecasts of return and risk. The strategy intends to invest in companies with measurable ESG outcomes, as determined by Brown Advisory, and seeks to screen out particular companies and industries. Brown Advisory relies on Second parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.

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

An investor cannot invest directly in an index.

The **Bloomberg Municipal Bond 1-10 Year Index** consists of a broad selection of investment-grade general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and prerefunded bonds with maturities of at least 1 year and less than 10 years. It is an unmanaged index representative of the tax-exempt bond market.
FactSet® is a registered trademark of FactSet ® Research Systems, Inc.

"Bloomberg®" and the indices noted above 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 Tax-Exempt Sustainable Fixed Income strategy. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Brown Advisory Tax-Exempt Sustainable Fixed Income strategy.

Effective Duration is a time measure of a bond's interest rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder. **Yield to Worst** is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer. **Yield to Maturity** is the total return of a bond if it is held until maturity. The **Total Return** of a benchmark-, sector-, and portfolio-level are the sum of the returns from price movement and the returns due to payments or other sources of income. Standard benchmark-, sector- and portfolio-level returns are the sums of the weights of each security multiplied by its return, summed and calculated daily and summed over the period covered by the report or by an otherwise-noted period. The **Contribution to Return** is measured by multiplying a security's beginning weight in the portfolio by the security's return on a daily basis, and geometrically linking the return to the reporting period. The **Average Weight** of a position or sector refers to the daily average for the period covered in this report of a stock's value as a percentage of the portfolio.

Brown Advisory

TAX-EXEMPT SUSTAINABLE COMPOSITE

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	2.0	1.8	0.5	3.4	2.8	56	0.7	494	79,715
2020	3.9	3.6	4.2	3.3	4.1	51	0.6	491	59,683
2019	6.4	5.9	5.6	1.8	1.9	27	0.5	206	42,426
2018	1.6	1.1	1.6	2.4	2.5	48	0.2	114	30,529
2017	3.7	3.2	3.5	2.4	2.5	10	0.4	41	33,155
2016	-0.1	-0.5	-0.1	N/A	N/A	1	N/A	29	30,417
2015	2.1	1.7	2.5	N/A	N/A	1	N/A	7	43,746
2014**	0.8	0.7	0.6	N/A	N/A	1	N/A	7	44,772

**Return is for period October 1, 2014 through December 31, 2014.

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, 2021. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

1. *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
2. The Tax-Exempt Sustainable Composite (the Composite) is comprised of all discretionary accounts with no material investment restrictions, which invest in tax-exempt fixed income securities of an intermediate target duration, and flexibility to invest in bonds from multiple states. At least 80% of the securities in each portfolio in the Composite will have credit quality ratings of A or better at the time of purchase. The minimum account market value required for Composite inclusion is $2 million, and accounts in the Composite will have an average effective duration between 3.5 and 5.5 years. Bonds in Composite accounts are evaluated according to a variety of environmental, social and governance factors. These factors are used by the portfolio manager to seek holdings with attractive ESG risk profiles and/or bonds whose uses of proceeds meet the standards of the Green Bond Principles. ESG Factors are not used for the purposes of absolute negative screening in Composite accounts.
3. ESG considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The strategy seeks to identify issuers and securities that it believes may have desirable ESG outcomes, but investors may differ in their views of what constitutes positive or negative ESG outcomes. As a result, the strategy may invest in securities that do not reflect the beliefs and values of any particular investor. The strategy may also invest in securities that would otherwise be screened out of other ESG oriented funds. Security selection will be impacted by the combined focus on ESG assessments and forecasts of return and risk. The strategy intends to invest in securities with measurable ESG outcomes, as determined by Brown Advisory, and seeks to screen out particular issuers and industries. Brown Advisory relies on third parties to provide data and screening tools. There is no assurance that this information will be accurate or complete or that it will properly exclude all applicable securities. Investments selected using these tools may perform differently than as forecasted due to the factors incorporated into the screening process, changes from historical trends, and issues in the construction and implementation of the screens (including, but not limited to, software issues and other technological issues). There is no guarantee that Brown Advisory's use of these tools will result in effective investment decisions.
4. From July 2017 to September 2019, the minimum account market value required for Composite inclusion was $250,000. Prior to July 2017, the minimum account market value required for Composite inclusion was $1 million.
5. The Composite creation date is May 1, 2016. The Composite inception date is October 1, 2014.
6. The current benchmark is the Bloomberg Municipal Bond 1-10 Year Index. The Bloomberg Municipal Bond 1-10 Year Index consists of a broad selection of investment-grade general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and prerefunded bonds with maturities of at least 1 year and less than 10 years. It is an unmanaged index representative of the tax-exempt bond market. "Bloomberg®" and Bloomberg Municipal Bond Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Brown Advisory Institutional. Bloomberg is not affiliated with Brown Advisory Institutional, and Bloomberg does not approve, endorse, review, or recommend the Composite. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Composite. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
7. The composite dispersion presented is an equal-weighted standard deviation of portfolio gross returns calculated for the accounts in the Composite for the entire calendar year period. The composite dispersion is not applicable (N/A) for periods where there were five or fewer accounts in the Composite for the entire period.
8. 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. Certain accounts in the Composite pay asset-based custody fees that include commissions. For these accounts, gross and net returns are also net of custody fees. Other expenses can reduce returns to investors. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 0.325% on the first $10 million; 0.30% on the next $15 million; and 0.25% on the balance over $25 million. Further information regarding investment advisory fees is described in Part II A of the firm's form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
9. The investment management fee for the Investor Shares of the Brown Advisory Tax-Exempt Sustainable 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, 2021) was 0.49%. Further information regarding investment management fees and expenses is described in the fund prospectus and annual report.
10. The three-year annualized ex-post standard deviation measures the variability of the Composite (using gross returns) and the benchmark for the 36-month period ended on December 31. The 3 year annualized standard deviation is not presented as of December 31, 2014, December 31, 2015 and December 31, 2016, because 36 month returns for the Composite were not available (N/A) because the Composite did not exist.
11. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
12. Portfolios in the Composite do not make material use of derivative securities.
13. Duration is a measure of interest rate risk.
14. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
15. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
16. Past performance is not indicative of future results.
17. This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subscription documents.
18. 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.