

TAX-EXEMPT SUSTAINABLE STRATEGY REVIEW AND OUTLOOK

Third Quarter 2024

The Brown Advisory Tax-Exempt Sustainable strategy modestly underperformed its benchmark during a strong quarter where the strategy returned 2.40%, net of fees compared to 2.67% for the Bloomberg Muni 1-10 Year Blend Municipal Bond Index. After drifting higher for the first half of the year, short-and-intermediate maturity municipal yields moved sharply lower during the third quarter as the municipal yield curve bull-steepened in anticipation of the start of the Fed rate cutting cycle.

The strategy's modest underperformance for the quarter was attributed to a pricing performance drag from our overweight in ultra-short duration holdings. During an interest rate rally as happened in the quarter, their low duration profile can often cause their price returns to lag those of longer duration bonds. However, while the Muni yield curve retreated to lower yields during 3Q, yields on ultra-short bonds remain relatively high, and we find the total return potential attractive in many of these ultra-short holdings. These bonds have played an important role providing ballast against rate volatility in recent quarters. Strategy performance remains ahead of the benchmark for the year-to-date period, returning 2.73% versus 1.87% for the Index. Active curve positioning, along with strong individual security and sector selection has driven much of this outperformance.

Broad interest rates moved sharply lower during the third quarter as the bond markets looked ahead to the start of the Fed's long-awaited rate cutting cycle. With continued progress on inflation and signs of a softening labor market, the Fed cut its Fed Funds target range by 50 basis points (bp) in September. Many bond investors bought bonds in the weeks leading up to that Fed decision, ostensibly to lock-in high relative yields in anticipation of additional future Fed rate cuts. Based on the strength of the rate move, the preferred focus of this bond buying activity was in the 2-year to 5-year maturity range. This part of the curve led the rate rally, with 2-year US Treasury yields dropping over 100bps for the quarter, and 2-year AAA Muni yields dropping 80bps. This strength on the front-end caused yield curves to bull-steepen, with 2-year to 5-year bonds generating some of the highest total returns across the curve.

Within the municipal bond market, the seeming uptick in investor demand was also met with near-record levels of new issue supply. Gross issuance year-to-date through 3Q reached \$380bn, up 41% versus the same period last year, and 20% higher than the trailing 5-year average. This surge in new issue volume has likely been driven by several key drivers, including:

NAME	3-MONTH RETURN (%)	YTD RETURN (%)	1-YEAR RETURN (%)	3-YEAR* RETURN (%)	5-YEAR* RETURN (%)	10-YEAR* RETURN (%)
Tax Exempt Sustainable Composite (Gross of fees)	2.48	2.98	8.84	0.41	1.37	2.05
Tax Exempt Sustainable Composite (Net of fees)	2.40	2.73	8.49	0.08	1.04	1.72
Bloomberg 1-10 Year Blend Municipal Bond Index	2.67	1.87	7.44	0.53	1.39	1.97

*Annualized Returns

1) front loading ahead of the election, 2) renewed demand for capital after muted issuance during the pandemic years, and 3) dwindling cash balances leftover from federal stimulus legislation (CARES, ARP, etc.). Full year supply is tracking close to \$500bn, which would match all-time records for the municipal bond market.

This growth in supply has been generally well received by market participants and deals have been easily absorbed, but at some modest concessions to secondary market levels. This has likely weighed on municipal bond performance this year, which lagged even stronger YTD performance from US Treasuries and Corporate bonds. As a result, municipal bond yields remain attractive for high taxpayers on a relative basis. Taxable-equivalent yields for our strategy ended the quarter above 5.50% for maximum-tax federal taxpayers. These yield levels offer an attractive value proposition for taxpaying investors, and we believe especially attractive as we enter a Fed easing cycle. Rate volatility has continued to remain high from a historical perspective in 2024, but we believe municipal bond demand has been steadily building this year and should continue as retail investors migrate stability holdings from cash-equivalents into bonds.

Within our strategy, we have begun to incrementally transition some of our overweight in short-duration bonds into bonds in the intermediate duration range. Short-duration bonds have played an important role within the portfolio over the past several quarters, providing a stable source of income while also helping to protect against general interest rate volatility causing price swings. Yet, as the shape of the municipal yield curve began to normalize (disinvert), we began to transition a portion of these short holdings out the curve to lock-in yields as a protection against recession risk. This process has been gradual, largely allowing our shortest holdings to roll-off and reinvesting in attractive bottom-up opportunities via the primary and secondary markets.

