



BROWN ADVISORY FUNDS PLC

(A company incorporated with limited liability as an open-ended investment company with variable capital under the laws of Ireland)

**Brown Advisory US Equity Value Fund
Brown Advisory US Smaller Companies Fund
Brown Advisory American Fund
Brown Advisory US Equity Growth Fund
Brown Advisory US Flexible Equity SRI Fund
Brown Advisory US Small Cap Blend Fund
Brown Advisory US Flexible Equity Fund
Brown Advisory Global Leaders Fund
Brown Advisory US Mid-Cap Growth Fund
Brown Advisory US Sustainable Growth Fund**

**Annual Report and Audited Financial Statements
For the Financial Year ended 31st October, 2017**

Shares in Brown Advisory US Flexible Equity SRI Fund must not be marketed in Germany as no notification for marketing has been submitted in respect of this sub-fund.

TABLE OF CONTENTS

	Page
GENERAL INFORMATION	3
DIRECTORS' REPORT	11
REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS.....	17
INVESTMENT MANAGER'S REPORT	18
-BROWN ADVISORY US EQUITY VALUE FUND	18
-BROWN ADVISORY US SMALLER COMPANIES FUND	19
-BROWN ADVISORY AMERICAN FUND	22
-BROWN ADVISORY US EQUITY GROWTH FUND	28
-BROWN ADVISORY US FLEXIBLE EQUITY SRI FUND	30
-BROWN ADVISORY US SMALL CAP BLEND FUND	32
-BROWN ADVISORY US FLEXIBLE EQUITY FUND	36
-BROWN ADVISORY GLOBAL LEADERS FUND	38
-BROWN ADVISORY US MID-CAP GROWTH FUND	40
-BROWN ADVISORY US SUSTAINABLE GROWTH FUND	42
INDEPENDENT AUDITORS' REPORT	44
STATEMENT OF INVESTMENTS	49
-BROWN ADVISORY US SMALLER COMPANIES FUND	49
-BROWN ADVISORY AMERICAN FUND	52
-BROWN ADVISORY US EQUITY GROWTH FUND	58
-BROWN ADVISORY US SMALL CAP BLEND FUND	60
-BROWN ADVISORY US FLEXIBLE EQUITY FUND	64
-BROWN ADVISORY GLOBAL LEADERS FUND	67
-BROWN ADVISORY US MID-CAP GROWTH FUND	69
-BROWN ADVISORY US SUSTAINABLE GROWTH FUND	72
STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)	74
-BROWN ADVISORY US EQUITY VALUE FUND	74
-BROWN ADVISORY US SMALLER COMPANIES FUND	77
-BROWN ADVISORY AMERICAN FUND	79
-BROWN ADVISORY US EQUITY GROWTH FUND	81
-BROWN ADVISORY US FLEXIBLE EQUITY SRI FUND	83
-BROWN ADVISORY SMALL CAP BLEND FUND	86
-BROWN ADVISORY US FLEXIBLE EQUITY FUND	88
-BROWN ADVISORY GLOBAL LEADERS FUND	90
-BROWN ADVISORY US MID-CAP GROWTH FUND	92
-BROWN ADVISORY SUSTAINABLE GROWTH FUND	95
STATEMENT OF FINANCIAL POSITION	97
STATEMENT OF COMPREHENSIVE INCOME	108
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	112
NOTES TO THE FINANCIAL STATEMENTS.....	116
APPENDIX 1 - TOTAL EXPENSE RATIOS (UNAUDITED)	164
MANAGEMENT AND ADMINISTRATION.....	166
 GENERAL INFORMATION	 3
DIRECTORS' REPORT	11
REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS	17
INVESTMENT MANAGER'S REPORT	18
-BROWN ADVISORY US EQUITY VALUE FUND	18
-BROWN ADVISORY US SMALLER COMPANIES FUND	19
-BROWN ADVISORY AMERICAN FUND	22
-BROWN ADVISORY US EQUITY GROWTH FUND	28
-BROWN ADVISORY US FLEXIBLE EQUITY SRI FUND	30
-BROWN ADVISORY US SMALL CAP BLEND FUND	32
-BROWN ADVISORY US FLEXIBLE EQUITY FUND	36

TABLE OF CONTENTS

-BROWN ADVISORY GLOBAL LEADERS FUND	38
-BROWN ADVISORY US MID-CAP GROWTH FUND	40
-BROWN ADVISORY US SUSTAINABLE GROWTH FUND	42
INDEPENDENT AUDITORS' REPORT	44
STATEMENT OF INVESTMENTS	49
-BROWN ADVISORY US SMALLER COMPANIES FUND	49
-BROWN ADVISORY AMERICAN FUND	52
-BROWN ADVISORY US EQUITY GROWTH FUND	58
-BROWN ADVISORY US SMALL CAP BLEND FUND	60
-BROWN ADVISORY US FLEXIBLE EQUITY FUND	64
-BROWN ADVISORY GLOBAL LEADERS FUND	67
-BROWN ADVISORY US MID-CAP GROWTH FUND	69
-BROWN ADVISORY US SUSTAINABLE GROWTH FUND	72
STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)	74
-BROWN ADVISORY US EQUITY VALUE FUND	74
-BROWN ADVISORY US SMALLER COMPANIES FUND	77
-BROWN ADVISORY AMERICAN FUND	79
-BROWN ADVISORY US EQUITY GROWTH FUND	81
-BROWN ADVISORY US FLEXIBLE EQUITY SRI FUND	83
-BROWN ADVISORY SMALL CAP BLEND FUND	86
-BROWN ADVISORY US FLEXIBLE EQUITY FUND	88
-BROWN ADVISORY GLOBAL LEADERS FUND	90
-BROWN ADVISORY US MID-CAP GROWTH FUND	92
-BROWN ADVISORY SUSTAINABLE GROWTH FUND	95
STATEMENT OF FINANCIAL POSITION	97
STATEMENT OF COMPREHENSIVE INCOME	108
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	112
NOTES TO THE FINANCIAL STATEMENTS	116
APPENDIX 1 - TOTAL EXPENSE RATIOS	164
MANAGEMENT AND ADMINISTRATION	166

GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus.

Brown Advisory Funds plc (the “Company”), was incorporated in Ireland on 11th October, 2005 and is an umbrella fund established as an open-ended investment company with segregated liability between sub-funds and with variable capital under the laws of Ireland as a public limited company pursuant to the Companies Act 2014. It operates pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the “UCITS Regulations”).

At 31st October, 2017 the Company comprised ten separate portfolios of investments (“Funds”), each of which is represented by a separate series of Redeemable Participating Shares. These Funds are Brown Advisory US Equity Value Fund which commenced operations on 9th February, 2006, the Brown Advisory US Smaller Companies Fund which commenced operations on 9th November, 2007, the Brown Advisory American Fund which commenced operations on 9th May, 2008, the Brown Advisory US Equity Growth Fund which commenced operations on 2nd November, 2009, the Brown Advisory US Flexible Equity SRI Fund which commenced operations on 23rd May, 2011, the Brown Advisory US Small Cap Blend Fund which commenced operations on 8th July, 2013, the Brown Advisory US Flexible Equity Fund which commenced operations on 7th March, 2014, the Brown Advisory Global Leaders Fund which commenced operations on 1st April, 2015, the Brown Advisory US Mid-Cap Growth Fund, which commenced operations on 3rd April, 2017 and the Brown Advisory US Sustainable Growth Fund, which commenced operations on 3rd April, 2017.

Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

The Company offered the following Share Classes in each of the Funds at the financial year end (referred to herein as the “year end” or “year ended”):

Fund	Share Class	Launch Date	Launch Price
Brown Advisory US Smaller Companies Fund	Dollar Class B Acc Shares	9th November, 2007	US\$10.00
	Dollar Class A Acc Shares	14th December, 2007	US\$10.00
	Dollar Class C Acc Shares	27th March, 2013	US\$10.00
	Sterling Class B Dis Shares	19th June, 2015	GBP£10.00
	Sterling Class B Acc H Shares	24th May, 2017	GBP£10.00
Brown Advisory American Fund	Dollar Class B Dis Shares	9th May, 2008	US\$10.00
	Sterling Class A Dis Shares	23rd February, 2009	GBP£10.00
	Dollar Class A Dis Shares	2nd March, 2010	US\$10.00
	Euro Class B Dis Shares	20th April, 2010	EUR€10.00
	Sterling Class B Dis Shares	22nd April, 2010	GBP£10.00
	Euro Class A Acc H Shares	22nd October, 2010	EUR€10.00
	Sterling Class B Dis H Shares	18th January, 2011	GBP£10.00
Brown Advisory US Equity Growth Fund	Dollar Class A Acc Shares	29th June, 2010	US\$10.00
	Euro Class A Acc H Shares	4th August, 2010	EUR€10.00
	Euro Class B Acc Shares	20th September, 2010	EUR€10.00
	Dollar Class B Dis Shares	1st November, 2010	US\$10.00
	Sterling Class B Dis H Shares	17th June, 2011	GBP£10.00
	Euro Class P Acc H Shares	24th October, 2011	EUR€10.00
	Dollar Class P Acc Shares	6th February, 2012	US\$10.00
	Dollar Class B Acc Shares	22nd April, 2013	US\$10.00

GENERAL INFORMATION (continued)

Fund	Share Class	Launch Date	Launch Price
Brown Advisory US Small Cap Blend Fund	Dollar Class B Acc Shares	8th July, 2013	US\$10.00
	Dollar Class C Acc Shares	6th November, 2013	US\$10.00
	Dollar Class A Acc Shares	22nd January, 2014	US\$10.00
	Euro Class A Acc H Shares	6th August, 2014	EUR€10.00
	Sterling Class B Dis Shares	11th November, 2016	GBP£10.00
	Sterling Class B Acc Shares	9th January, 2017	GBP£10.00
Brown Advisory US Flexible Equity Fund	Dollar Class B Acc Shares	7th March, 2014	US\$10.00
	Dollar Class C Acc Shares	22nd April, 2014	US\$10.00
	Sterling Class B Acc H Shares	22nd May, 2014	GBP£10.00
	Dollar Class A Acc Shares	27th February, 2015	US\$10.00
	Sterling Class B Dis Shares	16th November, 2016	GBP£10.00
	Sterling Class B Dis H Shares	8th December, 2016	GBP£10.00
	Sterling Class C Dis Shares	8th December, 2016	GBP£10.00
	Dollar Class C Dis Shares	8th December, 2016	US\$10.00
	Dollar Class M Dis Shares	8th December, 2016	US\$10.00
	Sterling Class M Dis Shares	8th December, 2016	GBP£10.00
	Dollar Class A Dis Shares	8th December, 2016	US\$10.00
	Sterling Class A Dis Shares	8th December, 2016	GBP£10.00
	Euro Class B Dis Shares	8th December, 2016	EUR€10.00
	Dollar Class B Dis Shares	8th December, 2016	US\$10.00
Brown Advisory Global Leaders Fund	Dollar Class C Acc Shares	1st May, 2015	US\$10.00
	Sterling Class C Acc H Shares	8th February, 2016	GBP£10.00
Brown Advisory US Mid-Cap Growth Fund*	Dollar Class C Acc Shares	3rd April, 2017	US\$10.00
	Sterling Class C Acc H Shares	9th June, 2017	GBP£10.00
Brown Advisory US Sustainable Growth Fund*	Dollar Class C Acc Shares	3rd April, 2017	US\$10.00
	Sterling Class B Dis Shares	3rd August, 2017	GBP£10.00
	Dollar Class B Dis Shares	31st October, 2017	US\$10.00
	Dollar Class C Dis Shares	31st October, 2017	US\$10.00
	Dollar Class A Dis Shares	31st October, 2017	US\$10.00

* Brown Advisory US Mid-Cap Growth Fund and Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

GENERAL INFORMATION (continued)

Brown Advisory US Equity Value Fund

The investment objective of the Brown Advisory US Equity Value Fund (the “Fund”) is to achieve capital appreciation by investing primarily in US equities.

The Fund aims to achieve its investment objective by combining a highly disciplined approach to securities valuation with an emphasis on companies with attractive underlying fundamentals. It invests in mid-size and large companies generally with market capitalisations above \$2 billion at the time of purchase, that are fundamentally solid, financially sound, have a demonstrable record of self-funded growth, are led by capable, shareholder-sensitive management, and which are listed or traded on the US markets and exchanges listed in Appendix I of the Prospectus. The Fund may also invest in US Rule 144A Securities, American and Global Depositary Receipts, US treasury bills, fixed and/or floating rate US government securities and hold ancillary liquid assets, subject to the limits set out in the Prospectus.

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.

Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

Brown Advisory US Smaller Companies Fund

The investment objective of the Brown Advisory US Smaller Companies Fund (the “Fund”) is to achieve capital appreciation by investing primarily in US equities.

The Fund invests at least 80% of its net assets in equity securities of small US companies (“80% Policy”). The Fund seeks to invest primarily in small companies with above average growth prospects and which are listed or traded on the US markets and exchanges listed in Appendix I of the Prospectus. Small companies are companies whose market capitalisations are equal to or less than \$6 billion at the time the Fund purchases the issuer’s securities (“Market Capitalisation Range”). The Fund may invest in US Rule 144A Securities, American and Global Depositary 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.

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.

Brown Advisory American Fund

The investment objective of the Brown Advisory American Fund (the “Fund”) is to achieve capital appreciation by investing primarily in US equities.

The Fund aims to achieve its objective by investing in small, medium and large-sized companies that are fundamentally solid, financially sound, have a demonstrable record of self-funded growth, are led by capable, shareholder-sensitive management, have strong sustainable earnings prospects, attractive security prices and which are listed or traded on the US markets and exchanges listed in Appendix I of the Prospectus. The Fund may also invest in US Rule 144A Securities, American and Global Depositary 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.

