# FLEXIBLE EQUITY REVIEW AND OUTLOOK

*AS OF SEPTEMBER 30, 2026*

Brown ADVISORY
Thoughtful Investing.

U.S. equity markets continued their move higher during the third quarter, supported by a U.S. economy that remained resilient despite an uncertain backdrop. Interest rates remain elevated, inflation is still above the Federal Reserve's long-term objective, and conflict in the Middle East has added another source of pressure on energy prices. At the same time, the buildout of artificial intelligence (AI) infrastructure has become an increasingly important source of capital spending, with investment in data centers, semiconductors, high-tech equipment, software, and power infrastructure providing a meaningful tailwind to economic activity.

The economy is no longer as strong as it was earlier in the cycle, but it also does not show the type of deterioration that typically precedes a recession. Consumer spending has remained resilient, services activity continues to expand, and the labor market has cooled without breaking. Inflation remains the primary macroeconomic concern. Persistent inflation limits the Federal Reserve's flexibility and raises the possibility that interest rates remain higher for longer than either the bond or equity markets would prefer.

This combination helps explain the market's resilience, but it also reinforces why price discipline remains important. Economic growth has stayed positive, corporate earnings have continued to advance, and AI-related investment has supported demand across several parts of the economy. At the same time, the economy is neither weak enough to create an obvious recessionary concern nor cool enough to put inflation decisively behind us. For investors, that argues against relying on a benign macroeconomic outcome. In our view, the more durable source of investment returns remains owning businesses capable of growing value across a range of environments, while remaining thoughtful about the price paid for those businesses.

Artificial intelligence has rapidly become one of the most powerful forces shaping market leadership. Investors have drawn an increasingly sharp distinction between companies viewed as AI beneficiaries and businesses perceived to be vulnerable to disruption. Companies involved in semiconductors, infrastructure, and other areas enabling the AI buildout have meaningfully outperformed the broader market, while many software and services businesses have sold off on concerns that AI could disrupt their existing business models. The magnitude of this dispersion suggests that markets have moved quickly to classify businesses by their perceived AI exposure, even though the long-term competitive implications remain far from settled.

We believe two things can be true at the same time. First, the scale and duration of AI infrastructure investment may still be underestimated. Advances in model capability continue to require greater computing resources across training, inference, memory, and increasingly sophisticated applications. The largest U.S. hyperscale cloud platforms are expected to spend roughly $700 billion on capital expenditures in 2026, more than three times the level of two years ago, with a substantial portion directed toward data centers, semiconductors, and networking.[1] Just as importantly, evidence is beginning to emerge that this infrastructure investment is being matched by growing commercial demand, as AI model providers see increased enterprise adoption, usage, and revenue.

Given the strength of this investment cycle, we have selectively added to our semiconductor holdings, including Taiwan Semiconductor Manufacturing Co. (TSM), NVIDIA Corporation (NVDA), KLA Corporation (KLAC), and Marvell Technology, Inc. (MRVL). These companies play important roles across semiconductor manufacturing, accelerated computing, process control, custom silicon, and data center infrastructure. We remain constructive on the long-term potential of AI, but we do not believe it is prudent to build a portfolio around a single investment theme, no matter how powerful that theme may be.

Second, while investors may still be underestimating the durability of AI infrastructure spending, they may also be overestimating the threat to some established software companies. Software has been at the center of the AI disruption debate, and valuations across publicly traded software companies have declined materially. Importantly, much of this decline reflects multiple compression rather than a broad deterioration in business results. AI will undoubtedly disrupt portions of the software industry, but the impact is unlikely to be uniform. Some products and business models may become less valuable, while other companies may prove more resilient or use AI to strengthen their competitive positions.

We took advantage of the sell-off in software to initiate a new position in Tyler Technologies, Inc. (TYL), a leading provider of integrated software and technology solutions purpose-built for the public sector. Tyler Technologies serves more than 16,000 client locations and has more than 50,000 installations across its customer base.[2] Its customers rely on the company for critical functions such as enterprise resource planning (ERP), courts, public safety, payments, and administrative systems. The company has served local governments for decades and has become a trusted partner as many public-sector organizations modernize their technology infrastructure.

*(Continued on the following page)*

[1]Source: FactSet Insight as of 07/23/2026; Hyperscalers Tap External Financing as AI Capex Outruns Cash Flow
[2]Source: Tyler Technologies as of 06/06/2026; Tyler Technologies, Inc. - Tyler Technologies Shares 2026 Investor Day Presentation
Source: FactSet®. The portfolio information provided is based on a representative Flexible Equity 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. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Total strategy composite performance can be found on slide 3. Past performance is not indicative of future results. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# FLEXIBLE EQUITY REVIEW AND OUTLOOK

*AS OF SEPTEMBER 30, 2026*

Tyler Technologies, Inc. (TYL) is not the fastest-growing software company, but we believe its durable growth profile, high customer retention, pricing power, and mission-critical workflows create a resilient business model. The stock had historically traded at a premium valuation, but the broader software sell-off created a more attractive entry point. We also believe Tyler Technologies is well positioned to use purpose-built AI agents across its extensive data ecosystem, potentially creating an additional layer of recurring revenue over time. In our view, this is the type of software business where incumbency, customer trust, and domain expertise remain highly valuable.

This distinction is central to how we invest. When investors move away from a sector, theme, or business because the narrative has become more complicated, we try to determine whether the long-term value of the business has truly changed. In some cases, the risk is real and we move on. In other cases, the share price decline creates an opportunity to own a business we believe can compound value over time.

