

## Brown Advisory Investment Guideline Changes

- Brown has requested the following changes to their investment guidelines which are part of their investment management agreement.
- Change in number of holdings
  - From 40-60 to 50-80
  - This adds additional diversification while maintaining a relatively concentrated portfolio
- Change in top 10 holdings weight
  - From 35-40% to 20–40%
  - This allows them to diversify the top 10 holdings with less security concentration
- Change in top 20 holdings weight
  - From 50-60% to 40-60%
  - This allows them to diversify the top 20 holdings with less security concentration
- Brown has seen less liquidity in the market and in their holdings and has requested these changes to adapt to market conditions.
- In Mercer's opinion these are minor changes and should be allowed.
- None of these changes require an amendment to the Plan's Investment Policy Statement.