Small-sized companies are generally those companies whose market capitalisations are equal to or less than \$6 billion at the time of purchase. Medium-sized companies are generally those companies whose market capitalisations are between \$6-\$10 billion at the time of purchase. Large-sized companies are generally those companies whose market capitalisations are over \$10 billion at the time of purchase.

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.

GENERAL INFORMATION (continued)

Brown Advisory US Equity Growth Fund

The investment objective of the Brown Advisory US Equity Growth Fund (the “Fund”) is to achieve capital appreciation by investing primarily in US equities.

The Fund aims to achieve its investment objective by investing in medium- and large-sized companies that have high, sustainable earnings prospects along with attractive valuations and which are listed or traded on the US markets and exchanges listed in Appendix I of the Prospectus. The Fund may also invest in US Rule 144A Securities, American and Global Depositary 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.

The Fund invests primarily in US based companies that have exhibited an above-average rate of earnings growth over the past few years and that have prospects for above-average, sustainable growth in the future. The Fund may also invest in companies that do not exhibit particularly strong earnings histories but have other attributes that may contribute to accelerated growth in the foreseeable future. Other important attributes are a strong competitive position, a history of innovation, excellent management and the financial resources to support long-term growth.

The Fund will invest primarily in medium and large-market capitalisation companies characterised by market capitalisation of \$2 billion and greater at the time of purchase.

The Fund seeks to purchase securities at what the Investment Manager considers attractive valuations in the context of the strong fundamental position of each underlying company.

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.

Brown Advisory US Flexible Equity SRI Fund

The investment objective of the Brown Advisory US Flexible Equity SRI Fund (the “Fund”) is to achieve capital appreciation by investing primarily in US equities.

The Fund aims to achieve its investment objective by investing at least 80% of its net assets (“80% Policy”) in equity securities of mid-size and large companies generally with market capitalisations above \$2 billion at the time of purchase that the Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes, and which are listed or traded on the US markets and exchanges listed in Appendix I of the Prospectus. The Fund may also invest in non-US securities, convertible bonds including US Rule 144A Securities, American and Global Depositary Receipts, US treasury bills, fixed and/or floating rate US government securities, real estate investment trusts and unlisted securities, subject to the limits set out in the Prospectus.

The Fund’s exposure to non-US securities (including securities of issuers in Emerging Market Countries) will not exceed 15% of its Net Asset Value and its exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

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.

Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

Brown Advisory US Small Cap Blend Fund

The investment objective of the Brown Advisory US Small Cap Blend Fund (the “Fund”) is to achieve capital appreciation by investing primarily in US equities.

The Fund invests at least 80% of its net assets in equity securities of small US companies (“80% Policy”). The Fund seeks to invest primarily in small companies which are listed or traded on the US markets and exchanges listed in Appendix I of the Prospectus. Small companies are companies whose market capitalisations are equal to or less than \$6 billion at the time the Fund purchases the issuer’s securities (“Market Capitalisation Range”). The Fund may invest in US Rule 144A Securities, American and Global Depositary 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.

GENERAL INFORMATION (continued)

Brown Advisory US Small Cap Blend Fund (continued)

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.

Brown Advisory US Flexible Equity Fund

The investment objective of the Brown Advisory US Flexible Equity Fund (the "Fund") is to achieve capital appreciation by investing primarily in US equities.

The Fund aims to achieve its investment objective by investing at least 80% of its net assets ("80% Policy") in equity securities of mid-size and large companies generally with market capitalisations above \$2 billion at the time of purchase that the Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes, and which are listed or traded on the US markets and exchanges listed in Appendix I of the Prospectus. The Fund may also invest in non-US securities, convertible bonds including US Rule 144A Securities, American and Global Depositary Receipts, US treasury bills, fixed and/or floating rate US government securities, real estate investment trusts and unlisted securities, subject to the limits set out in the Prospectus.

The Fund's exposure to non-US securities (including securities of issuers in Emerging Market Countries) will not exceed 15% of its Net Asset Value and its exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

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.

Brown Advisory Global Leaders Fund

The investment objective of the Brown Advisory Global Leaders Fund (the "Fund") is to achieve capital appreciation by investing primarily in global equities.

The Fund aims to achieve its investment objective by investing primarily in global equity securities. The Fund will under normal market conditions: (1) invest at least 40% of its net assets outside the United States (including Emerging Market Countries) which may be reduced to 30% if market conditions are not favourable, and (2) hold securities of issuers located in at least three countries. The equity securities in which the Fund may invest include common stock, preferred stock, American Depositary Receipts ("ADRs") and Global Depositary Receipts ("GDRs") and the Fund may also invest in CIS (including, exchange traded funds ("ETFs")) subject to the limits set out in the Prospectus. The equity securities in which the Fund may invest will be issued by mid- and large-capitalisation companies generally with market capitalisations above \$2 billion at the time of purchase that the Fund's Investment Manager believes have strong, or improving, long-term business characteristics and share prices that do not reflect these favourable fundamental attributes.

In addition, the equity securities in which the Fund may invest will include the equity securities of companies that the Investment Manager believes are leaders within their industry or country as demonstrated by an ability to deliver high relative return on invested capital over time. This typically can be attributable to, among other things, a strong competitive position and a defensible barrier to entry.

The Fund may invest in participatory notes (P-Notes) in order to gain exposure to securities and markets which may not be efficiently accessed through direct investment. The Fund may use put options on equity indices in order to seek to enhance returns, to attempt to hedge some of its investment risk, to manage portfolio duration or as a substitute position for holding the underlying asset on which the put option is based. The Fund may also use forward foreign exchange contracts to hedge currency foreign exchange risks arising from Hedged Share Classes.

In addition, the Fund may also invest in US treasury bills, fixed and/or floating rate US government securities and unlisted securities, subject to the limits set out in the Prospectus.

The Fund's exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

GENERAL INFORMATION (continued)

Brown Advisory US Mid-Cap Growth Fund

The investment objective of the Brown Advisory US Mid-Cap Growth Fund (the “Fund”) is to achieve capital appreciation by investing primarily in US equities.

The Fund invests at least 80% of its net assets in equity securities of mid-cap US companies. The Fund seeks to invest primarily in mid-size companies with above average growth prospects and which are listed or traded on the US markets and exchanges listed in Appendix I of the Prospectus. Mid-cap companies are companies whose market capitalisations are equal to or more than \$1.5 billion at the time the Fund purchases the issuer’s securities (“Market Capitalisation Range”). The Fund may invest in US Rule 144A Securities, American and Global Depositary 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. With the exception of permitted investment in unlisted securities, investment by the Fund is restricted to the markets and exchanges listed in Appendix I of the Prospectus.

Brown Advisory US Sustainable Growth Fund

The investment objective of the Brown Advisory US Sustainable Growth Fund (the “Fund”) is to achieve capital appreciation by investing primarily in US equities.

The Fund aims to achieve its investment objective by investing at least 80% of its net assets in equity securities of US companies that the Investment Manager considers have sound fundamentals and business models which are sustainable over the long-term. The Fund invests primarily in the securities of medium and large capitalisation companies that the Investment Manager considers (1) have prospects for above average earnings growth in the future, and (2) effectively implement sustainable business strategies that drive earnings growth. The equity securities in which the Fund principally invests are common stocks. The Fund may also invest in non-US securities, American and Global Depositary Receipts, corporate debt securities, US treasury bills, fixed and/or floating rate US government securities, real estate investment trusts and unlisted securities in a manner that is consistent with and complements the investment policies and the Investment Manager’s investment process, subject to the limits set out in the Prospectus. With the exception of permitted investment in unlisted securities, investment by the Fund is restricted to the markets and exchanges listed in Appendix I of the Prospectus.

Medium and large capitalisation companies are, according to the Investment Manager, those companies with market capitalisations generally greater than \$2 billion at the time of purchase. The Fund may also invest a portion of the portfolio in equity securities of small market capitalisation companies.

The Fund’s exposure to non-US securities (including securities of issuers in Emerging Market Countries) will not exceed 15% of its Net Asset Value and its exposure to below Investment Grade debt securities will not exceed 10% of its Net Asset Value.

Dividend Policy

The Constitution empower the Directors to declare dividends out of the profits of the relevant Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund. The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund. A Shareholder may require the Company instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same.

For UK taxpayers to benefit from capital gains tax treatment on the disposal of their holdings of Shares, that share class must be certified as a “reporting fund”. Very broadly, a share class must report all its income to investors each year in order to continue to be certified as a “reporting fund”.

GENERAL INFORMATION (continued)

Dividend Policy (continued)

Each share class is an “offshore fund” for the purposes of the UK Offshore Funds (Tax) Regulations 2009 (SI 2009/3001). Under these regulations, the basic position is that any gain arising on the sale, redemption or other disposal of shares in an offshore fund held by persons who are resident or ordinarily resident in the UK for tax purposes will be taxed at the time of that sale, disposal or redemption as income and not as a capital gain. This income tax treatment does not apply, however, where a share class is certified by HMRC as a “reporting fund” (and, where relevant, a “distributing fund” (the predecessor to the reporting fund regime)) throughout the period during which the investor holds the shares. The following share classes have been granted “reporting fund” status by the HM Revenue and Customs with effect from the following dates:

1st November, 2010

Brown Advisory US Smaller Companies Fund Dollar Class B Acc Shares
Brown Advisory US Smaller Companies Fund Dollar Class A Acc Shares
Brown Advisory American Fund Dollar Class B Dis Shares
Brown Advisory American Fund Sterling Class A Dis Shares
Brown Advisory American Fund Dollar Class A Dis Shares
Brown Advisory American Fund Sterling Class B Dis Shares
Brown Advisory US Equity Growth Fund Dollar Class B Dis Shares
Brown Advisory US Equity Growth Fund Dollar Class A Acc Shares

17th January, 2011

Brown Advisory American Fund Sterling Class B Dis H Shares

17th June, 2011

Brown Advisory US Equity Growth Fund Sterling Class B Dis H Shares

1st November, 2011

Brown Advisory American Fund Euro Class A Acc H Shares
Brown Advisory American Fund Euro Class B Dis Shares
Brown Advisory US Equity Growth Fund Euro Class A Acc H Shares
Brown Advisory US Equity Growth Fund Euro Class B Acc Shares

27th March, 2013

Brown Advisory US Smaller Companies Fund Dollar Class C Acc Shares

22nd April, 2013

Brown Advisory US Equity Growth Fund Dollar Class B Acc Shares

1st November, 2013

Brown Advisory US Small Cap Blend Fund Dollar Class B Acc Shares
Brown Advisory US Small Cap Blend Fund Dollar Class C Acc Shares

23rd January, 2014

Brown Advisory US Small Cap Blend Fund Dollar Class A Acc Shares

7th March, 2014

Brown Advisory US Flexible Equity Fund Dollar Class B Acc Shares

16th April, 2014

Brown Advisory US Flexible Equity Fund Dollar Class C Acc Shares

22nd May, 2014

Brown Advisory US Flexible Equity Fund Sterling Class B Acc H Shares

1st March, 2015

Brown Advisory US Flexible Equity Fund Dollar Class A Acc Shares

1st May, 2015

Brown Advisory Global Leaders Fund Dollar Class C Acc Shares

GENERAL INFORMATION (continued)

Dividend Policy (continued)

5th February, 2016

Brown Advisory Global Leaders Fund Sterling Class C Acc H Shares

16th November, 2016

Brown Advisory US Flexible Equity Fund Sterling Class B Dis Shares

9th December, 2016

Brown Advisory US Flexible Equity Fund Sterling Class B Dis H Shares

Brown Advisory US Flexible Equity Fund Sterling Class C Dis Shares

Brown Advisory US Flexible Equity Fund Dollar Class A Dis Shares

Brown Advisory US Flexible Equity Fund Dollar Class B Dis Shares

Brown Advisory US Flexible Equity Fund Dollar Class C Dis Shares

Brown Advisory US Flexible Equity Fund Dollar Class M Dis Shares

Brown Advisory US Flexible Equity Fund Euro Class B Dis Shares

Brown Advisory US Flexible Equity Fund Sterling Class A Dis Shares

Brown Advisory US Flexible Equity Fund Sterling Class M Dis Shares

3rd April, 2017

Brown Advisory US Mid-Cap Growth Fund Dollar Class C Acc Shares

Brown Advisory US Sustainable Growth Fund Dollar Class C Acc Shares

24th May, 2017

Brown Advisory US Smaller Companies Fund Sterling Class B Acc H Shares

9th June, 2017

Brown Advisory US Mid-Cap Growth Fund Sterling Class C Acc H Shares

3rd August, 2017

Brown Advisory US Sustainable Growth Fund Sterling Class B Dis Shares

1st November, 2017

Brown Advisory US Sustainable Growth Fund Dollar Class A Dis Shares

Brown Advisory US Sustainable Growth Fund Dollar Class B Dis Shares

Brown Advisory US Sustainable Growth Fund Dollar Class C Dis Shares

Each of the share classes listed above will maintain reporting fund status without a requirement to apply for further certification by HM Revenue and Customs for so long as it continues to satisfy the conditions to be a “reporting fund”.

DIRECTORS' REPORT

The Directors have pleasure in submitting their twelfth annual report together with the audited financial statements for Brown Advisory Funds plc (the "Company") for the year ended 31st October, 2017 and comparatives for the year ended 31st October, 2016.

The Company is organised in the form of an umbrella fund with segregated liability between each of the eight sub-funds, the Brown Advisory US Smaller Companies Fund, the Brown Advisory American Fund, the Brown Advisory US Equity Growth Fund, the Brown Advisory US Small Cap Blend Fund, the Brown Advisory US Flexible Equity Fund, the Brown Advisory Global Leaders Fund, the Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund (the "Funds") available for investment.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable Irish Law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Investment Managers' website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Compliance Statement

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations. The Directors have drawn up a compliance policy statement as defined in Section 225(3)(a) of the Companies Act 2014 and a compliance policy which refers to the arrangements and structures that are in place and which are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. In discharging their responsibilities under Section 225, the Directors relied upon, among other things, the services provided, advice and/or representations from third parties whom the Directors believe have the requisite knowledge and experience in order to secure material compliance with the Company's relevant obligations.