During the quarter, we continued to refine the portfolio with that framework in mind. In addition to Tyler Technologies, Inc. we initiated new positions in Boston Scientific Corporation (BSX) and S&P Global, Inc. (SPGI), both of which we believe became available at attractive valuations because of shorter-term investor concerns. We exited Intuit Inc (INTU), Carrier Global Corp. (CARR), Lowe's Companies, Inc. (LOW), American International Group, Inc. (AIG), and Illumina, Inc. (ILMN) where either our conviction had moderated or much of the investment thesis had been realized. These actions reflect our ongoing effort to lean into businesses where we see a more compelling path to value creation while reallocating capital from positions with less attractive prospective returns.

We remain encouraged by the businesses we own and collectively we believe they will continue to grow earnings and cash flows despite a more uneven market environment. Recent volatility has also created opportunities to add to existing positions and invest in select businesses where we believe long-term value is not fully reflected in current share prices.

Market leadership remains unusually concentrated. At the same time, this concentration has created opportunities elsewhere, particularly in companies where near-term concerns and uncertainty appear to have weighed more heavily on share prices than on the underlying long-term economics of the business. We are not trying to position the portfolio around short-term market momentum or benchmark composition. Instead, we remain focused on company-specific research, patience, and owning businesses we believe can grow in value over time.

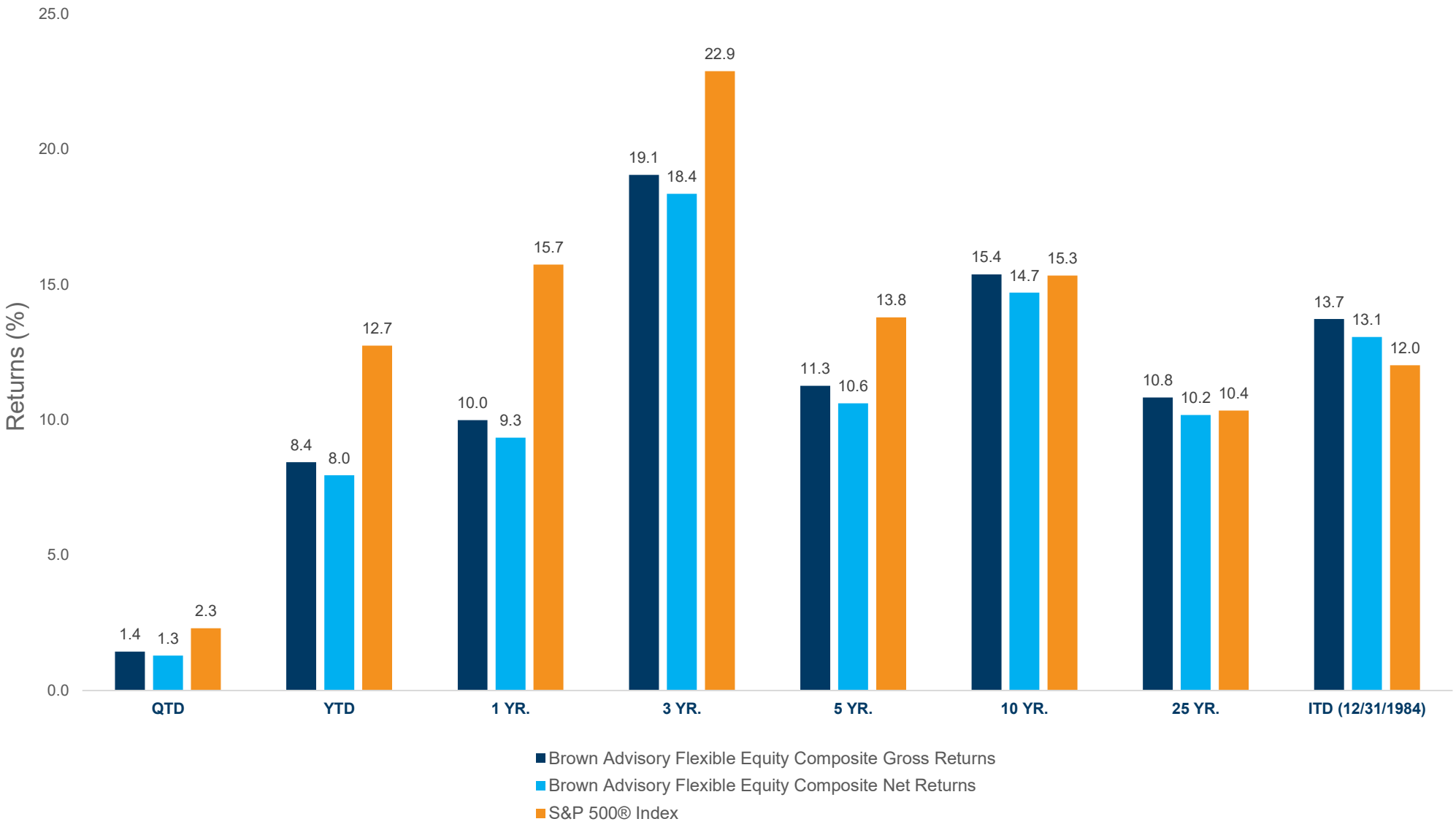
We usually close our written commentaries with the following statement about our investment approach:

The Flexible Equity team searches for investment bargains among long-term, attractive businesses with shareholder-oriented managers—those with productive assets and productive managers. These businesses should have or develop competitive advantages that result in good business economics, managers who allocate capital well, capacity to adjust to changes in the world and the ability to grow business value over time. Bargains in these types of stocks can arise for various reasons but are often due to short-term investor perceptions, temporary business challenges that will improve, company or industry changes for the better, or as-yet-unrecognized potential for long-term growth and development. Despite the occasional investment that will go awry and stretches when the general stock market is unrewarding, we are optimistic about the long-term outlook for equities of good businesses purchased at reasonable prices and our ability to find them.

