TOWN OF DEWEY BEACH

August 10, 2026

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Portfolio Review

ACCOUNT SUMMARY

Town of Dewey Beach

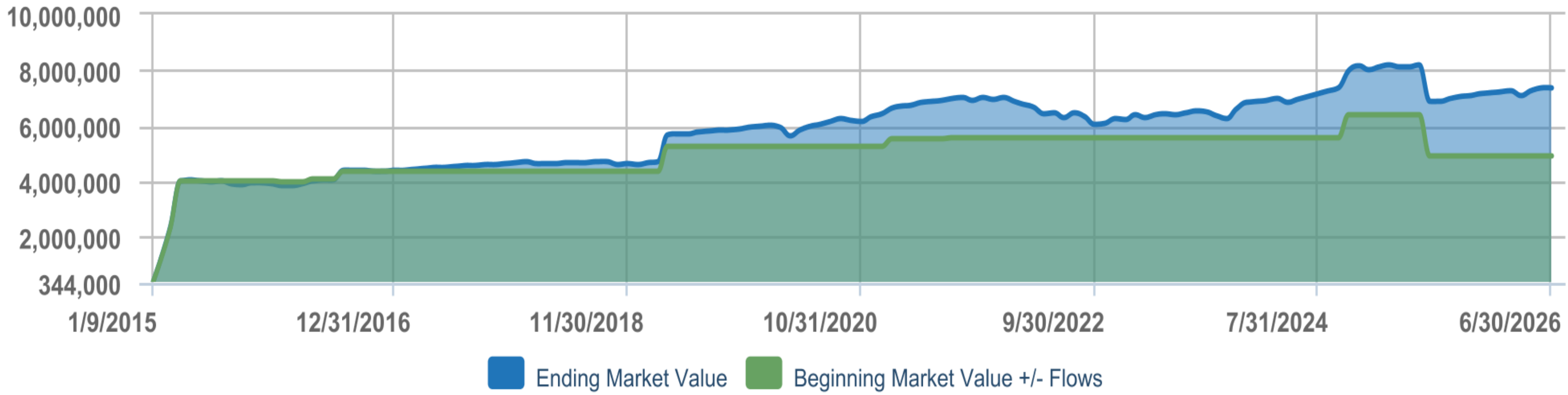
As of 06/30/2026

	Cash & Equivalents	Fixed Income	Large Cap U.S. Equities	Small/Mid Cap U.S. Equities	Global/ Developed International	Emerging Markets	Total
Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Short)							
Town Of Dewey Beach, Delaware - Beach Replenishment (Short)	**87,722** 38.3%	**141,491** 61.7%	**0**	**0**	**0**	**0**	**$229,214** 100.0%
Total	**$87,722** 38.3%	**$141,491** 61.7%	**$0** 0.0%	**$0** 0.0%	**$0** 0.0%	**$0** 0.0%	**$229,214** 100.0%
Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Long)							
Town Of Dewey Beach, Delaware - Beach Replenishment (Long)	**98,250** 1.4%	**4,946,288** 72.5%	**1,050,326** 15.4%	**406,249** 6.0%	**177,981** 2.6%	**142,523** 2.1%	**$6,821,617** 95.6%
Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)	**9,935** 3.2%	**0**	**303,218** 96.8%	**0**	**0**	**0**	**$313,153** 4.4%
Total	**$108,185** 1.5%	**$4,946,288** 69.3%	**$1,353,544** 19.0%	**$406,249** 5.7%	**$177,981** 2.5%	**$142,523** 2.0%	**$7,134,770** 100.0%
Grand Total	**$195,907** 2.7%	**$5,087,780** 69.1%	**$1,353,544** 18.4%	**$406,249** 5.5%	**$177,981** 2.4%	**$142,523** 1.9%	**$7,363,984** 100.0%

CHANGE IN MARKET VALUE

All Accounts

As of 06/30/2026

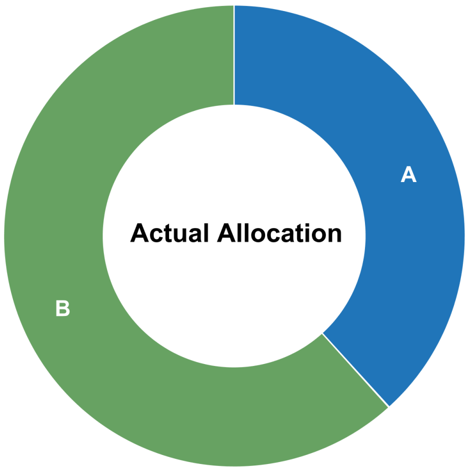


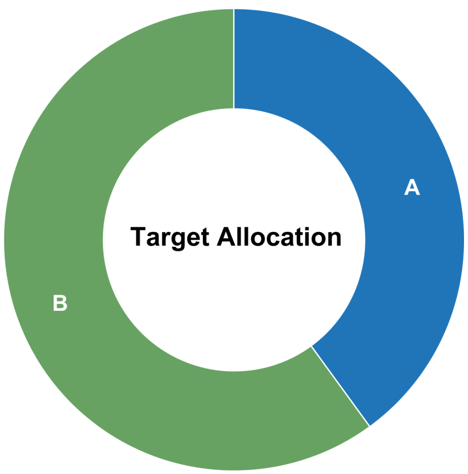
	Inception to Date 01/09/2015	Trailing 10 Years	Trailing 5 Years	Trailing 3 Years	Trailing 12 Months	Year to Date
Beginning Portfolio Value	**364,182**	**4,033,388**	**6,891,874**	**6,457,566**	**6,871,563**	**7,161,202**
Net Contributions / Withdrawals	4,533,832	825,812	-604,495	-666,166	-2,019	31
Market Value Gain / Loss	1,097,251	1,227,987	156,144	850,866	226,596	93,751
Income and Capital Gains	1,663,754	1,552,189	1,091,524	844,363	313,352	132,286
Management Fees	-269,684	-251,965	-157,424	-114,246	-42,851	-22,006
Portfolio Fees and Expenses	-25,351	-23,427	-13,639	-8,399	-2,657	-1,280
Ending Market Value	**$7,363,984**	**$7,363,984**	**$7,363,984**	**$7,363,984**	**$7,363,984**	**$7,363,984**

ASSET CLASS ALLOCATION

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Short)

As of 06/30/2026





	Investment Type	Market Value	Actual	Target	Diff.
A	Cash & Equivalents	87,722	38.3%	40.0%	-1.7%
B	Fixed Income	141,491	61.7%	60.0%	1.7%
	Total	**$229,214**	**100.0%**	**100.0%**	

Note: Graph reflects only supervised assets.

PERFORMANCE SUMMARY

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Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Short)

As of 06/30/2026

	Asset Weighting	Inception to Date 01/31/2015	Trailing 10 Years	Trailing 5 Years	Trailing 3 Years	Trailing 12 Months	Year to Date
Cash & Equivalents	**38.27%**	**2.1**	**2.3**	**3.6**	**4.6**	**3.9**	**1.8**
Fixed Income	**61.73%**	**--**	**--**	**--**	**5.7**	**5.1**	**1.2**
Bloomberg Aggregate		1.7	1.5	0.1	4.2	3.8	0.6
TOTAL PORTFOLIO - GROSS	**100.00%**	**1.5**	**1.8**	**2.4**	**5.3**	**4.7**	**1.4**
TOTAL PORTFOLIO - NET	**100.00%**	**1.3**	**1.5**	**2.2**	**5.1**	**4.4**	**1.3**
Consumer Price Index (CPI)		3.2	3.3	4.2	3.1	3.5	3.0

All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers.
All performance and market values shown exclude the value of unsupervised assets, but are inclusive of accrued interest.
Performance for periods greater than one year are annualized.

CALENDAR YEAR PERFORMANCE

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Short)

As of 12/31/2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cash & Equivalents	**0.7**	**1.7**	**2.5**	**0.4**	**0.0**	**1.6**	**5.2**	**5.2**	**4.2**
Fixed Income	**--**	**--**	**--**	**--**	**--**	**-9.4**	**5.7**	**2.9**	**8.3**
Bloomberg Aggregate	3.5	0.0	8.7	7.5	-1.5	-13.0	5.5	1.3	7.3
Total Portfolio - Gross	**0.7**	**1.7**	**2.5**	**0.4**	**0.0**	**-5.0**	**5.8**	**3.7**	**6.6**
Total Portfolio - Net	**0.5**	**1.5**	**2.2**	**0.2**	**-0.3**	**-5.1**	**5.8**	**3.4**	**6.3**
Consumer Price Index (CPI)	2.1	1.9	2.3	1.4	7.0	6.5	3.4	2.9	2.7

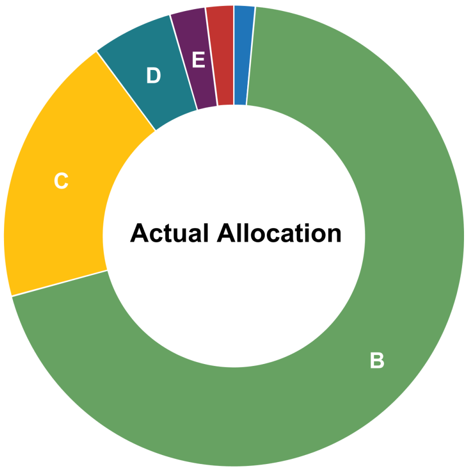
All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers.

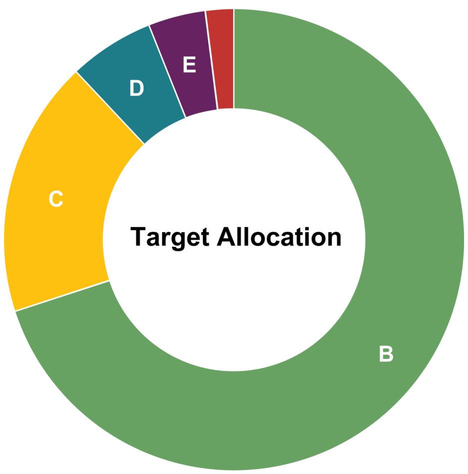
All performance and market values shown exclude the value of unsupervised assets, but are inclusive of accrued interest.

ASSET CLASS ALLOCATION

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Long)

As of 06/30/2026





	Investment Type	Market Value	Actual	Target	Diff.
A	Cash & Equivalents	108,185	1.5%	0.0%	1.5%
B	Fixed Income	4,946,288	69.3%	70.0%	-0.7%
C	Large Cap U.S. Equities	1,353,544	19.0%	18.0%	1.0%
D	Small/Mid Cap U.S. Equities	406,249	5.7%	6.0%	-0.3%
E	Global/Developed International	177,981	2.5%	4.0%	-1.5%
F	Emerging Markets	142,523	2.0%	2.0%	0.0%
Total		**$7,134,770**	**100.0%**	**100.0%**	

Note: Graph reflects only supervised assets.

PERFORMANCE SUMMARY

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Long)

As of 06/30/2026

	Asset Weighting	Inception to Date 01/31/2015	Trailing 10 Years	Trailing 5 Years	Trailing 3 Years	Trailing 12 Months	Year to Date
Cash & Equivalents	**1.52%**	**2.0**	**2.3**	**3.5**	**4.7**	**3.9**	**1.8**
Fixed Income	**69.33%**	**1.9**	**2.0**	**1.4**	**5.7**	**5.1**	**1.2**
Bloomberg Aggregate		1.7	1.5	0.1	4.2	3.8	0.6
Equities	**29.16%**	**11.5**	**13.3**	**9.5**	**17.6**	**15.2**	**8.2**
MSCI All Country World Net		11.2	12.8	11.0	19.7	23.7	11.3
U.S. Equities	**24.01%**	**13.5**	**15.2**	**10.1**	**17.7**	**15.2**	**8.8**
S&P 500		14.3	15.5	13.4	20.6	22.3	10.2
Russell 2000		10.2	11.6	7.0	18.6	40.8	22.6
Non-U.S. Equities	**5.15%**	**7.3**	**9.4**	**8.4**	**17.9**	**15.9**	**6.7**
MSCI ACWI ex-U.S. Net		8.0	9.9	8.8	18.8	27.7	13.7
TOTAL PORTFOLIO - GROSS	**100.00%**	**4.7**	**5.3**	**3.8**	**9.1**	**8.0**	**3.2**
TOTAL PORTFOLIO - NET	**100.00%**	**4.3**	**4.8**	**3.2**	**8.4**	**7.3**	**2.9**
*Blended Benchmark		1.0	0.6	-1.0	3.1	2.7	-0.2

All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers.
All performance and market values shown exclude the value of unsupervised assets, but are inclusive of accrued interest.
*Blended Benchmark: 100% U.S. 10-Year Treasury Bill
Performance for periods greater than one year are annualized.

CALENDAR YEAR PERFORMANCE

Group: Town Of Dewey Beach, Delaware - Beach Replenishment (Long)

As of 12/31/2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cash & Equivalents	**0.7**	**1.7**	**2.4**	**0.4**	**0.0**	**1.5**	**5.0**	**5.2**	**4.3**
Fixed Income	**2.4**	**0.4**	**6.9**	**5.4**	**-1.2**	**-9.4**	**5.7**	**2.8**	**8.3**
Bloomberg Aggregate	3.5	0.0	8.7	7.5	-1.5	-13.0	5.5	1.3	7.3
Equities	**24.5**	**-9.5**	**32.9**	**16.1**	**21.4**	**-20.3**	**29.1**	**19.9**	**13.3**
MSCI All Country World Net	24.0	-9.4	26.6	16.3	18.5	-18.4	22.2	17.5	22.3
U.S. Equities	**23.8**	**-5.1**	**35.2**	**16.1**	**27.9**	**-21.7**	**33.9**	**20.5**	**10.5**
S&P 500	21.8	-4.4	31.5	18.4	28.7	-18.1	26.3	25.0	17.9
Russell 2000	14.7	-11.0	25.5	20.0	14.8	-20.4	16.9	11.5	12.8
Non-U.S. Equities	**28.4**	**-19.2**	**26.7**	**16.4**	**7.5**	**-17.3**	**18.4**	**18.4**	**22.9**
MSCI ACWI ex-U.S. Net	27.2	-14.2	21.5	10.7	7.8	-16.0	15.6	5.5	32.4
Total Portfolio - Gross	**8.2**	**-1.4**	**12.2**	**9.7**	**6.0**	**-12.7**	**11.7**	**7.5**	**9.8**
Total Portfolio - Net	**7.8**	**-1.8**	**11.7**	**9.3**	**5.6**	**-13.0**	**11.3**	**6.8**	**9.1**
*Blended Benchmark	2.5	0.9	8.5	10.0	-3.1	-14.9	3.6	-0.7	8.4

All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers.
All performance and market values shown exclude the value of unsupervised assets, but are inclusive of accrued interest.
*Blended Benchmark: 100% U.S. 10-Year Treasury Bill

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Investment Policy Statement (IPS)

INVESTMENT POLICY STATEMENT (IPS)

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Subject Area	
Investment Objectives	▪ The primary financial objective is to "**preserve the real (inflation-adjusted) principal value** of the town's invested assets." ▪ **Maintain liquidity** and match funds to ensure that the Town can meet its short- and long-term cash flow requirements. ▪ Within the constraints of the IPS, **increase the real (inflation-adjusted) value of the portfolio** beyond that currently achieved with those funds needed for the Town's short-term operational and capital needs.
Spending Policy & Liquidity Restrictions	▪ At the beginning of the fiscal year, the Town Manager will identify the cash reserves that need to be in place for the year's operating budget, and the five-year historical general and beach replenishment budget (updated each year). ▪ The Town Manager shall notify the Investment Committee, who will work with the Investment Manager, of any anticipated need for cash withdrawals in the future. ▪ The investment manager may assume that a cash reserve of 20% of the portfolio value is reasonable for investments deemed "short-term" unless otherwise indicated by the Commissioners or Town Manager. For Investments deemed "long-term," the investment manager may assume no need to maintain a cash reserve.
Brown Advisory's Level of Discretion	▪ The Investment Manager appointed to execute the policy will invest the portfolio in accordance with this policy. In particular, the investment manager is accorded full discretion, within policy limits, to (1) select individual securities, (2) adjust the maturity mix, where applicable, and (3) diversify the assets.
Asset Allocation Ranges & Target Allocation	▪ **Short-Term Portfolios**: 40% cash & 60% fixed income; 0% equities ▪ **Long-Term Portfolios**: 70% cash & fixed income, 30% equities

Amended on August 19, 2022.