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Third Quarter 2024

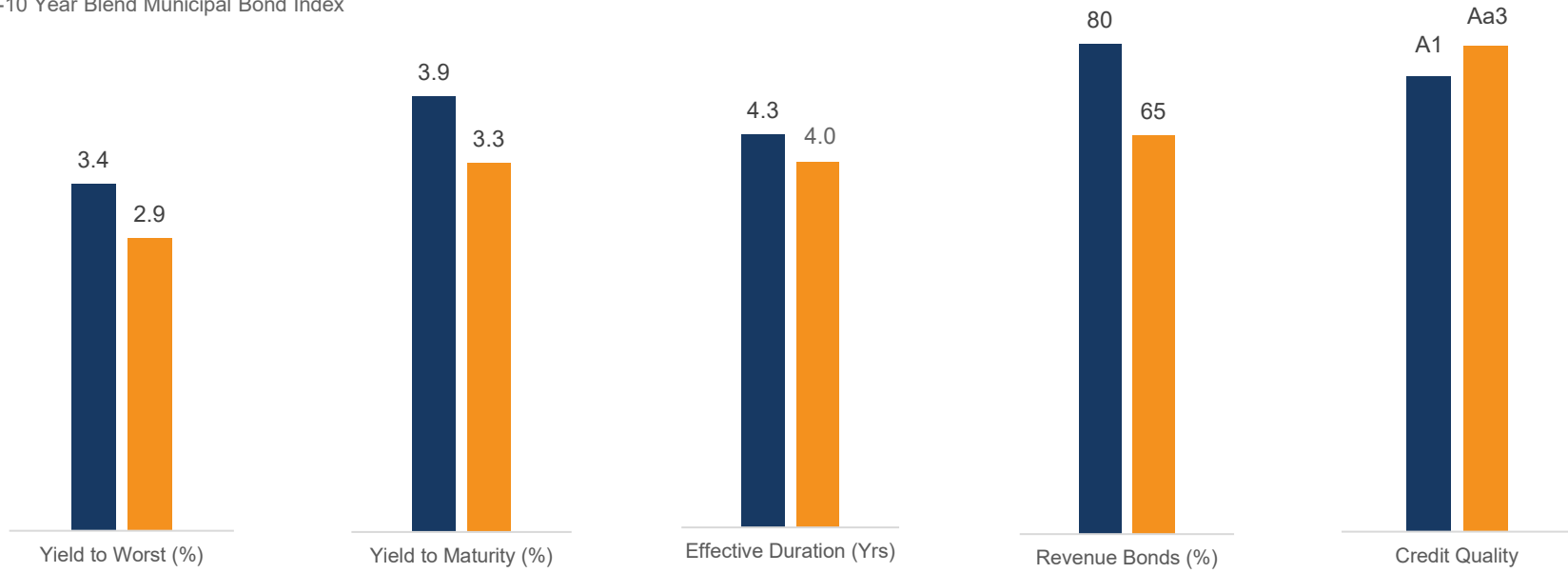
The recent environment has generally been a very good environment for active management, in our view. Yields remain above long-term averages, and it is not necessary to take on a lot of credit risk or duration risk to find bonds with beneficial return profiles. Many of our best opportunities have come from bonds with “off-the-run” structures, like short-calls, high-quality discount bonds, and par bond sectors like housing and pre-pay bonds. Many of these carry very high credit ratings, and low effective durations, but are often shunned by many SMA buyers. Spreads remain elevated on many of these bonds, and attractive bonds can be found for investors willing to put in the time and effort to uncover these individual credit opportunities.

As we progress deeper into the year and this economic cycle, we believe macroeconomic uncertainty will likely remain at the front of investors’ minds. Muni credit fundamentals are generally solid, but federal stimulus funds are being spent down and the economic cycle may be growing long in the tooth. The market will likely also have a sharper focus on the upcoming election season. The uncertainty over control of the White House and Congress could elevate market volatility generally, while any proposed changes in tax legislation could specifically impact demand for municipal bonds. We will be watching these policy issues very closely. Yet, we believe the worst of the persistent negative sentiment within the municipal asset class is behind us, and now Munis appear poised to serve more of their traditional roles such as providing diversification, capital preservation, and tax-efficient income.