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# COMPOSITE PERFORMANCE

*AS OF SEPTEMBER 30, 2026*




Source FactSet. All returns greater than one year are annualized. Past performance is not indicative of future results. The composite performance shown above reflects the Institutional Flexible Equity Composite, managed by Brown Advisory Institutional. Brown Advisory Institutional is a GIPS compliant firm and is a division of Brown Advisory LLC. Please see the Brown Advisory Institutional Flexible Equity Composite GIPS Report at the end of this presentation.

# SECTOR DIVERSIFICATION

*AS OF SEPTEMBER 30, 2026*

- We base our investment approach on individual company selection and seek to incorporate a reasonable balance of sector exposure as part of our risk management process. We believe that companies in the same sectors can vary as greatly in their business economics and profiles as companies in completely different sectors.
- Our weighting in Information Technology increased during the quarter. We added to Taiwan Semiconductor Manufacturing Co. (TSM), NVIDIA Corporation (NVDA), KLA Corporation (KLAC), and Marvell Technology, Inc (MRVL), and initiated a position in Tyler Technologies, Inc (TYL). These increases were partially offset by the exit of Intuit Inc. (INTU).
- Communication Services increased during the period, driven primarily by price appreciation from Meta Platforms Inc Class A (META). Energy also increased during the quarter as Suncor Energy Inc. (SU) traded higher.
- Health Care decreased during the quarter. We exited Illumina, Inc. (ILMN) and trimmed UnitedHealth Group Incorporated (UNH), Elevance Health, Inc. (ELV), and Edwards Lifesciences Corporation (EW). We also initiated a position in Boston Scientific Corporation (BSX) and added to Danaher Corporation (DHR), partially offsetting the decrease.
- Financials increased during the quarter. We initiated a position in S&P Global, Inc. (SPGI) and added to Capital One Financial Corp (COF). We exited American International Group, Inc. (AIG) and trimmed Bank of America Corp (BAC) and Berkshire Hathaway Inc Class B (BRK.B).
- Industrials decreased during the quarter. We exited Carrier Global Corp. (CARR), which was partially offset by additions to Watsco, Inc. (WSO). Consumer Discretionary also decreased, primarily reflecting the exit of Lowe's Companies, Inc. (LOW).

| SECTOR | REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%) | S&P 500® INDEX (%) | DIFFERENCE (%) | REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (%) | |
|---|---|---|---|---|---|
| | Q3'26 | Q3'26 | Q3'26 | Q2'26 | Q3'25 |
| Communication Services | 14.90 | 9.95 | 4.95 | 14.51 | 13.92 |
| Consumer Discretionary | 9.59 | 8.60 | 0.99 | 10.65 | 11.27 |
| Consumer Staples | 3.17 | 4.37 | -1.19 | 3.41 | 2.08 |
| Energy | 2.61 | 3.40 | -0.79 | 2.12 | 2.11 |
| Financials | 21.41 | 11.40 | 10.01 | 21.21 | 26.85 |
| Health Care | 11.03 | 9.26 | 1.77 | 11.45 | 8.86 |
| Industrials | 7.31 | 8.05 | -0.74 | 8.97 | 10.52 |
| Information Technology | 29.98 | 39.71 | -9.73 | 27.68 | 24.40 |
| Materials | -- | 1.70 | -1.70 | -- | -- |
| Real Estate | -- | 1.70 | -1.70 | -- | -- |
| Utilities | -- | 1.88 | -1.88 | -- | -- |

Source: FactSet®. 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. 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 portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Sector diversification excludes cash and cash equivalents. Commentary regarding attribution and an investment's contribution to return and relative performance has been assessed on a gross performance basis. Sectors are based on the Global Industry Classification Standard (GICS ®) classification system. Total strategy composite performance can be found on slide 3. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# QUARTER-TO-DATE CONTRIBUTION DETAIL BY SECTOR

*REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT AS OF SEPTEMBER 30, 2026*

| | REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT | | S&P 500® INDEX | | CONTRIBUTION TO RETURN ANALYSIS | | |
|---|---|---|---|---|---|---|---|
| GICS SECTOR | AVERAGE WEIGHT (%) | RETURN (GROSS %) | AVERAGE WEIGHT (%) | RETURN (GROSS %) | REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT (GROSS %) | S&P 500® INDEX (GROSS %) | DIFFERENCE (GROSS %) |
| Communication Services | 14.47 | 7.19 | 9.82 | 3.11 | 1.01 | 0.33 | 0.68 |
| Consumer Discretionary | 10.20 | -5.56 | 9.08 | -5.09 | -0.39 | -0.44 | 0.05 |
| Consumer Staples | 3.37 | -4.54 | 4.55 | -1.90 | -0.13 | -0.08 | -0.05 |
| Energy | 2.49 | 27.03 | 3.34 | 17.23 | 0.57 | 0.51 | 0.06 |
| Financials | 22.59 | 1.81 | 12.20 | -0.12 | 0.45 | 0.03 | 0.42 |
| Health Care | 11.52 | 0.28 | 9.17 | 6.46 | 0.05 | 0.57 | -0.51 |
| Industrials | 8.22 | -16.18 | 8.54 | -9.65 | -1.44 | -0.86 | -0.58 |
| Information Technology | 27.13 | 5.76 | 37.60 | 7.32 | 1.45 | 2.67 | -1.21 |
| Materials | -- | -- | 1.79 | -2.85 | -- | -0.05 | 0.05 |
| Real Estate | -- | -- | 1.82 | -5.57 | -- | -0.10 | 0.10 |
| Utilities | -- | -- | 2.07 | -12.39 | -- | -0.27 | 0.27 |
| **Total** | **100.00** | **1.57** | **100.00** | **2.30** | **1.57** | **2.30** | **-0.73** |