DIRECTORS' REPORT (continued)

Accounting records

To ensure that adequate accounting records are kept in accordance with Section 281 of the Companies Act 2014, the Directors of the Company have employed a service organisation, Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator"). The accounting records are located at the offices of the Administrator as stated within Management and Administration section of this document.

Directors

The names of the persons who served as Directors at any time during the year ended 31st October, 2017 are set out below:

Michael D. Hankin (US Resident)
Paul McNaughton (Chairman, Irish Resident)*
Tony Garry (Irish Resident)* (appointed on 3rd May, 2017)
Paul Montgomery (Irish Resident)* (resigned on 3rd May, 2017)
David M. Churchill (US Resident)
Gordon F. Rainey Jr. (US Resident)
Charles E. Noell (US Resident)*
Brett D. Rogers (US Resident)
Clinton R. Daly (US Resident) (resigned on 3rd February, 2017)
Keryn Brock (UK Resident) (appointed on 15th September, 2017)

*Independent Non-Executive Directors

Directors' and Company Secretary's Interests

None of the Directors, the Company Secretary, or their families hold or held any beneficial interests in the Company at 31st October, 2017 or during the year (2016: US\$Nil).

Transactions Involving Directors

There are no contracts or arrangements of any significance in relation to the business of the Company, other than those stated in Note 12 and Note 15 to the financial statements, in which the Directors or Company Secretary had any interest as defined in the Companies Act 2014 at any time during the year ended 31st October, 2017.

Results, Activities and Future Developments

A review of the principal activities is included in the Investment Manager's Report.

Details of the assets, liabilities and financial position of the Company and results for the year ended 31st October, 2017 are set out on pages 97 to 115. The Net Assets of the Company Attributable to Holders of Redeemable Participating Shares (at last traded prices) as at 31st October, 2017 were US\$1,430,483,534 (31st October, 2016: US\$1,160,040,716).

The Company will continue to pursue its investment objectives as set out in the Prospectus.

Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk, as set out in Note 14 on pages 144 to 157.

Dividends

A distribution of US\$0.005 per share on the Dollar Class B Dis Shares, EUR€0.007 per share on the Euro Class B Dis Shares, GBP£0.007 per share on the Sterling Class B Dis Shares and GBP£0.004 per share on the Sterling Class B Dis H Shares of the Brown Advisory American Fund was declared on 1st November, 2017 and paid on 14th November, 2017.

DIRECTORS' REPORT (continued)

Dividends (continued)

A distribution of EUR€0.059 per share on the Euro Class B Dis Shares, GBP£0.061 per share on the Sterling Class B Dis H Shares, GBP£0.017 per share on the Sterling Class C Dis Shares, GBP£0.063 per share on the Sterling Class M Dis Shares, US\$0.067 per share on the Dollar Class M Dis Shares, Dollar Class C Dis Shares and US\$0.018 per share on the Dollar Class C Dis Shares of the Brown Advisory US Flexible Equity Fund was declared on 1st November, 2017 and paid on 14th November, 2017.

There were no dividends paid on the Brown Advisory US Smaller Companies Fund, the Brown Advisory US Equity Growth Fund, the Brown Advisory US Small Cap Blend Fund, the Brown Advisory Global Leaders Fund, the Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund.

Connected Persons

The UCITS Regulations states that, inter alia, any transaction carried out with a UCITS by the management company or depositary; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of these ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders of the Company.

The Directors of the Company are satisfied that:

- (i) there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in the UCITS Regulation are applied to all transactions with connected persons; and
- (ii) transactions with connected persons entered into during the period complied with the obligations set out in the UCITS Regulation.

Significant Events During the Year

On 1st November, 2016, dividends were declared and distributed on 14th November, 2016. Details are presented in Note 16.

Effective 11th November, 2016 the Brown Advisory US Small Cap Blend Fund Sterling Class B Dis Shares was launched.

Effective 16th November, 2016 the Brown Advisory US Flexible Equity Fund Sterling Class B Dis H Shares was launched.

On 8th December, 2016 the Brown Advisory US Flexible Equity Fund launched share classes: Sterling Class B Dis H Shares, Sterling Class C Dis Shares, Dollar Class C Dis Shares, Dollar Class M Dis Shares, Sterling Class M Dis Shares, Dollar Class A Dis Shares, Sterling Class A Dis Shares, Euro Class B Dis Shares and Dollar Class B Dis Shares.

Effective 9th December, 2016, the Brown Advisory US Equity Value Fund merged into the Brown Advisory US Flexible Equity Fund. The Brown Advisory US Equity Value Fund terminated at the merger date.

Effective 9th January, 2017 the Brown Advisory US Small Cap Blend Fund Sterling Class B Acc Shares was launched.

Effective as of the close of trading on 17th January, 2017, the Brown Advisory US Small Cap Blend Fund is closed to new accounts and/or new investors, subject to certain exceptions. Existing investors (which hold shares directly or via a financial intermediary holding an account with the Fund) as of 17th January, 2017 can continue to make additional purchases and reinvest distributions in the Fund.

Effective 3rd February, 2017, Clinton R. Daly retired from a Director role to Brown Advisory Funds plc.

Effective 17th February, 2017 the Brown Advisory US Small Cap Blend Fund Euro Class B Acc H Shares and Sterling Class A Dis Shares were liquidated.

The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

On 3rd April, 2017 the Brown Advisory US Mid-Cap Growth Fund Dollar Class C Acc Shares and the Brown Advisory US Sustainable Growth Fund Dollar Class C Acc Shares were launched.

DIRECTORS' REPORT (continued)

Significant Events During the Year (continued)

Effective 25th April, 2017 the Brown Advisory US Equity Growth Fund Sterling Class A Dis H Shares was liquidated.

Effective 3rd May, 2017, Paul Montgomery retired from a Director role to Brown Advisory Funds plc.

Effective 3rd May, 2017, Tony Garry was appointed to a role as a Director of Brown Advisory Funds plc.

Effective 24th May, 2017 the Brown Advisory US Smaller Companies Fund Sterling Class B Acc H Shares was launched.

A new prospectus and the supplements to the prospectus were noted by the Central Bank on 7th June, 2017.

Effective 9th June, 2017 the Brown Advisory US Mid-Cap Growth Fund Sterling Class C Acc H Shares was launched.

Effective 3rd August, 2017 the Brown Advisory US Sustainable Growth Fund Sterling Class B Dis Shares was launched.

Effective 15th September, 2017, Keryn Brock was appointed to a role as a Director of Brown Advisory Funds plc.

Effective 25th September, 2017 the Brown Advisory US Small Cap Blend Fund Dollar Class B Dis Shares was liquidated.

A new prospectus and the supplements to the prospectus were noted by the Central Bank on 25th October, 2017

Effective 31st October, 2017, the Brown Advisory US Flexible Equity SRI Fund merged into the Brown Advisory US Sustainable Growth Fund. The Brown Advisory US Flexible Equity SRI Fund terminated at the merge date.

There have been no other significant events affecting the Company during the financial year.

Events Since the Year End

On 1st November, 2017 dividends were declared and distributed on 14th November, 2017. Details are presented in Note 16.

Brown Advisory LLC switched the below holdings on 21 November 2017:

- Brown Advisory US Sustainable Growth Fund Dollar Class C Acc Shares switch out 21,979.5547 in to Brown Advisory US Mid-Cap Growth B Acc,
- Brown Advisory US Sustainable Growth Fund Dollar Class C Acc Shares switch out 21,979.5547 in to Brown Advisory US Mid-Cap Growth C Acc.

A new prospectus and the supplements to the prospectus were noted by the Central Bank on 21st December, 2017.

There have been no other significant events affecting the Company since the year end.

Corporate Governance Statement

The Irish Funds Industry Association ("IFIA") in association with the Central Bank has published a corporate governance code (the "IFIA Code") that may be adopted on a voluntary basis by Irish authorised collective investment schemes. The Board of Directors voluntarily adopted the IFIA Code as the Company's corporate governance code. The Company has been in compliance with the IFIA code since its adoption.

Internal Control and Risk Management Systems in Relation to Financial Reporting

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

DIRECTORS' REPORT (continued)

Internal Control and Risk Management Systems in Relation to Financial Reporting (continued)

The Board of Directors has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual and half-yearly financial statements. The annual financial statements of the Company are required to be approved by the Board of Directors of the Company and the annual and half yearly financial statements of the Company are required to be filed with the Central Bank and the ISE.

The statutory financial statements are required to be audited by independent auditors who report annually to the Board of Directors on their findings.

The Administrator maintains the books and records of the Company. The Administrator is authorised and regulated by the Central Bank and must comply with the rules imposed by the Central Bank. From time to time the Board of Directors also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises.

Dealing with Shareholders

The convening and conduct of shareholders' meetings are governed by the Constitution of the Company. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company within eighteen months of incorporation and fifteen months of the date of the previous annual general meeting thereafter.

Shareholders representing not less than one-tenth of the paid up share capital of the Company may also request the Directors to convene a shareholders' meeting.

Not less than twenty one days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen days notice must be given in the case of any other general meeting unless the auditors of the Company and all the Shareholders of the Company entitled to attend and vote agree to shorter notice.

Two members present either in person or by proxy constitute a quorum at a general meeting provided that the quorum for a general meeting convened to consider any alteration to the class rights of shares is two Shareholders holding or representing by proxy at least one third of the issued shares of the relevant Sub-Fund or class.

Every holder of shares present in person or by proxy who votes on a show of hands is entitled to one vote. On a poll, every holder of shares present in person or by proxy is entitled to one vote in respect of each share held by him/her. The chairperson of a general meeting of the Company or at least two members present in person or by proxy or any holder or holders of shares present in person or by proxy representing at least one tenth of the shares in issue having the right to vote at such meeting may demand a poll.

Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. An ordinary resolution of the Company or of the Shareholders of a particular Sub-Fund or class requires a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company or of the Shareholders of a particular Sub-Fund or class requires a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Constitution.

Board Composition and Activities

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than two. Currently the Board of Directors of the Company is composed of eight Directors, being those listed on page 12.

The business of the Company is managed by the Directors, who exercise all such powers of the Company as are not by the Companies Act or by the Constitution of the Company required to be exercised by the Company in general meeting.

A Director may, and the Company Secretary of the Company on the requisition of a Director will, at any time summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. In the case of an equality of votes, the chairman has a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two.

DIRECTORS' REPORT (continued)

Relevant Audit Information

The Directors in office at the date of this report have each confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Audit Committee

The Board of Directors decided to establish an Audit Committee (the "Committee"), which was constituted on 10 June, 2014. The Committee has adopted a Charter for its functioning. The primary objectives of the Committee are:

- monitoring the financial reporting process,
- monitoring the effectiveness of the large company's systems of internal control, internal audit and risk management,
- monitoring the statutory audit of the large company's statutory financial statements, and
- reviewing and monitoring the independence of the statutory auditors and in particular the provision of other services to the large company.

The Committee met 2 times during the year. As of the date of this report, the Committee is comprised of Tony Garry (Chairman), Paul McNaughton (independent non-executive Director) and David M. Churchill.

Remuneration

In line with the requirements of the UCITS Regulations, the Company has adopted a remuneration policy which is consistent with the principles outlined in the ESMA guidelines on sound remuneration policies under the UCITS Directive (the "Remuneration Guidelines"). The remuneration policy is appropriate to the Company's size, internal organisation and the nature, scope and complexity of its activities.

The Company's remuneration policy applies to certain identified staff whose professional activities have a material impact on the risk profile of the Company. As at 31st October, 2017, the Company did not have any employees and the Company's remuneration policy applies only to members of the Company's management body (i.e. the Board of Directors). The Directors not affiliated with the Investment Manager receive a fixed annual fee which is in line with the fees paid by other Irish funds and compensates these Directors for their tasks, expertise and responsibilities. Directors that are employees of the Investment Manager (or an affiliate) are not paid any fees for their services as Directors.

Quantitative remuneration disclosures as required by paragraphs (a) and (b) of Regulation 89(3A) of the UCITS Regulations will be included in the financial statements for the year ending 31st October, 2018. The disclosures required by paragraphs (c) and (d) of Regulation 24(B) of the UCITS Regulations will also be made at this time following the first annual review of the remuneration policy.

The remuneration policy was amended to take account of the issue of Remuneration Guidelines in October 2016, and in particular the requirements in relation to delegated management functions, but no other material changes have been made to the remuneration policy since its adoption.

Independent Auditors

The Independent Auditors, PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

On behalf of the Board of Directors

Director

12th February, 2018

Director

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We have enquired into the conduct of Brown Advisory Funds plc (the “Company”) for the financial year ended 31st October, 2017, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, (‘the UCITS Regulations’), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s Constitution and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed:

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the provisions of the Constitution and the UCITS Regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitution, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (‘the Central Bank UCITS Regulations’); and
- (ii) otherwise in accordance with the provisions of the Constitution the UCITS Regulations and the Central Bank UCITS Regulations.

Brown Brothers Harriman Trustee Services (Ireland) Ltd
30 Herbert Street
Dublin D02 W329
Ireland

12th February, 2018

INVESTMENT MANAGER'S REPORT
Brown Advisory US Equity Value Fund
For the period ended 9th December, 2016

During the month of November 2016 the US Equity Value Fund Class B USD returned 5.42% vs 5.71% return for the Russell 1000 Value Index.

Effective 9th December, 2016 the Brown Advisory US Equity Value Fund merged into the Brown Advisory US Flexible Equity Fund. The Brown Advisory US Equity Value Fund terminated as a sub-fund at the merger date.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Smaller Companies Fund
For the year ended 31st October, 2017

In the period from the 1st November, 2016 to the 31st October, 2017, the **US Smaller Companies Fund Class B USD** returned 22.01% vs 31.00% for the Russell 2000 Growth Index.