PORTFOLIO ATTRIBUTES

Third Quarter 2024 Tax-Exempt Sustainable Representative Account as of 09/30/2024

- Tax-Exempt Sustainable Representative Account
- Bloomberg 1-10 Year Blend Municipal Bond Index



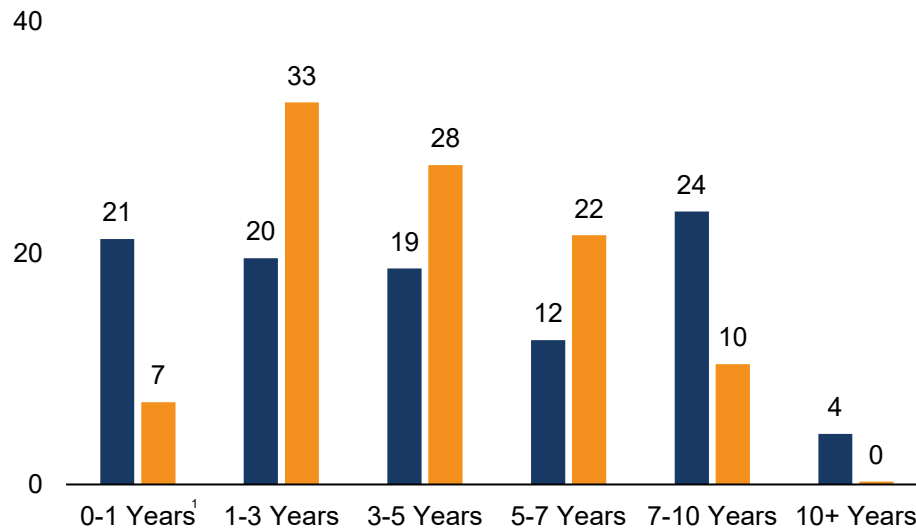
DURATION AND QUALITY DISTRIBUTIONS

Third Quarter 2024

Duration Distribution

Percentage Weight

Rep Account 4.3
Benchmark 3.9



- Tax-Exempt Sustainable Rep. Account
- Bloomberg 1-10 Year Blend Municipal Bond Index

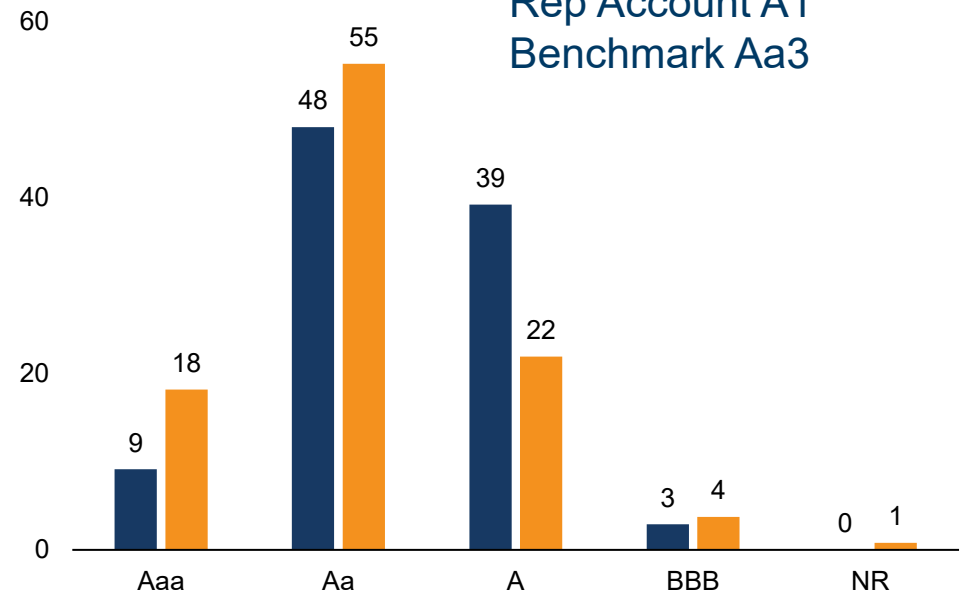
Source: FactSet, Bloomberg.

- Floating-rate securities and short-callable, high-coupon “kicker” bonds make up the majority of our ultrashort duration.
- We are underweight 1-7 year bonds because we believe that part of the yield curve is overvalued.
- We are overweight higher quality 7-10 year bonds which we view as having an attractive relative valuation.