- Contribution analysis is a tool that shows the combined effect of weighting and return to the total return earned.
- We focus our efforts on individual company selection and incorporate a reasonable balance of sector exposure as part of our risk management process.
- Information Technology contributed the most to the portfolio's return during the quarter. The sector had the third highest return during the period.
- Communication Services was the next largest contributor to the portfolio's return. Energy also contributed, as the sector had the highest return in the portfolio during the quarter.
- Industrials detracted the most from the portfolio's return during the quarter.

Source: FactSet. 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. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Past performance is not indicative of future results. The portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Contribution Analysis shown is calculated on a gross of fees basis. Sector contribution is gross of fees and excludes cash and cash equivalents. Total strategy composite performance can be found on slide 3. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# QUARTER-TO-DATE ATTRIBUTION DETAIL BY SECTOR

*REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT AS OF SEPTEMBER 30, 2026*

| | REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT | | S&P 500® INDEX | | ATTRIBUTION ANALYSIS | | |
|---|---|---|---|---|---|---|---|
| GICS SECTOR | AVERAGE WEIGHT (%) | RETURN (GROSS %) | AVERAGE WEIGHT (%) | RETURN (GROSS %) | ALLOCATION EFFECT (GROSS %) | SELECTION & INTERACTION EFFECT (GROSS %) | TOTAL EFFECT (GROSS %) |
| Communication Services | 14.47 | 7.19 | 9.82 | 3.11 | 0.02 | 0.61 | 0.63 |
| Consumer Discretionary | 10.20 | -5.56 | 9.08 | -5.09 | -0.03 | 0.01 | -0.02 |
| Consumer Staples | 3.37 | -4.54 | 4.55 | -1.90 | 0.05 | -0.07 | -0.02 |
| Energy | 2.49 | 27.03 | 3.34 | 17.23 | -0.13 | 0.20 | 0.07 |
| Financials | 22.59 | 1.81 | 12.20 | -0.12 | -0.28 | 0.47 | 0.19 |
| Health Care | 11.52 | 0.28 | 9.17 | 6.46 | 0.11 | -0.68 | -0.57 |
| Industrials | 8.22 | -16.18 | 8.54 | -9.65 | 0.06 | -0.67 | -0.61 |
| Information Technology | 27.13 | 5.76 | 37.60 | 7.32 | -0.52 | -0.45 | -0.97 |
| Materials | -- | -- | 1.79 | -2.85 | 0.09 | -- | 0.09 |
| Real Estate | -- | -- | 1.82 | -5.57 | 0.15 | -- | 0.15 |
| Utilities | -- | -- | 2.07 | -12.39 | 0.32 | -- | 0.32 |
| **Total** | **100.00** | **1.57** | **100.00** | **2.30** | **-0.16** | **-0.57** | **-0.73** |

- Attribution is a tool that calculates the effect of sector allocation and stock selection relative to market and sector benchmarks of performance. This tool does not reflect how we manage investments, and we believe it has meaningful limitations. However, it is frequently requested, so we share it for that reason.
- The portfolio had a lower return than the S&P 500® Index in the quarter, on a net basis. Security selection and sector allocation both detracted from relative performance.
- Information Technology, Industrials, and Health Care detracted the most from results as compared to the Index. Information Technology had a smaller weighting than the Index and a lower return during the quarter. Industrials and Health Care both had lower returns than their respective benchmark sectors.
- Communication Services contributed the most to relative performance and had a larger weighting and higher return than the Index.

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# QUARTER-TO-DATE TOP FIVE CONTRIBUTORS TO RETURN

*REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT AS OF SEPTEMBER 30, 2026*

| SYMBOL | NAME | DESCRIPTION | AVERAGE WEIGHT (%) | TOTAL PORT. RETURN (%) | PORT. GROSS CONTRIBUTION TO RETURN (%) |
|---|---|---|---|---|---|
| MSFT | Microsoft Corporation | Develops, manufactures and distributes software products | 5.99 | 37.76 | 1.87 |
| META | Meta Platforms Inc Class A | Operates as a social networking service and website | 4.75 | 28.93 | 1.21 |
| SU | Suncor Energy Inc. | Explores and refines oil and gas | 2.49 | 27.03 | 0.57 |
| SAP | SAP SE Sponsored ADR | Provides e-business software solutions | 1.83 | 35.28 | 0.52 |
| ILMN | Illumina, Inc. | Operates as a biotechnology company that develops laboratory instruments | 1.16 | 36.08 | 0.44 |