The Fund failed to keep pace with its benchmark due to a multi-week period following the U.S. presidential election when a Donald Trump victory - and his policy priorities of lowering taxes and regulation – caused a massive rally in value-oriented, lower market capitalisation and highly cyclical businesses. Due to our investment philosophy, this was an area of the market where we lacked high exposure, thus the portfolio was unable to keep up with the broader small-cap tape. Interestingly, it was the portfolio's worst relative performance since 2009 when the small-cap market was led out of the global economic crisis by a similar group of businesses. This disappointing end to 2016 erased all of the strong relative gains that had occurred earlier in the calendar year.

As we moved into 2017, small-cap equities entered what could only be described as a “Goldilocks” moment. The U.S. economy modestly accelerated on strongly improved business and consumer sentiment. Unemployment continued to fall, credit spreads narrowed and inflation remained tepid. Thus, the Federal Reserve was able to maintain its accommodative monetary policy stance, withdrawing liquidity at an incredibly measured pace. These conditions provided the necessary fuel for already high valuations to expand even further as U.S. stocks pushed to new all-time highs. While we were unable to recover the post-election lost ground compared to our benchmark, we do feel as though we were able to generate solid absolute returns on a risk-adjusted basis.

At the moment, we know that equity valuations are high and volatility levels remain at extremely low levels. As equity prices have marched higher, our response to the environment has simply been to work harder to uncover new ideas that trade at attractive entry points. During the period we added sixteen new ideas, demonstrating some fruits from our labour. However, the prime benefit of this work is a more marked expansion of our library of knowledge against our investable universe. Frustratingly, the lack of any type of meaningful pullback in the market and its increasing momentum orientation has precluded us from acting on more of this body of work. We are of the view that downside capture is critical because it not only allows for outperformance during difficult times, but provides the mental wherewithal to become a little greedier when others are slightly more fearful. Over the years, this discipline has likely added more value than any other aspect of our philosophy and process in our pursuit of attractive, long-term risk-adjusted returns. We know we can't predict volatility, but we will always strive to be as prepared for it as possible.

The small-cap growth area of the market was up in excess of 30% for the period. De-constructing the returns by sector, we see that every single segment of the market, with the exception of energy, saw significant strength. While cyclicals led early in the period, the final tally of sector leaders were some strange bedfellows with materials and processing, health care, producer durables, technology and utilities all up. The Fund failed to keep up primarily in the consumer and technology sectors during the period. Stock selection in consumer was below average and technology did not produce enough prodigious winners to keep pace with the move in the space.

The top contributor for the period was the Fund's largest and longest tenured holding, **Waste Connections, Inc. (WCN)** (+42.1%), a leading provider of waste disposal services primarily in secondary and tertiary markets. The company's strategy of consistent focus on less competitive markets has provided it with ample pricing power, high margins and strong free cash flow generation over the last decade that we have owned the business. Recently, a solid U.S. economy and its financially attractive and synergistic acquisition of Progressive Waste has powered the stock to all-time highs. Despite its run, the cash generation of the business has been impressive, underpinning its valuation.

Cogent Communications Holdings Inc. (CCOI) (+52.4%) was the second best contributor thanks to a meaningful increase in position size during a period of weakness several quarters ago. CCOI is an excellent example of attempting to use our bias to a longer term time horizon to buy on excessive temporary weakness to drive improved risk-adjusted returns. The company is a global provider of Internet services and is one of the top five networks in the world. Although the stock can be volatile quarter-over-quarter, we believe sustained growth in Internet traffic will continue to drive ~10% sale growth, consistent margin expansion and a meaningful increase in free cash flow.

INVESTMENT MANAGER'S REPORT**Brown Advisory US Smaller Companies Fund (continued)**
For the year ended 31st October, 2017

Heico Corporation (HEI) (+68.2%), the third best contributor, is a leading supplier of aftermarket commercial aerospace parts. The company's value proposition of substantially undercutting the original equipment manufacturers' pricing has made the business a wonderful compounder over time. While we are mindful that several recent solid quarterly reports has pushed the stock's valuation to new highs, we acknowledge that tax reform would be very positive to free cash flow. The management team has executed on numerous highly attractive acquisitions in the past, which usually help to cure issues around short term valuation. Overall, the aforementioned businesses are great examples of what we strive for in the portfolio.

We will always have relative detractors to discuss, particularly in the small-cap space where short-term price fluctuations can be extreme. The largest drag on portfolio performance for the period was **Liberty TripAdvisor Holdings Inc. (LTRPA)** (-51.4%). The stock largely represents the voting control stake in TripAdvisor, the online travel review, hotel price comparison and booking site for vacation rentals, attractions and restaurants. Our attraction to the name was the company's >450 million unique visitors to its platform and unique set of content. Although most of the Internet's market capitalisation is sucked up by its very largest players (GOOG, FB, AMZN, etc.), we saw strategic value in the TripAdvisor, Inc. (TRIP) platform and believed 2017 was the year that its hotel metasearch product and non-hotel portfolio would turn a corner, justifying a higher multiple on higher future estimates. Our thesis was interrupted by Priceline, one of the company's largest metasearch supply partners, recently adjusting its overall marketing strategy to heighten its ROI threshold for its metasearch partners (TRIP and trivago) in order to fund a television brand campaign. Priceline's new focus on owning the customer relationship was one of the principal reasons we increased our ownership in TRIP as the price declined. The company has hundreds of millions of loyal users with the opportunity to become a one-stop-shop in the travel vertical. The reality of Priceline's decision, however, blunted the recovery in TRIP's hotel business, pushing the stock to incredibly low valuation levels and removing the catalyst we saw for monetisation of the idea. The price action in the stock is a terrible reminder of the nature of the "haves" and "haves not" equity market we find ourselves in. Simply put, in many cases, no price is too high for stocks that are working and no price is too low for things that are not. We hope to be the first to admit when we are wrong and we certainly got the timing wrong here. However, our due diligence was thorough, each angle was contemplated, and we accept that the outcome was not as we anticipated. We have lowered the position accordingly.

Another detractor was **Global Eagle Entertainment, Inc. (ENT)** (-69.8%), a leading provider of content and connectivity services to commercial aerospace and maritime markets. The company was a relatively small position in light of the number of acquisitions the business had undertaken to truly build out its platform of services and benefit from the economies of scale that come with it. However, the management team failed to undertake the necessary steps to integrate certain acquisitions, which delayed its financial filings, a fact that was punished severely by the market. The board promptly replaced the CEO and CFO and the new management team is now on a path to fixing its reporting woes. The company recently filed its delayed 10k and we sincerely hope that better news is ahead.

We had some victories over the period such as **Interactive Intelligence Group, Inc. (ININ)**, being acquired at a substantial premium. **Incyte Corporation (INCY)**, a biotechnology company, catapulted from our mid-teens purchase price a few years ago to >\$120 per share, achieving a >\$20 billion market capitalisation. Having watched our thesis unfold, we exited this high cap name. We sold **Laboratory Corporation of America Holdings (LH)**, which we acquired a small position in when long time holding, Covance, a contract research organisation for biotechnology and pharmaceutical companies, was bought in a cash and stock deal as it reached our price targets. We eliminated **Expedia, Inc. (EXPE)**, the online travel agency, when it neared our price target and the company announced that its CEO was leaving to run Uber. We again acquired the company after it purchased our holding in **HomeAway, Inc. (AWAY)**, a leader in online vacation rentals. We sold **CoStar Group, Inc. (CSGP)**, the leading provider of commercial real estate data and analytics, after our thesis fully played out over many years. We sold **Novadaq Technologies Inc. (NVDQ)**, a medical imaging business, upon its acquisition by Styker.

As previously mentioned, we acquired sixteen new positions - four health care, five consumer discretionary, three technology, two financials, and one industrial name. In the interest of brevity, we will only highlight a few examples. In health care, we bought **Catalent Inc. (CTLT)**, a provider of advanced delivery technologies and development solutions for drugs and consumer health products. We took advantage of a lacklustre quarter met by an overly severe market reaction to acquire the stock at our targeted price point. We were happy that our patience was rewarded as CTLT was the 5th largest positive contributor to relative results despite its short tenure in the

INVESTMENT MANAGER'S REPORT

Brown Advisory US Smaller Companies Fund (continued)

For the year ended 31st October, 2017

portfolio. In consumer discretionary, we purchased **Liberty Interactive Corporation Ventures (LVNTA)**, which is a proxy for ownership in Charter Communications and other assets. Our team determined that the underlying value of the equity was trading at a discount and would ultimately appreciate to reflect true value as growth in the underlying businesses materialised. The stock has already been a solid contributor. In technology, **Appian Corp (APPN)** is a provider of business process management (BPM) solutions. Its low-code software enables rapid and more cost effective custom application development, a platform that may be on the cusp of broader adoption as more applications move to the "cloud". This small position was complemented by another software company, **Blackline Inc. (BL)**, a provider of financial close automation software to mid- and large-enterprises. Its cloud based solution offers the promise of "continuous accounting", which enables greater visibility into real-time financial performance with the side benefit of streamlining processes, saving time and money. Within financials, we made two new investments; **BankUnited, Inc. (BKU)** and **Webster Financial Corporation (WBS)**. Bank United is a bank holding company whose earnings power is masked by the run-off of a credit crisis era portfolio. We believe we are acquiring a conservative, well-managed bank with better than average growth prospects at a lower than average valuation. Webster Financial Corporation operates through four segments: commercial banking, community banking, HSA bank and private banking. The company's ownership of HSA Bank, the largest provider of HSA deposit services, represents a consistent flow of low cost funds to grow the business, a competitive advantage that will be of increasing importance in a rising rate environment. Finally, **BWX Technologies, Inc. (BWXT)** is a leading supplier of nuclear components and fuel to the U.S. government. It also provides technical, management and site services to support governments in the operation of complex facilities and environmental remediation activities. It also supplies precision manufactured components and services for the commercial nuclear power industry. The company is largely a sole source supplier to the U.S. for critical defense force structure needs. We believe BWXT has a large moat that protects its long-term profit generation potential.

Our goal is to build an all-weather portfolio through a diverse collection of long-term holdings, offering the ability to compound earnings at a high rate due to their unique business attributes and large addressable market opportunities. We strive to determine an eclectic list of companies driven by discrete idiosyncratic factors. We believe volatility will emerge over time and we have many high quality companies in which we are eager to invest at the right price. By maintaining a strong team, sound process and deep list of well researched smaller companies, we strive to generate solid absolute and relative results over the long-term.

INVESTMENT MANAGER'S REPORT

Brown Advisory American Fund

For the year ended 31st October, 2017

For the financial year, the **American Fund** Class B USD returned 24.84% vs 23.98% for the Russell 3000 Index and 23.63% for the S&P 500 Index. The allocation for the period was 75% to Flexible Equity and 25% to Small-Cap Blend.

Flexible Equity (75%):

The twelve-month results reflect a very favourable environment for equities—low interest rates, general economic expansion and business, investor and consumer confidence that is rising or already high. We see no immediate reason for this to change—indeed global economic growth seems to be strengthening and the list of stocks hitting new highs is quite long. However, history shows that markets and environments do change, sometimes due to market dynamics and sometimes due to world events which had not previously been fully incorporated into market levels. Neither of these is predictable.

Owning stocks of quality companies at sensible prices is a wise investment over time. However, owning them without the disposition and financial capacity to keep or add to them in less favourable environments can present problems if you are not prepared for market shifts when they occur. Our message is not that markets are headed down, but if markets heading down would cause distress, now, when prices are up, is the time to prepare for that.

The imperative of modern portfolio management structures constrains managers, including us, from holding large amounts of cash in our equity portfolios. Clients hire us to invest in equities, we are benchmarked against an Index that has no cash component, and cash is a low returning asset in the long-term relative to equities. The facts that we are in the markets for the long haul, we cannot predict the timing of market moves, and we can create gains (for taxable clients) also explain this imperative. We have a little bit of cash in reserve to facilitate trading and a little more that is a reserve, but never a large amount.

The valuation of stocks is high today compared to its history, but not so high relative to the still very low interest rates. The median stock (with earnings) trades for about 19 times estimated earnings. At the market low in 2009, this number was about 10 times and a historical median is about 15 times. But valuations need to be looked at relative to their alternatives and 19 times for stocks is low in comparison to the P/E equivalent of 43 times the coupon of a 2.3% yield on a 10-year U.S. Treasury bond. The bond yield too is low historically and with the U.S. Federal Reserve in the process of normalising interest rates, we suspect it will go higher. But the 2.3% rate in the U.S. is high relative to interest rates in Germany and Japan, which are near zero. The valuation puzzle for equities is how much higher bond rates (pushed up by a tightening Federal Reserve though possibly constrained by low foreign interest rates) may go and when? Valuations usually don't set the direction of market moves, but they can help indicate the potential size of a move once it starts.

The Flexible Equity portfolio has a bias to benefit from higher interest rates should they continue to rise through our exposure to banking companies. The spread between what banks earn on their loans and securities and pay for their deposits has been depressed by the long period of low interest rates. An expansion in this spread should lead to faster earnings growth, higher returns on capital and stir more interest in a group we view as undervalued and giving a favourable risk versus return prospect. The financials sector was the strongest contributor to the portfolio's results for the year compared to the S&P 500 Index due to both our higher sector weighting and higher return.

The biggest individual contributors to the Fund's results in the twelve month period ended 31st October, 2017 were **CarMax, Inc. (KMX)** (+ 50.4%), a leading auto retailer; **Visa, Inc. (V)** (+ 34.3%), a global payments processor; **Ameriprise Financial, Inc. (AMP)** (+ 81.9%), a diversified financial services company; **Berkshire Hathaway Inc. (BRK.B)** (+29.6%), a diversified industrial and insurance company and **Mastercard Inc. (MA)** (+40.0%) a global payments processor. These top contributors benefited from good business results and rising valuations.