Quality Distribution

Percentage Weight

Rep Account A1
Benchmark Aa3



- Tax-Exempt Sustainable Rep. Account
- Bloomberg 1-10 Year Blend Municipal Bond Index

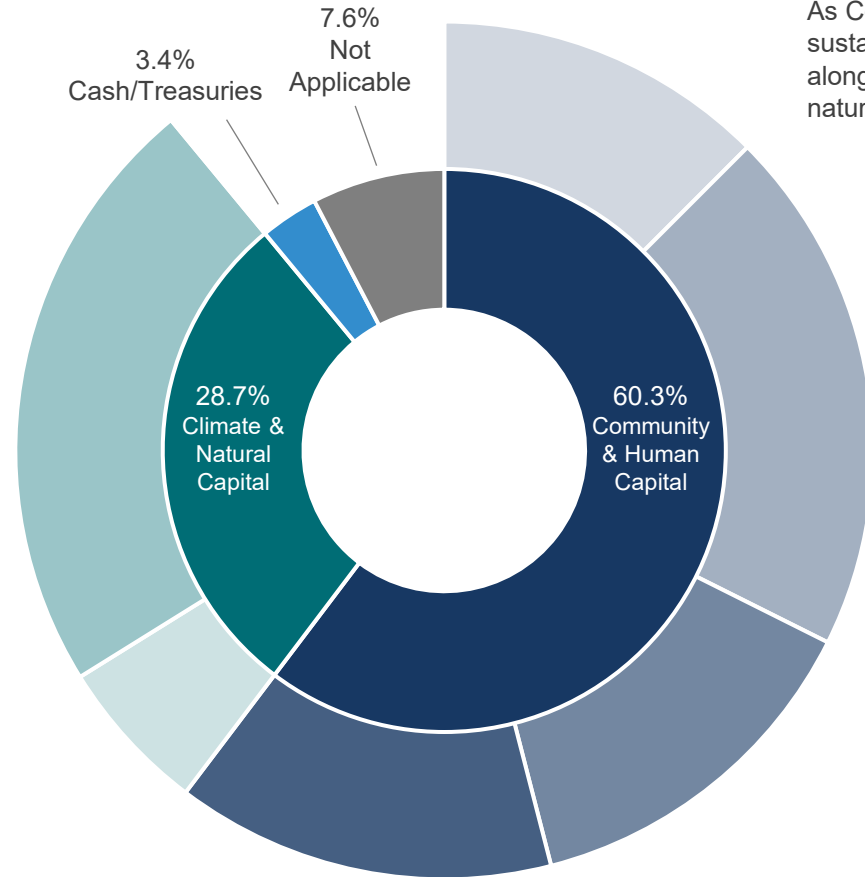
Source: FactSet, Bloomberg.

- 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 health care and utilities, tends to create a more balanced ratings distribution than the benchmark. We view our credit expertise as a strong differentiating factor.

SUSTAINABILITY AT A GLANCE

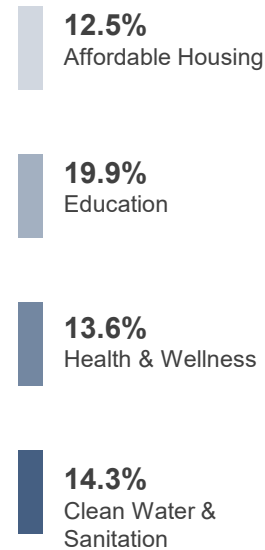
As of September 30, 2024

Impact Distribution

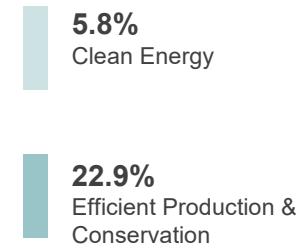


As Community & Human Capital and Climate & Natural Capital are important pillars of our sustainable investment philosophy and process, we report our allocation to these themes, alongside financial performance. We do not target any particular theme, rather this is a natural output of our process.

Community & Human Capital



Climate & Natural Capital



Percentage of Portfolio in Labeled Bonds



Source: FactSet. The themes presented in the Brown Advisory framework above, Climate & Natural Capital and Community & Human Capital, have been developed with the sole purpose of explaining the potential sustainability outcomes of our investments. We work closely with our clients to help them translate our themes against their own tools or other internationally recognized frameworks, such as the U.N. Sustainable Development Goals (SDGs). Whilst we do not invest to achieve these goals, some clients have found it useful to show how our themes map against the SDGs to understand a strategy's investment outcomes. Impact breakdowns are based on a representative Tax-Exempt Sustainable Fixed Income account, include cash and equivalents and are provided as Supplemental Information. 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 a GIPS Report, important disclosures and a complete list of terms and definitions.