Holdings Summary

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Short)

As of 06/30/2026

Security	Quantity/ Commitment	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Cash & Equivalents		**87,722**		**87,722**	**38.3**	**0**	**3,094**	**3.5**
CASH & EQUIVALENTS		**87,722**		**87,722**	**100.0**	**0**	**3,094**	**3.5**
First American Government Obligations Fund Cl Z		87,722	0.00	87,722	100.0	0	3,094	3.5
Fixed Income		**137,099**		**141,491**	**61.7**	**4,393**	**7,296**	**5.2**
FIXED INCOME - TAXABLE		**137,099**		**141,491**	**100.0**	**4,393**	**7,296**	**5.2**
TAXABLE FIXED INCOME MUTUAL FUNDS		**137,099**		**141,491**	**100.0**	**4,393**	**7,296**	**5.2**
Metropolitan West Unconstrained Bond Fund Cl I - (mwcix)	3,518	36,842	10.38	36,515	25.8	-327	1,972	5.4
Artisan High Income Fund Cl Inst - (aphfx)	1,523	14,012	9.01	13,720	9.7	-293	1,004	7.3
Voya Intermediate Bond Fund Cl I - (iicix)	10,441	86,245	8.74	91,257	64.5	5,012	4,319	4.7
Total Portfolio		**$224,821**		**$229,214**	**100.0**	**$4,393**	**$10,390**	

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Long)

As of 06/30/2026

Security	Quantity/ Commitment	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Cash & Equivalents		**98,250**		**98,250**	**1.4**	**0**	**3,465**	**3.5**
CASH & EQUIVALENTS		**98,250**		**98,250**	**100.0**	**0**	**3,465**	**3.5**
First American Government Obligations Fund Cl Z		98,250	0.00	98,250	100.0	0	3,465	3.5
Fixed Income		**4,802,969**		**4,946,288**	**72.5**	**143,320**	**252,742**	**5.1**
FIXED INCOME - TAXABLE		**4,802,969**		**4,946,288**	**100.0**	**143,320**	**252,742**	**5.1**
TAXABLE FIXED INCOME MUTUAL FUNDS		**4,802,969**		**4,946,288**	**100.0**	**143,320**	**252,742**	**5.1**
Metropolitan West Unconstrained Bond Fund Cl I - (mwcix)	108,710	1,139,800	10.38	1,128,408	22.8	-11,392	60,953	5.4
Artisan High Income Fund Cl Inst - (aphfx)	47,584	438,224	9.01	428,734	8.7	-9,490	31,381	7.3
Voya Intermediate Bond Fund Cl I - (iicix)	387,774	3,224,945	8.74	3,389,146	68.5	164,201	160,408	4.7
US Equities		**1,295,787**		**1,456,576**	**21.4**	**160,788**	**8,130**	**0.6**
EQUITY MUTUAL FUNDS		**316,592**		**406,249**	**27.9**	**89,657**	**229**	**0.1**
Brown Advisory Sustainable Small-Cap Core Fund - Cl Inst. - (bafyx)	31,664	316,592	12.83	406,249	27.9	89,657	229	0.1
EXCHANGE TRADED/CLOSED-END FUNDS		**979,195**		**1,050,326**	**72.1**	**71,131**	**7,901**	**0.8**
iShares Core S&P 500 ETF - (ivv)	816	553,517	748.89	611,094	42.0	57,577	5,821	1.0
iShares Russell 1000 Growth Index ETF - (iwf)	1,195	142,857	124.17	148,383	10.2	5,526	466	0.3
Eagle Capital Select Equity ETF - (eagl)	9,041	282,821	32.17	290,849	20.0	8,028	1,613	0.6
Non US Equities		**233,704**		**320,503**	**4.7**	**86,800**	**2,766**	**0.9**
INTERNATIONAL EQUITY MUTUAL FUNDS		**233,704**		**320,503**	**100.0**	**86,800**	**2,766**	**0.9**
Brown Advisory Emerging Markets Select Fund Cl Inst - (bafqx)	8,066	69,800	17.67	142,523	44.5	72,723	2,053	1.4
Artisan Global Value Fund Cl Ins - (aphgx)	2,280	67,330	30.89	70,439	22.0	3,109	714	1.0
BA - WMC Japan Equity Fund - Cl Inst. - (bafjx)	8,147	96,574	13.20	107,541	33.6	10,968	0	0.0
Total Portfolio		**$6,430,710**		**$6,821,617**	**100.0**	**$390,908**	**$267,104**	

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)

As of 06/30/2026

Security	Quantity/ Commitment	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Cash & Equivalents		**9,935**		**9,935**	**3.2**	**0**	**350**	**3.5**
CASH & EQUIVALENTS		**9,935**		**9,935**	**100.0**	**0**	**350**	**3.5**
First American Government Obligations Fund Cl Z		9,935	0.00	9,935	100.0	0	350	3.5
US Equities		**111,216**		**303,218**	**96.8**	**192,001**	**2,585**	**0.9**
COMMON STOCK		**111,216**		**303,218**	**100.0**	**192,001**	**2,585**	**0.9**
Communication Services		**9,419**		**44,662**	**14.7**	**35,242**	**117**	**0.3**
Meta Platforms, Inc. - (meta)	24	2,762	563.29	13,519	4.5	10,757	50	0.4
Alphabet, Inc. Cl A - (googl)	39	1,024	357.37	13,937	4.6	12,913	34	0.2
Alphabet, Inc. Cl C - (goog)	37	964	353.33	13,073	4.3	12,109	33	0.2
Spotify Technology S.A. - (spot)	9	4,669	459.13	4,132	1.4	-536	0	0.0
Consumer Discretionary		**9,163**		**30,669**	**10.1**	**21,506**	**151**	**0.5**
Amazon.com, Inc. - (amzn)	60	4,240	238.34	14,300	4.7	10,060	0	0.0
Lowe's Companies, Inc. - (low)	11	739	220.49	2,425	0.8	1,686	55	2.3
Booking Holdings, Inc. - (bkng)	25	968	178.24	4,456	1.5	3,488	42	0.9
TJX Companies, Inc. - (tjx)	28	956	151.50	4,242	1.4	3,286	54	1.3
Amer Sports, Inc. - (as)	155	2,259	33.84	5,245	1.7	2,986	0	0.0
Consumer Staples		**9,875**		**10,377**	**3.4**	**503**	**252**	**2.4**
Mondelez International, Inc. - (mdlz)	75	4,318	57.84	4,338	1.4	20	150	3.5
US Foods Holding Corp. - (usfd)	43	3,433	102.25	4,397	1.5	964	0	0.0
Nomad Foods Ltd - (nomd)	150	2,124	10.95	1,643	0.5	-482	102	6.2
Energy		**1,895**		**6,495**	**2.1**	**4,600**	**209**	**3.2**
Suncor Energy, Inc. - (su)	121	1,895	53.68	6,495	2.1	4,600	209	3.2
Financials		**24,745**		**64,860**	**21.4**	**40,115**	**574**	**0.9**
American International Group, Inc. - (aig)	37	2,535	74.53	2,758	0.9	223	74	2.7
Bank of America Corp. - (bac)	92	1,420	56.98	5,242	1.7	3,823	103	2.0
Capital One Financial Corp. - (cof)	15	2,888	200.62	3,009	1.0	121	48	1.6

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)

As of 06/30/2026

Security	Quantity/ Commitment	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Mastercard, Inc. - (ma)	22	1,815	513.60	11,299	3.7	9,485	77	0.7
Progressive Corp. - (pgr)	17	1,988	218.45	3,714	1.2	1,726	7	0.2
Charles Schwab Corp. - (schw)	67	5,285	92.27	6,182	2.0	897	86	1.4
Visa, Inc. - (v)	37	2,334	343.09	12,694	4.2	10,360	99	0.8
Berkshire Hathaway, Inc. Cl B - (brk.b)	21	2,866	500.39	10,508	3.5	7,642	0	0.0
KKR & Co., Inc - (kkr)	103	3,615	91.78	9,453	3.1	5,838	80	0.8
Health Care		**20,036**		**34,774**	**11.5**	**14,738**	**373**	**1.1**
Align Technology, Inc. - (algn)	18	3,414	168.66	3,036	1.0	-378	0	0.0
Danaher Corp. - (dhr)	25	5,315	190.48	4,762	1.6	-553	40	0.8
Edwards Lifesciences Corp. - (ew)	69	1,490	90.46	6,242	2.1	4,752	0	0.0
Illumina, Inc. - (ilmn)	26	2,154	175.83	4,572	1.5	2,417	0	0.0
UnitedHealth Group, Inc. - (unh)	24	5,055	415.63	9,975	3.3	4,920	223	2.2
Elevance Health, Inc. - (elv)	16	2,609	386.73	6,188	2.0	3,579	110	1.8
Industrials		**8,607**		**27,716**	**9.1**	**19,109**	**296**	**1.1**
General Electric Co. - (ge)	15	1,319	373.73	5,606	1.8	4,287	28	0.5
Old Dominion Freight Line, Inc. - (odfl)	11	1,622	216.60	2,383	0.8	760	13	0.5
United Rentals, Inc. - (uri)	8	367	1,132.89	9,063	3.0	8,696	63	0.7
Watsco, Inc. - (wso)	6	2,162	416.73	2,500	0.8	338	79	3.2
Carrier Global Corp. - (carr)	66	972	73.35	4,841	1.6	3,869	63	1.3
Ferguson Enterprises Inc - (ferg)	14	2,164	237.33	3,323	1.1	1,159	49	1.5
Information Technology		**27,476**		**83,665**	**27.6**	**56,188**	**614**	**0.7**
Apple, Inc. - (aapl)	15	351	289.36	4,340	1.4	3,989	16	0.4
Analog Devices, Inc. - (adi)	16	1,448	397.17	6,355	2.1	4,907	70	1.1
Autodesk, Inc. - (adsk)	14	3,014	194.42	2,722	0.9	-292	0	0.0
Intuit, Inc. - (intu)	11	2,131	261.00	2,871	0.9	740	53	1.8
KLA Corp. - (klac)	30	1,844	301.71	9,051	3.0	7,208	28	0.3

HOLDINGS SUMMARY

Town Of Dewey Beach, Delaware - Beach Replenishment (Long) (FE)

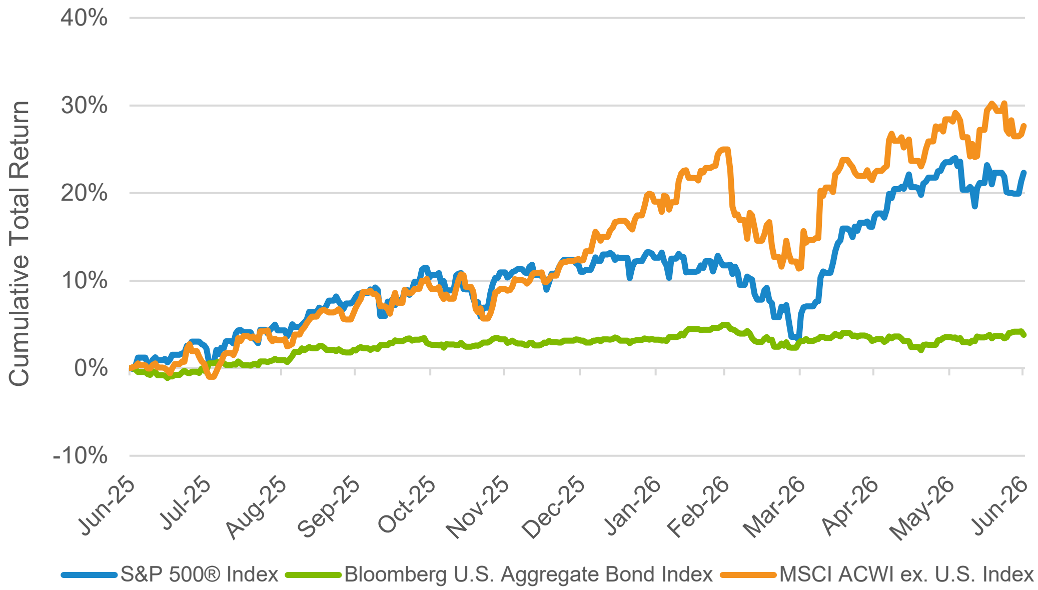
As of 06/30/2026

Security	Quantity/ Commitment	Total Cost	Price (As of Date)	Market Value	Categ.	Unrealized Gain/Loss	Annual Income	Yield
Microsoft Corp. - (msft)	41	1,671	373.02	15,294	5.0	13,623	149	1.0
NVIDIA Corp. - (nvda)	47	8,961	200.09	9,404	3.1	443	47	0.5
SAP SE Sponsored ADR - (sap)	30	5,448	154.11	4,623	1.5	-824	64	1.4
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR - (tsm)	52	1,893	477.57	24,834	8.2	22,940	183	0.7
Marvell Technology, Inc. - (mrvl)	14	716	297.89	4,170	1.4	3,455	3	0.1
Total Portfolio		**$121,152**		**$313,153**	**100.0**	**$192,001**	**$2,935**	

Economic & Market Update

GLOBAL MARKETS REWIND

Trailing One-Year Returns Across Major Indices



Key Market Dynamics:

- Global equities rebounded sharply from their April lows, supported by strong corporate earnings, easing concerns around the Iran conflict, and renewed enthusiasm for AI infrastructure.
- However, equities experienced a slight reversal in June amid a more hawkish monetary policy outlook and increasing scrutiny of AI-related valuations.
- Emerging markets outperformed, led by semiconductor-heavy markets such as South Korea and Taiwan, while returns across other non-U.S. markets were more mixed, reflecting a modest weakening of economic data.
- Fixed income delivered positive returns despite elevated volatility as Treasury yields responded to shifting inflation expectations, central bank guidance and the conflict in Iran.

Index Total Returns* by Asset Class	Quarter-to-Date	Year-to-Date	Trailing 1-Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Cash (Bloomberg Short Treasury Total Return Index)	0.9%	1.8%	4.0%	4.7%	3.6%	2.3%
Municipal Bonds (Bloomberg Municipal Bond 1–15 Year Blend Index)	1.7%	1.4%	5.5%	3.6%	1.3%	2.1%
Investment-Grade Bonds (Bloomberg U.S. Aggregate Bond Index)	0.7%	0.6%	3.8%	4.2%	0.1%	1.5%
High-Yield Bonds (Bloomberg U.S. Corporate High-Yield Index)	2.5%	2.0%	5.9%	8.8%	4.2%	5.8%
U.S. Large-Cap Equities (S&P 500 Index)	15.2%	10.2%	22.3%	20.6%	13.4%	15.5%
U.S. Small-Cap Equities (Russell 2000® Index)	21.6%	22.7%	40.9%	18.6%	7.0%	11.6%
Developed Non-U.S. Equities (MSCI EAFE Net Total Return Index)	10.8%	9.4%	20.2%	16.4%	9.0%	9.7%
Emerging Markets (EM) Equities (MSCI EM Net Total Return Index)	24.1%	23.8%	43.5%	23.0%	7.2%	10.1%
Commodities (Bloomberg Commodity Total Return Index)	-8.1%	14.4%	25.5%	11.7%	9.4%	5.8%

Source: Bloomberg as of 06/30/2026. *Total returns greater than one year are reported as annualized returns.

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THE AI TRADE HAS DRAMATICALLY RESHAPED GLOBAL EQUITY MARKETS

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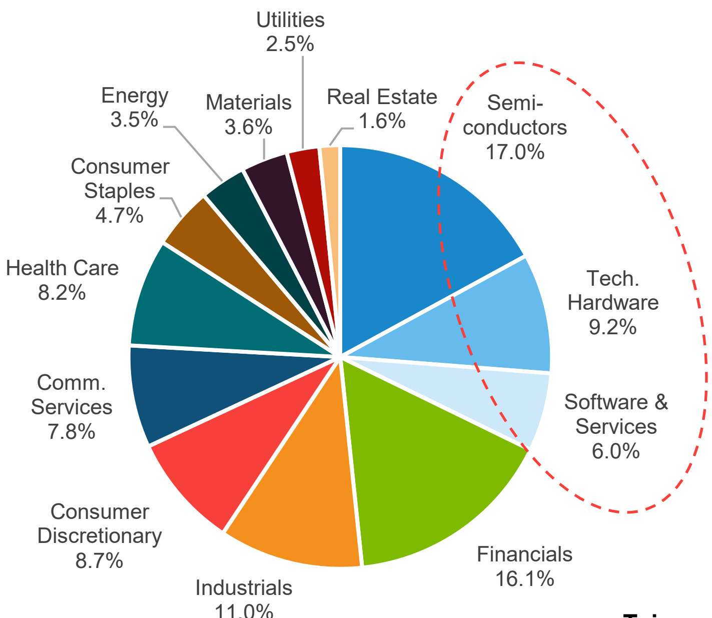
AI has become the defining market theme of the past several years, reshaping the composition of the global equity market. Technology now represents nearly one-third of the MSCI All Country World Index (ACWI), while the semiconductor industry alone has grown larger than either the Asian or European equity markets.

Technology now accounts for nearly one-third of the global equity market ...

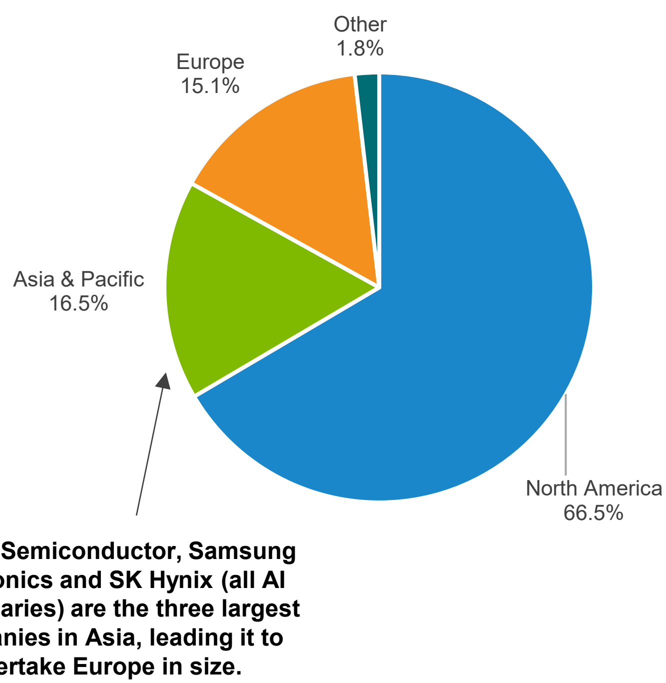
Breakdown of MSCI ACWI by sector, 06/30/2026



Source: Bloomberg.

... making a single sector as large as all non-U.S. equities combined.

Breakdown of MSCI ACWI by region, 06/30/2026



Source: Bloomberg.

The MSCI ACWI's 10 largest holdings are all AI-related companies.

MSCI ACWI, top names by market cap, 06/30/2026

Rank	Stock	Weight (%)
1	Nvidia	4.5
2	Apple	4.2
3	Alphabet	3.6
4	Microsoft	2.6
5	Amazon	2.3
6	Taiwan Semiconductor	1.9
7	Broadcom	1.7
8	Micron Technology	1.3
9	Meta	1.2
10	Tesla	1.2

Source: Bloomberg.