- Microsoft Corporation (MSFT) was the portfolio's top contributor during the quarter following another strong report from its commercial cloud business. Azure growth accelerated, Copilot adoption continued to build, and management's forward commentary reinforced confidence in Microsoft Corporation's ability to benefit from AI-related demand across cloud infrastructure, enterprise software, and productivity tools.
- Meta Platforms (META) traded higher during the quarter, including a more than 25% gain in September, as investors gained confidence in both the strength of the company's core advertising business and its AI product roadmap. Engagement trends remain strong across Meta's family of apps, while AI-driven recommendation and advertising tools continue to support growth. The September launch of Muse, Meta's new personal AI agent, and strong early adoption further increased investor enthusiasm around the company's ability to translate its AI investments into compelling consumer products.
- Suncor Energy (SU) outperformed the Index during the quarter as higher oil prices and stronger refining margins improved the outlook for earnings and free cash flow. The company also reported strong second-quarter operating results, including record refining volumes, and increased its monthly share repurchase pace, reinforcing confidence in its ability to return capital across commodity price environments.
- SAP SE (SAP) contributed positively as investors gained confidence in the company's cloud migration opportunity. Sentiment also improved as AI increasingly shifted from being viewed solely as a disruption risk to a potential driver of cloud adoption. SAP SE's proprietary enterprise data, mission-critical workflows, and deeply embedded customer relationships continue to support its position as a critical technology provider for large enterprises.
- Illumina, Inc. (ILMN) traded higher during the quarter as life sciences tools companies benefited from signs of improving end-market demand. Shares also gained as investors increasingly viewed Illumina as a potential beneficiary of AI-related demand in drug discovery, large-scale screening, and model training. We exited the position during the quarter following strong performance, as valuation had become less compelling.

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# QUARTER-TO-DATE BOTTOM FIVE CONTRIBUTORS TO RETURN

*REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT AS OF SEPTEMBER 30, 2026*

| SYMBOL | NAME | DESCRIPTION | AVERAGE WEIGHT (%) | TOTAL PORT. RETURN (%) | PORT. GROSS CONTRIBUTION TO RETURN (%) |
|---|---|---|---|---|---|
| KLAC | KLA Corporation | Designs, manufactures and markets semiconductor process control, inspection, metrology & software products, vacuum deposition, etch process tools and PCB products | 2.12 | -35.33 | -1.16 |
| TSM | Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR | Engages in manufacturing, sales, packaging, testing and computer-aided design of integrated circuits & semiconductor devices and masks | 7.07 | -4.50 | -0.40 |
| WSO | Watsco, Inc. | Distributes central air conditioning, heating and refrigeration equipment | 1.42 | -25.87 | -0.33 |
| URI | United Rentals, Inc. | Operates as a holding company whose subsidiaries engages in the rental and sale of construction, aerial, industrial and light equipment & general tools | 2.68 | -11.51 | -0.32 |
| UNH | UnitedHealth Group Incorporated | Provides hospital and medical service plans | 2.91 | -11.15 | -0.32 |

- KLA Corporation (KLAC) traded lower during the quarter as semiconductor capital equipment stocks gave back a portion of their strong gains from earlier in the year. We continue to view KLA Corporation as well positioned over the long term, supported by increasing chip complexity, the growing importance of process control, and continued investment in advanced semiconductor manufacturing.
- Taiwan Semiconductor Manufacturing Co. (TSM) declined during the quarter as semiconductor-related stocks broadly moved lower following strong performance earlier in the year. The company remains central to the AI and high-performance computing supply chain, with continued demand for advanced nodes supporting its long-term growth outlook.
- Watsco, Inc. (WSO) traded lower as investor sentiment toward residential HVAC companies remained cautious. Near-term demand has been affected by the timing of the residential replacement cycle following the refrigerant transition, but Watsco remains one of the largest HVAC distributors in the U.S., with a replacement-driven end market, strong customer relationships, and a long runway for consolidation.
- United Rentals, Inc. (URI) gave back some of its first-half gains during the quarter as investors reassessed the timing of a recovery in non-residential construction activity. The stock had appreciated meaningfully earlier in the year, and the pullback appeared more related to shifting expectations than a change in the company's competitive position. United Rentals remains a high-quality equipment rental leader with exposure to infrastructure, industrial, and specialty rental markets.
- UnitedHealth Group Incorporated (UNH) declined during the quarter after a strong rebound from earlier-year lows. Sentiment cooled as investors weighed political and regulatory uncertainty around Medicare and Medicaid, though the company has continued to point to signs of margin recovery across Medicare Advantage and Optum. We continue to view UnitedHealth Group as a scaled, diversified health care franchise with meaningful long-term earnings power.

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# QUARTER-TO-DATE ADDITIONS/DELETIONS

*REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT PORTFOLIO ACTIVITY AS OF SEPTEMBER 30, 2026*

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- We believe Boston Scientific Corporation (BSX) is a well-managed, diversified medical technology company with strong positions across large, growing end markets, including electrophysiology, structural heart, endoscopy, urology, and neuromodulation. The company has built a higher-growth portfolio over time, supported by differentiated minimally invasive platforms such as FARAPULSE, WATCHMAN, and AGENT. Following a meaningful share price correction, we saw an attractive opportunity to invest in a high-quality compounder with durable procedure-driven growth and meaningful long-term earnings power.
- S&P Global, Inc. (SPGI) is a leading provider of credit ratings, financial data, and market indices. Recent concerns around AI disruption and weaker sentiment toward asset-light business models compressed the company's valuation despite the durability of its Ratings and Benchmark franchises. We believe the market is overstating these risks, creating an attractive opportunity to invest in a high-quality business with strong long-term growth prospects.
- Tyler Technologies, Inc. (TYL) is a leading provider of software and technology solutions for state and local governments. The company benefits from high customer retention, pricing power, and mission-critical workflows across courts, public safety, payments, and administrative systems. Shares declined meaningfully amid broader concerns around AI disruption and weaker software valuations, creating what we believe was an attractive opportunity to invest in a high-quality business with a durable growth profile. We believe Tyler's incumbency, customer trust, and deep domain expertise position the company well as public-sector customers continue to modernize their technology infrastructure and increasingly adopt AI-enabled solutions.
- Illumina, Inc. (ILMN) was exited following a strong period of performance. Illumina, Inc. was a meaningful contributor year-to-date, but after a significant rerating in the shares, we believe the prospective return became less compelling. While investor enthusiasm around AI has supported the stock, we believe emerging competitive risk from Roche is not fully reflected in the valuation.

