



# Brown Advisory American Fund

## May 2010

### Investment Strategy

The Brown Advisory American Fund (Dublin-based UCITS III structure) is a core strategy that seeks to produce superior returns through a combination of Brown Advisory in-house strategies. The fund is sub-advised by three in-house management teams combining the Brown Advisory US Equity Value Strategy, the Brown Advisory US Equity Growth Strategy and the Brown Advisory US Smaller Companies Strategy. The allocation to each strategy is fixed at 40% Equity Value, 40% Equity Growth and 20% Smaller Companies. This allocation is rebalanced quarterly. By combining these three strategies, we believe we can provide investors with access to “best in breed” American companies regardless of their size or style. The returns gained from our American Fund are thus maximised by neutralising the size and style influence on returns. We believe, therefore, that the differentiation offered by combining all three portfolios gives risk-aware investors peace of mind over different investment climates.

### UCITS III Performance to May 31, 2010

	1 Month	3 Months	6 Months	9 month	1 Year	YTD	Since Inception*
Brown Advisory American Fund B USD <sup>1</sup>	-8.58	-0.36	2.93	10.80	27.33	-0.82	-6.37
Brown Advisory American Fund A GBP <sup>2</sup>	-3.27	4.96	17.04	24.83	44.34	10.67	42.84
Brown Advisory American Fund A USD <sup>3</sup>	-8.61	-	-	-	-	-	-2.40
Brown Advisory American Fund B EUR <sup>4</sup>	-0.80	-	-	-	-	-	-0.80
Brown Advisory American Fund B GBP <sup>5</sup>	-3.23	-	-	-	-	-	-4.00
Russell 3000 Index USD <sup>1</sup>	-7.90	0.02	2.52	9.98	23.20	-0.32	-8.12
S&P 500 Index USD <sup>1</sup>	-7.99	-0.89	0.40	8.35	20.99	-1.50	-8.97

Inception Dates: <sup>1</sup>May 9, 2008; <sup>2</sup>February 23, 2009; <sup>3</sup>March 2, 2010; <sup>4</sup>April 20, 2010; <sup>5</sup>April 22, 2010

\*Annualized

Performance data relates to the Brown Advisory American 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. **Long-term back-tested 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 May 31, 2010

Estimated EPS Growth Rate	14.3%
FY2 P/E Ratio	13.0x
P/E-Growth Ratio	1.1x
Dividend Yield	1.20%
Weighted Avg. Market Cap	\$37.5 billion

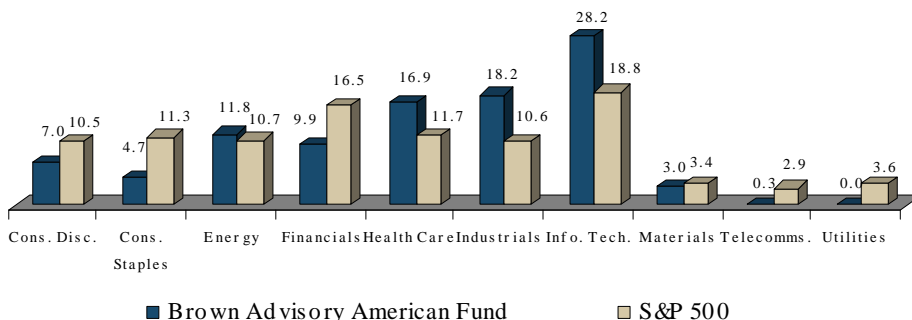
#### Asset Allocation

Equities	96.0%
Cash	4.0%

Market Capitalization	Number of Securities	Weight % of Portfolio
\$<1 Billion	21	6.7
\$1-5 Billion	35	24.9
\$5-10 Billion	14	13.4
\$10-100 Billion	33	41.5
\$>100 Billion	9	13.4

Accenture plc.	2.6%
Qualcomm Inc.	2.5%
Canadian Natural Resources Ltd	2.4%
Cisco Systems Inc.	2.3%
Covance Inc.	2.1%
Bank of New York Mellon Corp	2.0%
Apple Inc.	1.9%
Snap-On Inc.	1.7%
Merck & Co. Inc.	1.6%
IDEXX Laboratories Inc.	1.6%

**Top Ten Holdings as a % of Net Assets** **20.7%**



### Fund Profile

Name	Brown Advisory American Fund
Sub-Managers	Richard M. Bernstein, CFA Kenneth M. Stuzin, CFA Christopher A. Berrier Timothy W. Hathaway, CFA
No. of Holdings	105-145
Base Currency	US Dollar
Annual Management Fee	1.25/0.75%
Minimum Investment	\$5,000 (A Shares) \$2.5 million (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/EURO and B USD/GBP/EURO
Dividends	UK distributor status
Settlement Terms	T+3

	ISIN	Sedol
Sterling A Class	IE00B2R0JZ40	B2R0JZ4
Sterling B Class	IE00B2R0K286	B2R0K28
Dollar A Class	IE00B2R0K062	B2R0K06
Dollar B Class	IE00B2R0K393	B2R0K39
Euro A Class	IE00B2R0K179	B2R0K17
Euro B Class	IE00B2R0K401	B2R0K40



# Brown Advisory American Fund

May 2010

## American Fund Monthly Activity (for more detail see individual strategy factsheets)

**US Equity Value Fund:** The fund returned -10.12% for the month, versus the Russell 1000 Value at -8.22% and the S&P 500 at -7.99%.

**US Equity Growth Fund:** The fund returned -6.91% for the month, versus the Russell 1000 Growth at -7.63% and the S&P 500 at -7.99%.

**US Smaller Companies Fund:** The fund returned -7.68% for the month, versus the Russell 2000 at -7.59% and the S&P 500 at -7.99%.

## The Fund Managers

**Richard M. Bernstein, CFA** is a Partner of Brown Advisory and manager of the Brown Advisory U.S. 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.

**Kenneth M. Stuzin, CFA** is a Partner of Brown Advisory and manager of the Brown Advisory U.S. Equity Growth Fund. He has over twenty years of investment industry experience. Prior to joining Brown Advisory, he was a Vice President and Portfolio Manager at J.P. Morgan Investment Management in Los Angeles, where he was a U.S. Large-Cap Portfolio Manager. Previously, Mr. Stuzin worked as a quantitative Portfolio Strategist in New York, where he advised clients on capital markets issues and strategic asset allocation decisions. Mr. Stuzin received his B.A. and M.B.A. from Columbia University in 1986 and 1993, respectively.

**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\$17 billion. Client assets are invested across a range of in-house US strategies.

## Further Information

Brown Advisory American 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:

Logie Fitzwilliams  
Brown Advisory Ltd., 150 Brompton Road, London, SW3 1HX  
Email: [lfitzwilliams@brownadvisory.com](mailto:lfitzwilliams@brownadvisory.com)  
Tel: 020 7591 7084  
Website: [www.brownadvisory.com](http://www.brownadvisory.com)



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