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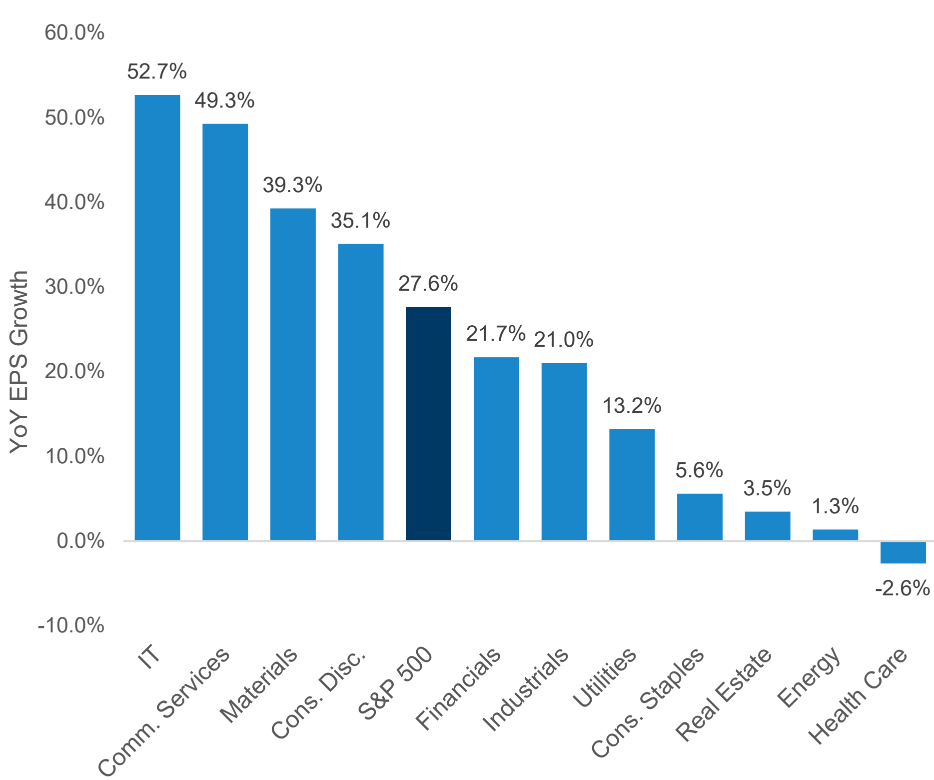
EARNINGS GROWTH IS BROADENING, BUT AI REMAINS THE KEY DRIVER

The earnings backdrop remains favorable following a stronger-than-expected first quarter, with positive earnings per share (EPS) growth across nearly every sector. However, a large portion of the S&P 500® Index's earnings growth was again concentrated in mega-cap technology and AI beneficiaries. With expectations for AI-related companies still high, the durability of this earnings cycle will depend on continued AI leadership and broader participation across the market.

Q1 earnings growth was positive in nearly every sector, with Technology the clear leader.

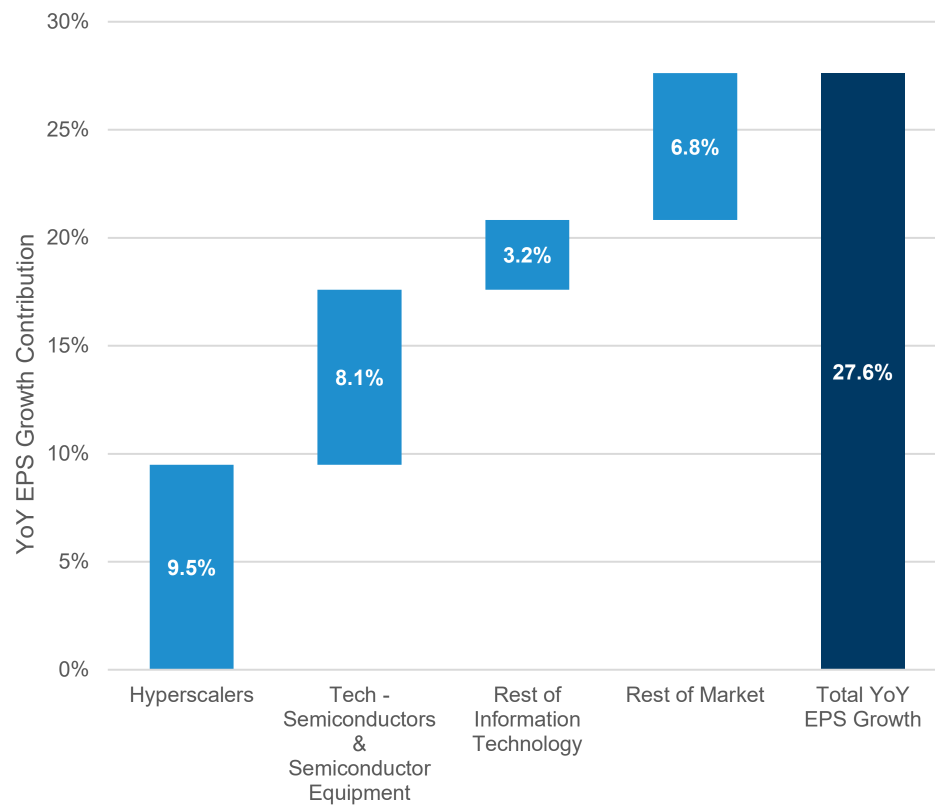
Year-over-year (YoY) S&P 500® Index EPS growth by sector in Q1 2026, representing the most recent data available



Source: FactSet, as of 06/30/2026.

AI-related companies remain a key driver of incremental earnings growth in the index.

Contribution to Q1 2026 YoY S&P 500 Index EPS growth by segment, representing the most recent data available



Source: FactSet.

Note: Hyperscalers = Amazon, Alphabet, Meta, and Microsoft. Reported hyperscaler EPS incorporates one-time, non-cash gains, most notably at Alphabet (approximately $37.7B in pre-tax unrealized equity gains) and Amazon (approximately $16.8B pre-tax related to its Anthropic stake), as of 06/30/2026.

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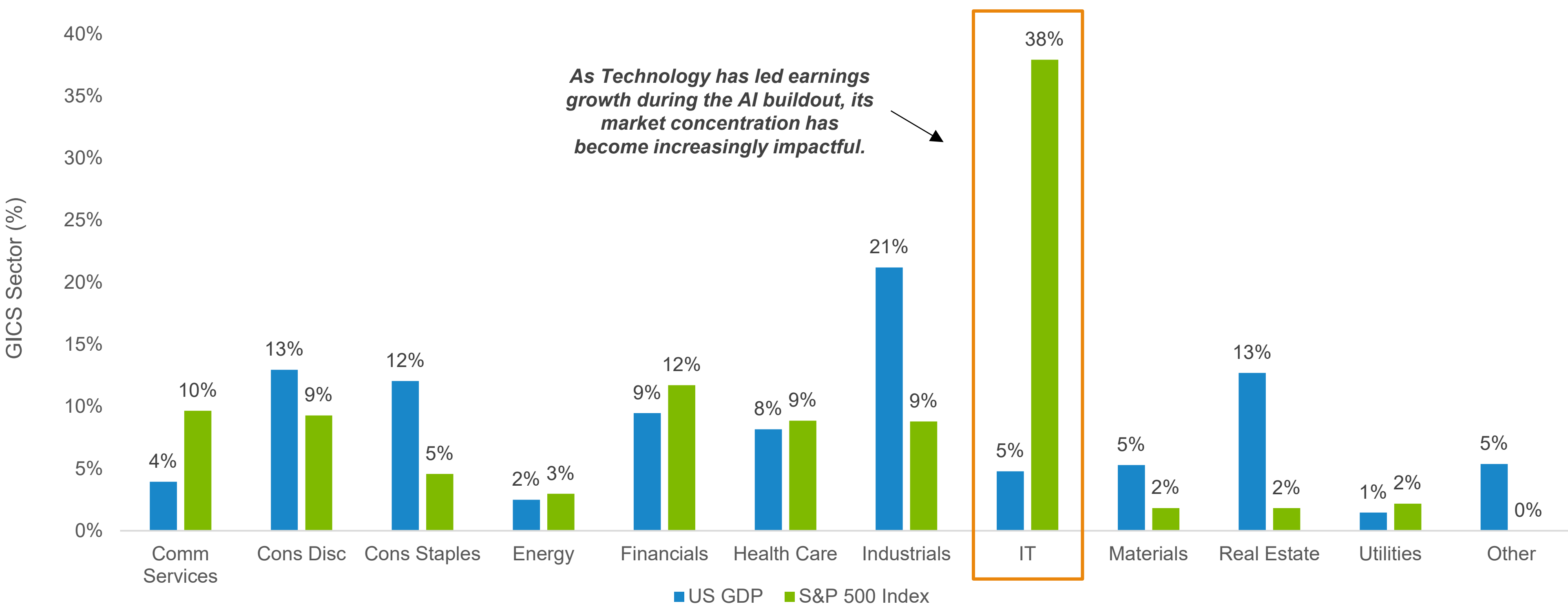
CONCENTRATION IN TECH CREATES A DIVERGENCE BETWEEN ECONOMY AND MARKET

U.S. economic growth remains resilient, but S&P 500® Index earnings have compounded far faster than the broader economy due to the index's distinct sector mix and stronger revenue-to-profit conversion. U.S. GDP reflects domestic activity, which is primarily services-oriented, while the S&P 500 Index has greater exposure to Technology companies with scalable, higher-margin businesses and global revenue streams. This gap is especially pronounced today, as AI-related investment has delivered more pronounced returns in equity indices before fully translating to economic data.

U.S. economic growth remains resilient, but the S&P 500 Index's outsized exposure to Technology and AI beneficiaries helps explain why equity market returns have outpaced broader economic growth.

S&P 500 Index sector weights vs. U.S. nominal GDP gross output by industry (ex-government), as of 03/31/2026, representing the most recent data available



Source: Bloomberg, Bureau of Economic Analysis, Brown Advisory Analysis. U.S. GDP represents gross output by industry at seasonally adjusted annual rates, excluding public sectors (government). GDP data as of 03/31/2026 and represents latest available released on 06/25/2026. S&P 500 Index data as of 06/30/2026. Sectors are based on the Global Industry Classification Standard (GICS®) classification system.

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AI ADOPTION CONTINUES TO SUPPORT REVENUE GROWTH EXPECTATIONS

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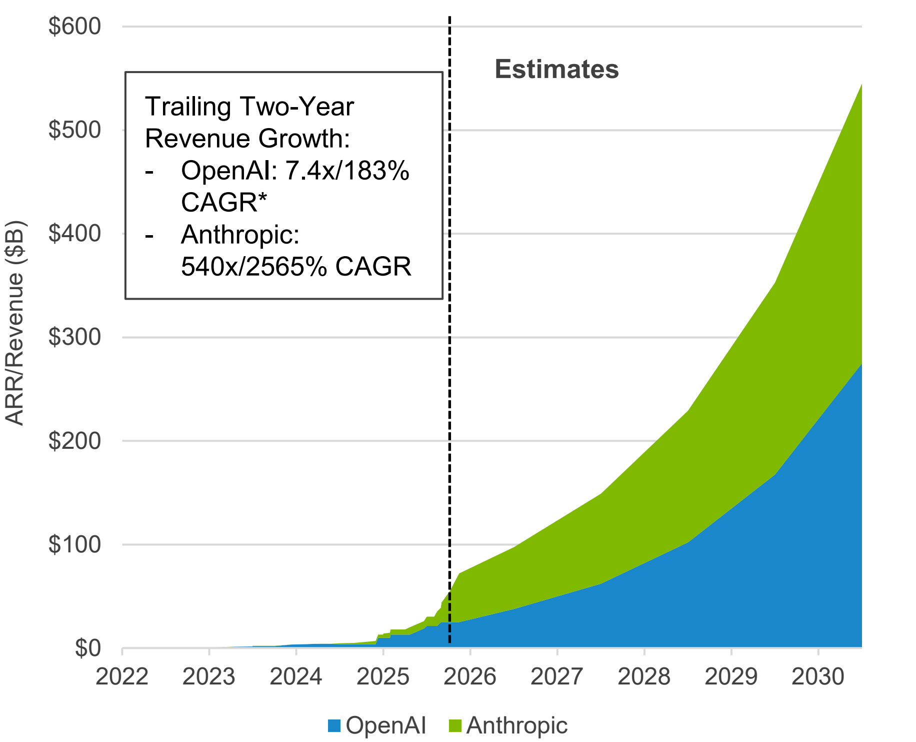
Mega-cap technology companies and frontier model labs continue to project strong expected revenue growth through 2030 as AI adoption accelerates. While these forecasts remain uncertain, expected revenue growth continues to underpin massive AI Capital Expenditure (CapEx) plans. The market's willingness to support these investments will likely depend on evidence that growing AI adoption translates into sustainable revenue generation.

The frontier AI model labs – Anthropic and OpenAI – have seen rapid growth in revenue and adoption, with both projecting continued momentum through at least 2030.

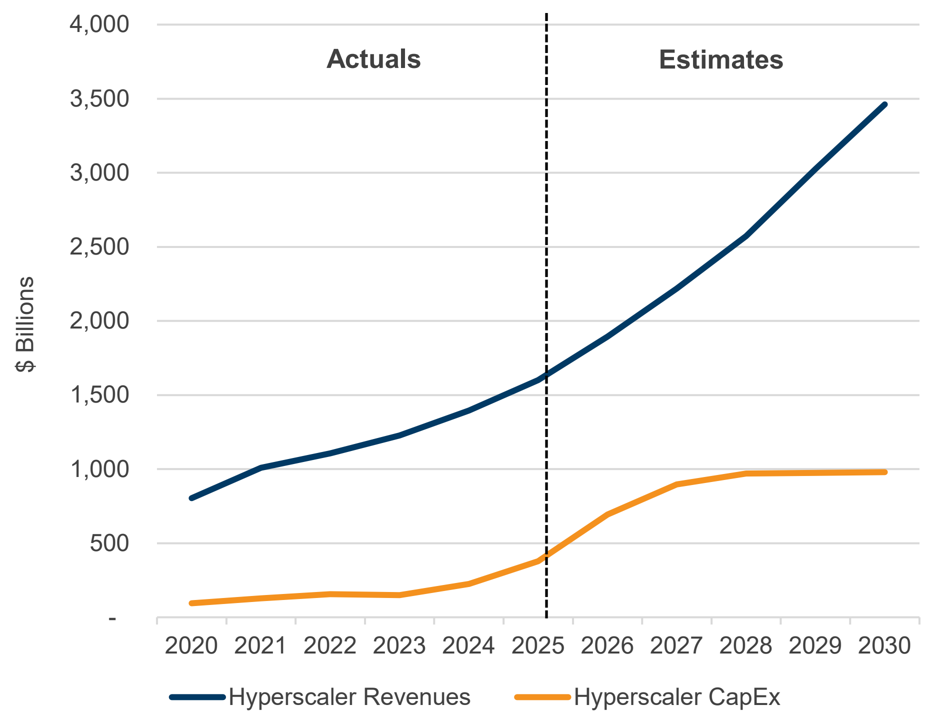
Annualized run rate revenue (ARR) ($B), 12/31/2022–12/31/2030E



Source: Epoch AI, "Data on AI Companies". Published online at epoch.ai., Brown Advisory estimates based on public information. Note: Trailing two-year revenue growth, as of 06/30/2026.

As OpenAI and Anthropic project continued revenue growth, hyperscalers expect rising demand for AI infrastructure, supporting continued investment.

Actual and estimated revenue and CapEx ($B), 12/31/2020–12/31/2030E



Source: Bloomberg, as of 06/30/2026, using consensus estimates for 2026 onward. Hyperscaler defined as MSFT, GOOGL/GOOG, AMZN, META and ORCL.

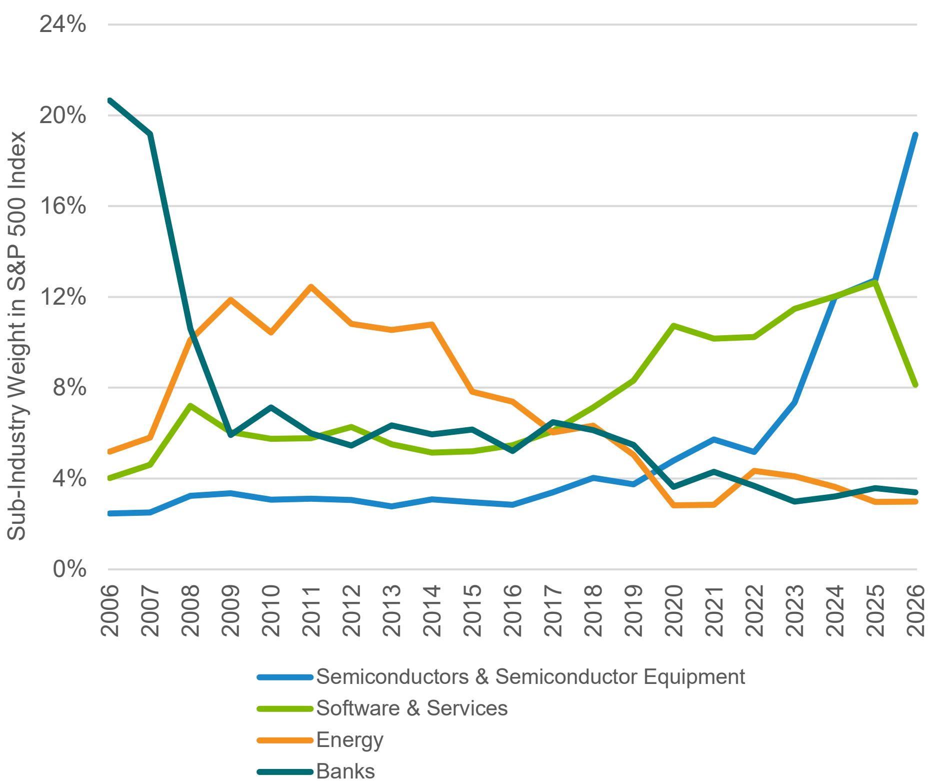
Note: All commentary is as of 06/30/26 unless otherwise noted. *CAGR is the abbreviation for Compound Annual Growth Rate. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

THE AI BUILDOUT IS INCREASING SEMICONDUCTORS' INFLUENCE ON MARKET RETURNS

The continued acceleration of AI-related capex spend has made semiconductors an increasingly important driver of market performance, with the sector accounting for more than half of the year-to-date (YTD) return for the S&P 500® Index. While forward expectations for the sector remain strong, the market's growing concentration in semiconductors and the broader AI theme leaves it more sensitive to any moderation in data center spending or reset in expectations.

