



Brown Advisory Tax Exempt Bond Fund

Investor Shares | BIAEX

Annual Shareholder Report | June 30, 2025



This annual shareholder report contains important information about the Brown Advisory Tax Exempt Bond Fund (the “Fund”) for the period of July 1, 2024, to June 30, 2025. You can find additional information about the Fund at <https://www.brownadvisory.com/mf/how-to-invest>. You can also request this information by contacting us at 1-800-540-6807.

WHAT WERE THE FUND COSTS FOR THE PAST YEAR? (based on a hypothetical \$10,000 investment)

Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Investor Shares	\$47	0.46%

HOW DID THE FUND PERFORM LAST YEAR AND WHAT AFFECTED ITS PERFORMANCE?

For the 12-month period ended June 30, 2025, the Fund outperformed its regulatory benchmark, the Bloomberg Municipal Bond Index.

WHAT FACTORS INFLUENCED PERFORMANCE

Positive contributions to relative performance were led by active yield curve positioning and individual security selection, during a period of elevated interest rate volatility. The municipal yield curve steepened dramatically over the past year as short-term municipal bond yields fell, while longer-maturity municipal bond yields rose. The Fund’s active yield curve positioning benefitted relative and absolute returns during the period as we added exposure to longer-duration bonds as the curve steepened. The Fund also benefitted from an overweight in ultra-short duration floating-rate, and short-callable bonds which helped mitigate risk during a volatile interest rate environment. Bond selection was also additive to performance as many of our active sector and individual credit overweights outperformed the broad market.

POSITIONING

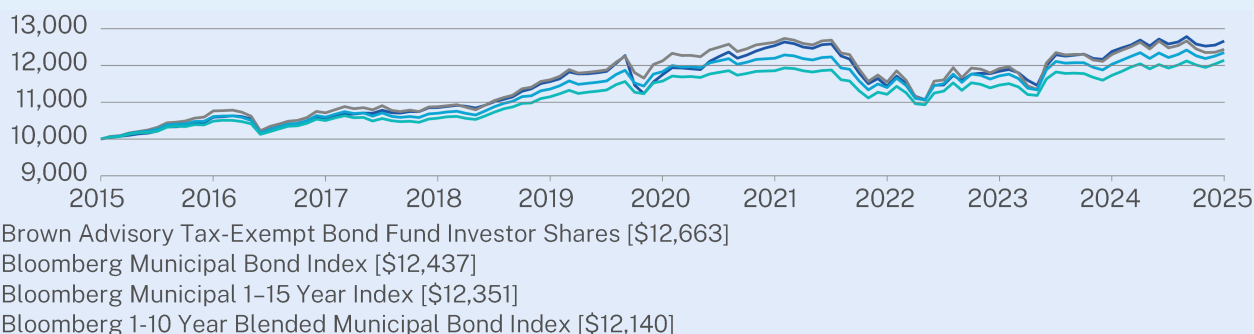
We tactically added to a duration barbell with an overweight to ultra-short duration bonds, and large weightings to longer duration bonds. We maintained an overweight in revenue-backed municipal sectors and added tactically to Prepaid Gas, Airports, and Housing Revenue, while trimming our positions in Higher Education and Healthcare.

PERFORMANCE

The Fund outperformed its benchmark in a volatile market. Much of our outperformance was driven by mitigating risk, particularly during the first half of 2025 as longer maturity municipal bond yields rose sharply. This performance was further bolstered by solid credit selection and active duration management for the entire period.

HOW DID THE FUND PERFORM OVER THE PAST 10 YEARS?^{1,2}

The \$10,000 chart reflects a hypothetical \$10,000 investment in the class of shares noted. The chart uses total return NAV performance and assumes reinvestment of dividends and capital gains. Fund expenses, including 12b-1 fees, management fees and other expenses were deducted.

CUMULATIVE PERFORMANCE (Initial Investment of \$10,000)**ANNUAL AVERAGE TOTAL RETURN (%)**

	1 Year	5 Year	10 Year
Investor Shares	2.28	1.51	2.39
Bloomberg Municipal Bond Index	1.11	0.51	2.20
Bloomberg Municipal 1-15 Year Index	2.63	0.86	2.13
Bloomberg 1-10 Year Blended Municipal Bond Index	3.47	0.96	1.96

- 1 The Fund's past performance is not a good predictor of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.
- 2 The Adviser has determined that the Bloomberg Municipal 1-15 Year Index reflects the Fund's investment strategy better than the Bloomberg 1-10 Year Blended Municipal Bond Index. The Bloomberg Municipal 1-15 Year Index is now the Fund's more narrowly based additional index. Returns for the former more narrowly based additional index are presented for comparison purposes.

KEY FUND STATISTICS (as of June 30, 2025)

Net Assets	\$1,019,941,148
Number of Holdings	169
Net Advisory Fee	\$3,041,771
Portfolio Turnover	40%

Visit <https://www.brownadvisory.com/mf/funds/tax-exempt-bond-fund> for recent performance information.

WHAT DID THE FUND INVEST IN? (% of net assets, as of June 30, 2025)

Top 10 States	(%)	Top 10 Issuers	(%)	Security Type	(%)
Texas	11.5%	Black Belt Energy Gas District	4.7%	Municipal Bonds	98.9%
New York	9.9%	Public Finance Authority	3.5%	Money Market Funds	2.7%
Alabama	8.5%	Miami-Dade County Florida Expressway Authority	3.4%	Cash & Other	-1.6%
Florida	8.2%	Main Street Natural Gas, Inc.	3.3%		
Illinois	5.5%	Texas Municipal Gas Acquisition and Supply Corp. II	3.2%		
Georgia	5.1%	Kentucky Public Energy Authority	3.1%		
Wisconsin	5.0%	Tobacco Settlement Financing Corp.	2.8%		
California	4.2%	First American Government Obligations Fund	2.7%		
New Jersey	3.3%	Southeast Energy Authority A Cooperative District	2.7%		
Kentucky	3.1%	New Jersey Transportation Trust Fund Authority	2.4%		

For additional information about the Fund; including its prospectus, financial information, holdings and proxy information, scan the QR code or visit <https://www.brownadvisory.com/mf/how-to-invest>.

HOUSEHOLDING

To reduce Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). If you would prefer that your Brown Advisory LLC documents not be househanded, please contact Brown Advisory LLC at 1-800-540-6807, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by Brown Advisory LLC or your financial intermediary.

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