The most significant detractors to the Fund's performance in the twelve month period were **Teva Pharmaceutical Industries Ltd. (TEVA)** (-43.0%), a generic and branded pharmaceutical company; **QUALCOMM (QCOM)** (-22.9%), a wireless communications company; **Chipotle Mexican Grill (CMG)** (-24.6%), a fast casual restaurant; **Occidental Petroleum Corp. (OXY)** (-7.0%) an integrated energy company and **Kinder Morgan Inc. (KMI)** (-9.1%), an energy pipeline company. The worst performing stocks declined due to company specific

INVESTMENT MANAGER'S REPORT
Brown Advisory American Fund (continued)
For the year ended 31st October, 2017

issues. Lower commodity prices negatively impacted our energy holdings. The health care sector was the biggest detractor to results due to both our lower sector weighting and lower return relative to the S&P 500 Index.

We added three new holdings, **Delta Air Lines, Inc. (DAL)**, **Nomad Foods Ltd. (NOMD)** and **Suncor Energy Inc. (SU)**, and eliminated two, **Express Scripts Company (ESRX)** and **Teva Pharmaceuticals Industries Limited (TEVA)**, since the semi-annual report to shareholders in April 2017.

In **Delta**, our thesis is airline industry consolidation is leading to improved long-term profit prospects and less cyclicality than the past. Delta also has a comparatively low valuation reflecting skepticism over whether the future will indeed be different than the past. **Nomad Foods** manufactures and sells frozen foods in Europe and is led by a successful businessman and capital allocator. We believe our investment will grow in value if the management team is able to turn around the existing business, which lagged in 2016 and early 2017, and if they are able to execute on adjacent bolt-on acquisitions. **Suncor Energy**, a Canadian integrated energy company, specializes in production of synthetic crude from oil sands. We believe Suncor has a superior business model, strong fundamentals and management focused on the right things: cost reduction, optimising capex and smart capital allocation. We see strong upside potential with rising oil prices.

We exited **Express Scripts**, a pharmacy benefits manager, due to erosion of their competitive position and loss of a key customer. We eliminated **Teva Pharmaceutical** after it became clear that our original thesis was off track and would not be righted anytime soon. Whenever we have a loser, we try to take some lessons from it. In Teva's case, we let a low valuation tempt us into a lower-quality business that we thought could improve. Initial success with Teva likely slowed our response when its prospects reversed.

Our notes from the 2017 Berkshire Hathaway shareholders meeting, a meeting that members of the Flexible Equity team have attended for over 30 years can be found at www.brownadvisory.com/en/content/2017-berkshire-hathaway-annual-shareholder-meeting. Berkshire is a large holding in our portfolio and we always learn from attending the meeting and hope you will profit from these notes as well.

We search for investment bargains among long-term attractive businesses with shareholder-oriented management. These businesses typically have competitive advantages that produce good economic results, managers who allocate capital well, capacity to adjust to changes in the world, and the ability to grow in value over time. Bargains in these types of stocks arise for many reasons, but are often due to short-term investor perceptions, temporary business challenges that will improve, as-yet-undiscovered or unrecognized opportunities, and company or industry changes for the better. Despite the occasional investment that will go awry, we are optimistic about the long-term outlook for equities of good companies purchased at reasonable prices and our ability to find them.

Small-Cap Growth (12.5%):

We failed to keep pace with our benchmark due to a multi-week period following the U.S. presidential election when a Donald Trump victory - and his policy priorities of lowering taxes and regulation - caused a massive rally in value-oriented, lower market capitalisation and highly cyclical businesses. Due to our investment philosophy, this was an area of the market where we lacked high exposure, thus the portfolio was unable to keep up with the broader small-cap tape. Interestingly, it was the portfolio's worst relative performance since 2009 when the small-cap market was led out of the global economic crisis by a similar group of businesses. This disappointing end to 2016 erased all of the strong relative gains that had occurred earlier in the calendar year.

As we moved into 2017, small-cap equities entered what could only be described as a "Goldilocks" moment. The U.S. economy modestly accelerated on strongly improved business and consumer sentiment. Unemployment continued to fall, credit spreads narrowed and inflation remained tepid. Thus, the Federal Reserve was able to maintain its accommodative monetary policy stance, withdrawing liquidity at an incredibly measured pace. These conditions provided the necessary fuel for already high valuations to expand even further as U.S. stocks pushed to new all-time highs. While we were unable to recover the post-election lost ground compared to our benchmark, we do feel as though we were able to generate solid absolute returns on a risk-adjusted basis.

INVESTMENT MANAGER'S REPORT

Brown Advisory American Fund (continued)

For the year ended 31st October, 2017

At the moment, we know that equity valuations are high and volatility levels remain at extremely low levels. As equity prices have marched higher, our response to the environment has simply been to work harder to uncover new ideas that trade at attractive entry points. During the period we added sixteen new ideas, demonstrating some fruits from our labour. However, the prime benefit of this work is a more marked expansion of our library of knowledge against our investable universe. Frustratingly, the lack of any type of meaningful pullback in the market and its increasing momentum orientation has precluded us from acting on more of this body of work. We are of the view that downside capture is critical because it not only allows for outperformance during difficult times, but provides the mental wherewithal to become a little greedier when others are slightly more fearful. Over the years, this discipline has likely added more value than any other aspect of our philosophy and process in our pursuit of attractive, long-term risk-adjusted returns. We know we can't predict volatility, but we will always strive to be as prepared for it as possible.

The small-cap growth area of the market was up in excess of 30% for the period. De-constructing the returns by sector, we see that every single segment of the market, with the exception of energy, saw significant strength. While cyclicals led early in the period, the final tally of sector leaders were some strange bedfellows with materials and processing, health care, producer durables, technology and utilities all up. The Fund failed to keep up primarily in the consumer and technology sectors during the period. Stock selection in consumer was below average and technology did not produce enough prodigious winners to keep pace with the move in the space.

The top contributor for the period was the Fund's largest and longest tenured holding, **Waste Connections, Inc. (WCN)** (+42.1%), a leading provider of waste disposal services primarily in secondary and tertiary markets. The company's strategy of consistent focus on less competitive markets has provided it with ample pricing power, high margins and strong free cash flow generation over the last decade that we have owned the business. Recently, a solid U.S. economy and its financially attractive and synergistic acquisition of Progressive Waste has powered the stock to all-time highs. Despite its run, the cash generation of the business has been impressive, underpinning its valuation.

Cogent Communications Holdings Inc. (CCOI) (+52.4%) was the second best contributor thanks to a meaningful increase in position size during a period of weakness several quarters ago. CCOI is an excellent example of attempting to use our bias to a longer term time horizon to buy on excessive temporary weakness to drive improved risk-adjusted returns. The company is a global provider of Internet services and is one of the top five networks in the world. Although the stock can be volatile quarter-over-quarter, we believe sustained growth in Internet traffic will continue to drive ~10% sale growth, consistent margin expansion and a meaningful increase in free cash flow.

Heico Corporation (HEI) (+68.2%), the third best contributor, is a leading supplier of aftermarket commercial aerospace parts. The company's value proposition of substantially undercutting the original equipment manufacturers' pricing has made the business a wonderful compounder over time. While we are mindful that several recent solid quarterly reports has pushed the stock's valuation to new highs, we acknowledge that tax reform would be very positive to free cash flow. The management team has executed on numerous highly attractive acquisitions in the past, which usually help to cure issues around short term valuation. Overall, the aforementioned businesses are great examples of what we strive for in the portfolio.

We will always have relative detractors to discuss, particularly in the small-cap space where short-term price fluctuations can be extreme. The largest drag on portfolio performance for the period was **Liberty TripAdvisor Holdings Inc. (LTRPA)** (-51.4%). The stock largely represents the voting control stake in TripAdvisor, the online travel review, hotel price comparison and booking site for vacation rentals, attractions and restaurants. Our attraction to the name was the company's >450 million unique visitors to its platform and unique set of content. Although most of the Internet's market capitalisation is sucked up by its very largest players (GOOG, FB, AMZN, etc.), we saw strategic value in the TripAdvisor, Inc. (TRIP) platform and believed 2017 was the year that its hotel metasearch product and non-hotel portfolio would turn a corner, justifying a higher multiple on higher future estimates. Our thesis was interrupted by Priceline, one of the company's largest metasearch supply partners, recently adjusting its overall marketing strategy to heighten its ROI threshold for its metasearch partners (TRIP and trivago) in order to fund a television brand campaign. Priceline's new focus on owning the customer relationship was one of the principal reasons we increased our ownership in TRIP as the price declined. The company has hundreds of millions of loyal users with the opportunity to become a one-stop-shop in the travel

vertical. The reality of Priceline's decision, however, blunted the recovery in TRIP's hotel business, pushing the stock to incredibly low valuation levels and removing the catalyst we saw for monetisation of the idea. The price

INVESTMENT MANAGER'S REPORT

Brown Advisory American Fund (continued)

For the year ended 31st October, 2017

action in the stock is a terrible reminder of the nature of the "haves" and "haves not" equity market we find ourselves in. Simply put, in many cases, no price is too high for stocks that are working and no price is too low for things that are not. We hope to be the first to admit when we are wrong and we certainly got the timing wrong here. However, our due diligence was thorough, each angle was contemplated, and we accept that the outcome was not as we anticipated. We have lowered the position accordingly.

Another detractor was **Global Eagle Entertainment, Inc. (ENT)** (-69.8%), a leading provider of content and connectivity services to commercial aerospace and maritime markets. The company was a relatively small position in light of the number of acquisitions the business had undertaken to truly build out its platform of services and benefit from the economies of scale that come with it. However, the management team failed to undertake the necessary steps to integrate certain acquisitions, which delayed its financial filings, a fact that was punished severely by the market. The board promptly replaced the CEO and CFO and the new management team is now on a path to fixing its reporting woes. The company recently filed its delayed 10k and we sincerely hope that better news is ahead.

We had some victories over the period such as **Interactive Intelligence Group, Inc. (ININ)**, being acquired at a substantial premium. **Incyte Corporation (INCY)**, a biotechnology company, catapulted from our mid-teens purchase price a few years ago to >\$120 per share, achieving a >\$20 billion market capitalisation. Having watched our thesis unfold, we exited this high cap name. We sold **Laboratory Corporation of America Holdings (LH)**, which we acquired a small position in when long time holding, Covance, a contract research organisation for biotechnology and pharmaceutical companies, was bought in a cash and stock deal as it reached our price targets. We eliminated **Expedia, Inc. (EXPE)**, the online travel agency, when it neared our price target and the company announced that its CEO was leaving to run Uber. We again acquired the company after it purchased our holding in **HomeAway, Inc. (AWAY)**, a leader in online vacation rentals. We sold **CoStar Group, Inc. (CSGP)**, the leading provider of commercial real estate data and analytics, after our thesis fully played out over many years. We sold **Novadaq Technologies Inc. (NVDQ)**, a medical imaging business, upon its acquisition by Styker.

As previously mentioned, we acquired sixteen new positions - four health care, five consumer discretionary, three technology, two financials, and one industrial name. In the interest of brevity, we will only highlight a few examples. In health care, we bought **Catalent Inc. (CTLT)**, a provider of advanced delivery technologies and development solutions for drugs and consumer health products. We took advantage of a lacklustre quarter met by an overly severe market reaction to acquire the stock at our targeted price point. We were happy that our patience was rewarded as CTLT was the 5th largest positive contributor to relative results despite its short tenure in the portfolio. In consumer discretionary, we purchased **Liberty Interactive Corporation Ventures (LVNTA)**, which is a proxy for ownership in Charter Communications and other assets. Our team determined that the underlying value of the equity was trading at a discount and would ultimately appreciate to reflect true value as growth in the underlying businesses materialised. The stock has already been a solid contributor. In technology, **Appian Corp (APPN)** is a provider of business process management (BPM) solutions. Its low-code software enables rapid and more cost effective custom application development, a platform that may be on the cusp of broader adoption as more applications move to the "cloud". This small position was complemented by another software company, **Blackline Inc. (BL)**, a provider of financial close automation software to mid- and large-enterprises. Its cloud based solution offers the promise of "continuous accounting", which enables greater visibility into real-time financial performance with the side benefit of streamlining processes, saving time and money. Within financials, we made two new investments; **BankUnited, Inc. (BKU)** and **Webster Financial Corporation (WBS)**. Bank United is a bank holding company whose earnings power is masked by the run-off of a credit crisis era portfolio. We believe we are acquiring a conservative, well-managed bank with better than average growth prospects at a lower than average valuation. Webster Financial Corporation operates through four segments: commercial banking, community banking, HSA bank and private banking. The company's ownership of HSA Bank, the largest provider of HSA deposit services, represents a consistent flow of low cost funds to grow the business, a competitive advantage that will be of increasing importance in a rising rate environment. Finally, **BWX Technologies, Inc. (BWXT)** is a leading supplier of nuclear components and fuel to the U.S. government. It also provides technical, management and site services to support governments in the operation of complex facilities and environmental remediation activities. It also supplies precision manufactured components and services for the

commercial nuclear power industry. The company is largely a sole source supplier to the U.S. for critical defense force structure needs. We believe BWXT has a large moat that protects its long-term profit generation potential.

INVESTMENT MANAGER'S REPORT
Brown Advisory American Fund (continued)
For the year ended 31st October, 2017

Our goal is to build an all-weather portfolio through a diverse collection of long-term holdings, offering the ability to compound earnings at a high rate due to their unique business attributes and large addressable market opportunities. We strive to determine an eclectic list of companies driven by discrete idiosyncratic factors. We believe volatility will emerge over time and we have many high quality companies in which we are eager to invest at the right price. By maintaining a strong team, sound process and deep list of well researched smaller companies, we strive to generate solid absolute and relative results over the long-term.