Semiconductors have grown to nearly one-fifth of the S&P 500 Index, underscoring AI's influence.

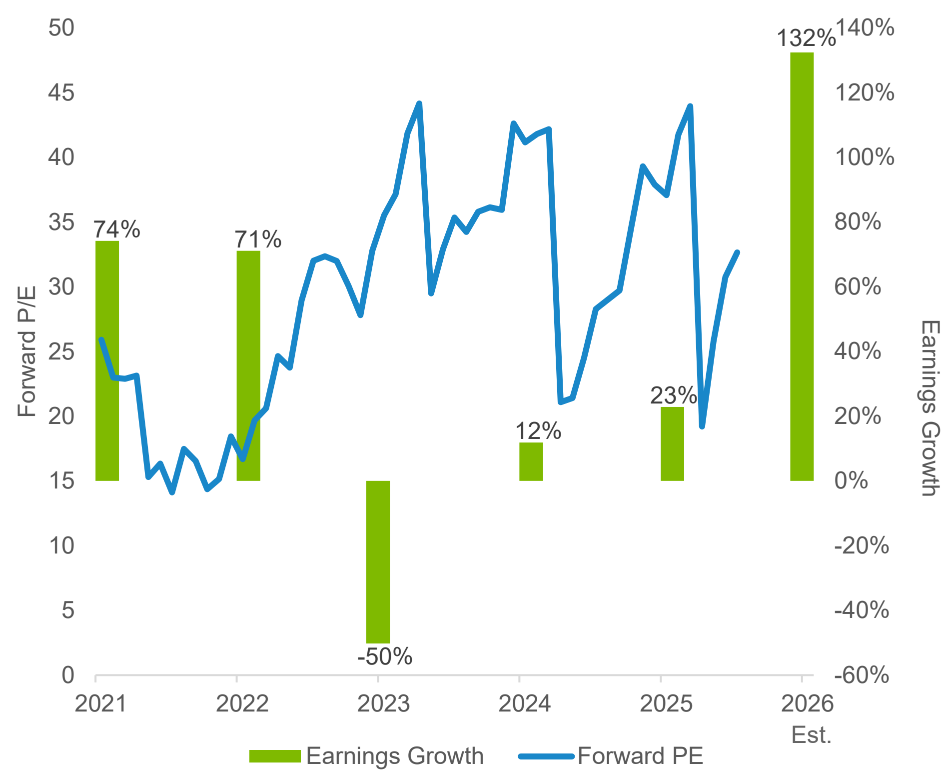
S&P 500 Index GICS sub-sector weightings, 01/01/2006–06/30/2026



Source: Bloomberg.

Despite tremendous performance, semiconductor valuations remain within a historically normal range.

Forward price-to-earnings (P/E) and earnings growth for the PHLX Semiconductor Index, 12/31/2021–12/31/2026E



Source: Bloomberg, Brown Advisory analysis, as of 06/30/2026.

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SOFTWARE SLUMPS ON AI CONCERNS, THOUGH FUNDAMENTALS REMAIN HEALTHY THUS FAR

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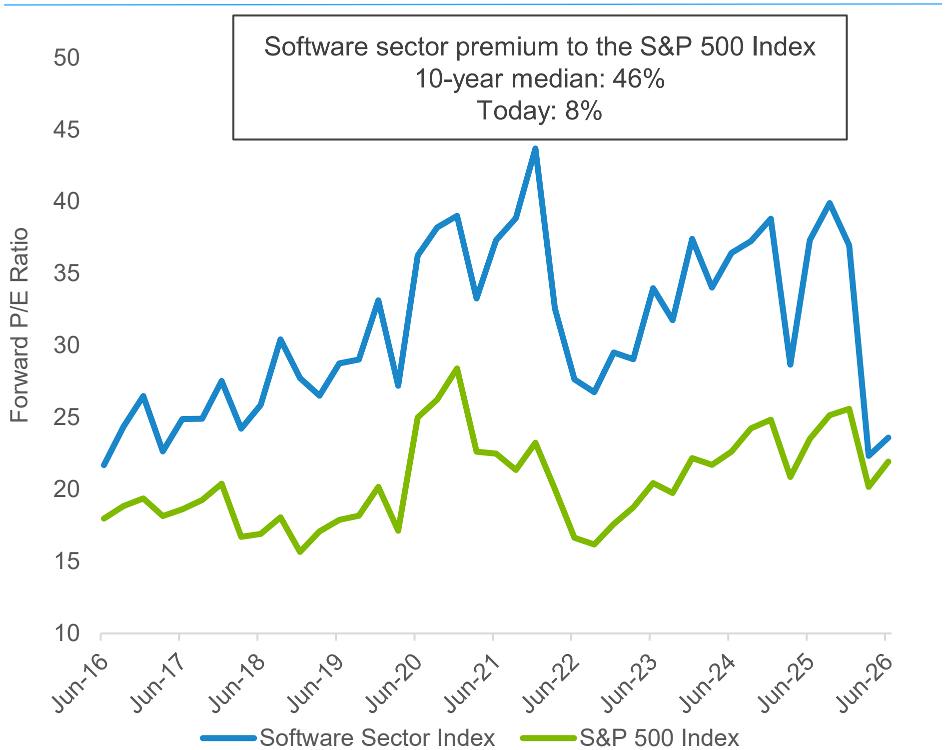
Software businesses have historically been viewed as high-quality investments due to their recurring revenues, asset-light models and defensible moats. However, AI coding tools and new offerings from large model companies have raised questions about the durability of these advantages, leading to valuation compression across the sector. While earnings have remained resilient for most software companies, the impact of AI is unlikely to be uniform, and investors are assessing how AI might help or hurt individual companies' growth, pricing power and competitive positioning.

Investor concerns about AI disintermediation have erased much of the software sector's historical premium…

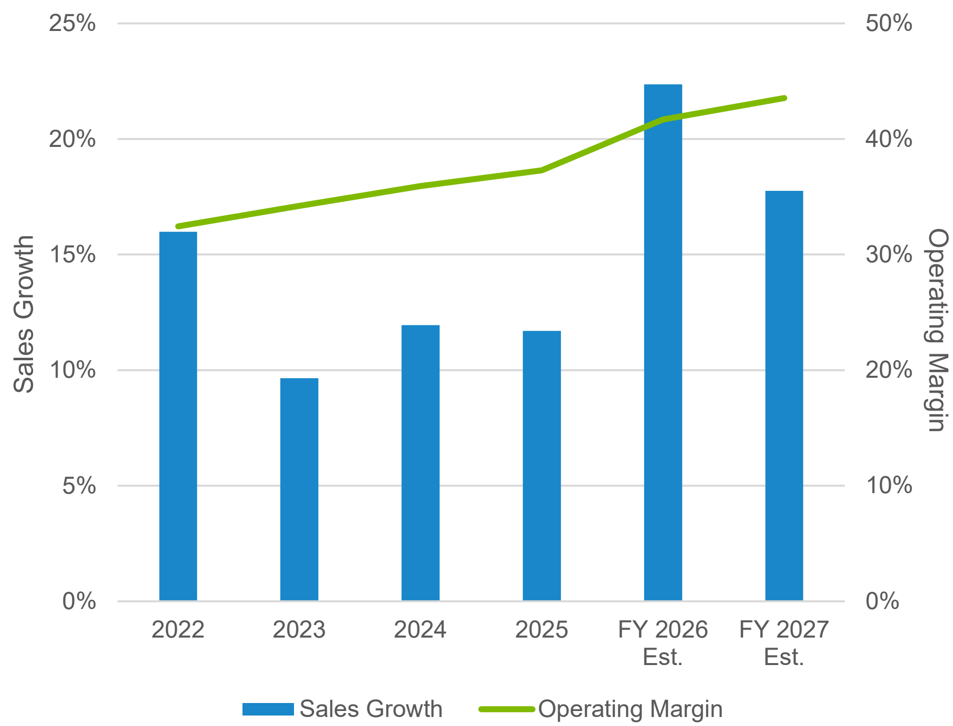
Forward price-to-earnings ratio for the S&P 500® Index and the Software Industry Index, 12/31/2019–06/30/2026



Source: Bloomberg. Note: Software sector as represented by the S&P 500 Software Industry GICS Level 3 Index.

…while forward-looking estimates still point to revenue growth and margin expansion.

Historical and projected sales growth and operating margin for the software sector, 12/31/2021–12/31/2027E



Source: Bloomberg. Note: Software sector as represented by the S&P 500 Software Industry GICS Level 3 Index. All data as of 06/30/2026.

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LARGE IPOS MAY RESHAPE INDEX EXPOSURE, BUT SMALL FLOATS LIMIT THE NEAR-TERM IMPACT

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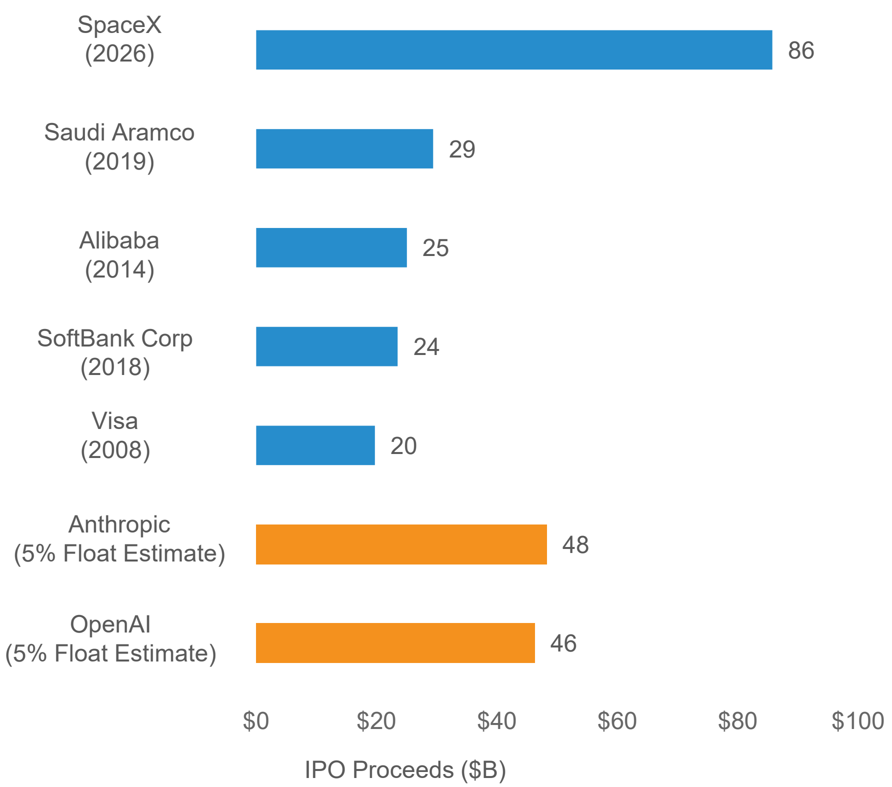
Mega-cap Initial Public Offerings (IPOs) could increase growth exposure in already concentrated indices, but low initial free float will limit near-term benchmark weights. SpaceX is expected to be well below 1% across major indices initially, with S&P-linked exposure delayed by seasoning and float requirements. Even including potential Anthropic and OpenAI issuance, the capital raised would be small relative to the broader equity market and ongoing buybacks.

SpaceX became the largest IPO on record, surpassing previous listings by a wide margin.

Selected largest global IPOs by proceeds ($B); SpaceX includes exercised greenshoe



Source: Reuters, Bloomberg, as of 06/30/2026.

However, float and index rules should stagger benchmark inclusion for SpaceX and other highly anticipated IPOs.

Anthropic annualized revenue run-rate ($B) and cohort profitability profile

Company	Listing / Status	Float / Index Impact	Profitability Context
SpaceX	IPO completed June 2026; strong early trading	~3% IPO float; small direct market absorption	Core SpaceX likely profitable; xAI may distort consolidated GAAP
Anthropic	Potential 2026 IPO	Low float expected; timing is uncertain and depends on index rules	Likely close to operating profit; rapid revenue growth
OpenAI	Unconfirmed	Low float possible	Still loss-making; later break-even
Databricks / Stripe	Unconfirmed	More conventional float likely	Databricks free-cash-flow positive; Stripe mixed

Source: Company filings and press reports, Bloomberg, Reuters, estimates as of 06/30/2026.

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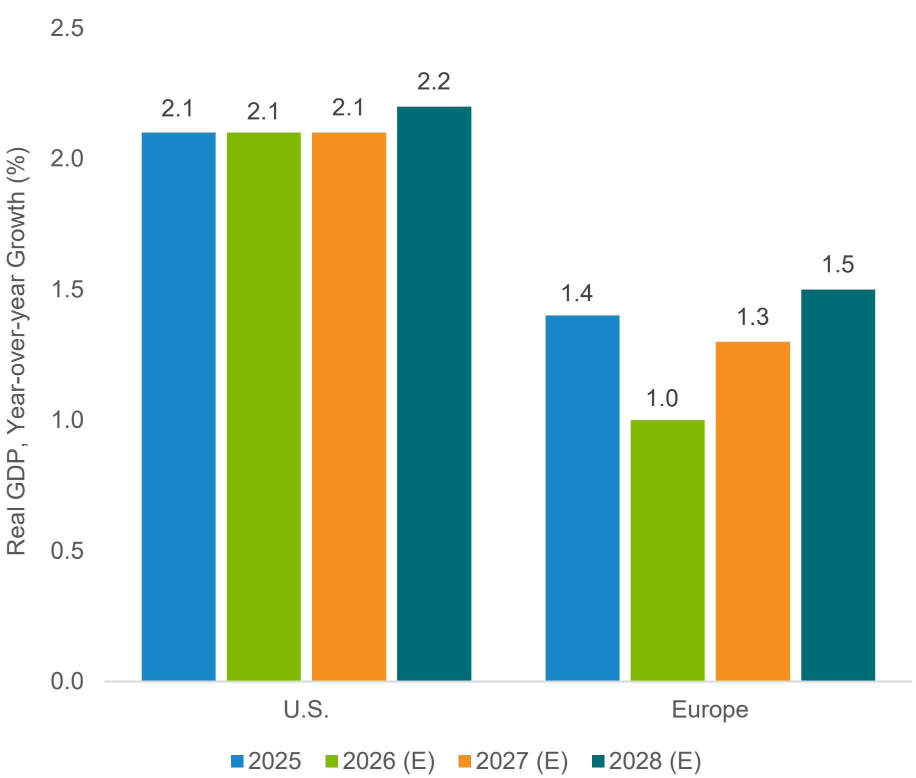
A WEAKER OUTLOOK FOR EUROPE INCREASES THE IMPORTANCE OF SELECTIVITY

European equities have delivered strong returns in recent years, supported in part by strength in select industries such as aerospace and defense. While valuations remain below those of U.S. equities, we believe the valuation discount has become less compelling given the region's weaker growth outlook. Europe is also more exposed to the economic effects of higher energy prices, which could present an additional headwind to growth.

U.S. growth remains strong, with forward expectations continuing to outpace Europe.

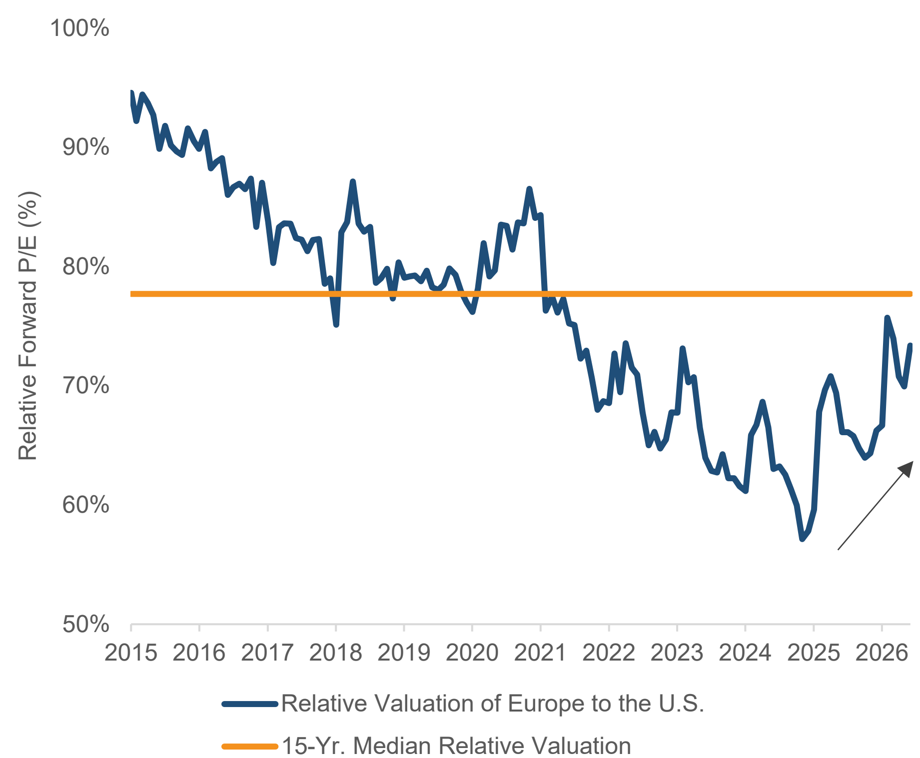
Annual real GDP growth (%), actual results and consensus estimates, 12/31/2022–12/31/2028E



Source: Bloomberg, as of 06/30/2026.

