



Brown Advisory US Equity Value Fund

July 2010

Investment Strategy

The fund invests primarily in the common stock of domestic US companies with medium to large market capitalizations of generally no less than \$2 billion. The fund uses a bottom-up, research-intensive process with strong valuation discipline and “margin of safety” considerations to build a portfolio with lower-than-market valuation and better-than-market fundamentals. The fund seeks to invest in companies that are fundamentally solid, financially sound, that possess proprietary products and services—and have the ability to grow at above average rates for several years, often despite lower short-term projected earnings.

Performance to July 31, 2010

	1 Month	3 Months	6 Months	9 Months	1 Year	YTD	3 Yr Cumulative	3 Yr Annualized	Since Inception*	NAV
Brown Advisory US Equity Value A USD ¹	6.63	-8.38	0.24	5.90	14.20	-2.61	-25.23	-9.23	-4.01	8.20
Brown Advisory US Equity Value A GBP ²	1.49	-10.60	2.25	10.80	20.80	0.32	-2.90	-0.98	-0.41	9.53
Brown Advisory US Equity Value B USD ³	6.70	-8.19	0.56	6.32	14.92	-2.32	-24.04	-8.75	-9.67	7.17
Brown Advisory US Equity Value B GBP ⁴	1.58	-10.54	2.50	11.22	21.37	0.59	-	-	1.68	10.27
Brown Advisory US Equity Value Hedged B GBP ⁵	6.39	-8.51	0.57	6.36	-	-2.29	-	-	6.57	10.65
Russell 1000 Value Index USD ¹	6.77	-7.52	4.24	8.91	15.39	1.30	-24.55	-8.96	-3.52	-
S&P 500 Index USD ¹	7.01	-6.69	3.61	7.92	13.84	-0.11	-18.99	-6.77	-1.97	-

Inception Dates: ¹May 4, 2006; ²February 9, 2006; ³July 24, 2007; ⁴May 9, 2008; ⁵October 6, 2009

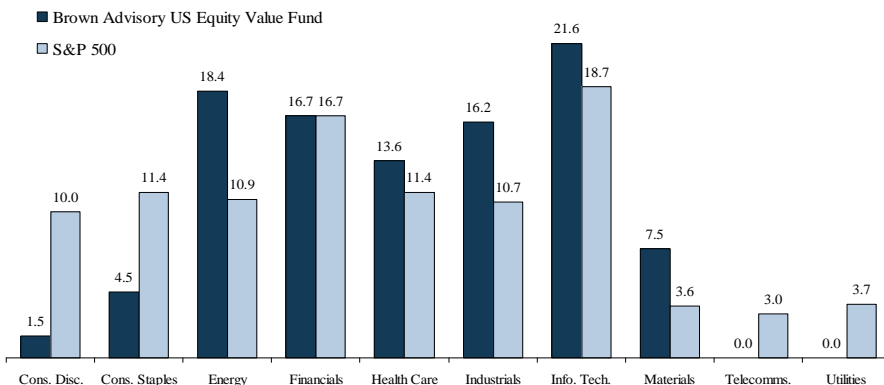
*Annualized

Performance data above relates to the Brown Advisory US Equity Value Fund – a Dublin-based UCITS III fund. The performance is net of management fees and operating expenses. Past performance may not be a reliable guide to future performance. The fund is a mirror of the Brown Advisory Equity Value strategy, a US-based product established in June 2000. **Long-term performance available upon request.** Changes in exchange rates may have an adverse effect on the value price or income of the product. The difference at any one time between the sale and repurchase price of units in the UCITS means that the investment should be viewed as medium to long term. A simplified and full prospectus are available by calling 020 7591 7084 or visiting the fund website.

Characteristics* as of July 31, 2010

Estimated EPS Growth Rate	9.9%
FY2 P/E Ratio	10.4x
P/E-Growth Ratio	1.2x
Dividend Yield	2.47%
Weighted Avg. Market Cap	\$53.5 billion
Weighted Med. Market Cap	\$20.7 billion
Equities	97.5%
Cash	2.5%
Market Capitalization	
\$<10 billion	28.8%
\$10-100 billion	50.0%
\$>100 billion	21.2%

Snap-On Inc.	4.5%
E.I. du Pont de Nemours & Co.	3.8%
Exxon Mobil Corp.	3.8%
Microsoft Corp.	3.7%
The Chubb Corp.	3.7%
ACE Limited	3.6%
Total S.A. ADR	3.6%
Becton Dickinson & Co.	3.6%
Merck & Co., Inc.	3.5%
Medtronic, Inc.	3.5%
Top Ten Holdings as a % of Net Assets	37.3%



Fund Profile

Name	Brown Advisory US Equity Value Fund
Manager	Richard M. Bernstein, CFA
No. of Holdings	35 - 45
Base Currency	US Dollar
Annual Management Fee	A: 1.50%
	B: 0.75%; B Hedged: 1.00%
Minimum Investment	A: 5,000
	B: 10,000,000
Administrator	Brown Brothers Harriman (Ireland) Ltd
Dealing Number	Tel: +(353) 1 603 6387
	Fax: + (353) 1 603 6310
Structure	Ireland UCITS III (FSA recognised)
Listing	Irish Stock Exchange
Liquidity	Daily
Dividends	UK distributor status
Settlement Terms	T+3