AVERAGE WEIGHT DETAIL BY SECTOR

Third Quarter 2024



SECTOR	TAX-EXEMPT SUSTAINABLE REP ACCOUNT	BLOOMBERG 1-10 YEAR BLEND MUNICIPAL BOND INDEX	CONTRIBUTION TO RETURN (GROSS)			CONTRIBUTION TO RETURN (NET)		
			AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)	BROWN ADVISORY (%)
General Obligation	18.3	31.1	0.53	0.82	-0.29	0.52	0.82	-0.30
Hospital/CCRC	14.0	6.4	0.26	0.17	0.09	0.25	0.17	0.08
Lease/Housing	13.0	4.3	0.39	0.11	0.28	0.38	0.11	0.27
Ports/Airports	12.7	6.3	0.28	0.17	0.10	0.27	0.17	0.09
Utilities	11.1	16.5	0.23	0.46	-0.23	0.22	0.46	-0.24
Other Transportation	9.0	8.5	0.19	0.23	-0.04	0.18	0.23	-0.05
Education	6.5	5.8	0.16	0.16	0.01	0.16	0.16	0.00
Tax Revenue	6.1	10.5	0.09	0.29	-0.19	0.09	0.29	-0.20
Miscellaneous Revenue	4.0	6.1	0.09	0.16	-0.06	0.09	0.16	-0.07
Pre-Refunded	2.8	4.4	0.03	0.09	-0.06	0.02	0.09	-0.06
Cash	2.7	--	0.03	--	0.03	0.03	--	0.03
Total	100	100	2.29	2.66	-0.37	2.21	2.66	0.46

Source: FactSet and Brown Advisory calculations. 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. Net of fees returns are calculated by adjusting gross of fees returns by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis and allocated pro rata based on position weight. Actual fees may be lower based on assets under management and other factors. Net of fees returns for actual accounts may therefore differ from the returns shown above. Please see the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions. Past performance is not indicative of future results.

AVERAGE WEIGHT BY DURATION AND CREDIT QUALITY

Third Quarter 2024

DURATION	TAX-EXEMPT SUSTAINABLE REP ACCOUNT	BLOOMBERG 1-10YR MUNI BLEND	CONTRIBUTION TO RETURN (GROSS)			CONTRIBUTION TO RETURN (NET)		
DURATION RANGE	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)
0 – 1	23.6	7.9	0.24	0.10	0.15	0.22	0.10	0.13
1 – 3	21.9	32.8	0.51	0.68	-0.18	0.49	0.68	-0.19
3 – 5	19.0	28.3	0.56	0.86	-0.30	0.55	0.86	-0.32
5 – 7	8.2	21.8	0.18	0.73	-0.55	0.17	0.73	-0.56
7 – 10	23.1	9.0	0.56	0.28	0.27	0.54	0.28	0.26
10 +	4.3	0.2	0.24	0.01	0.23	0.24	0.01	0.23
Total	100	100	2.29	2.66	-0.37	2.21	2.66	-0.46

QUALITY	TAX-EXEMPT SUSTAINABLE REP ACCOUNT	BLOOMBERG 1-10YR MUNI BLEND	CONTRIBUTION TO RETURN (GROSS)			CONTRIBUTION TO RETURN (NET)		
CREDIT RATING	AVERAGE WEIGHT (%)	AVERAGE WEIGHT (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)	BROWN ADVISORY (%)	BENCHMARK (%)	DIFFERENCE (%)
AAA	11.8	18.4	0.26	0.48	-0.23	0.25	0.48	-0.24
AA	45.6	55.3	1.17	1.46	-0.29	1.14	1.46	-0.33
A	37.5	21.9	0.76	0.60	0.16	0.73	0.60	0.13
BBB	2.9	3.6	0.08	0.10	-0.02	0.08	0.10	-0.02
NR	2.1	0.8	0.02	0.02	0.00	0.02	0.02	0.00
Total	100	100	2.29	2.66	-0.37	2.21	2.66	-0.46

Source: FactSet and Brown Advisory calculations. Portfolio information is based on a representative Tax-Exempt Sustainable account. Net of fees returns are calculated by adjusting gross of fees returns by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis and allocated pro rata based on position weight. Actual fees may be lower based on assets under management and other factors. Net of fees returns for actual accounts may therefore differ from the returns shown above. 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. 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.