Small-Cap Value (12.5%):

Small-caps have continued to rally on heightened optimism about potential tax cuts out of Washington. Time will tell if this optimism is warranted.

The most notable sector contributing to our outperformance during the 1 year time period was within industrials (our names performing 61% vs the Russell 2000 Value's 37%). In particular, **Albany International Corp. (AIN)**, **Kadant Inc. (KAI)**, **McGrath RentCorp (MGRC)** and **Federal Signal Corporation (FSS)** all posted positive returns during the year due to a combination of strong operating performance, successful integration of acquisitions and multiple expansion. Our energy holdings also did well, due to the strong operating performance generated by our investment in **Par Pacific Holdings Inc. (PARR)**, a Hawaiian based refinery, and the market's growing understanding of the value of Linn Energy's assets.

We have several investments that were impacted, or will be impacted, by the flooding in Texas and the hurricanes in Florida and the Caribbean this past August. **ATN International's (ATNI)** wireline business in the U.S. Virgin Islands was heavily impacted. **Assurant, Inc. (AIZ)** insures homes throughout Florida and Texas through its extensive forced place insurance business. While the losses have not been insignificant, the bulk of their exposure will be covered by their extensive reinsurance program. Assurant also happens to be one of the largest administrators of flood insurance which should generate a positive, albeit smaller, impact from that business line. **Altisource Residential Corp. (RESI)** has a number of rental homes in both Florida and Texas that were impacted. Finally, **Xenia Hotels & Resorts, Inc. (XHR)** owns a hotel property in Key West. While the property damage is not significant and the hotel does hold property and business interruption insurance, the impact of a lack of tourists could be pronounced for some time. Xenia's properties in Orlando, Savannah, Atlanta, Birmingham and Charleston did not experience any significant damage. Conversely, Continental Building Products, Inc. (CBPX) has a facility in Florida that is one of the largest wallboard plants in the Southeast. The good news is that it is located on the eastern side of Florida (so no damage), and the increased demand for wallboard should support recent price increases.

During the period, the Fund added fourteen investments and exited ten positions in total. Four of the new holdings were in consumer, two in energy, five in financials, one in technology, one industrial and one in real estate. The sales were across a variety of sectors; four in consumer, one in energy, three in financials, one in health care, and one in real estate.

Albany International (+50.2%) was the largest individual contributor to performance during the period due to performance size (largest holding) as well as its solid 2Q 2017 earnings report. Albany reported second-quarter earnings in line with investor expectations, and the company raised guidance for both of its divisions for the full year. Another contributor to performance was **Kadant** (+122.5%). Kadant continued its strong 2017 performance by reporting quarterly earnings well above expectations, and raising guidance for the second time in as many quarters. The company's recent acquisition of NII Forest Products Group is tracking according to plan and in mid-August the company announced another small tuck-in acquisition that we believe will be highly accretive and complementary to its existing fluid handling line. **Primerica, Inc. (PRI)** (+63.4%) was another top performer during the period. The company released strong quarterly results and increased its quarterly dividend. Investors still expect business-friendly regulatory reform from Washington, which is buoying financials. Another contributor to performance was **Synovus Financial Corp. (SNV)** (+43.6%) which saw strength as the financial services sector, and banks specifically, strongly outperformed the broader indexes following the election. The outperformance was driven by large inflows into the sector following what was an uneventful year from

a fundamental perspective, as investors speculated that banks would benefit from a rising-rate environment under the Trump administration.

INVESTMENT MANAGER'S REPORT
Brown Advisory American Fund (continued)
For the year ended 31st October, 2017

The largest detractor to performance was **ATN International** (-18.4%). The company's EBITDA in 2017 will be lower due to the company's telecom presence in areas affected by hurricanes Irma and Jose, most notably the U.S. Virgin Islands. In addition, the company cut its dividend in half in order to give itself more flexibility for internal investment, M&A and stock repurchases. **Cato Corporation (CATO)** (-53.7%) underperformed during the period after reporting weaker-than-expected same store sales. **Altisource Residential Corp. (RESI)** (-3.4%) stock fell during the period following news that Hurricane Harvey was to make landfall in the United States, followed soon by Hurricane Irma. Approximately 20% of the company's rental home portfolio is located in either Houston or Florida.

While we have a robust pipeline of new ideas, it is heavily weighted towards investments that need to see some price decline in order to meet our return objectives. We are keenly interested in the upcoming earnings season to give us a better indication of economic activity. Given the continued high valuation of the markets, we are approaching the start of 2018 with caution.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Equity Growth Fund
For the year ended 31st October, 2017

For the financial year, the **US Equity Growth Fund** Class B USD returned 21.85% vs. 29.71% for the Russell 1000 Growth Index.

Absolute performance for the fiscal year ended 31st October, 2017 was quite strong. However, November 2016 marked the beginning of a particularly difficult period in terms of relative performance for the U.S. Equity Growth Fund. In fact, November was the worst month for the Fund relative to the Russell 1000 Growth Index in over a decade and a half. Fortunately, as the year progressed the factors that lead to this began to shift and the market backdrop became much more conducive to our investment approach. It began with the astonishing result of the U.S. presidential election in early November which sparked a sharp rally in highly cyclical sectors, especially those levered to infrastructure spending such as industrials and materials as well as stocks that are highly sensitive to U.S. tax rates such as telecommunications and certain financial services. Given their cyclicity these types of companies rarely if ever meet our growth criteria, however the benchmark contains many of them. The traditional growth segments such as technology and health care dramatically underperformed in the aftermath of the election. Popularly characterised as the “Trump Trade”, we now know it was primarily speculation over the policy agenda of the incoming administration. As the year progressed, the lack of progress on these policy objectives has refocused the markets attention on fundamentals which has been a welcome positive for the portfolio as many of the holdings have produced excellent results, and their stocks have responded positively. Correlation of stock price movements have come down recently which creates greater opportunities and translates to an improved environment for stock picking. As such, we have been fairly active this year relative to the last few, bringing eleven new positions to the portfolio. In the spirit of our one in one out philosophy, the new positions were funded by the sales of existing portfolio holdings be it from a violated investment thesis or the fact that it was a much better opportunity.

The consumer landscape experienced some upheaval over the course of the last year as the market attempts to handicap the winners and losers in a world rapidly adapting to ecommerce. After **Amazon.com** announced the acquisition of **Whole Foods** a spotlight was cast on a large number of business models that are potentially at risk for disruption from ecommerce. We have analysed, discussed and debated this phenomenon amongst the investment team for a number of years. All along we have tried to be thoughtful in allocating capital to business models that are both obvious beneficiaries, such as **Alibaba** and Amazon, and those less obvious, such as cosmetics name **Estee Lauder**. Estee Lauder, throughout its history was the quintessential brick and mortar business model. However, over the last several years they made significant investments in their distribution capabilities becoming a true omnichannel business. It has become clear that these efforts are now driving their impressive results and the market is starting to recognise this.

Portfolio performance across the consumer space was mixed with staples providing the biggest positive contribution on a relative basis and discretionary the biggest negative. **Under Armour** was among the detractors in the discretionary segment although we eliminated our position in January after the recently hired CFO announced his departure. The athletic apparel space has clearly grown more competitive, this coupled with unfavourable management turnover triggered our sell discipline. On the positive side, **Mead Johnson Nutrition Company (MJN)** was acquired by another consumer products company delivering a nice boost to the stock.

We added four new consumer holdings to the portfolio: **Alibaba Group (BABA)**, **Charter Communications Inc. (CHTR)**, **Priceline Group Inc. (PCLN)** and **TJX Companies Inc. (TJX)**. Social trends in China have created a very large and growing opportunity for Alibaba as the dominant ecommerce platform in China. China is transitioning to a consumption driven economy, clearly a positive for Alibaba as retail sales outpaced overall GDP last year. Future innovations in artificial intelligence will help drive higher monetisation rates and cloud computing is just getting started in China.

Health care is another area of the market that has experienced a fair amount of volatility, and like the consumer sector we have made few changes to our health care holdings over the course of the year. We added three new health care positions: **Edwards Lifesciences Corporation (EW)**, **Thermo Fisher Scientific Inc. (TMO)** and **Zoetis Inc. (ZTS)**. We eliminated our positions in **DaVita Inc. (DVA)** and **Alexion Pharmaceuticals, Inc. (ALXN)**.

In terms of performance, the strength from our long time holding **Intuitive Surgical Inc. (ISRG)** (+67.6%) and the addition of **Thermo Fisher Scientific** was offset by weakness in **DexCom, Inc. (DXCM)** (-42.5%) and

INVESTMENT MANAGER'S REPORT

Brown Advisory US Equity Growth Fund (continued)

For the year ended 31st October, 2017

Alexion Pharmaceuticals (-24.9%). We eliminated Alexion from the portfolio, but have been adding to DexCom on weakness. DexCom remains the leader in continuous glucose monitoring (CGM) devices, however the stock has been volatile following several announcements. The first being a new product from Medtronic, the second an FDA approval for a competing device from Abbott. These events were anticipated, but as can happen the stock overreacted to the headlines. The global market for CGM is very large and significantly underpenetrated, and while these announcements create short term uncertainty our long-term thesis for DexCom remains intact. They continue to maintain a significant technology advantage and a market leading position over both Abbott and Medtronic for CGM devices. We initiated a position in **Edwards Lifesciences**, which is another leading medical device company that has developed a minimally invasive solution for the repair and replacement of tissue heart valves. Its market-leading trans-catheter heart valve delivery (TAVR) technology is less invasive than traditional procedures, and is proven to both improve patient outcomes and lower overall health care spending. Expectations got ahead of the stock early in the year and we took advantage of a correction to start building a position in the name.

Geopolitical dynamics were the primary drivers of stock prices in weeks following the November election and this injected a new level of relative volatility into the portfolio, but it has been refreshing to see fundamentally sound companies being rewarded since then. It is difficult to digest the fact that the portfolio generated an absolute return in excess of 21%, yet underperformed the benchmark by a meaningful margin. There has clearly been a welcome shift in market sentiment since November which has been helpful gaining back this underperformance. We continue to execute our investment process which favours sustainable growth over all other factors, and while this attractive characteristic has been out of favour for some time, it is an attribute that has proven to be a good indicator of stock out-performance over the long term.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Flexible Equity SRI Fund
For the year ended 31st October, 2017

For the financial year, the **US Flexible Equity SRI Fund** Class B USD returned 26.08% vs 23.63% for the S&P 500.

The exclusions from the US Flexible Equity Fund as of 31st October, 2017 are as follows:

- **General Dynamics Corporation (GD)** for its involvement in controversial weapons and for having over 5% turnover from military equipment.
- **United Technologies Corp (UTX)** for its involvement in controversial weapons.

The twelve-month results reflect a very favourable environment for equities—low interest rates, general economic expansion and business, investor and consumer confidence that is rising or already high. We see no immediate reason for this to change—indeed global economic growth seems to be strengthening and the list of stocks hitting new highs is quite long. However, history shows that markets and environments do change, sometimes due to market dynamics and sometimes due to world events which had not previously been fully incorporated into market levels. Neither of these is predictable.

Owning stocks of quality companies at sensible prices is a wise investment over time. However, owning them without the disposition and financial capacity to keep or add to them in less favourable environments can present problems if you are not prepared for market shifts when they occur. Our message is not that markets are headed down, but if markets heading down would cause distress, now, when prices are up, is the time to prepare for that.

The imperative of modern portfolio management structures constrains managers, including us, from holding large amounts of cash in our equity portfolios. Clients hire us to invest in equities, we are benchmarked against an Index that has no cash component, and cash is a low returning asset in the long-term relative to equities. The facts that we are in the markets for the long haul, we cannot predict the timing of market moves, and we can create gains (for taxable clients) also explain this imperative. We have a little bit of cash in reserve to facilitate trading and a little more that is a reserve, but never a large amount.

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The portfolio has a bias to benefit from higher interest rates should they continue to rise through our exposure to banking companies. The spread between what banks earn on their loans and securities and pay for their deposits has been depressed by the long period of low interest rates. An expansion in this spread should lead to faster earnings growth, higher returns on capital and stir more interest in a group we view as undervalued and giving a favourable risk versus return prospect. The financials sector was the strongest contributor to the portfolio's results for the year compared to the S&P 500 Index due to both our higher sector weighting and higher return.

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INVESTMENT MANAGER'S REPORT

Brown Advisory US Flexible Equity SRI Fund (continued)
For the year ended 31st October, 2017

(**KMI**) (-9.1%), an energy pipeline company. The worst performing stocks declined due to company specific issues. Lower commodity prices negatively impacted our energy holdings. The health care sector was the biggest detractor to results due to both our lower sector weighting and lower return relative to the S&P 500 Index.

We added three new holdings, **Delta Air Lines, Inc. (DAL)**, **Nomad Foods Ltd. (NOMD)** and **Suncor Energy Inc. (SU)**, and eliminated two, **Express Scripts Company (ESRX)** and **Teva Pharmaceuticals Industries Limited (TEVA)**, since the semi-annual report to shareholders in April 2017.

In **Delta**, our thesis is airline industry consolidation is leading to improved long-term profit prospects and less cyclicality than the past. Delta also has a comparatively low valuation reflecting skepticism over whether the future will indeed be different than the past. **Nomad Foods** manufactures and sells frozen foods in Europe and is led by a successful businessman and capital allocator. We believe our investment will grow in value if the management team is able to turn around the existing business, which lagged in 2016 and early 2017, and if they are able to execute on adjacent bolt-on acquisitions. **Suncor Energy**, a Canadian integrated energy company, specializes in production of synthetic crude from oil sands. We believe Suncor has a superior business model, strong fundamentals and management focused on the right things: cost reduction, optimising capex and smart capital allocation. We see strong upside potential with rising oil prices.