Europe's valuation discount has narrowed materially from the unusually wide levels reached at the end of 2024.

MSCI Europe Index forward price-to-earnings (P/E) ratio relative to the S&P 500® Index, based on 12-month forward earnings estimates, 01/01/2015–06/30/2026



Source: Bloomberg.

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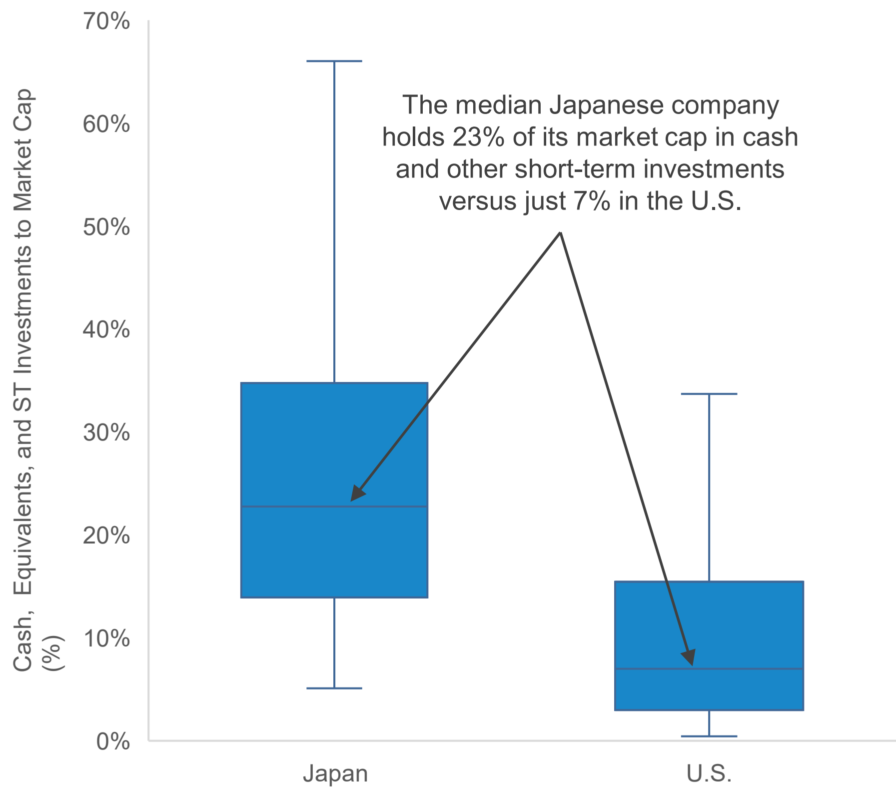
JAPAN REFORMS SUPPORT CAPITAL EFFICIENCY AND LONG-TERM GROWTH

In April, Japan's Financial Services Agency (FSA) and the Tokyo Stock Exchange released updated guidance and proposed revisions to the Corporate Governance Code that increase corporate accountability for efficient capital allocation. The FSA's revisions promote growth-oriented governance focused on long-term value creation rather than capital return alone. We view the revisions as supportive of improving capital efficiency and growth in Japan.

Excessive cash on Japanese balance sheets provides opportunity to improve capital efficiency and invest for growth.

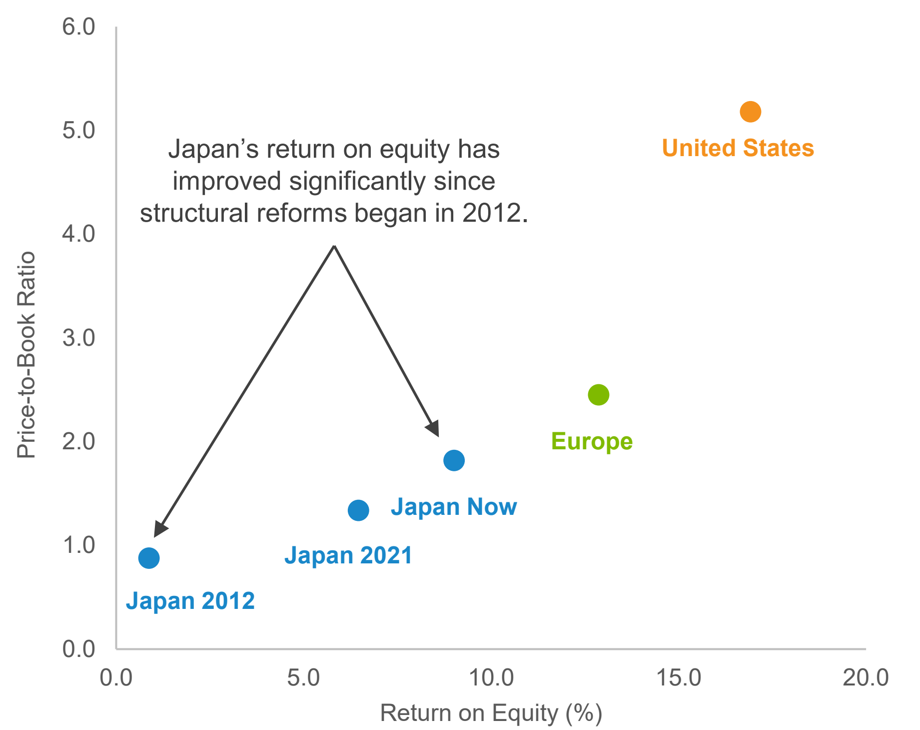
Distribution of cash and short-term investments as a percentage of market capitalization in Japan and the U.S., as of 06/30/2026



Source: Bloomberg, Japan (TOPIX Index), U.S. (Russell 3000® Index). Analysis excludes financial sector. Whiskers of box plots indicate 5th and 95th percentiles.

Corporate governance reform may increase shareholder returns and support more competitive valuations.

Trailing 12-month return on equity and price-to-book ratios by region, as of 12/31/2012, 12/31/2021 and 06/30/2026



Source: Bloomberg, Japan (TOPIX Index), U.S. (Russell 3000 Index), Europe (MSCI Europe Index).

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AI EXPOSURE IS DRIVING GROWING DISPERSION ACROSS EMERGING MARKETS

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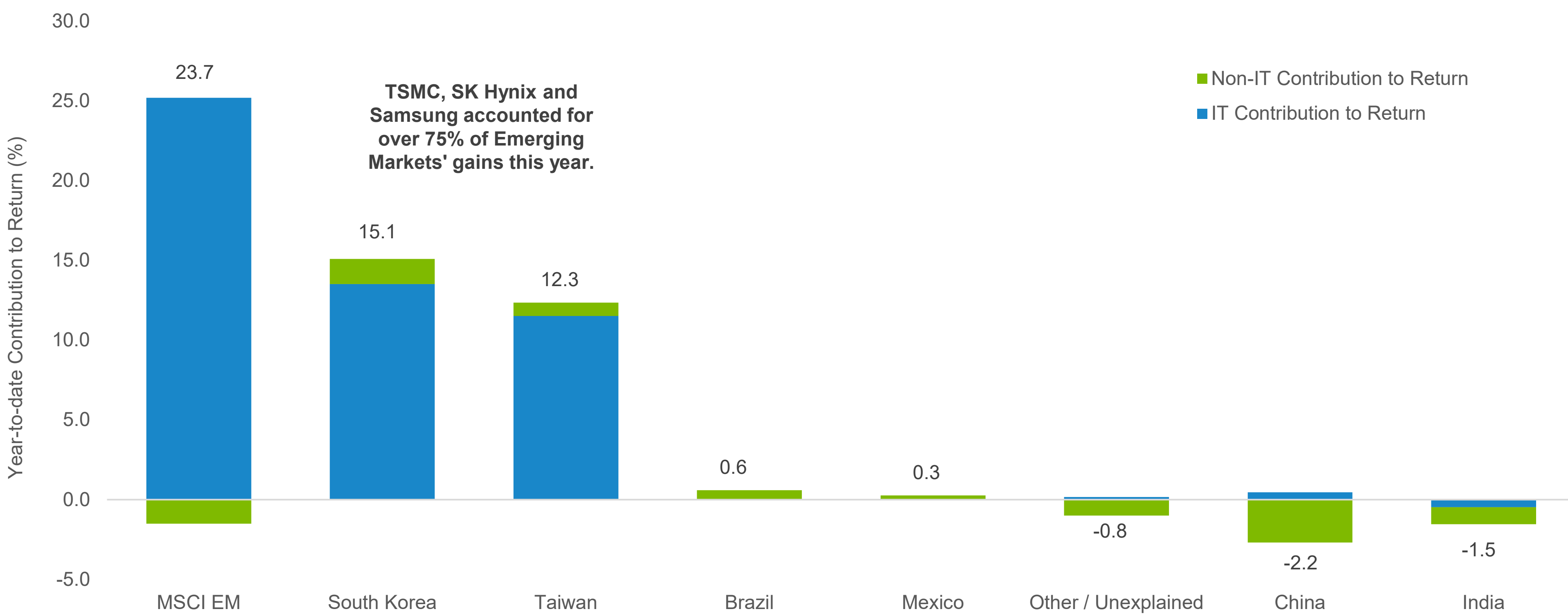
Thoughtful Investing.

Emerging Markets continue to offer attractive long-term growth potential, but performance is increasingly driven by country-specific factors. Varying levels of exposure to AI infrastructure and commodity markets have led to meaningful differences in earnings expectations and market returns across countries, reinforcing the importance of selectivity.

South Korea and Taiwan have driven most of Emerging Markets' gains this year, though leadership has been highly concentrated among a small group of AI-related semiconductor leaders, including Taiwan Semiconductor Manufacturing Company (TSMC), SK Hynix and Samsung.

Total return and contribution to return of MSCI Emerging Markets Net Total Return USD Index by geography and GICS sector, 12/31/2025–06/30/2026



Source: Bloomberg.

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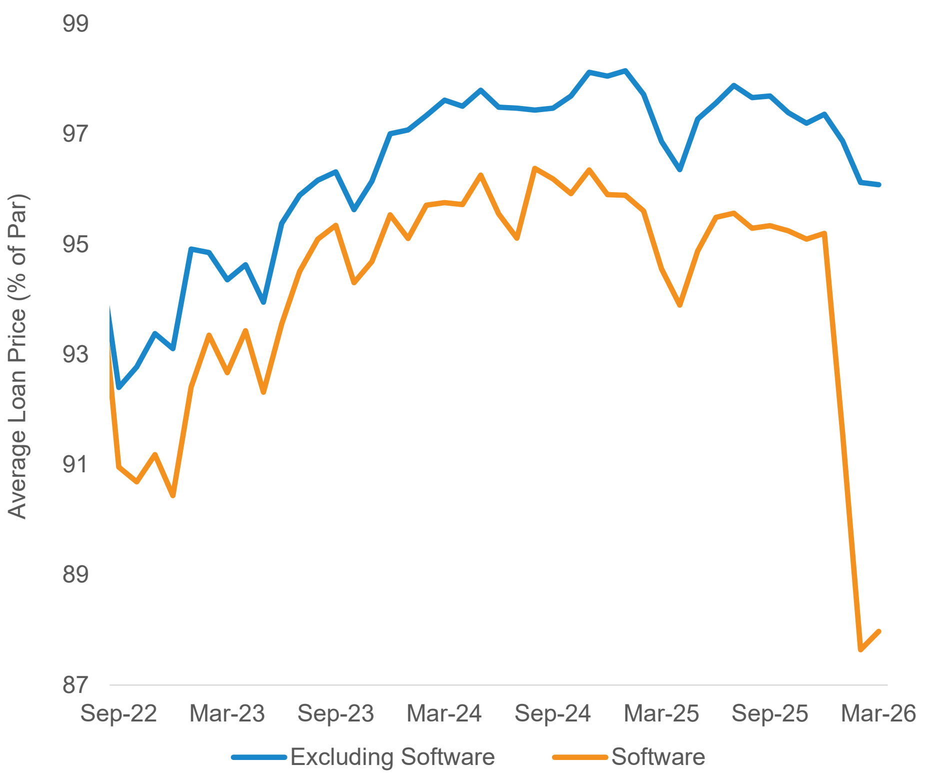
SOFTWARE LOANS HAVE REPRICED, WHILE BROADER CREDIT REMAINS STABLE

Software exposure has come under pressure as AI disruption concerns weigh on parts of the loan market. However, non-software loans have remained relatively stable, and the underlying Business Development Company (BDC) portfolio maturity schedule shows less near-term refinancing pressure than a year ago. This points to a more selective credit environment, where sector exposure and underwriting quality remain important differentiators.

Software loans have repriced sharply, while broader loan markets remain relatively stable.

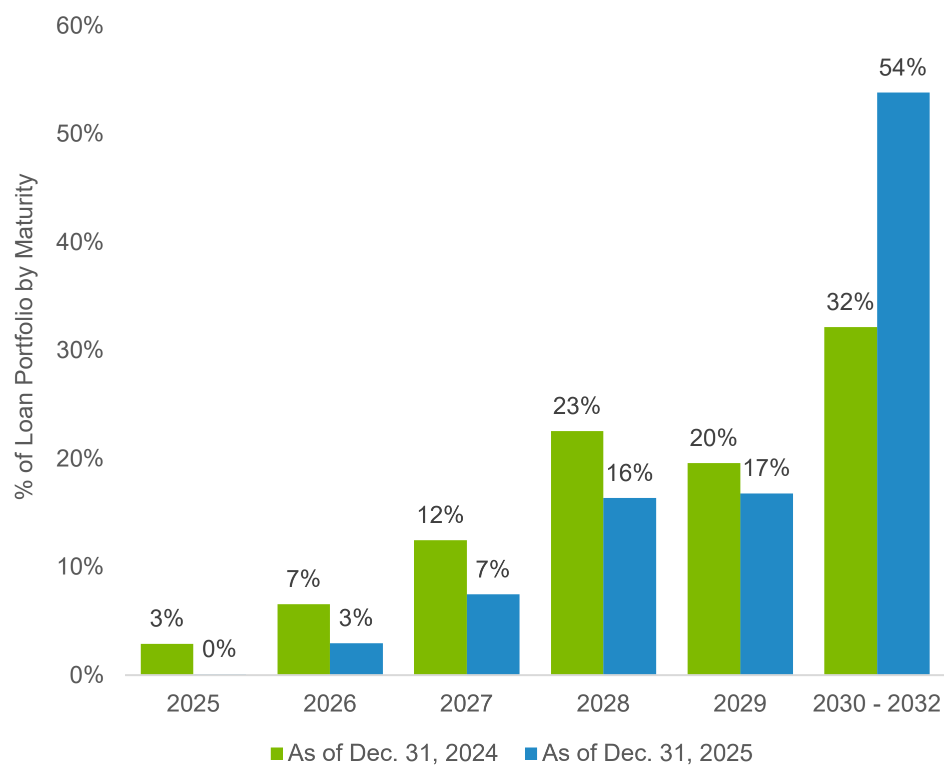
Weighted-average bid price of performing loans, software vs. ex-software; as of 03/31/2026, representing the most recent data available



Sources: PitchBook | LCD; Morningstar LSTA U.S. Leveraged Loan Index.

Underlying BDC portfolio loan maturities have shifted further out, reducing near-term refinancing pressure.

Underlying loan maturity profile in BDC portfolios (% of loan holdings); as of 12/31/2025, representing the most recent data available



Source: PitchBook | LCD; data as of 12/31/2025. Note: Excludes equity and CLO holdings.

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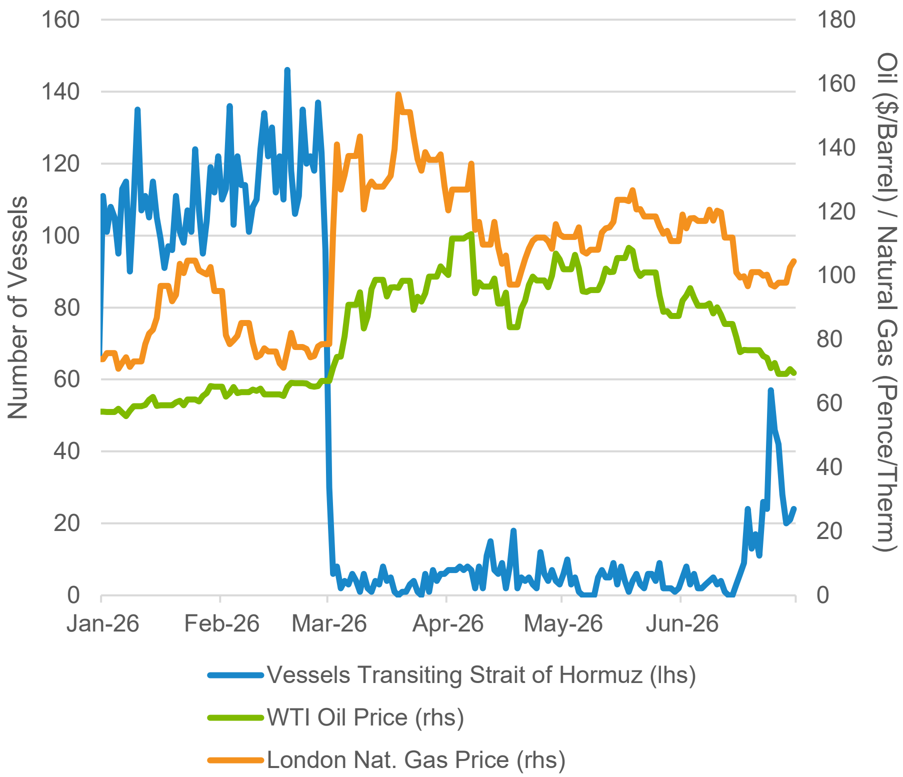
PEACE AGREEMENT EASES ENERGY SUPPLY CONCERNS, THOUGH UNCERTAINTY REMAINS

Despite initial concerns, the conflict's impact on energy markets proved more modest than anticipated. An oversupplied energy market helped cushion the shock, while reports of continued off-record activity through the Strait of Hormuz may have limited disruptions. Although energy prices have eased, uncertainty remains, and the episode highlighted the importance of energy security for import-dependent economies.

