



Brown Advisory US Smaller Companies Fund

June 2010

Investment Strategy

The Brown Advisory Smaller Companies Fund is a focused strategy that seeks to produce superior returns through a concentrated portfolio of small-capitalization US equity securities of above average growth, sound management, and favourable competitive positioning. Through our disciplined, bottom-up investment process, we strive to exploit market inefficiencies in the small-capitalisation universe.

Performance to June 30, 2010

	1 Month	3 Months	6 Months	9 Months	1 Year	YTD	Since Inception*
Brown Advisory U.S. Smaller Companies B USD ¹	-4.41	-11.25	-2.25	3.31	22.41	-2.25	-8.93
Brown Advisory U.S. Smaller Companies A USD ²	-4.45	-11.48	-2.70	2.72	21.59	-2.70	-8.66
Russell 2000 Index USD ¹	-7.75	-9.92	-1.95	1.85	21.48	-1.95	-7.20
S&P 500 Index USD ¹	-5.23	-11.43	-6.65	-1.02	14.43	-6.65	-10.16

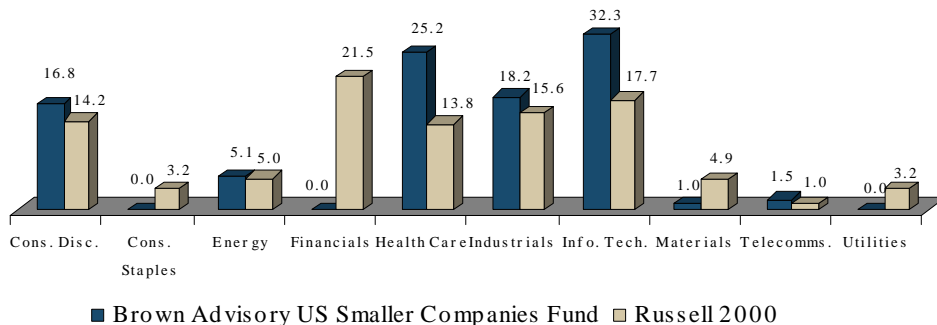
Inception Dates: ¹November 9, 2007; ²December 14, 2007

*Annualized

Performance data relates to the Brown Advisory US Smaller Companies 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 Small-Cap strategy, a US-based product established in March 1993. **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 June 30, 2010

Estimated EPS Growth Rate	20.8%	Henry Schein Inc.	4.0%
FY2 P/E Ratio	16.1x	Polycom Inc.	3.6%
P/E-Growth Ratio	1.0x	Covance Inc.	3.6%
Weighted Avg. Market Cap	\$2.1 billion	NuVasive Inc.	3.0%
Weighted Med. Market Cap	\$1.8 billion	American Public Education Inc.	2.8%
Asset Allocation		Gen-Probe Inc.	2.6%
Equities	95.1%	UTi Worldwide Inc.	2.6%
Cash	4.9%	Oceaneering International Inc.	2.6%
Market Capitalization (%)		Harman Int'l Industries Inc.	2.6%
\$<1 billion	31.6	IDEX Corp.	2.4%
\$1-2 billion	19.5		
\$2-5 billion	40.0		
\$>5 billion	8.5		
		Top Ten Holdings as a % of Net Assets	29.8%



Fund Profile

Name	Brown Advisory US Smaller Companies Fund		
Managers	Christopher A. Berrier Timothy W. Hathaway, CFA		
No. of Holdings	40 - 60		
Base Currency	US Dollar		
Annual Management Fee	1.50/0.75%		
Minimum Investment	5,000 (A Shares) 10,000,000 (B Shares)		
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		
Share Class	A USD/GBP/EUR and B USD/GBP/EUR		
Dividends	UK distributor status		
Settlement Terms	T+3		

	ISIN	Sedol
Sterling A Class	IE00B0PVDF36	B0PVDF3
Sterling B Class	IE00B0PVDH59	B0PVDH5
Dollar A Class	IE00B0PVDG43	B0PVDG4
Dollar B Class	IE00B0PVDJ73	B0PVDJ7
Euro A Class	IE00B2NN6902	B2NN690
Euro B Class	IE00B2NN6B28	B2NN6B2



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Activity

Top 5 Contributors: Argon ST Inc., American Public Education Inc., Pegasystems Inc., DexCom Inc., T-3 Energy Services Inc.
Bottom 5 Contributors: AnnTaylor Stores Corp., UTi Worldwide Inc., NuVasive Inc., Interline Brands Inc., Global Payments Inc.

The market volatility that began in May continued through June, as there were several days last month that markets advanced or declined more than two percent. While our focus is on the long term, the short term volatility has been trying. We were fortunate enough, though, to have an M&A event hit the portfolio again as June came to a close. Boeing has offered to acquire Argon ST, a company we have owned for some time, at a 40% premium. While we don't factor a potential takeout into any of our investment criteria, it is exciting to see nonetheless.

Growing fears of slowing global GDP growth are evident when looking at June's sector returns. The worst performing sectors, Materials and Consumer Discretionary, fell 12.5% and 10% respectively. Conversely, healthcare stocks, our largest sector and typically more defensive, slipped only 2.7% on average. Healthcare's return only slightly trailed the industrial sector's 2.5% decline, which was aided by Argon ST.

The Fund Managers

Christopher A. Berrier is a Partner of Brown Advisory and has been the co-manager of the Brown Advisory U.S. Smaller Companies Fund since joining the firm in 2005. He has over ten years of investment industry experience and, before joining Brown Advisory, Mr. Berrier was Vice President and senior equity analyst at T. Rowe Price, covering multiple sectors with a primary focus on small- and mid-capitalization growth companies across several mutual funds. He received his A.B. from Princeton University in 2000.

Timothy W. Hathaway, CFA is a Partner of Brown Advisory and the co-manager of the Brown Advisory U.S. Smaller Companies Fund. He has over fourteen years of investment industry experience. Mr. Hathaway received his B.A. from Randolph Macon College in 1993 and his M.B.A. from Loyola College in 2001.

About Brown Advisory

Brown Advisory has its roots in Alex Brown & Sons, America's oldest investment banking firm, founded in 1800. In 1998 Brown Advisory separated from Alex Brown to create an independent organization better positioned to serve its clients' interests. Brown Advisory is now an independent firm with over 200 partners and employees entrusted with US\$18 billion. Client assets are invested across a range of in-house US strategies.

Further Information

Brown Advisory US Smaller Companies 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.