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

Third Quarter 2024

Representative Tax-Exempt Sustainable Account Top Five Contributors

NAME	DESCRIPTION	WEIGHT (%)	CONTRIBUTION TO RETURN (NET)
Town of Middleton MA	A town located in northeastern Massachusetts with a population of 9,779 at the 2020 census.	2.19	0.13
City of Waltham MA	A city located within the Boston area.	2.08	0.11
Nebraska Investment Finance Authority	Provides financing for First Home Mortgage Loans	2.94	0.10
Massachusetts Housing Finance Agency	Finance single family affordable housing	4.61	0.10
Pennsylvania Housing Finance Agency	Offers affordable housing resources including loans and rent assistance.	2.33	0.10

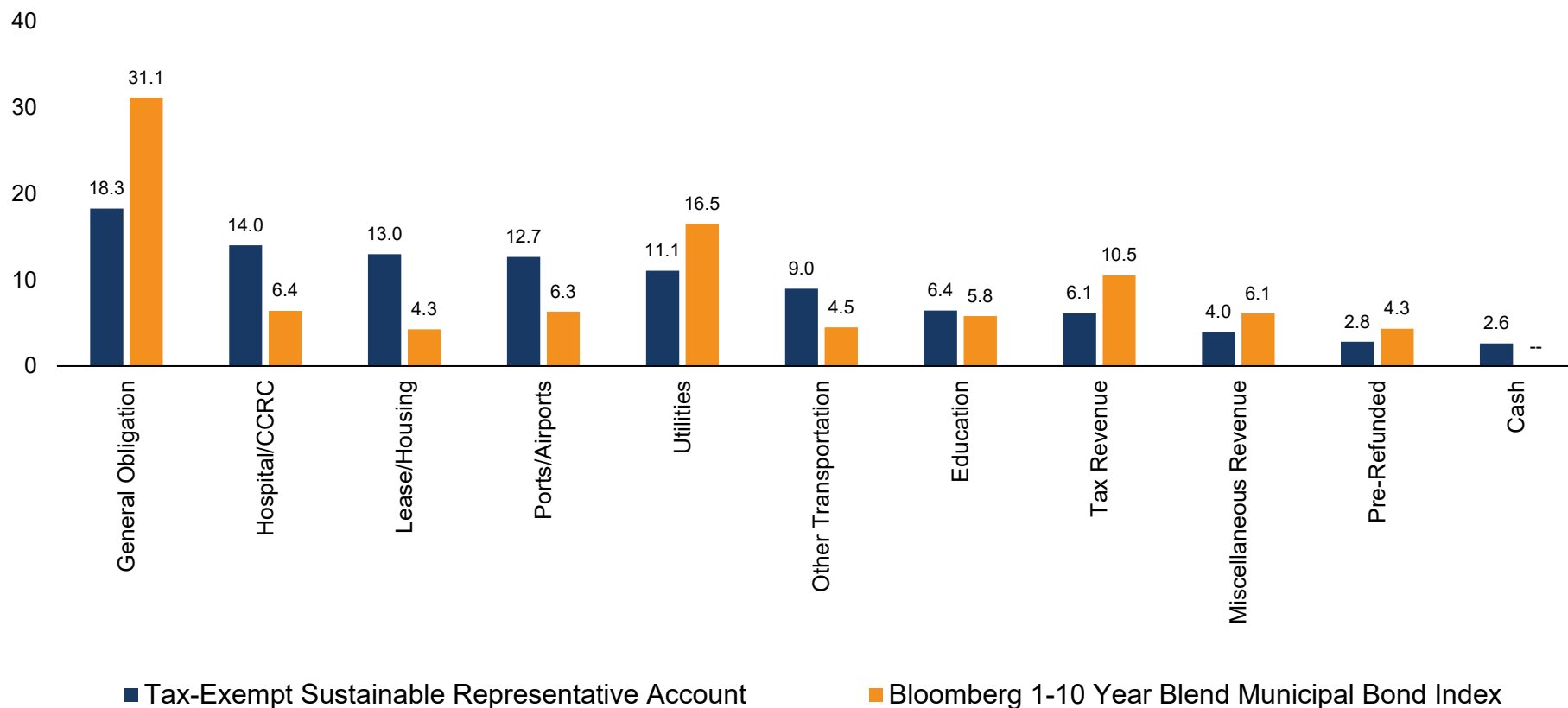
Representative Tax-Exempt Sustainable Account Bottom Five Contributors