We exited **Express Scripts**, a pharmacy benefits manager, due to erosion of their competitive position and loss of a key customer. We eliminated **Teva Pharmaceutical** after it became clear that our original thesis was off track and would not be righted anytime soon. Whenever we have a loser, we try to take some lessons from it. In Teva's case, we let a low valuation tempt us into a lower-quality business that we thought could improve. Initial success with Teva likely slowed our response when its prospects reversed.

Our notes from the 2017 Berkshire Hathaway shareholders meeting, a meeting that members of the Flexible Equity SRI team have attended for over 30 years can be found at www.brownadvisory.com/en/content/2017-berkshire-hathaway-annual-shareholder-meeting. Berkshire is a large holding in our portfolio and we always learn from attending the meeting and hope you will profit from these notes as well.

We search for investment bargains among long-term attractive businesses with shareholder-oriented management. These businesses typically have competitive advantages that produce good economic results, managers who allocate capital well, capacity to adjust to changes in the world, and the ability to grow in value over time. Bargains in these types of stocks arise for many reasons, but are often due to short-term investor perceptions, temporary business challenges that will improve, as-yet-undiscovered or unrecognized opportunities, and company or industry changes for the better.

Effective 31st October, 2017 the Brown Advisory US Flexible Equity SRI Fund merged into the Brown Advisory US Sustainable Growth Fund. The US Flexible Equity SRI Fund terminated as a sub-fund at the merger date.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Small Cap Blend Fund
For the year ended 31st October, 2017

For the financial year, the **US Small Cap Blend Fund** Class B USD returned 23.21% vs 27.85% for the Russell 2000 Index.

Small-Cap Growth (50%):

We failed to keep pace with our benchmark due to a multi-week period following the U.S. presidential election when a Donald Trump victory - and his policy priorities of lowering taxes and regulation - caused a massive rally in value-oriented, lower market capitalisation and highly cyclical businesses. Due to our investment philosophy, this was an area of the market where we lacked high exposure, thus the portfolio was unable to keep up with the broader small-cap tape. Interestingly, it was the portfolio's worst relative performance since 2009 when the small-cap market was led out of the global economic crisis by a similar group of businesses. This disappointing end to 2016 erased all of the strong relative gains that had occurred earlier in the calendar year.

As we moved into 2017, small-cap equities entered what could only be described as a “Goldilocks” moment. The U.S. economy modestly accelerated on strongly improved business and consumer sentiment. Unemployment continued to fall, credit spreads narrowed and inflation remained tepid. Thus, the Federal Reserve was able to maintain its accommodative monetary policy stance, withdrawing liquidity at an incredibly measured pace. These conditions provided the necessary fuel for already high valuations to expand even further as U.S. stocks pushed to new all-time highs. While we were unable to recover the post-election lost ground compared to our benchmark, we do feel as though we were able to generate solid absolute returns on a risk-adjusted basis.

At the moment, we know that equity valuations are high and volatility levels remain at extremely low levels. As equity prices have marched higher, our response to the environment has simply been to work harder to uncover new ideas that trade at attractive entry points. During the period we added sixteen new ideas, demonstrating some fruits from our labour. However, the prime benefit of this work is a more marked expansion of our library of knowledge against our investable universe. Frustratingly, the lack of any type of meaningful pullback in the market and its increasing momentum orientation has precluded us from acting on more of this body of work. We are of the view that downside capture is critical because it not only allows for outperformance during difficult times, but provides the mental wherewithal to become a little greedier when others are slightly more fearful. Over the years, this discipline has likely added more value than any other aspect of our philosophy and process in our pursuit of attractive, long-term risk-adjusted returns. We know we can't predict volatility, but we will always strive to be as prepared for it as possible.

The small-cap growth area of the market was up in excess of 30% for the period. De-constructing the returns by sector, we see that every single segment of the market, with the exception of energy, saw significant strength. While cyclicals led early in the period, the final tally of sector leaders were some strange bedfellows with materials and processing, health care, producer durables, technology and utilities all up. The Fund failed to keep up primarily in the consumer and technology sectors during the period. Stock selection in consumer was below average and technology did not produce enough prodigious winners to keep pace with the move in the space.

The top contributor for the period was the Fund's largest and longest tenured holding, **Waste Connections, Inc. (WCN)** (+42.1%), a leading provider of waste disposal services primarily in secondary and tertiary markets. The company's strategy of consistent focus on less competitive markets has provided it with ample pricing power, high margins and strong free cash flow generation over the last decade that we have owned the business. Recently, a solid U.S. economy and its financially attractive and synergistic acquisition of Progressive Waste has powered the stock to all-time highs. Despite its run, the cash generation of the business has been impressive, underpinning its valuation.

Cogent Communications Holdings Inc. (CCOI) (+52.4%) was the second best contributor thanks to a meaningful increase in position size during a period of weakness several quarters ago. CCOI is an excellent example of attempting to use our bias to a longer term time horizon to buy on excessive temporary weakness to drive improved risk-adjusted returns. The company is a global provider of Internet services and is one of the top five networks in the world. Although the stock can be volatile quarter-over-quarter, we believe sustained growth in Internet traffic will continue to drive ~10% sale growth, consistent margin expansion and a meaningful increase in free cash flow.

Heico Corporation (HEI) (+68.2%), the third best contributor, is a leading supplier of aftermarket commercial

INVESTMENT MANAGER'S REPORT**Brown Advisory US Small Cap Blend Fund (continued)**
For the year ended 31st October, 2017

aerospace parts. The company's value proposition of substantially undercutting the original equipment manufacturers' pricing has made the business a wonderful compounder over time. While we are mindful that several recent solid quarterly reports has pushed the stock's valuation to new highs, we acknowledge that tax reform would be very positive to free cash flow. The management team has executed on numerous highly attractive acquisitions in the past, which usually help to cure issues around short term valuation. Overall, the aforementioned businesses are great examples of what we strive for in the portfolio.

We will always have relative detractors to discuss, particularly in the small-cap space where short-term price fluctuations can be extreme. The largest drag on portfolio performance for the period was **Liberty TripAdvisor Holdings Inc. (LTRPA)** (-51.4%). The stock largely represents the voting control stake in TripAdvisor, the online travel review, hotel price comparison and booking site for vacation rentals, attractions and restaurants. Our attraction to the name was the company's >450 million unique visitors to its platform and unique set of content. Although most of the Internet's market capitalisation is sucked up by its very largest players (GOOG, FB, AMZN, etc.), we saw strategic value in the TripAdvisor, Inc. (TRIP) platform and believed 2017 was the year that its hotel metasearch product and non-hotel portfolio would turn a corner, justifying a higher multiple on higher future estimates. Our thesis was interrupted by Priceline, one of the company's largest metasearch supply partners, recently adjusting its overall marketing strategy to heighten its ROI threshold for its metasearch partners (TRIP and trivago) in order to fund a television brand campaign. Priceline's new focus on owning the customer relationship was one of the principal reasons we increased our ownership in TRIP as the price declined. The company has hundreds of millions of loyal users with the opportunity to become a one-stop-shop in the travel vertical. The reality of Priceline's decision, however, blunted the recovery in TRIP's hotel business, pushing the stock to incredibly low valuation levels and removing the catalyst we saw for monetisation of the idea. The price action in the stock is a terrible reminder of the nature of the "haves" and "haves not" equity market we find ourselves in. Simply put, in many cases, no price is too high for stocks that are working and no price is too low for things that are not. We hope to be the first to admit when we are wrong and we certainly got the timing wrong here. However, our due diligence was thorough, each angle was contemplated, and we accept that the outcome was not as we anticipated. We have lowered the position accordingly.

Another detractor was **Global Eagle Entertainment, Inc. (ENT)** (-69.8%), a leading provider of content and connectivity services to commercial aerospace and maritime markets. The company was a relatively small position in light of the number of acquisitions the business had undertaken to truly build out its platform of services and benefit from the economies of scale that come with it. However, the management team failed to undertake the necessary steps to integrate certain acquisitions, which delayed its financial filings, a fact that was punished severely by the market. The board promptly replaced the CEO and CFO and the new management team is now on a path to fixing its reporting woes. The company recently filed its delayed 10k and we sincerely hope that better news is ahead.

We had some victories over the period such as **Interactive Intelligence Group, Inc. (ININ)**, being acquired at a substantial premium. **Incyte Corporation (INCY)**, a biotechnology company, catapulted from our mid-teens purchase price a few years ago to >\$120 per share, achieving a >\$20 billion market capitalisation. Having watched our thesis unfold, we exited this high cap name. We sold **Laboratory Corporation of America Holdings (LH)**, which we acquired a small position in when long time holding, Covance, a contract research organisation for biotechnology and pharmaceutical companies, was bought in a cash and stock deal as it reached our price targets. We eliminated **Expedia, Inc. (EXPE)**, the online travel agency, when it neared our price target and the company announced that its CEO was leaving to run Uber. We again acquired the company after it purchased our holding in **HomeAway, Inc. (AWAY)**, a leader in online vacation rentals. We sold **CoStar Group, Inc. (CSGP)**, the leading provider of commercial real estate data and analytics, after our thesis fully played out over many years. We sold **Novadaq Technologies Inc. (NVDQ)**, a medical imaging business, upon its acquisition by Styker.

As previously mentioned, we acquired sixteen new positions - four health care, five consumer discretionary, three technology, two financials, and one industrial name. In the interest of brevity, we will only highlight a few examples. In health care, we bought **Catalent Inc. (CTLT)**, a provider of advanced delivery technologies and development solutions for drugs and consumer health products. We took advantage of a lacklustre quarter met by an overly severe market reaction to acquire the stock at our targeted price point. We were happy that our patience was rewarded as CTLT was the 5th largest positive contributor to relative results despite its short tenure in the portfolio. In consumer discretionary, we purchased **Liberty Interactive Corporation Ventures (LVNTA)**, which

INVESTMENT MANAGER'S REPORT**Brown Advisory US Small Cap Blend Fund (continued)**
For the year ended 31st October, 2017

is a proxy for ownership in Charter Communications and other assets. Our team determined that the underlying value of the equity was trading at a discount and would ultimately appreciate to reflect true value as growth in the underlying businesses materialised. The stock has already been a solid contributor. In technology, **Appian Corp (APPN)** is a provider of business process management (BPM) solutions. Its low-code software enables rapid and more cost effective custom application development, a platform that may be on the cusp of broader adoption as more applications move to the "cloud". This small position was complemented by another software company, **Blackline Inc. (BL)**, a provider of financial close automation software to mid- and large-enterprises. Its cloud based solution offers the promise of "continuous accounting", which enables greater visibility into real-time financial performance with the side benefit of streamlining processes, saving time and money. Within financials, we made two new investments; **BankUnited, Inc. (BKU)** and **Webster Financial Corporation (WBS)**. Bank United is a bank holding company whose earnings power is masked by the run-off of a credit crisis era portfolio. We believe we are acquiring a conservative, well-managed bank with better than average growth prospects at a lower than average valuation. Webster Financial Corporation operates through four segments: commercial banking, community banking, HSA bank and private banking. The company's ownership of HSA Bank, the largest provider of HSA deposit services, represents a consistent flow of low cost funds to grow the business, a competitive advantage that will be of increasing importance in a rising rate environment. Finally, **BWX Technologies, Inc. (BWXT)** is a leading supplier of nuclear components and fuel to the U.S. government. It also provides technical, management and site services to support governments in the operation of complex facilities and environmental remediation activities. It also supplies precision manufactured components and services for the commercial nuclear power industry. The company is largely a sole source supplier to the U.S. for critical defense force structure needs. We believe BWXT has a large moat that protects its long-term profit generation potential.

Our goal is to build an all-weather portfolio through a diverse collection of long-term holdings, offering the ability to compound earnings at a high rate due to their unique business attributes and large addressable market opportunities. We strive to determine an eclectic list of companies driven by discrete idiosyncratic factors. We believe volatility will emerge over time and we have many high quality companies in which we are eager to invest at the right price. By maintaining a strong team, sound process and deep list of well researched smaller companies, we strive to generate solid absolute and relative results over the long-term.

Small-Cap Value (50%):

Small-caps have continued to rally on heightened optimism about potential tax cuts out of Washington. Time will tell if this optimism is warranted.

The most notable sector contributing to our outperformance during the 1 year time period was within industrials (our names performing 61% vs the Russell 2000 Value's 37%). In particular, **Albany International Corp. (AIN)**, **Kadant Inc. (KAI)**, **McGrath RentCorp (MGRC)** and **Federal Signal Corporation (FSS)** all posted positive returns during the year due to a combination of strong operating performance, successful integration of acquisitions and multiple expansion. Our energy holdings also did well, due to the strong operating performance generated by our investment in **Par Pacific Holdings Inc. (PARR)**, a Hawaiian based refinery, and the market's growing understanding of the value of Linn Energy's assets.

We have several investments that were impacted, or will be impacted, by the flooding in Texas and the hurricanes in Florida and the Caribbean this past August. **ATN International's (ATNI)** wireline business in the U.S. Virgin Islands was heavily impacted. **Assurant, Inc. (AIZ)** insures homes throughout Florida and Texas through its extensive forced place insurance business. While the losses have not been insignificant, the bulk of their exposure will be covered by their extensive reinsurance program. Assurant also happens to be one of the largest administrators of flood insurance which should generate a positive, albeit smaller, impact from that business line. **Altisource Residential Corp. (RESI)** has a number of rental homes in both Florida and Texas that were impacted. Finally, **Xenia Hotels & Resorts, Inc. (XHR)** owns a hotel property in Key West. While the property damage is not significant and the hotel does hold property and business interruption insurance, the impact of a lack of tourists could be pronounced for some time. Xenia's properties in Orlando, Savannah, Atlanta, Birmingham and Charleston did not experience any significant damage. Conversely, **Continental Building Products, Inc. (CBPX)** has a facility in Florida that is one of the largest wallboard plants in the Southeast. The good news is that it is

INVESTMENT MANAGER'S REPORT

Brown Advisory US Small Cap Blend Fund (continued)

For the year ended 31st October, 2017

located on the eastern side of Florida (so no damage), and the increased demand for wallboard should support recent price increases.