Energy prices have eased, though markets remain focused on Strait of Hormuz shipping activity.

Number of vessels transiting the Strait of Hormuz and cumulative change in spot price, 12/31/2025–06/30/2026



Source: Bloomberg.

Commodity markets responded positively to progress toward peace, with oil prices returning to near pre-war levels.

Comparison of key commodity prices from average level in February 2026 (pre-conflict), the peak price since the conflict started and 06/30/2026 price

	February Avg. Price	Peak Price	06/30/2026 Price
WTI Oil (USD per barrel)	64.52	112.95	69.50
U.S. Avg. Retail Gasoline (USD per gallon (regular))	2.90	4.50	3.83
London Natural Gas (GBp per therm)	78.66	156.64	104.45
North America Fertilizer (USD per short ton)	737.99	986.36	705.59

Source: Bloomberg, as of 06/30/2026.

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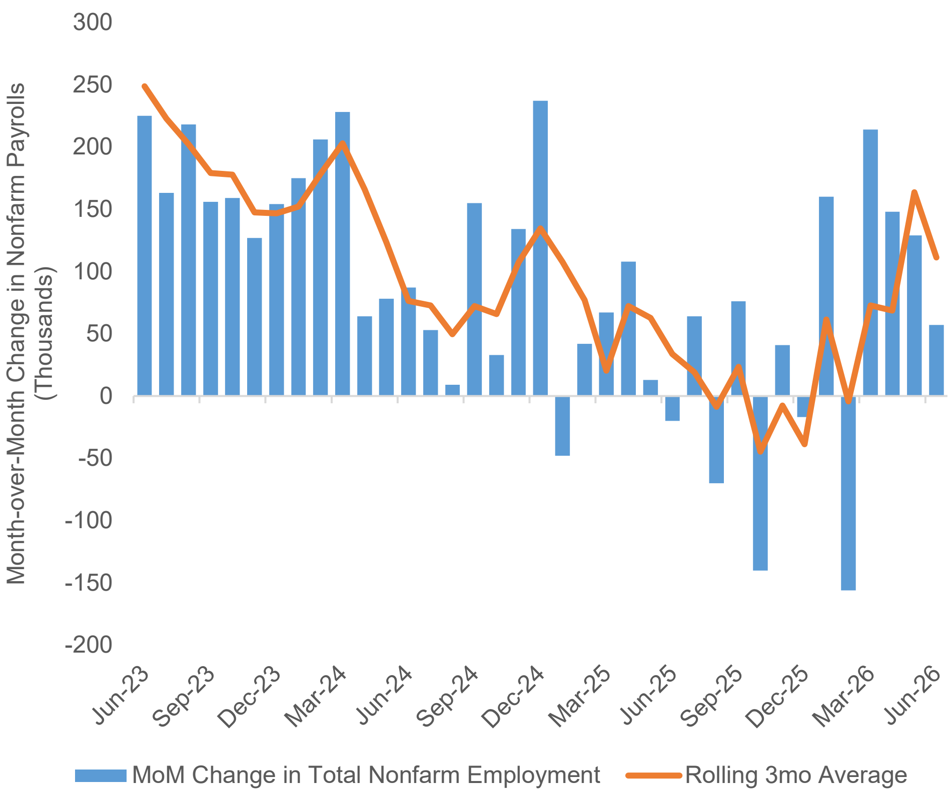
LABOR MARKET REBOUNDS, BUT WAGE GROWTH REMAINS SUBDUED

Recent payroll data indicates the labor market has rebounded, easing economic concerns. Job growth accelerated in the spring, with stronger hiring in leisure and hospitality and local government. However, wages continue to moderate relative to inflation, which spiked in April and May of 2026, leading to reduced purchasing power for consumers.

Job growth rebounded this spring after a soft start to 2026, easing concerns about a labor market slowdown.

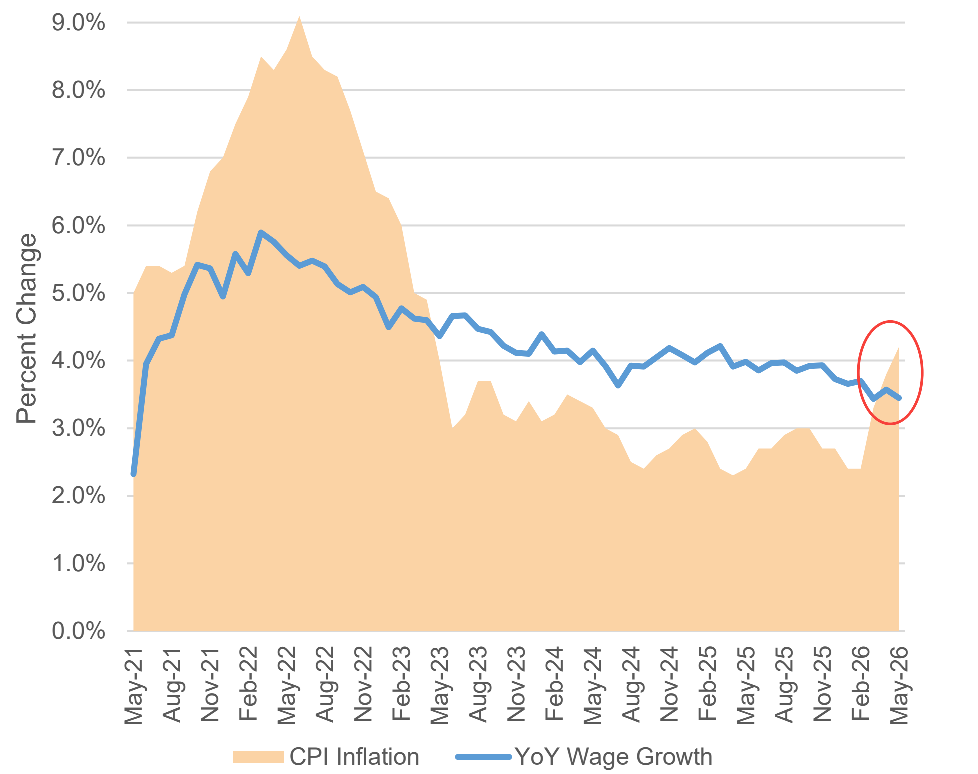
Monthly change in total nonfarm payrolls and 3-month rolling average, 06/30/2023–06/30/2026, representing the most recent data available



Source: Bureau of Labor Statistics, Federal Reserve Bank of St. Louis.

However, wage growth has continued to moderate and now trails inflation following the recent uptick in prices.

Year-over-year (YoY) change in avg. hourly earnings, total private employees and 12-month change in CPI, 04/30/2021–05/31/2026, representing the most recent data available



Source: Bureau of Labor Statistics, Federal Reserve Bank of St. Louis. October 2025 CPI number represents Brown Advisory's estimate.

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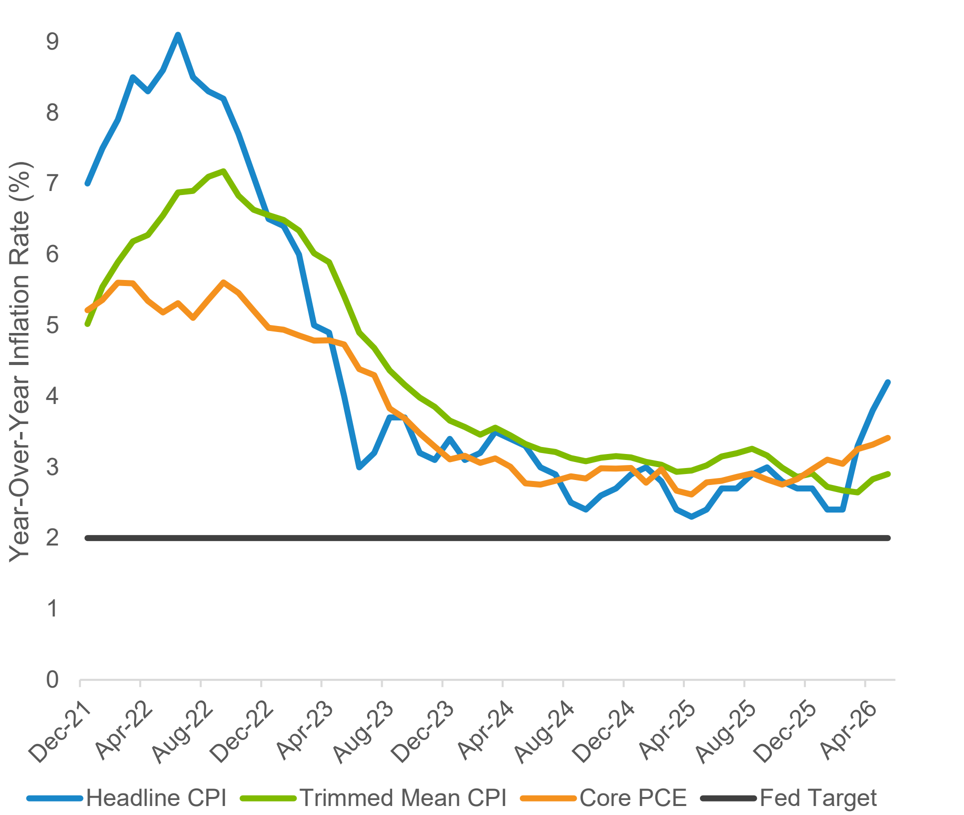
MARKET OUTLOOK FOR FED FUNDS RATE SHIFTS FROM CUTS TO HIKES

Strong employment growth and resurgent inflation have complicated the outlook for interest rates. Although the current upper bound of the Fed Funds Policy Rate is 3.75%, well above the Fed's projected terminal rate, recent economic data has led markets and policymakers to reassess the likelihood and timing of future rate cuts. Recent comments from members of the Fed have implied a willingness to maintain a restrictive policy if inflation remains above target.

After months of progress toward the Fed's 2% target, inflation has begun to reaccelerate, fueled in part by the conflict in Iran.

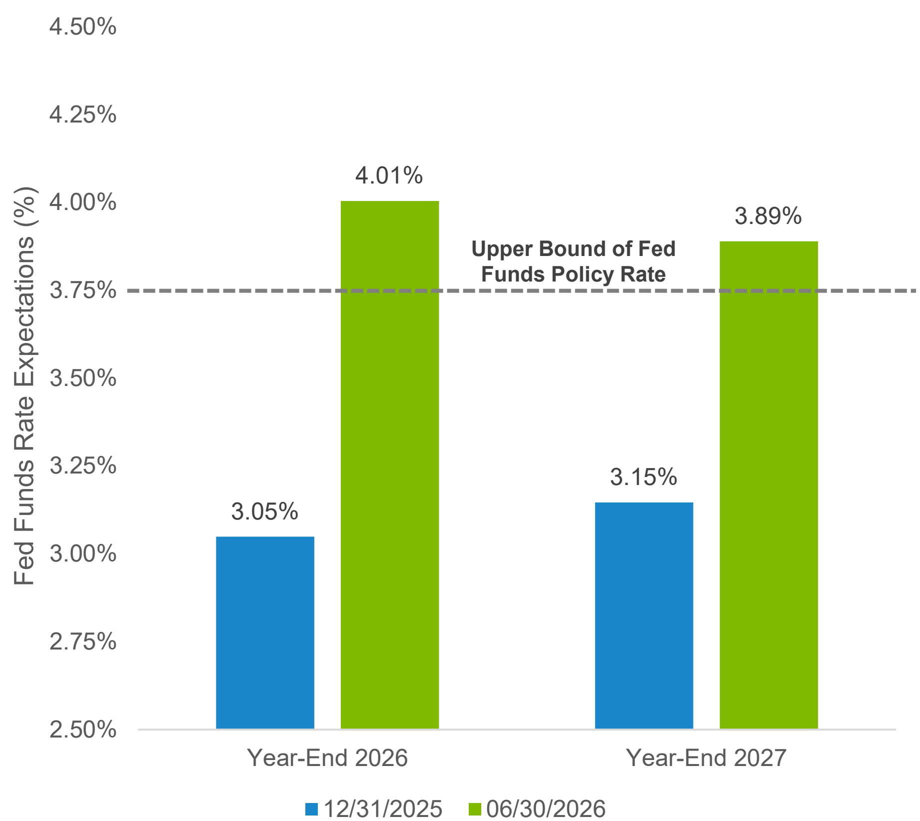
Year-over-year inflation metrics; 12/31/2021–05/31/2026, representing the most recent data available



Source: Bloomberg.

Stronger economic data and stubborn inflation have influenced the market's views on the direction of rates.

Market expectations for federal funds rate, as of 12/31/2025 and 06/30/2026



Source: Bloomberg.

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MUNICIPAL BONDS CONTINUE TO OFFER ATTRACTIVE AFTER-TAX INCOME OPPORTUNITIES

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While yields remain attractive across fixed income markets, municipal bonds continue to offer particularly compelling tax-efficient income opportunities through high-quality issuers. The municipal yield curve remains significantly steeper than the Treasury curve, creating opportunities for active managers to capture attractive yields further out on the curve.

High-quality fixed income offers attractive yields, especially for tax-paying investors, without significant credit risk…

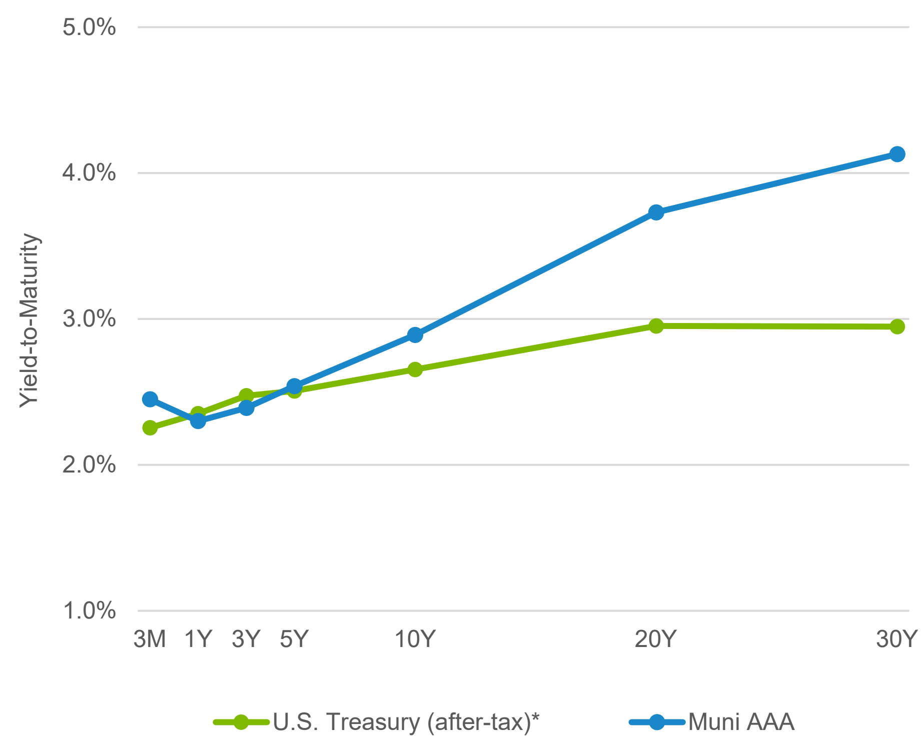
Current yield-to-worst (YTW), after-tax yield and average credit quality across fixed income sectors as of 06/30/2026

	Current YTW	After-Tax Yield*	Avg. Credit Rating
U.S. Aggregate	4.7%	2.8%	AA/AA-
Municipals	3.2%	3.2%	AA/AA-
Investment-Grade Credit	5.2%	3.1%	A-/BBB+
High-Yield	7.2%	4.2%	BB-/B+
T-Bills	3.7%	2.2%	AA+
Treasuries	4.4%	2.6%	AA+

Source: Bloomberg; *Assuming the highest federal marginal income tax rate (37%) and Net Investment Income Tax (NIIT) of 3.8%.

… and the unique shape of the municipal yield curve creates compelling opportunities at both the short and long ends.

Treasury and municipal yield curve (%) for various dates, as of 06/30/2026



Source: Bloomberg. *Assuming the highest federal marginal income tax rate (37%) and Net Investment Income Tax (NIIT) of 3.8%.