NAME	DESCRIPTION	WEIGHT (%)	CONTRIBUTION TO RETURN (NET)
Canadian County Independent School District No 22 Piedmont	Public school district based in Canadian, Texas	0.52	0.01
Detroit Metropolitan Wayne County Airport	Committed to net zero emissions; integrates sustainability throughout its capital projects	0.97	0.01
Massachusetts Clean Water Trust	Fund wastewater and clean drinking water projects	1.12	0.01
St Luke's Hospital Obligated Group	Floating rate bond paid by hospital revenues	1.39	0.02
Town of North Andover MA	A town located in Essex County, approximately 24 miles north of Boston	1.61	0.02

Source: FactSet and Brown Advisory calculations. 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. Commentary regarding an investment's contribution to return and relative performance has been assessed on a net performance basis. Past Performance is not indicative of future results. Net of fees returns are calculated by adjusting gross of fees returns by the highest fee for the institutional strategy as outlined in Part 2A of the firm's Form ADV, applied on a monthly basis and allocated pro rata based on position weight. Actual fees may be lower based on assets under management and other factors. Net of fees returns for actual accounts may therefore differ from the returns shown above. 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.

SECTOR DIVERSIFICATION

Third Quarter 2024



- 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 the end of this presentation for a GIPS Report, important disclosures and a complete list of terms and definitions.

SAMPLE HOLDINGS

Tax-Exempt Sustainable

Portfolio Holding: Pace University

Pace University is a private university offering bachelor's, master's, and doctoral programs across three campuses in New York



Fundamental Drivers

- Secured by a gross revenue lien and mortgage pledge on a portion of the University's New York City Campus comprising of One Pace Plaza, and on the University's Pleasantville Campus. The mortgaged property has an appraised value of more than \$600 million.
- Positive enrollment trends have supported strategic tuition increases resulting in bottom line growth over the past five years (16% FY23 EBIDA margin).
- Historical debt service coverage above 2x.

Sustainable Drivers

- Top pick for many high school graduates, offering students a chance at receiving an affordable education and achieving economic mobility.
- In addition to its economic diversity, over 100 countries are represented on campus and nearly half of the student population identifies as racially and ethnically diverse, reflecting Pace's commitment to creating an inclusive and supportive learning environment for all students.
- Most known for its nursing and business administration program and maintains a higher-than-average graduation rate, playing an active role in preparing the next generation of healthcare professionals and business leaders.

Pace University is a current holding in the Tax-Exempt Sustainable Retail Fixed Income portfolio as of 09/30/2024 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 09/30/2024.

Source: Pace University as of 09/30/2024. The information provided is based on a representative Tax Exempt Sustainable Fixed Income 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. 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 a GIPS Report, important disclosures and a complete list of terms and definitions.

MINNEAPOLIS-ST PAUL METROPOLITAN AIRPORTS COMMISSION

Portfolio Holding: Minneapolis-St Paul Metropolitan Airports Commission

The Minneapolis-St Paul Metropolitan Airports Commission is a state-level airport authority that operates the Minneapolis-St Paul International Airport and six reliever airports in the Twin Cities area



Fundamental Drivers

- Large hub airport with no nearby competing airports.
- Delta's second largest hub and Sun Country Airlines' operating base.
- Capital program is supported by long-term airline use and lease agreements with the earliest set to expire in 2028.
- Strong financials with historical debt service coverage close to 2x, and approximately 500 days cash on hand in FY 2023.

Sustainable Drivers

- Goal to reduce emissions by 80% by 2030 and achieve net-zero by 2050.
- Partner in the first large-scale sustainable aviation fuel (SAF) hub in the Midwest. Delta aims to use SAF for 50% of its fuel at MSP by 2035.
- Pursuing LEED Gold certification on three major building construction projects.
- Installing onsite renewable energy, including geothermal wells and one of the largest rooftop solar energy facilities in Minnesota.

Minneapolis-St Paul Metropolitan Airports Commission is a current holding in the Tax-Exempt Sustainable Retail Fixed Income portfolio as of 09/30/2024 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 09/30/2024.

