

Brown Advisory US Smaller Companies Fund

Supplement dated 1 October 2009 to the Prospectus dated 1 October 2009 for Brown Advisory Funds plc

This Supplement contains specific information in relation to Brown Advisory US Smaller Companies Fund (the **Fund**), a Fund of Brown Advisory Funds plc (the **Company**) an umbrella type open-ended investment company with variable capital and segregated liability between Funds, governed by the laws of Ireland and authorised by the Irish Financial Services Regulatory Authority (the **Financial Regulator**).

This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 1 October 2009.

The Directors of Brown Advisory Funds plc, whose names appear in the **Directors of the Company** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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Investment Objective and Policies

Investment Objective

The objective of the Fund is to achieve capital appreciation by investing primarily in US equities.

Investment Policies

The Fund invests at least 80% of its net assets in equity securities of small domestic companies ("80% Policy"). The Fund seeks to invest primarily in small companies with well above average growth prospects that are listed or traded on the US markets and exchanges listed in Appendix 1 of the Prospectus. Small companies are companies whose market capitalizations are equal to or less than \$5 billion at the time the Fund purchases the issuer's securities ("Market Capitalization Range"). The Fund may invest in US Rule 144A Securities, ADRs (American Depository Receipts), US treasury bills, fixed and/or floating rate US government securities and ancillary liquid assets subject to the limits set out in the Prospectus

Investment Manager's Investment Process

Purchasing Portfolio Securities

The Investment Manager begins by identifying a universe of small growth companies within the Market Capitalization Range. From these companies, the Investment Manager uses research and other sources of information to select those companies it believes have the potential to grow earnings at an above average rate annually. The Investment Manager then performs an in-depth analysis of the companies' fundamentals to identify those that have:

- Substantial business opportunities relative to their operating history and size. These opportunities may arise from addressing large and fragmented markets or markets that are growing at rapid rates. In addition, the company's ability to innovate may help create new markets for its products or services
- Proprietary products, services or distribution systems that provide the company with a competitive edge
- Management that demonstrates a "growth mentality" and a plan that the Investment Manager can understand and monitor
- Attractively priced stocks compared to their growth potential.

Selling Portfolio Securities

The Investment Manager monitors the companies in the Fund's portfolio to determine if there have been any fundamental changes in the companies. The Investment Manager may sell a stock if it believes:

- The stock subsequently fails to meet the Advisor's initial investment criteria
- A more attractively priced stock is found or if funds are needed for other purposes
- The stock becomes overvalued relative to the long-term expectation for the stock price.

Temporary Defensive Position

In order to respond to adverse market, economic or other conditions, the Fund may assume a temporary defensive position that is inconsistent with its principal investment strategies and invest, without limitation, in cash or prime quality cash equivalents (including commercial paper, certificates of deposit, banker's acceptances and time deposits). A defensive position, taken at the wrong time, may have an adverse impact on the Fund's performance. The Fund may be unable to achieve its investment objective during the employment of a temporary defensive measure. Please also refer to the section of this Supplement headed "Risk Factors".

Financial Derivative Instruments

The Fund will not utilize financial derivative instruments.

Investment Restrictions

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply.

Distributor

Brown Investment Advisory Incorporated has been appointed by the Directors of the Company as non-exclusive Distributor of Shares in the Fund with power to appoint sales agents pursuant to the Distribution Agreement between the Company and the Distributor dated 17 December 2007.

Listing

Application was made to The Irish Stock Exchange Limited for the listing of the Euro Class A Shares and Euro Class B Shares of the Fund of €10.00 par value each (the "Shares"), issued and available for issue on the Official list and trading on the main market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 6 April 2010.

It is expected that the Euro Class A and Euro Class B Shares of the Fund once issued will be admitted to listing on the Official list and trading on the main market of the Irish Stock Exchange and dealings in the Euro Class Shares will commence on or about 6 April 2010. The prospectus of the Company dated 1 October 2009 and this Supplement shall constitute listing particulars for the purposes of the listing the Euro Class A and Euro Class B Shares on the Irish Stock Exchange. No application has been made to list the Euro Class Shares on any other exchange.

There has been no significant change in the financial or trading position of the Fund since 31 October 2008, the date to which the audited annual reports have been prepared and which form part of this document.

The Dollar Class B Shares were listed on the Irish Stock Exchange on 12 November 2007 and the Dollar Class A Shares were listed on the Irish Stock Exchange on 21 December 2007. As at 22 September 2009, the unaudited Net Asset Value per Share for the Dollar Class B Shares was \$7.62 and for the Dollar Class A Shares was \$7.80.

There are currently 3,130,660.04 Shares in issue in the Dollar Class B Shares and 158,808.04 Shares in issue in the Dollar Class A Shares.

Borrowings

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis. It is not intended to borrow for leverage purposes.

Risk Factors

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. The following risk factor also applies to the Fund.

Geographic concentration

The Fund's investments are concentrated in US equity securities and accordingly the Fund is more vulnerable to economic, political regulatory or other developments in the US than a more diversified portfolio would be.