	ISIN	Sedol
Sterling A Class	IE00B0PVD972	B0PVD97
Sterling B Class	IE00B0PVDC05	B0PVDC0
Hedged Sterling B Class	IE00B4N31J92	B4N31J9
Dollar A Class	IE00B0PVDB97	B0PVDB9
Dollar B Class	IE00B0PVDD12	B0PVDD1
Euro A Class	IE00B2NN6787	B2NN678
Euro B Class	IE00B2NN6894	B2NN689



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Activity

Top 5 Contributors: E.I. DuPont de Nemours & Co., QUALCOMM Inc., Total S.A. ADS, Snap-On Inc., Air Products & Chemicals Inc.

Bottom 5 Contributors: Diamond Offshore Drilling Inc., Merck & Co Inc., Johnson & Johnson, Harsco Corp., Waters Corp.

We made a variety of adjustments to the portfolio in July. The most significant were the addition of American Eagle Outfitters and the elimination of Harsco. American Eagle is a mall based apparel retailer with a long history of serving the ever-changing youth market. Given our long standing cautious view of the domestic consumer market, we view the opportunity presented by American Eagle as an exception not an indication of a moderation of our secular consumer view. Our investment thesis rests on several key points: (1) an experienced management team that understands their market; (2) a strong balance sheet with lots of cash; (3) a sensible operating strategy that generates substantial free cash flow; (4) a lower inventory stance that should minimize the risks of gross margin pressure; (5) operating margins at a trough, half of peak; and (6) a very low absolute valuation with attractive dividend yield. The divestiture of our Harsco investment at a moderate loss was a disappointment. Our holding period was short and we believed that senior management had a sensible plan to restore a key depressed business. Beyond poor operating conditions, which had deteriorated materially further, recent management comments and actions suggest that they are still struggling to define their strategy for the troubled Infrastructure business. We had believed that they were well beyond that. As such, our view of Harsco's normalized earnings power, and its attractiveness, were reduced materially.

The proceeds to fund our investment in American Eagle were derived from reducing our holdings in Assurant and John Deere; two strong performers. The proceeds from Harsco funded additions to existing holdings in Diamond Offshore, National Oilwell, and Northrop Grumman. Collectively, these additions offered a better reward/risk ratio, comparable dividend and free cash flow yields, and better finances. We also added to our holdings in: Becton Dickinson, Lender Processing Services, 3M and Microsoft. They were funded by reductions in: Canadian Natural Resources, Merck, and Procter & Gamble.

The Fund Manager

Richard M. Bernstein, CFA is a Partner of Brown Advisory and the Manager of the US Equity Value Fund. He has over twenty years of investment industry experience. Prior to joining Brown Advisory, Mr. Bernstein was Vice President and Director of Research at Mercantile Safe Deposit & Trust Company where he was responsible for equity fund management and research. He served as President of the Baltimore Security Analysts Society in 1990 and 1991. Mr. Bernstein received his B.A. from Johns Hopkins University in 1979 and his M.A. from Johns Hopkins University in 1983.

About Brown Advisory

Brown Advisory was founded in 1993 as an investment management arm of Alex Brown & Sons, America's oldest investment banking firm. In 1998, Brown Advisory separated to create an independent organization better positioned to serve its clients' interests. Brown Advisory is now entrusted with \$19 billion in client assets. Brown Advisory prides itself on its dedicated, fundamental research process, experienced and stable investment team with low professional turnover. Brown Advisory is focused and committed to forging lasting relationships based on integrity, trust and service.

Further Information

Brown Advisory US Equity Value Fund is a sub-fund of Brown Advisory Funds plc, an umbrella fund with segregated liability between sub-funds. The Fund is authorized in Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations, 2003 as amended).

The Fund is available to:

(a) "Investment professionals" (including persons whose ordinary activities involve them in participating in collective investment schemes and other Authorized Persons); and

(b) "High net worth entities" (including (i) a body corporate with more than 20 members (or which is a subsidiary of a parent with more than 20 members) if it has a called-up share capital or net assets of at least £500,000 and (ii) other bodies corporate if they have a called-up share capital or net assets of at least £5 million, and (iii) unincorporated associations or partnerships with net assets of at least £5 million).

**Estimated EPS Growth Rate is the forecasted growth rate of a company's earnings per share. Forward P/E ratio is determined by dividing the price of the stock by the company's forecasted earnings per share. The P/E-Growth ratio is the company's harmonic average P/E divided by the weighted average earnings growth rate. Market cap is the value of the fund as determined by the market price of its issued and outstanding stock.*

For investment enquiries, please contact:

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Brown Advisory is the trade name of Brown Investment Advisory & Trust Company and Brown Advisory Securities, L.L.C.