| SYMBOL | ADDITIONS | SECTOR |
|---|---|---|
| BSX | Boston Scientific Corporation | Health Care |
| SPGI | S&P Global, Inc. | Financials |
| TYL | Tyler Technologies, Inc. | Information Technology |

| SYMBOL | DELETIONS | SECTOR |
|---|---|---|
| AIG | American International Group, Inc. | Financials |
| CARR | Carrier Global Corp. | Industrials |
| ILMN | Illumina, Inc. | Health Care |
| INTU | Intuit Inc. | Information Technology |
| LOW | Lowe's Companies, Inc. | Consumer Discretionary |

- Intuit Inc. (INTU) was exited during the quarter as we reassessed our conviction in the company's long-term growth outlook. Intuit remains a high-quality business with a strong brand, scaled customer base, and a management team with a long-track record of execution. However, recent results raised questions around growth in the DIY tax franchise, while the rapid evolution of AI has created additional uncertainty around how consumers may interact with tax software over time. As our conviction in the company's ability to lead through the next phase of software evolution moderated, we chose to reallocate capital to opportunities where we see a more compelling path to long-term value creation.

Source: FactSet. 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. 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 portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# QUARTER-TO-DATE ADDITIONS/DELETIONS

*REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT PORTFOLIO ACTIVITY AS OF SEPTEMBER 30, 2026*

- Carrier Global Corp.(CARR) was eliminated during the quarter as our conviction in the company's long-term execution declined. We believe Carrier Global Corp remains a well-positioned business in HVAC and climate solutions, with exposure to attractive areas such as data center cooling. However, we became more cautious on management execution and rising competitive intensity in European residential markets, leading us to redeploy capital elsewhere.
- Lowe's Companies, Inc. (LOW) was exited as the residential home improvement backdrop remains muted, particularly in DIY. Management has made progress improving the Pro and online businesses, but we believe the remaining gap relative to Home Depot is more structural, and we saw limited catalysts for a meaningful change in the near-term outlook.
- American International Group, Inc. (AIG) was exited following a period of solid execution and meaningful portfolio simplification. The company made progress on the original investment thesis, but with much of that progress reflected in the business and valuation, we chose to reallocate capital to opportunities with more attractive prospective returns.

| SYMBOL | ADDITIONS | SECTOR |
|---|---|---|
| BSX | Boston Scientific Corporation | Health Care |
| SPGI | S&P Global, Inc. | Financials |
| TYL | Tyler Technologies, Inc. | Information Technology |

| SYMBOL | DELETIONS | SECTOR |
|---|---|---|
| AIG | American International Group, Inc. | Financials |
| CARR | Carrier Global Corp. | Industrials |
| ILMN | Illumina, Inc. | Health Care |
| INTU | Intuit Inc. | Information Technology |
| LOW | Lowe's Companies, Inc. | Consumer Discretionary |

Source: FactSet. 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. 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 portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# PORTFOLIO CHARACTERISTICS

*AS OF SEPTEMBER 30, 2026*

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| | REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT | S&P 500® INDEX |
|---|---|---|
| Number of Holdings | 42 | 503 |
| Market Capitalization ($ B) | | |
| Weighted Average | 1,438.0 | 1,677.5 |
| Weighted Median | 332.2 | 462.2 |
| Maximum | 5,514.7 | 5,514.7 |
| Minimum | 1.4 | 6.7 |
| P/E Ratio FY1 Est. (x) | 20.1 | 21.1 |
| P/E Ratio FY2 Est. (x) | 18.5 | 18.3 |
| Earnings Growth 3-5 Yr. Consensus Est. (%) | 19.9 | 24.1 |
| Dividend Yield (%) | 0.9 | 1.1 |
| Top 10 Portfolio Holdings (%) | 47.2 | 39.1 |
| Three-Year Annualized Portfolio Turnover (%) | 16.4 | -- |

Source: FactSet. The portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Portfolio characteristics exclude cash and cash equivalents with the exception of Top 10 portfolio holdings. Top 10 portfolio holdings include cash and equivalents which was 1.2% as of 09/30/2026. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions. Holdings exclude cash and cash equivalents.