Investment in cash or cash equivalents

The Fund may invest without limitation in cash or cash equivalents on a temporary basis to respond to adverse market economic or other conditions. It should be noted that subscriptions for Shares in the Fund is not the same as placing funds on deposit with a bank or other deposit taking body. The value of the Fund therefore is capable of fluctuation and may be affected by creditworthiness of the issuers of the Fund's investments. Notwithstanding that investment in cash or cash equivalents is not the primary investment policy of the Fund, when it does so in adopting a temporary defensive position it may also be affected by substantial adverse movements in interest rates.

Dividend Policy

The Directors intend to make such dividend payments as are necessary to enable the Fund to obtain UK distributor status and which will be declared on or about 31 October and paid on or about 31 December in each year.

Key Information for Buying and Selling

Base Currency

US Dollars.

Business Day

Any day (except Saturday or Sunday) on which the banks in Ireland, Great Britain and the US are open generally for business, or such other day as the Directors may, with the consent of the Custodian, determine and notify to Shareholders in advance.

Dealing Day

Each Business Day.

Dealing Deadline

4pm Eastern Standard Time on each Business Day.

Class	Minimum Shareholding	Minimum Investment Amount	Initial Investment Amount	Minimum Investment Amount	Additional Investment Amount
Sterling Class A Shares	£50,000	£5,000		£5,000	
Dollar Class A Shares	\$50,000	\$5,000		\$5,000	
Euro Class A Shares	€50,000	€5,000		€5,000	
Sterling Class B Shares	£5,000,000	£2,500,000		£2,500,000	
Dollar Class B Shares	\$5,000,000	\$2,500,000		\$2,500,000	
Euro Class B Shares	€5,000,000	€2,500,000		€2,500,000	

(subject to the discretion of the Directors in each case to allow lesser amounts).

Initial Issue Price of Euro Class Shares

Euro Class A Shares	€10.00
Euro Class B Shares	€10.00

Issue Price of Dollar and Sterling Class Shares

Net Asset Value of the relevant Class of Shares on the relevant Dealing Day.

Initial Offer Period

In relation to Euro Class A and B Shares, the initial offer period will be 9.00 a.m. on 6 October 2009 to 5.00 p.m. on 5 April 2010 or such longer or shorter period as the Directors may determine and notify to the Financial Regulator. After the Initial Offer Period, Euro Class A and B Shares will be continuously open for subscriptions on the relevant Dealing Day.

Settlement Date

In the case of applications, 3 Business Days after the relevant Dealing Day.

In the case of repurchases 3 Business Days after the relevant Dealing Day (assuming the receipt of the relevant duly signed repurchase documentation including all relevant anti-money laundering documentation).

Subscription Charge

None.

Repurchase Charge

1% redemption fee (subject to the Directors' discretion to waive such fee).

Anti-Dilution Charge

Cost of dealing (subject to the Director's discretion to waive such fees).

Valuation Point

5pm Eastern Standard Time on each Business Day.

Fees and Expenses

Fees of the Investment Manager, the Custodian, any sub-custodian, the Administrator and the Facilities Agent

The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 1.50% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class A Shares, Dollar Class A Shares and Euro Class A Shares. The Investment Manager will receive an annual fee not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Shares, Dollar Class B Shares and Euro Class B Shares. Such fee shall accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager may, at its absolute discretion, pay any portion of the investment management fee to any third party in any manner whatsoever, whether by rebate or otherwise. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for its properly vouched out-of-pocket costs and expenses in the performance of its duties.

The Administrator shall be entitled to receive out of the net assets of the Fund an annual fee, accrued and calculated at each Valuation Point and payable monthly in arrears at an annual rate which will not exceed 0.07 % of the net assets of the Fund (plus VAT, if any) subject to an annual minimum fee which will not exceed US\$48,000 and will also receive registration fees and transaction charges at normal commercial rates. The Administrator shall also be entitled to receive a monthly fee of up to US\$500 per share class of the Fund launched (this fee will not be applied to the first two share classes of the Fund launched by the Company) subject to an annual minimum fee for the Company which will not exceed US\$10,000. The Administrator is entitled to be repaid all of its properly vouched out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

The Custodian shall receive a trustee fee of up to 0.02% of the Net Asset Value of the Fund accrued and calculated at each Valuation Point and payable monthly in arrears. The Fund shall also pay a custody fee of up to 0.005% calculated by reference to the market value of the investments that the Fund may make in each relevant market, accrued and calculated at each Valuation Point and payable monthly in arrears, subject to a total annual minimum fee which will not exceed US\$12,000.

The Custodian is also entitled to agreed upon transaction charges and to recover properly vouched out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

The Facilities Agent shall be entitled to receive from the Company in arrears an annual fee payable on the last Business Day of each year of £1,000 payable out of the assets of the Fund.

This section should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Miscellaneous

There are three other sub-funds, Brown Advisory US Equity Growth Fund, Brown Advisory US Equity Value Fund and Brown Advisory American Fund in existence.