Source: Minneapolis-St Paul Metropolitan Airports Commission as of 09/30/2024. The information provided is based on a representative Tax Exempt Sustainable Fixed Income 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. 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 a GIPS Report, important disclosures and a complete list of terms and definitions.

Portfolio Holding: Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (MEAG Power) provides electricity generation and power transmission to municipal electric utilities across Georgia



Fundamental Drivers

- Backed by a revenue pledge from take-or-pay agreements with 49 participants, in addition to participants' general obligation pledge if payment is not sufficient from revenues alone.
- Contracts expire in 2054, more than 20 years after the final maturity of our bonds.
- MEAG's Municipal Competitive Trust Fund provides funds that allow participants to offset periods of higher costs.

Sustainable Drivers

- Has generated most of its power from clean sources since 2016, while the national average is predominantly fossil fuel.
- Reduced its coal exposure and increased its nuclear capacity through Vogtle 3&4 – two of three nuclear units to come online this century in the US.
- Expects to be 90% emission free by 2045, through adding solar and nuclear and reducing natural gas.

Municipal Electric Authority of Georgia is a current holding in the Tax-Exempt Sustainable Retail Fixed Income portfolio as of 09/30/2024 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 09/30/2024.

Source: Municipal Electric Authority of Georgia as of 09/30/2024. The information provided is based on a representative Tax Exempt Sustainable Fixed Income 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. 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 a GIPS Report, important disclosures and a complete list of terms and definitions.

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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.

Sustainable investment 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. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment 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 be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. 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 excluded from other funds that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.

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 1-10 Year Blend Municipal Bond Index** consists of a broad selection of investment-grade general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and 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.

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Terms and Definitions

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 **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. **Contribution to return** measures the contribution of certain portfolio constituents (symbols, sectors) to the portfolio's overall return

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)*
2023	5.5	5.1	4.6	5.5	5.0	50	0.4	577	81,325
2022	-7.5	-7.8	-4.8	5.1	4.4	42	0.5	488	58,575
2021	2.0	1.7	0.5	3.4	2.8	56	0.7	494	79,715
2020	3.9	3.5	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	1.3	1.6	2.4	2.5	48	0.2	114	30,529
2017	3.7	3.3	3.5	2.4	2.5	10	0.4	41	33,155
2016	-0.1	-0.4	-0.1	N/A	N/A	Five or fewer	N/A	29	30,417
2015	2.1	1.7	2.5	N/A	N/A	Five or fewer	N/A	7	43,746
2014**	0.8	0.7	0.6	N/A	N/A	Five or fewer	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, 2023. The Verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

- *For the purpose of complying with the GIPS standards, the firm is defined as Brown Advisory Institutional, the Institutional and Balanced Institutional asset management divisions of Brown Advisory. As of July 1, 2016, the firm was redefined to exclude the Brown Advisory Private Client division, due to an evolution of the three distinct business lines.
- The 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 considerations including sustainability related risk and opportunities. These inputs are used by the portfolio manager to seek holdings with effective management of sustainability-related risks and or bonds whose uses of proceeds meet the standards of the Green Bond Principles. Sustainability considerations are not used for the purposes of absolute negative screening in Composite accounts.
- Sustainable investment 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. Sustainable investment analysis may not be performed for every holding in the strategy. Sustainable investment considerations that are material will vary by investment style, sector/industry, market trends and client objectives. The Tax-Exempt Sustainable Strategy ("Strategy") seeks to identify issuers that it believes may be desirable based on our analysis of sustainable investment related risks and opportunities, but investors may differ in their views. As a result, the Strategy may invest in issuers that do not reflect the beliefs and values of any particular investor. The Strategy may also invest in issuers that would otherwise be excluded from other strategies that focus on sustainable investment risks. Security selection will be impacted by the combined focus on sustainable investment research assessments and fundamental research assessments including the return forecasts. The Strategy incorporates data from third parties in its research process but does not make investment decisions based on third-party data alone.
- The Composite creation date is May 1, 2016. The Composite inception date is October 1, 2014.
- 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.
- 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.
- 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: 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 2A of the firm's Form ADV. Actual fees paid by accounts in the Composite may differ from the current fee schedule.
- 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.
- 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).
- Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
- Portfolios in the Composite do not make material use of derivative securities.
- Duration is a measure of interest rate risk.
- A complete list of composite descriptions and broad distribution and limited distribution pooled funds is available upon request.
- Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- Past performance is not indicative of future results.
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