# TOP 10 EQUITY HOLDINGS

*REPRESENTATIVE FLEXIBLE EQUITY ACCOUNT AS OF SEPTEMBER 30, 2026*

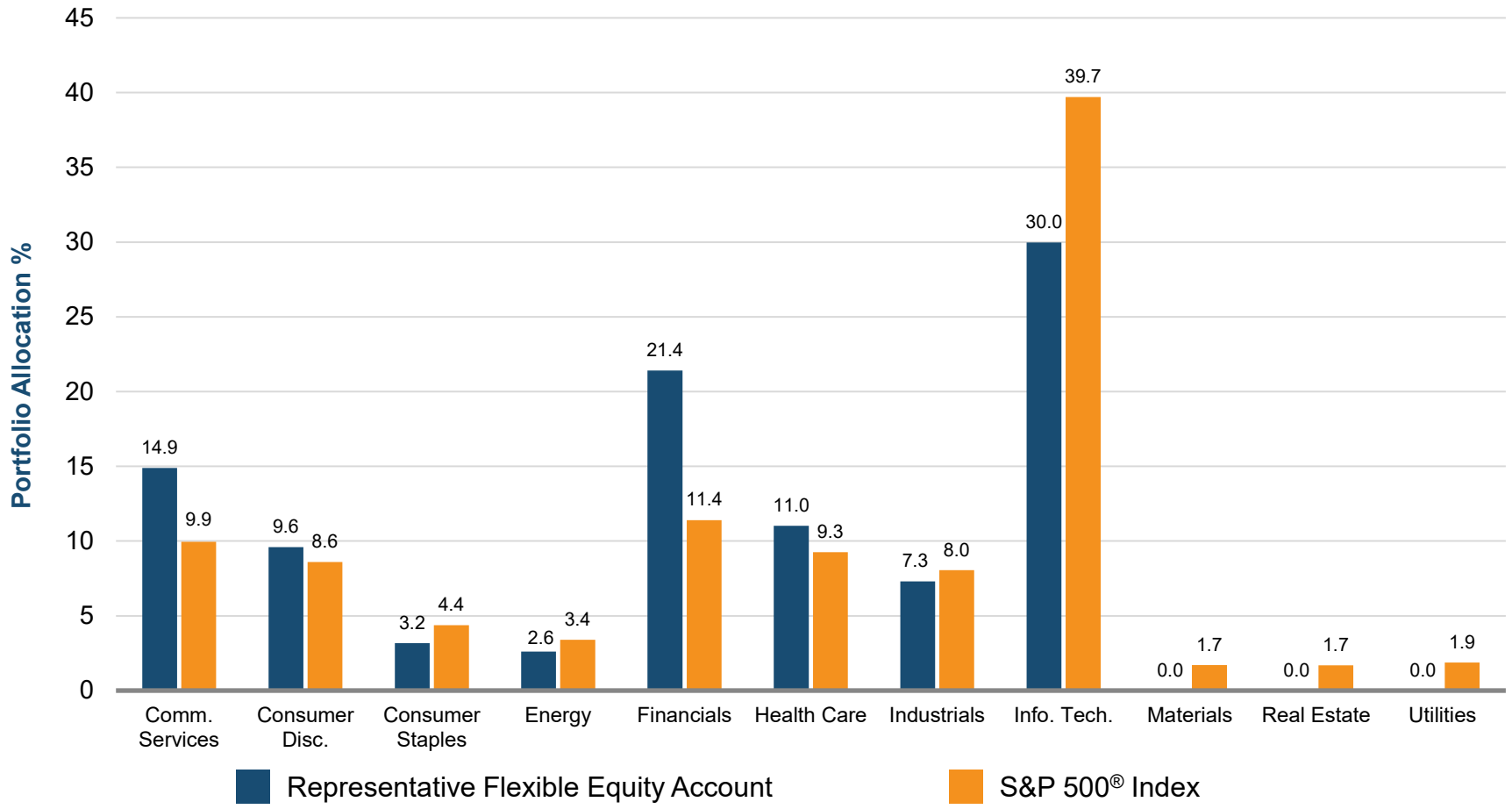
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| TOP 10 HOLDINGS | % OF PORTFOLIO |
|---|---|
| Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR | 7.8 |
| Microsoft Corporation | 6.6 |
| Meta Platforms Inc Class A | 5.2 |
| Amazon.com, Inc. | 4.7 |
| Alphabet Inc. Class A | 4.2 |
| Visa Inc. Class A | 4.2 |
| Alphabet Inc. Class C | 3.9 |
| Mastercard Incorporated Class A | 3.8 |
| NVIDIA Corporation | 3.7 |
| KKR & Co Inc | 3.0 |
| **Total** | **47.2** |

Source: FactSet. 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. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Portfolio information is based on a representative Flexible Equity account and is provided as Supplemental Information. Figures in chart may not total due to rounding. Top 10 Equity Holdings % of Portfolio weight calculations include cash and equivalents which was 1.2% as of 09/30/2026. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# SECTOR DIVERSIFICATION

*GLOBAL INDUSTRY CLASSIFICATION STANDARD (GICS) AS OF SEPTEMBER 30, 2026*




Source: FactSet. The portfolio information provided is based on a representative Flexible Equity account and is provided as Supplemental Information. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

# DISCLOSURES

The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be 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 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.

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. Standard & Poor's, S&P, and S&P 500® are trademarks/service marks of MSCI and Standard & Poor's.

An investor cannot invest directly into an index.

Global Industry Classification Standard (GICS®) and "GICS" are service makers/trademarks of MSCI and Standard & Poor's.

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Figures shown on sector diversification, contribution and attribution by detail slides may not total due to rounding.

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# TERMS & DEFINITIONS

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All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted.

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.

**Allocation Effect** measures the impact of the decision to allocate assets differently than those in the benchmark.

**Selection and Interaction Effect** reflects the combination of selection effect and interaction effect. Selection effect measures the effect of choosing securities that may or may not outperform those of the benchmark. Interaction effect measures the effect of allocation and selection decisions (i.e., did we overweight the sectors in which we underperformed).