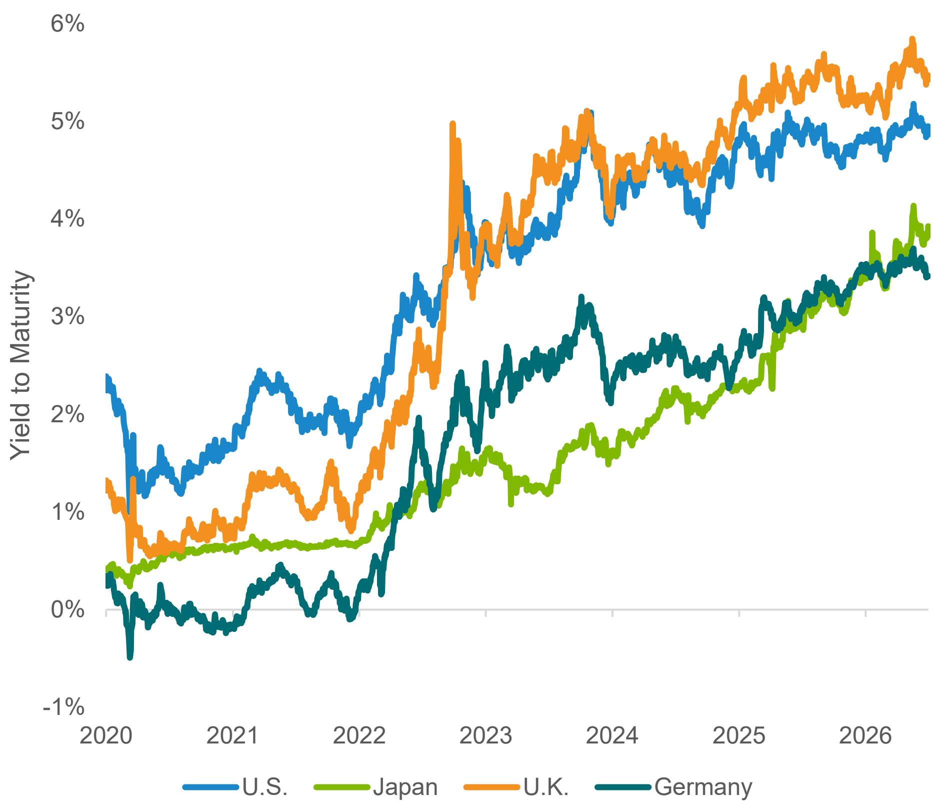
Note: All commentary is as of 06/30/2026 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions. U.S. Aggregate using Bloomberg U.S. Aggregate Bond Index, Municipal Bonds using Bloomberg Municipal Bond 1–15 Year Blend Index, IG Corp. Credit using Bloomberg U.S. Corporate Index, High-Yield using Bloomberg U.S. Corporate High-Yield Index, T-Bills using ICE BofA U.S. 3-Month Treasury Bill Index and Treasuries using Bloomberg U.S. Treasury Index.

RISING SOVEREIGN YIELDS – A GLOBAL PHENOMENON

Global sovereign yields hit multi-decade highs in the second quarter as a war-fueled surge in energy prices lifted inflation expectations and spurred speculation of interest rate hikes by central banks. Beyond recent energy market volatility, yields have repriced sharply from COVID-era lows as governments continue to run large deficits, issuance remains elevated and reform efforts increasingly reliant on expansive fiscal policy reinforce longer-term pressure on public balance sheets.

Long-term sovereign bond yields have surged since COVID-era lows.

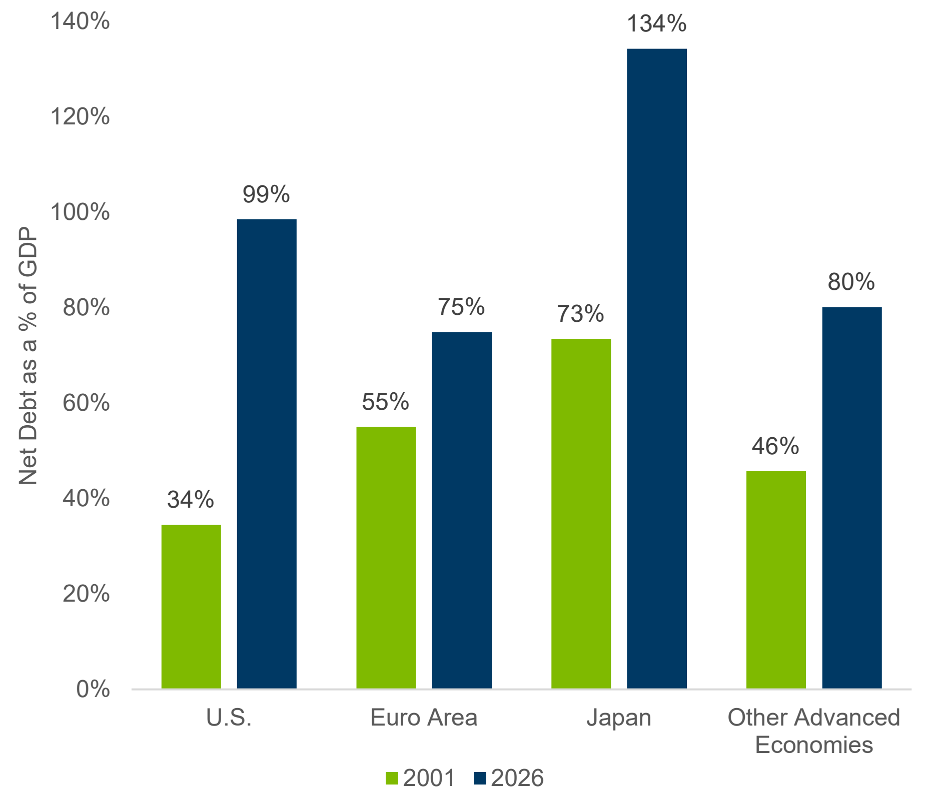
30-year sovereign bond yields, 01/01/2020–06/30/2026



Source: Bloomberg.

Advanced economy debt levels have grown considerably relative to GDP since 2001.

Net debt as a percentage of GDP, 12/31/2001–06/30/2026



Source: International Monetary Fund. Most recent data available as of 06/30/2026.

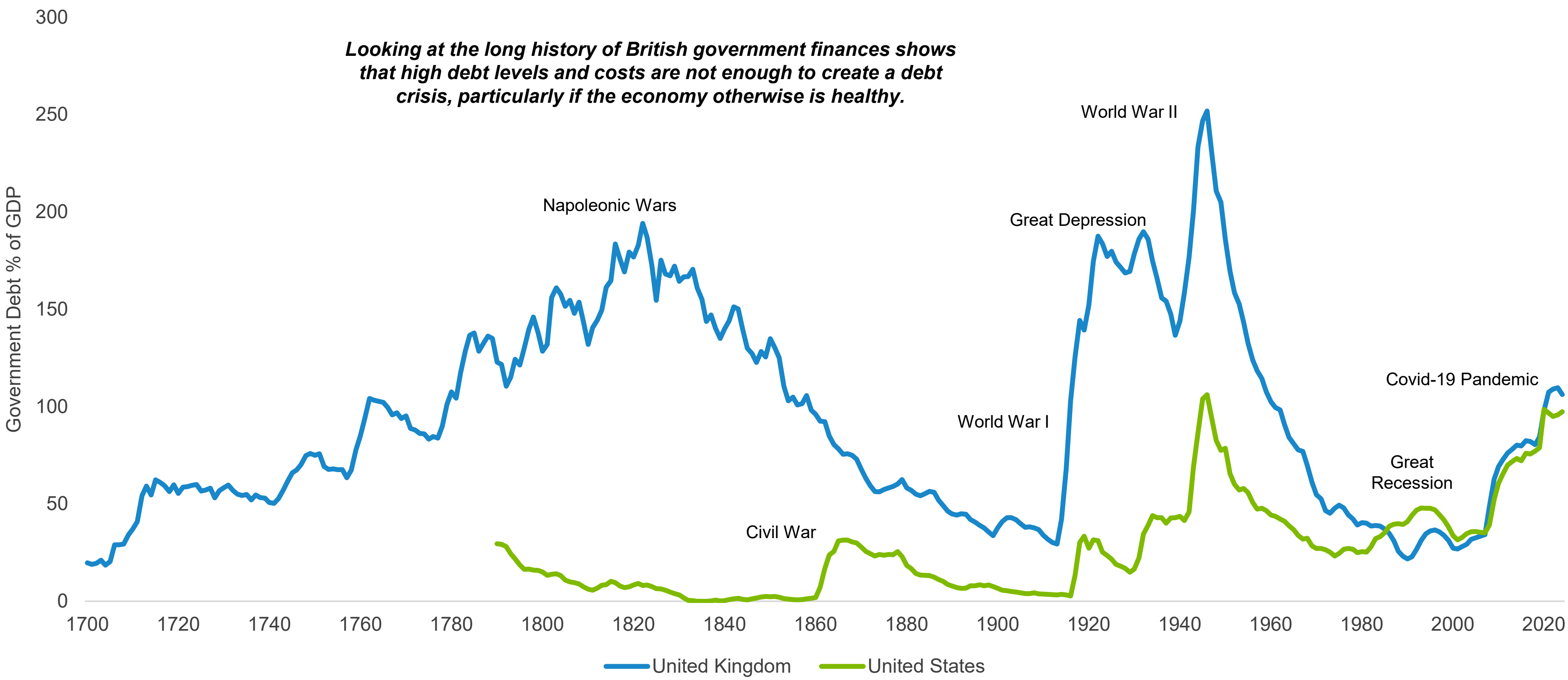
Note: All commentary is as of 06/30/2026 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

WHILE RISING DEBT COSTS MAY WEIGH ON GROWTH, CRISIS RISKS REMAIN LIMITED

Government debt has risen sharply across developed economies since the global financial crisis, but the U.S. has seen debt-servicing costs increase more quickly due to its shorter maturity profile. While debt levels are elevated, they are not unprecedented, making a near-term funding crisis unlikely. However, higher interest costs may increasingly constrain fiscal flexibility and economic growth over time.

However, history suggests elevated government debt can persist for decades without triggering a funding crisis.

As of 12/31/2024, representing the most recent data available



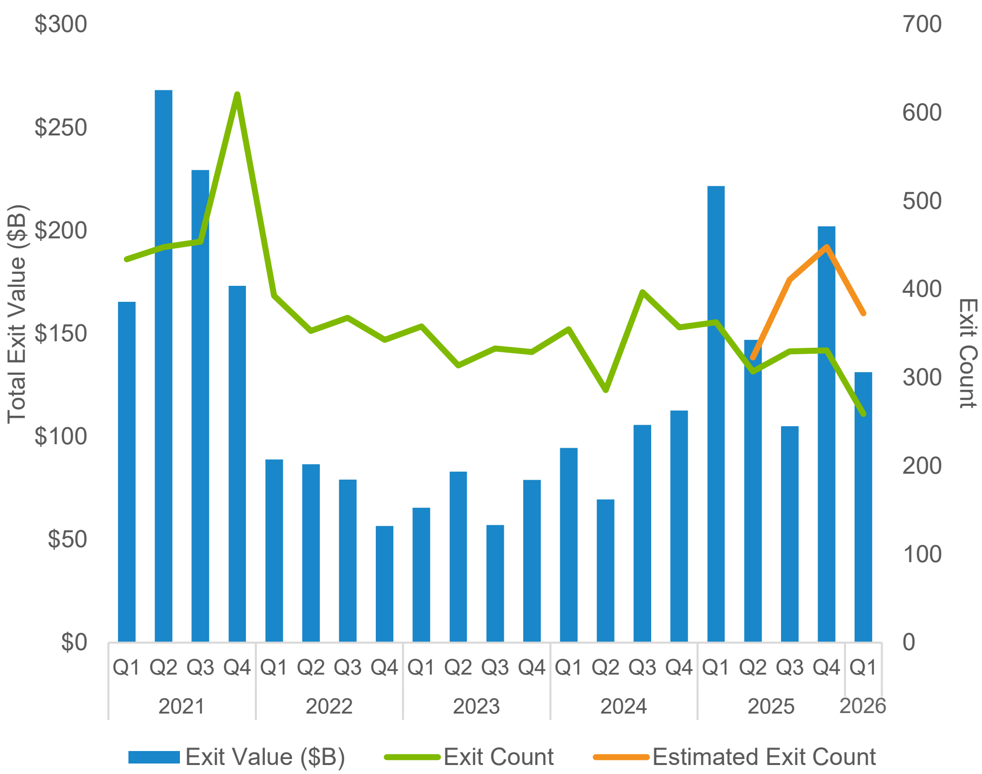
Source: OECD, U.S. Government Office of Management and Budget.

PE EXIT ACTIVITY REMAINS HEALTHY DESPITE SLOWDOWN IN TECHNOLOGY

Private equity (PE) exit activity remained robust in the first quarter of 2026 despite elevated market uncertainty tied to the Iran conflict, with exit deal values well above the subdued levels seen from 2022 through 2024. The information technology (IT) sector was a notable exception, however, as investors assessed how AI may reshape the sector's competitive dynamics and valuation outlook.

Despite the slight downtick from Q4 levels, exit activity was strong in Q1.

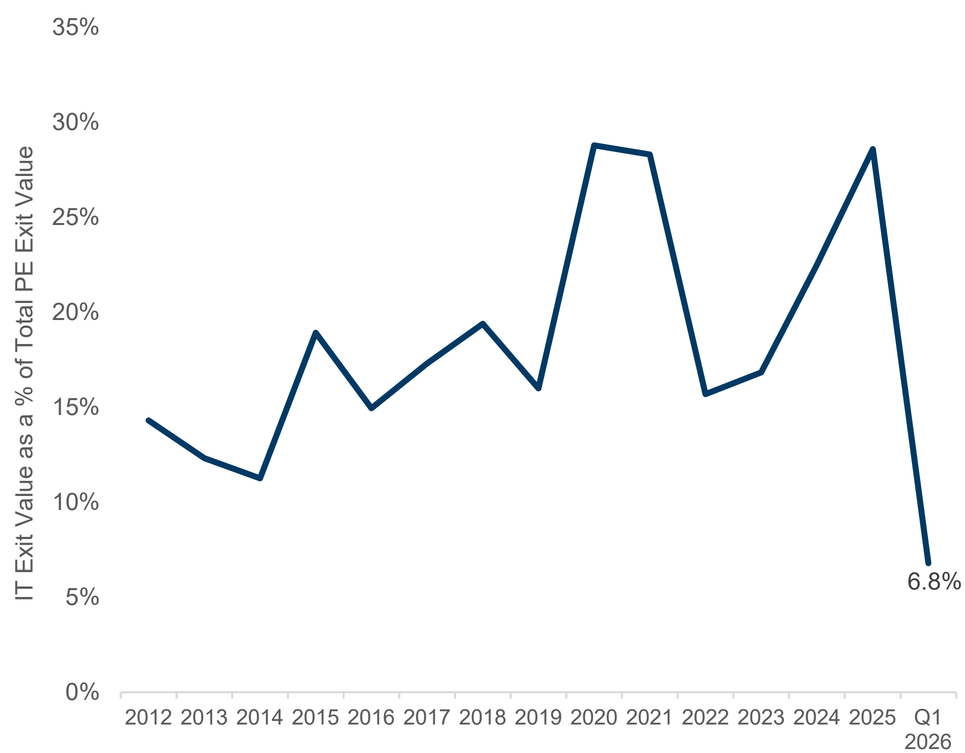
U.S. PE activity by deal value and deal count, 12/31/2020–03/31/2026, representing the most recent data available



Source: PitchBook. Note: Estimated exit count represents PitchBook's estimate of the total exits in a quarter, taking into account deals that have not yet been reported.

IT sector exits fell to their lowest levels in Q1 as investors reassessed the value of these businesses in an AI world.

IT exit value (% of U.S. PE exits), 12/31/2011–03/31/2026, representing the most recent data available



Source: PitchBook.

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CURRENT POSITIONING BY MAJOR ASSET CLASS

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Given elevated uncertainty, we are prioritizing balance, diversification and liquidity to capitalize on potential volatility.

Asset Class	Decision	Rationale
Public Equities	Maintaining global diversification	The valuation gap between U.S. mega-cap stocks and the broader global equity market remains large. We believe select non-U.S. stocks and smaller U.S. companies offer compelling opportunities at far more attractive valuations. Within these areas, we are focused on quality, prioritizing strong business models and healthy balance sheets.
	Dedicated exposure to Japanese equities	While the conflict in Iran has created some equity market turmoil, reform efforts in Japan aimed at ending deflation and improving corporate profitability are starting to make progress, leading to improved structural economic growth and strong returns. Valuations are still far lower than most other geographies, and the market has a rare combination of size and inefficiency, which we believe enhances the opportunity.
Fixed Income	Full weighting but intermediate duration	A solid credit environment and higher yields relative to inflation expectations make bonds attractive in our view. However, continued inflation and deficit concerns inform our decision to maintain an intermediate duration.
	Highly selective within credit given tight spreads	Spreads are below long-term historical norms despite economic uncertainty. However, we still see some selective opportunities in securitized credit and idiosyncratic corporate credit.
Private Investments*	Continuing allocations to private equity while increasing our use of secondaries as a complement to traditional allocations	With many companies choosing to remain private for longer, we view allocating to skilled managers across buyout, venture and growth as an increasingly important component of portfolios. We are also using secondaries as a tool to mitigate the J curve and ramp up private investments exposure in portfolios that are below target.
	Remaining selective in our allocations to private credit	While concerns about rising funding costs and private credit's sizable exposure to software has weighed on investor sentiment, the stress has largely been concentrated among larger lenders. We continue to prioritize investments with disciplined, experienced underwriters to ensure strong risk management is in place and are closely monitoring for further signs of market stress.
Hedge Funds*	Identifying diversifying strategies with idiosyncratic return streams	We believe that hedged strategies offer a differentiated return stream, which can enhance both returns and diversification. These strategies are poised to benefit in a broadening market.

