Brown Advisory Mortgage Securities Fund

Institutional Shares | BAFZX

Annual Shareholder Report | June 30, 2026

This annual shareholder report contains important information about the Brown Advisory Mortgage Securities Fund (the "Fund") for the period of July 1, 2025 to June 30, 2026. This report describes changes to the Fund that occurred during the reporting period. 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
Institutional Shares	$47	0.46%

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

For the 12-month period ended June 30, 2026, the Fund generated a positive return, outperformed the Bloomberg U.S. Aggregate Bond Index and underperformed the Bloomberg Mortgage-Backed Securities Index.

WHAT FACTORS INFLUENCED PERFORMANCE

Income from agency mortgage-backed securities and allocations to CMBS, CMO and ABS supported returns. Security selection across MBS and securitized credit benefited performance, however, this was offset by interest rate curve positioning and exposure to mortgage To-Be-Announced (TBA) securities, which detracted from performance over the year.

POSITIONING

The Fund remained concentrated in agency mortgages and securitized credit, with a 5.6-year effective duration. Agency mortgages were the largest allocation, supplemented by CMBS, CMO, and ABS exposures selected through bottom-up analysis of structure, collateral, and relative value.

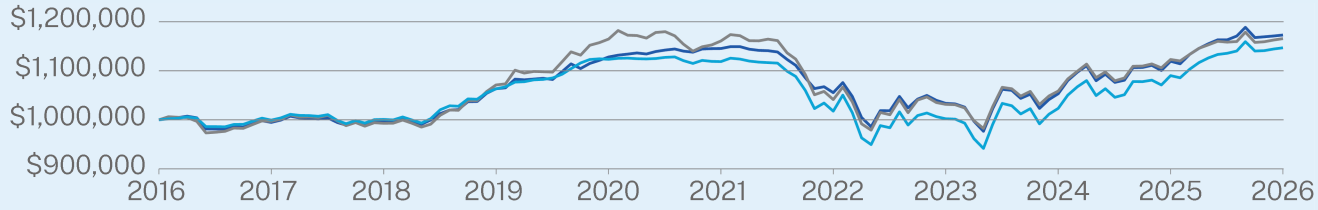
PERFORMANCE

The Fund's mortgage and securitized credit focus generated positive returns and added value relative to the broad bond market, but the Fund's positioning resulted in modest underperformance versus the mortgage benchmark.

HOW DID THE FUND PERFORM OVER THE PAST 10 YEARS?*

The following chart reflects a hypothetical $1,000,000 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. For comparative purposes, the performance of the Fund's benchmark and any additional performance benchmark(s) are also shown.

CUMULATIVE PERFORMANCE (Initial Investment of $1,000,000)



- Brown Advisory Mortgage Securities Fund Institutional Shares - $1,172,880
- Bloomberg U.S. Aggregate Bond Index - $1,165,554
- Bloomberg Mortgage Backed Securities Index - $1,146,863

ANNUAL AVERAGE TOTAL RETURN (%)

	1 Year	5 Year	10 Year
Institutional Shares	4.78	0.48	1.61
Bloomberg U.S. Aggregate Bond Index	3.79	0.08	1.54
Bloomberg Mortgage Backed Securities Index	5.21	0.50	1.38

Visit https://www.brownadvisory.com/mf/funds/mortgage-securities-fund for recent performance information.

* **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.**

KEY FUND STATISTICS (as of June 30, 2026)

Net Assets	$267,350,927
Number of Holdings	340
Net Advisory Fee	$833,487
Portfolio Turnover	257%

WHAT DID THE FUND INVEST IN? (% of net assets, as of June 30, 2026)

Security Type	(%)
Agency Residential Mortgage-Backed Securities	103.5%
Money Market Funds	8.9%
Asset-Backed Securities	7.9%
Agency Commercial Mortgage-Backed Securities	5.9%
Non-Agency Commercial Mortgage-Backed Securities	0.8%
Municipal Bonds	0.1 %
Futures Contracts	-0.1 %
Cash & Other	-27.0%

Top 10 Issuers	(%)
Federal National Mortgage Association	73.9%
Federal Home Loan Mortgage Corp.	27.7%
First American Government Obligations Fund	8.9%
Government National Mortgage Association	3.4%
Ginnie Mae II Pool	3.2%
AutoNation Finance Trust	1.5%
Verizon Master Trust	1.1 %
Hyundai Auto Receivables Trust	1.0%
Kubota Credit Owner Trust	0.9%
BX Trust	0.9%

CHANGES TO SHAREHOLDER FEES

Effective October 17, 2025, the Fund eliminated the 1% redemption/exchange fee that was applied to redemptions/exchanges of Fund shares that were held for 14 days or less.

CHANGES IN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On February 12, 2026, the Fund's Board of Trustees accepted the resignation of Tait, Weller & Baker LLP ("Tait") as the independent registered public accounting firm for the Fund and selected PricewaterhouseCoopers LLP ("PwC") as the independent registered public accounting firm for the Fund. During the Fund's fiscal years ended June 30, 2025 and June 30, 2024 and the period preceding resignation, there were no disagreements with Tait on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures.

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 householded, 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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