**Total Effect** reflects the combination of allocation, selection and interaction effects. Totals may not equal due to rounding.

**Market Capitalization** refers to the aggregate value of a company's publicly traded stock. Statistics are calculated as follows: Weighted Average: the average of each holding's market cap, weighted by its relative position size in the portfolio (in such a weighting scheme, larger positions have a greater influence on the calculation); Weighted Median: the value at which half the portfolio's market capitalization weight falls above and half falls below; Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

**Price-Earnings Ratio** (P/E Ratio) is the ratio of the share of a company's stock compared to its per-share earnings. P/E calculations presented use FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1. Calculated as a weighted harmonic average.

**Earnings Growth 3-5 Year Est.** is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokerage firms, calculated according to each broker's methodology. Calculated as weighted average.

**Dividend Yield** is the ratio of a stock's projected annual dividend payment per share for the fiscal year currently in progress, divided by the stock's price. Calculated as weighted average.

**Portfolio Turnover** is the ratio of the lesser of the portfolio's aggregate purchases or sales during a given period, divided by the average value of the portfolio during that period, calculated on a monthly basis. Portfolio turnover is provided for a three-year trailing period.

**Contribution To Return** is calculated by multiplying a security's beginning weight as a percentage of a portfolio by that security's return for the period covered in the report.

**The Total Return** of an equity security is the sum of the return from price movement and the return due to dividend 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.

**Free cash flow (FCF)** represents the cash a company generates after cash outflows to support operations and maintain its capital assets. Unlike earnings or net income, free cash flow is a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital.

All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holding, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.

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# INSTITUTIONAL FLEXIBLE EQUITY COMPOSITE

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| Year | Composite Total Gross Returns (%) | Composite Total Net Returns (%) | Benchmark Returns (%) | Composite 3-Yr Annualized Standard Deviation (%) | Benchmark 3-Yr Annualized Standard Deviation (%) | Portfolios in Composite at End of Year | Composite Dispersion (%) | Composite Assets ($USD Millions)* | GIPS Firm Assets ($USD Millions)* |
|---|---|---|---|---|---|---|---|---|---|
| 2025 | 10.4 | 9.7 | 17.9 | 12.8 | 11.8 | 39 | 0.2 | 5,678 | 83,812 |
| 2024 | 24.5 | 23.7 | 25.0 | 17.9 | 17.2 | 41 | 0.3 | 4,932 | 88,323 |
| 2023 | 35.2 | 34.4 | 26.3 | 18.2 | 17.3 | 40 | 0.4 | 3,171 | 78,241 |
| 2022 | -20.8 | -21.3 | -18.1 | 22.1 | 20.9 | 40 | 0.2 | 2,476 | 58,575 |
| 2021 | 25.7 | 25.0 | 28.7 | 18.8 | 17.2 | 41 | 0.3 | 3,198 | 79,715 |
| 2020 | 20.8 | 20.1 | 18.4 | 20.1 | 18.5 | 41 | 0.3 | 2,550 | 59,683 |
| 2019 | 37.3 | 36.5 | 31.5 | 12.8 | 11.9 | 42 | 0.4 | 2,196 | 42,426 |
| 2018 | -3.3 | -3.9 | -4.4 | 12.3 | 10.8 | 41 | 0.3 | 2,263 | 30,529 |
| 2017 | 25.1 | 24.3 | 21.8 | 11.4 | 9.9 | 50 | 0.3 | 2,912 | 33,155 |
| 2016 | 9.9 | 9.4 | 12.0 | 12.1 | 10.6 | 52 | 0.2 | 2,883 | 30,417 |

Brown Advisory Institutional claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory Institutional has been independently verified for the periods from January 1, 1993 through December 31, 2025. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

1. *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
2. The Institutional Flexible Equity Composite (the Composite) includes all actual, discretionary, institutional accounts with a flexible value equity objective of 100%. The strategy seeks bargains in "value" as well as "growth" stocks and invests primarily in the common stock of domestic companies with market capitalizations greater than $2 billion at the time of purchase. As of January 1, 2013, the minimum account market value required for Composite inclusion is $1.5 million.
3. The Composite was created in 1985. The Composite inception date is January 1, 1985.
4. The benchmark is the S&P 500® Index. The S&P 500 Index is a capitalization-weighted index of 500 stocks that is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Index returns assume reinvestment of dividends and do not reflect any fees or expenses. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers. Standard & Poor's, S&P ®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"), a subsidiary of S&P Global Inc.
5. 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.
6. Gross-of-fees performance returns are presented before management fees but after all trading commissions, and gross of foreign withholding taxes (if applicable). Net-of-fees performance returns are calculated by adjusting the gross-of-fees performance return by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis. Certain accounts in the Composite may pay asset-based custody fees that include commissions. For these accounts, gross returns are also net of custody fees. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: For accounts below $150 million, 0.60% on the first $25 million; 0.50% on the next $25 million; and 0.45% on the next $25 million, and 0.35% on the next $50 million. For accounts over $150 million, 0.45% on the first $150 million; 0.275% on the next $100 million; 0.25% on the next $250 million; and 0.20% on the balance over $500 million. Further information regarding investment advisory fees is described in Part 2A of the firm's Form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
7. Effective July 1, 2023, the firm transitioned from using actual account fees in the calculation of net performance returns to applying the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV. The net performance track record was revised back to Composite inception.
8. 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.
9. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
10. A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
11. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
12. Past performance is not indicative of future results.
13. This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subscription documents.
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