Source: Brown Advisory Analysis. *Alternative investments may be available for qualified purchasers and accredited investors only. Note: All commentary is as of 06/30/2026 unless otherwise noted. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

ANNUAL RETURNS AND INTRA-YEAR DECLINES

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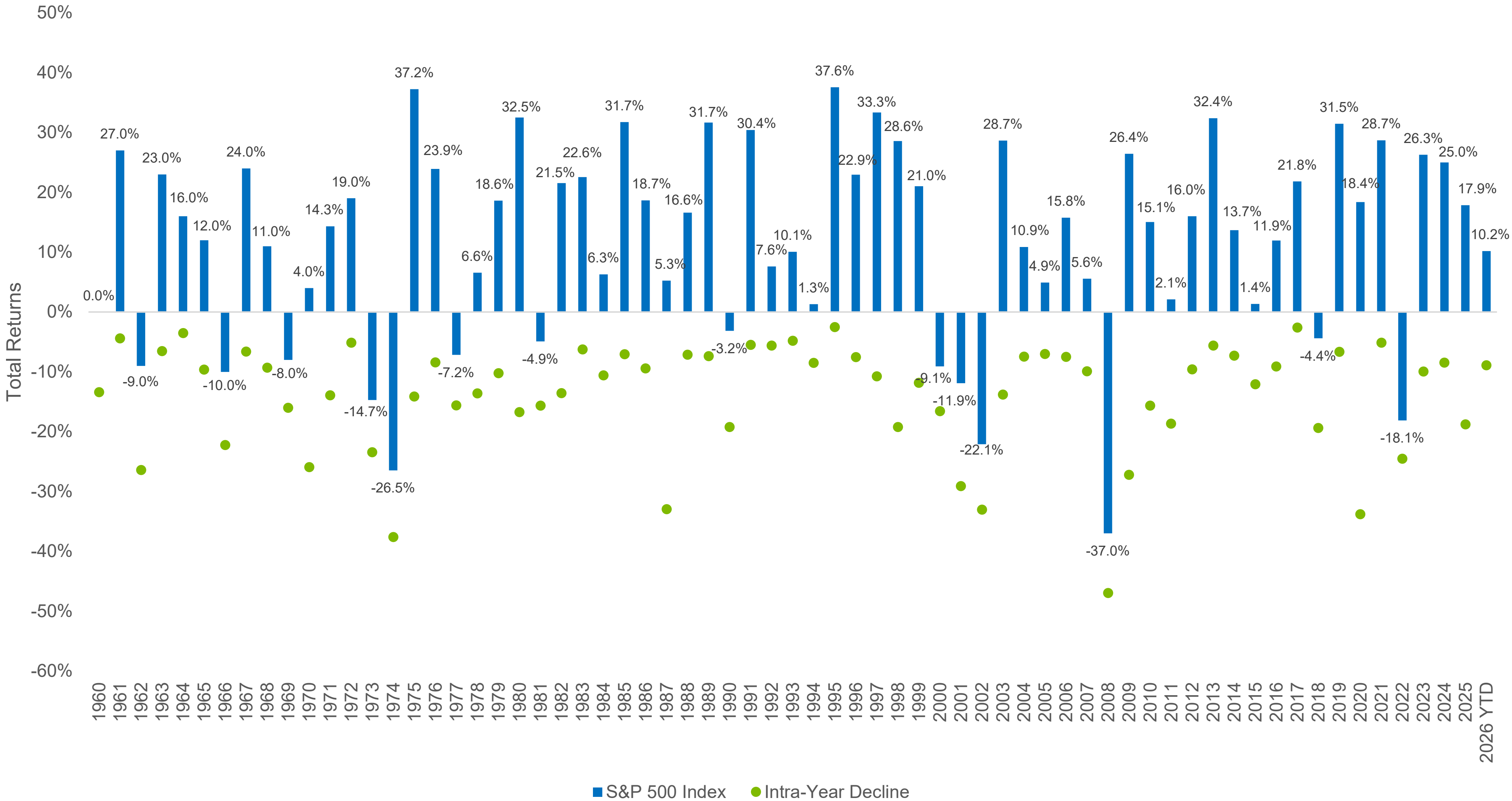
U.S. markets produced positive returns in 51 of the past 66 years despite intra-year drawdowns.

S&P 500® Index Total Returns; 01/01/1960–06/30/2026



Source: Bloomberg. Please see the end of this presentation for important disclosures and a complete list of terms and definitions.

DESPITE NEAR-TERM VOLATILITY, TAKE THE LONG PERSPECTIVE TO YOUR INVESTMENT PROGRAM

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While near-term volatility may force investors to react, we highlight the difficulties of market timing below, especially after considering transaction costs and tax considerations.

The Folly of Market Timing

The figures in this chart are based on an aggregation of major S&P 500® Index downturns since 1968, during which the average decline was 33.6%. Each figure reflects a different market timing scenario—how close an investor came to calling the peak and the bottom, and how much of that 33.6% loss they avoided as a result (a negative number indicates the investor would have fared better by staying invested rather than trying to time the market). The chart illustrates that even a slight miss on either side of a timing call typically led to disappointing results.

Exit Timing, Relative to Market's Peak

Re-Entry Timing, Relative to Market's Bottom

	12 Months Early	6 Months Early	At Peak	6 Months Late	12 Months Late
12 Months Early	-6.6%	-1.0%	11.5%	4.4%	-2.1%
6 Months Early	-9.0%	-3.5%	9.1%	1.9%	-4.5%
At Trough	12.0%	17.6%	33.6%	23.0%	16.6%
6 Months Late	-10.5%	-5.0%	7.6%	0.4%	-6.0%
12 Months Late	-15.7%	-10.2%	2.4%	-4.8%	-11.2%

With perfect timing, an investor could avoid the entire 33.6% downturn…

…but if that investor is just six months late in exiting and re-entering, they gain virtually nothing from the attempt (while still incurring transaction costs and potential tax consequences).

Source: Brown Advisory Analysis, using S&P 500 Index Return data sourced from Bloomberg.

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THE CASE FOR DIVERSIFICATION

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Calendar Year Index Returns (%)

Various Index Returns: 2016 - Present

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 YTD	Trailing 10-Year Annualized
Best Performing	U.S. Small 21.3%	Em. Mkts 37.3%	IG Bonds 0.0%	U.S. Large 31.5%	U.S. Small 19.9%	U.S. Large 28.7%	Commodities 16.1%	U.S. Large 26.3%	U.S. Large 25.0%	Em. Mkts. 33.6%	Em. Mkts. 23.8%	U.S. Large 15.5%
	U.S. Large 12.0%	Dev. Intl. 25.0%	U.S. Large -4.4%	U.S. Small 25.5%	U.S. Large 18.4%	Commodities 27.1%	IG Bonds -13.0%	Dev. Intl. 18.2%	U.S. Small 11.5%	Dev. Intl. 31.2%	U.S. Small 22.7%	U.S. Small 11.6%
	Commodities 11.8%	U.S. Large 21.8%	U.S. Small -11.0%	Dev. Intl. 22.0%	Em. Mkts 18.3%	U.S. Small 14.8%	Dev. Intl. -14.5%	U.S. Small 16.9%	Em. Mkts 7.5%	U.S. Large 17.9%	Commodities 14.4%	Em. Mkts 10.1%
	Em. Mkts 11.2%	U.S. Small 14.6%	Commodities -11.2%	Em. Mkts 18.4%	Dev. Intl. 7.8%	Dev. Intl. 11.3%	U.S. Large -18.1%	Em. Mkts 9.8%	Commodities 5.4%	Commodities 15.8%	U.S. Large 10.2%	Dev. Intl. 9.7%
	IG Bonds 2.6%	IG Bonds 3.5%	Dev. Intl. -13.8%	IG Bonds 8.7%	IG Bonds 7.5%	IG Bonds -1.5%	Em. Mkts -20.1%	IG Bonds 5.5%	Dev. Intl. 3.8%	U.S. Small 12.8%	Dev. Intl. 9.4%	Commodities 5.8%
Worst Performing	Dev. Intl. 1.0%	Commodities 1.7%	Em. Mkts -14.6%	Commodities 7.7%	Commodities -3.1%	Em. Mkts -2.5%	U.S. Small -20.5%	Commodities -7.9%	IG Bonds 1.3%	IG Bonds 7.3%	IG Bonds 0.6%	IG Bonds 1.5%

Indices:

- **Investment Grade Bonds** – Bloomberg U.S. Aggregate Bond Index
- **U.S. Large-Cap** – S&P 500® Index
- **U.S. Small-Cap** – Russell 2000® Index
- **Developed International** – MSCI EAFE Net Total Return USD Index
- **Emerging Markets**. – MSCI Emerging Markets Net Total Return USD Index
- **Commodities** – Bloomberg Commodity Index Total Return (BCOMTR)

Source: Bloomberg

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Investors should be aware that a private equity investment involves a high degree of risk and, therefore, should be undertaken only by investors capable of evaluating such risks and bearing the risks it represents. There can be no assurance that any investment objectives will be achieved or that investors will receive a return of their capital. Accordingly, investors should only invest in private equity investments if such investors are able to withstand a total loss of their investment.

Alternative investments may be available for qualified purchasers and accredited investors only.

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. The **S&P 500® Index Total Return Index** measures the performance of the S&P 500® Index, assuming all dividends are reinvested. 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. The **S&P 500® Equal Weight Index** includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight — or 0.2% of the index total at each quarterly rebalance. These trademarks have been licensed to S&P Dow Jones Indices LLC. S&P, Dow Jones Indices LLC and Dow Jones, S&P, and their respective affiliates (collectively “S&P Dow Jones Indices”) do not sponsor, endorse, sell or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.

The **MSCI World Index** captures large- and mid-cap representation across 23 Developed Markets (DM) countries. It includes 1,353 constituents and covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI EAFE Net Total Return (USD) Index** measures the performance of large- and mid-cap segments of developed markets, excluding the U.S. and Canada. It covers 21 developed market countries and captures the net total return, which includes reinvested dividends after the deduction of withholding taxes applicable to non-resident institutional investors. The **MSCI Emerging Markets Index** captures large and mid cap representation across 24 Emerging Markets (EM) countries*. With 1,195 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Emerging Markets Net Total Return (USD) Index** captures the net total return of the emerging markets, accounting for both price performance and income from dividends, after deducting withholding taxes applicable to non-resident institutional investors. The **MSCI Europe USD Total Return Index** is a benchmark that measures the performance of large- and mid-cap stocks across 15 developed markets in Europe. It includes reinvested dividends, providing a comprehensive view of the total return of the index constituents. This index is widely used by investors to track the performance of European equities in USD terms. The **MSCI Japan USD Total Return Index** captures the total return of the Japanese equity market, including reinvested dividends, expressed in U.S. dollars (USD). The **MSCI Asia ex Japan USD Total Return Index** is a benchmark that tracks the performance of large- and mid-cap stocks across developed and emerging markets in Asia, excluding Japan. It incorporates reinvested dividends, providing a comprehensive view of the total return of its constituents. This index is widely used by investors to evaluate the performance of Asian equities in USD terms. The **MSCI ACWI Index** captures large and mid-cap representation across Developed Markets (DM) and Emerging Markets (EM) countries. The Index covers approximately 85% of the global investable equity opportunity set. The **MSCI China Index** represents large- and mid cap Chinese companies across both onshore and offshore listings. The **MSCI South Korea Index** measures the performance of the large- and mid-capitalization segments of the South Korean equity market. The **MSCI Brazil Index** measures the performance of the large- and mid-capitalization segments of the Brazilian equity market. The **MSCI India Index** measures the performance of the large- and mid-capitalization segments of the Indian equity market. The **MSCI ACWI ex U.S. Index** captures large- and mid-cap stocks across 22 of 23 Developed Markets (DM) countries (excluding the U.S.) and 24 Emerging Markets (EM) countries. It represents approximately 85% of the global equity opportunity set outside the U.S. MSCI® and MSCI Indexes are trademarks and service marks of MSCI Inc. or its subsidiaries.

The **Bloomberg Municipal Bond 1-15 Year Blend Index** measures the performance of the investment-grade, U.S. dollar-denominated, tax-exempt municipal bond market with remaining maturities between one and 15 years. The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged, market- value weighted index composed of taxable U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate, asset-backed, and mortgage-backed securities between one and 10 years. The **Bloomberg Commodity Total Return Index (BCOMTR)** is a broadly diversified commodity index that tracks the performance of a wide range of commodity sectors. This index reflects the total return from a fully collateralized investment in the Bloomberg Commodity Index (BCOM), which includes both the price return of the underlying commodity futures and the return on cash collateral invested in U.S. Treasury Bills. The **Bloomberg U.S. Mortgage- Backed Securities (MBS) Index** measures the performance of U.S. mortgage-backed fixed-income securities. It serves as a benchmark for the MBS segment of the U.S. bond market. The **Bloomberg Commercial Mortgage- Backed Securities (CMBS) Investment Grade Index** tracks the performance of investment-grade commercial mortgage-backed securities (CMBS). These securities are backed by commercial real estate loans and are structured into tranches based on credit risk. The **Bloomberg US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers. The **Bloomberg U.S. Treasury Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with 7-9.9999 years to maturity. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The **Bloomberg U.S. Asset-Backed Securities (ABS) Index** measures the performance of U.S. asset-backed securities, which are financial instruments backed by pools of assets like loans, leases, or receivables. It serves as a benchmark for the ABS segment of the fixed-income market. The **Bloomberg U.S. Corporate High Yield Index** measures the market of U.S.D-denominated, noninvestment grade, fixed rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody’s, Fitch and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. “Bloomberg®”, and the Bloomberg Indices used 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 Brown Advisory strategies. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to Brown Advisory strategies.

Consumer Price Index (CPI): is a widely used measure that examines the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.
The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 2000® Growth Index** measures the performance of the small-cap growth segment of the U.S. equity universe. The **Russell 2000® Value Index** measures the performance of the small-cap value segment of the U.S. equity market. It’s a subset of the broader Russell 2000 Index, which tracks 2,000 small-cap companies. The **Russell 1000® Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. The **Russell 1000® Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. The index was developed with a base value of 140.00 as of December 31, 1986. The Frank Russell Company (“Russell”) is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell ® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and / or underlying data contained in this communication. No further distribution of Russell data is permitted without Russell’s express written consent. Russell does not promote, sponsor or endorse the content of this communication.

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Continued

ICE BofA US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. In order to qualify for inclusion, securities must be auctioned on or before the third business day before the last business day of the month and settle before the following calendar month end. Inception date: December 31, 1977. ICE® IS A REGISTERED TRADEMARK OF ICE DATA OR ITS AFFILIATES, AND BOFA® IS A REGISTERED TRADEMARK OF BANK OFAMERICA CORPORATION.

The **Dow Jones Industrial Average (DJIA)** is a price-weighted stock market index that tracks the performance of 30 significant publicly traded companies in the United States. Representing diverse industries (excluding transportation and utilities), it serves as a benchmark for the overall health of the U.S. stock market and economy.

The **TOPIX (Tokyo Stock Price Index)** tracks all domestic companies listed on the Tokyo Stock Exchange First Section, which is comprised of large companies. TOPIX® and Tokyo Stock Price Index are registered trademarks of the Tokyo Stock Exchange, Inc. (TSE). The TOPIX Index is a product of the Tokyo Stock Exchange, Inc.

The **Trade-Weighted U.S. Dollar Index** measures the value of the U.S. dollar relative to a basket of foreign currencies, weighted by the United States' bilateral trade with each country. The Index reflects changes in the dollar's price against the currencies of major U.S. trading partners and is commonly used as an indicator of the dollar's overall strength in global trade and financial markets.

The **U.S. Dollar Index** measures the value of the U.S. dollar relative to a basket of six major foreign currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona, and Swiss franc.

Sectors are based on the Global Industry Classification Standard (GICS) sector classification system. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS), "GICS" and "GICS Direct" are service marks of Standard & Poor's and MSCI . "GICS" is a trademark of MSCI and Standard & Poor's.

Terms and Definitions:

- The **10-year U.S. Treasury yield**: is the return on investment, expressed as a percentage, on the U.S. government's debt obligations issued with a maturity of 10 years. It is one of the most closely watched indicators in financial markets because it serves as a benchmark for a variety of financial instruments, including other government and corporate bonds, loans and mortgages.
- **Absolute yield**: is the total yield of a security or portfolio expressed as a percentage, without comparison to a benchmark or reference rate.
- **CAPE Ratio**: Cyclically Adjusted Price–to-Earnings Ratio or P/E Ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings.
- **Credit Spread**: is the difference in yield between bonds of similar maturity but different credit quality.
- **Compound Annual Growth Rate (CAGR)**: is a widely used financial metric that measures the annualized growth rate of an investment over a specified period, assuming the profits are reinvested each year.
- **Duration**: is a measure of a bond's sensitivity to changes in interest rates.
- **Earnings Growth:** measures the annualized rate of growth in a company's earnings (profits) over a specific period. Useful for assessing future profitability.
- **Earnings Per Share (EPS)**: is a financial metric that indicates the profitability of a company. It is calculated by dividing the company's net income by the number of outstanding shares of its common stock.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)**: is a financial metric used to evaluate a company's core operational profitability and cash flow potential by excluding financing decisions, tax environments and non-cash accounting items.
- **Free Cash Flow** is the cash a company generates after accounting for capital expenditures (like buildings or equipment). It shows how much cash is available for dividends, debt repayment or reinvestment.
- **Free Cash Flow Yield**: calculated as the inverse of an index's price-to-free cash flow ratio. In other words, it is calculated as the expected free cash flow of the index divided by the index's current price. Free cash flow is a measure of financial performance calculated as operating cash flow minus capital expenditures and changes to net working capital.
- **Forward P/E:** is a valuation metric that compares a company's current share price to its projected earnings per share over the next 12 months.
- **Price-to-Earnings Ratio (P/E Ratio)**: compares a company's stock price to its earnings per share (EPS). Indicates how much investors are willing to pay for $1 of earnings.
- **Personal Consumption Expenditures (PCE) Inflation:** is a measure of the average increase in prices for all domestic personal consumption. It tracks changes in the cost of goods and services purchased by households and is a critical indicator of inflation in the economy.
- **Purchasing Power Parity (PPP)**: currency valuation framework based on relative price levels.
- **Spread differential**: refers to the difference in yield spreads between two securities, portfolios or markets, typically measured relative to a common benchmark such as U.S. Treasuries.
- **Volatility**: Refers to the degree of variation in the price of a financial instrument over time. High volatility indicates larger price swings; low volatility reflects stability.
- **Yield-to-Date (YTD) Return**: measures the performance of an investment or portfolio from the start of the calendar year up to the current date. It is a useful metric for tracking growth or loss over the current year.
- **Year-to-Date (YTD) Earnings Revision**: refers to the changes in earnings estimates for a company, sector or index over the course of the current year. Analysts and investors track these revisions to gauge shifts in market sentiment, economic conditions or company performance.
- **Yield-to-Maturity (YTM)**: is the total return anticipated on a bond if held to maturity.
- **Yield-to-Worst (YTW)**: is the lowest possible yield an investor can receive on a bond without the issuer defaulting.