During the period, the Fund added fourteen investments and exited ten positions in total. Four of the new holdings were in consumer, two in energy, five in financials, one in technology, one industrial and one in real estate. The sales were across a variety of sectors; four in consumer, one in energy, three in financials, one in health care, and one in real estate.

Albany International (+50.2%) was the largest individual contributor to performance during the period due to performance size (largest holding) as well as its solid 2Q 2017 earnings report. Albany reported second-quarter earnings in line with investor expectations, and the company raised guidance for both of its divisions for the full year. Another contributor to performance was **Kadant** (+122.5%). Kadant continued its strong 2017 performance by reporting quarterly earnings well above expectations, and raising guidance for the second time in as many quarters. The company's recent acquisition of NII Forest Products Group is tracking according to plan and in mid-August the company announced another small tuck-in acquisition that we believe will be highly accretive and complementary to its existing fluid handling line. **Primerica, Inc. (PRI)** (+63.4%) was another top performer during the period. The company released strong quarterly results and increased its quarterly dividend. Investors still expect business-friendly regulatory reform from Washington, which is buoying financials. Another contributor to performance was **Synovus Financial Corp. (SNV)** (+43.6%) which saw strength as the financial services sector, and banks specifically, strongly outperformed the broader indexes following the election. The outperformance was driven by large inflows into the sector following what was an uneventful year from a fundamental perspective, as investors speculated that banks would benefit from a rising-rate environment under the Trump administration.

The largest detractor to performance was **ATN International** (-18.4%). The company's EBITDA in 2017 will be lower due to the company's telecom presence in areas affected by hurricanes Irma and Jose, most notably the U.S. Virgin Islands. In addition, the company cut its dividend in half in order to give itself more flexibility for internal investment, M&A and stock repurchases. **Cato Corporation (CATO)** (-53.7%) underperformed during the period after reporting weaker-than-expected same store sales. **Altisource Residential Corp. (RESI)** (-3.4%) stock fell during the period following news that Hurricane Harvey was to make landfall in the United States, followed soon by Hurricane Irma. Approximately 20% of the company's rental home portfolio is located in either Houston or Florida.

While we have a robust pipeline of new ideas, it is heavily weighted towards investments that need to see some price decline in order to meet our return objectives. We are keenly interested in the upcoming earnings season to give us a better indication of economic activity. Given the continued high valuation of the markets, we are approaching the start of 2018 with caution.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Flexible Equity Fund
For the year ended 31st October, 2017

For the financial year, the **US Flexible Equity Fund** Class B USD returned 25.11% outperforming the 23.63% return for the S&P 500 Index.

The twelve-month results reflect a very favourable environment for equities—low interest rates, general economic expansion and business, investor and consumer confidence that is rising or already high. We see no immediate reason for this to change—indeed global economic growth seems to be strengthening and the list of stocks hitting new highs is quite long. However, history shows that markets and environments do change, sometimes due to market dynamics and sometimes due to world events which had not previously been fully incorporated into market levels. Neither of these is predictable.

Owning stocks of quality companies at sensible prices is a wise investment over time. However, owning them without the disposition and financial capacity to keep or add to them in less favourable environments can present problems if you are not prepared for market shifts when they occur. Our message is not that markets are headed down, but if markets heading down would cause distress, now, when prices are up, is the time to prepare for that.

The imperative of modern portfolio management structures constrains managers, including us, from holding large amounts of cash in our equity portfolios. Clients hire us to invest in equities, we are benchmarked against an Index that has no cash component, and cash is a low returning asset in the long-term relative to equities. The facts that we are in the markets for the long haul, we cannot predict the timing of market moves, and we can create gains (for taxable clients) also explain this imperative. We have a little bit of cash in reserve to facilitate trading and a little more that is a reserve, but never a large amount.

The valuation of stocks is high today compared to its history, but not so high relative to the still very low interest rates. The median stock (with earnings) trades for about 19 times estimated earnings. At the market low in 2009, this number was about 10 times and a historical median is about 15 times. But valuations need to be looked at relative to their alternatives and 19 times for stocks is low in comparison to the P/E equivalent of 43 times the coupon of a 2.3% yield on a 10-year U.S. Treasury bond. The bond yield too is low historically and with the U.S. Federal Reserve in the process of normalising interest rates, we suspect it will go higher. But the 2.3% rate in the U.S. is high relative to interest rates in Germany and Japan, which are near zero. The valuation puzzle for equities is how much higher bond rates (pushed up by a tightening Federal Reserve though possibly constrained by low foreign interest rates) may go and when? Valuations usually don't set the direction of market moves, but they can help indicate the potential size of a move once it starts.

The Flexible Equity portfolio has a bias to benefit from higher interest rates should they continue to rise through our exposure to banking companies. The spread between what banks earn on their loans and securities and pay for their deposits has been depressed by the long period of low interest rates. An expansion in this spread should lead to faster earnings growth, higher returns on capital and stir more interest in a group we view as undervalued and giving a favourable risk versus return prospect. The financials sector was the strongest contributor to the portfolio's results for the year compared to the S&P 500 Index due to both our higher sector weighting and higher return.

The biggest individual contributors to the Fund's results in the twelve month period ended 31st October, 2017 were **CarMax, Inc. (KMX)** (+ 50.4%), a leading auto retailer; **Visa, Inc. (V)** (+ 34.3%), a global payments processor; **Ameriprise Financial, Inc. (AMP)** (+ 81.9%), a diversified financial services company; **Berkshire Hathaway Inc. (BRK.B)** (+29.6%), a diversified industrial and insurance company and **Mastercard Inc. (MA)** (+40.0%) a global payments processor. These top contributors benefited from good business results and rising valuations.

The most significant detractors to the Fund's performance in the twelve month period were **Teva Pharmaceutical Industries Ltd. (TEVA)** (-43.0%), a generic and branded pharmaceutical company; **QUALCOMM (QCOM)** (-22.9%), a wireless communications company; **Chipotle Mexican Grill (CMG)** (-24.6%), a fast casual restaurant; **Occidental Petroleum Corp. (OXY)** (-7.0%) an integrated energy company and **Kinder Morgan Inc. (KMI)** (-9.1%), an energy pipeline company. The worst performing stocks declined due to company specific issues. Lower commodity prices negatively impacted our energy holdings. The health care sector was the biggest detractor to results due to both our lower sector weighting and lower return relative to the S&P 500 Index.

INVESTMENT MANAGER'S REPORT

Brown Advisory US Flexible Equity Fund (continued)
For the year ended 31st October, 2017

We added three new holdings, **Delta Air Lines, Inc. (DAL)**, **Nomad Foods Ltd. (NOMD)** and **Suncor Energy Inc. (SU)**, and eliminated two, **Express Scripts Company (ESRX)** and **Teva Pharmaceuticals Industries Limited (TEVA)**, since the semi-annual report to shareholders in April 2017.

In **Delta**, our thesis is airline industry consolidation is leading to improved long-term profit prospects and less cyclicalality than the past. Delta also has a comparatively low valuation reflecting skepticism over whether the future will indeed be different than the past. **Nomad Foods** manufactures and sells frozen foods in Europe and is led by a successful businessman and capital allocator. We believe our investment will grow in value if the management team is able to turn around the existing business, which lagged in 2016 and early 2017, and if they are able to execute on adjacent bolt-on acquisitions. **Suncor Energy**, a Canadian integrated energy company, specializes in production of synthetic crude from oil sands. We believe Suncor has a superior business model, strong fundamentals and management focused on the right things: cost reduction, optimising capex and smart capital allocation. We see strong upside potential with rising oil prices.

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Our notes from the 2017 Berkshire Hathaway shareholders meeting, a meeting that members of the Flexible Equity team have attended for over 30 years can be found at www.browнадvisory.com/en/content/2017-berkshire-hathaway-annual-shareholder-meeting. Berkshire is a large holding in our portfolio and we always learn from attending the meeting and hope you will profit from these notes as well.

We search for investment bargains among long-term attractive businesses with shareholder-oriented management. These businesses typically have competitive advantages that produce good economic results, managers who allocate capital well, capacity to adjust to changes in the world, and the ability to grow in value over time. Bargains in these types of stocks arise for many reasons, but are often due to short-term investor perceptions, temporary business challenges that will improve, as-yet-undiscovered or unrecognized opportunities, and company or industry changes for the better. Despite the occasional investment that will go awry, we are optimistic about the long-term outlook for equities of good companies purchased at reasonable prices and our ability to find them.

INVESTMENT MANAGER'S REPORT

Brown Advisory Global Leaders Fund

For the year ended 31st October, 2017

For the financial year, the **Global Leaders Fund** Class C USD returned 28.13% outperforming the 23.39% return for the Russell Global Large-Cap Net Total Return Index.

The Global Leaders Fund invests in market-leading companies from across the globe that deliver exceptional customer outcomes. We believe that companies that combine a superior outcome for their customers with strong leadership can generate high and sustainable returns on invested capital (ROIC), which leads to outstanding shareholder returns. This "win-win" firstly for customers and ultimately for shareholders is fundamental to us but is not easily achieved. We are long-term focused and look for franchises that can compound excess economic profit at above market growth rates for extended periods of time. We believe that a concentrated low-turnover portfolio of global leaders will produce attractive risk-adjusted returns for our clients.

We are bottom-up stock-pickers and invest in companies and management teams, not countries, economies or macro factors. We are primarily focused on how a company makes its money, its business model, and where it makes its money: the market that it sells its goods or services into. Accordingly our sector and country allocation is very much an output of the business models that we choose to invest in and the end markets they are exposed to. The Fund's regional gross revenue, which we think is a good indicator of the underlying economics of the strategy, is split 44% to North America, 28% to Europe and 24% to the Rest of World, which is predominately Asia, with the balance being in cash. We are intently focused on the endmarkets that we are exposing our clients to and we continue to be active searching the four corners of the globe for special customer-focused companies that we feel are mispriced by the equity markets.

The strategy retains its quality bias with sector allocation primarily being an output of our stock-picking. Accordingly we continue to have no exposure to four sectors, REITs, telecommunication services, utilities and energy, where we have been unable to find companies that satisfy our strict investment criteria. Performance during the period was driven by a broadly equal combination of stock selection and allocation. Indeed the strategy benefitted from having no exposure to the four aforementioned sectors which is a turn of events from the previous annual reporting period and serves as a good reminder that a year is still an incredibly short period of time in investment. On the positive front stock-picking resulted in positive contributions from consumer staples, financials, industrials and information technology. Conversely, consumer discretionary was the only sector that detracted from performance during the period.

At company level the biggest detractors were **Sun Pharmaceutical Industries Limited (658248)** (-21.2%), **Aurelius Equity Opportunities (B17NLM)** (-39.1%), **Novozymes (B798FW)** (-12.7%), **CTS Eventim (588185)** (-4.9%) and **Deutsche Boerse (702196)** (-4.3%). The biggest positive contributors were **Microsoft (MSFT)** (+42.1%), **Sherwin-Williams Company (SHW)** (+63.2%), **JPMorgan Chase & Co (JPM)** (+48.5%), **Unilever PLC (B10RZP)** (+39.0%) and **Safran (B058TZ)** (+59.0%).

During the year the Fund added new positions in eight companies in the U.S., Germany, France, Japan and the U.K. These were across the industrial, consumer discretionary and financial sectors. We also exited eight names leaving 33 holdings with investments in the U.S., Europe and Asia at the end of October 2017. One example of a new position is **Safran (B058TZ)**. Safran enjoys a 75% share of the narrow-body jet engine market through its CFM International joint venture with General Electric. In our opinion the French company has one of the best business models in Europe as each engine has to be overhauled at set intervals under aviation regulations which generates a highly visible and durable stream of cash flows. In addition, Safran is currently transitioning customers to the new LEAP engine which boasts a 15% fuel saving relative to the legacy engine and the LEAP order book promises to keep generating cash flows for Safran into the 2050s. One notable example of a company that we eliminated is **Sun Pharmaceutical (658248)** which we sold following an extensive review that was triggered in our drawdown process. We were initially attracted to Sun Pharmaceutical's position in the U.S. and Indian generic pharmaceuticals markets and their opportunity for internal self-help. To combat loss aversion we have an automatic review process where we reappraise an investment thesis once a company's shares fall 20% below our entry price. In the case of Sun Pharmaceuticals we felt that the negative price action was largely warranted due to a narrowing economic moat and heightening competition that was impacting their U.S. generic business. In this instance we felt that the original investment thesis had been compromised and we decided to recycle the capital into more attractive opportunities elsewhere.

INVESTMENT MANAGER'S REPORT

Brown Advisory Global Leaders Fund (continued)

For the year ended 31st October, 2017

Although we saw a significant amount of change this year we remain encouraged that the operational performance of our companies remains robust and that the aggregate valuations for the portfolio are attractive. Given these qualities we were rewarded with outperformance during the period and whilst gratifying we would encourage our investors to focus on the long-term and the ability of our investments to compound their excess economic returns at above market growth rates for many years to come. We believe that regardless of short-term political and economic vicissitudes a concentrated low-turnover portfolio of global leaders will produce attractive long-term risk-adjusted returns for our clients.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Mid-Cap Growth Fund
For the period ended 31st October, 2017

In the period from the 3rd April, 2017 to the 31st October, 2017 since the fund's inception, the US Mid-Cap Growth Fund Class C USD returned 12.20% vs. 12.81% for the Russell Midcap Growth Index.

We focus on generating superior *risk-adjusted* returns through stock selection and downside protection over multi-year periods. The strategy that governs this Fund has a nearly six-year funded track record showing lower volatility than its benchmark and attractive downside protection. As such, we are happy with strong absolute returns over this short seven-month period and the Fund's ability to nearly match the healthy gains of its benchmark. Given our three-to-five year investment time horizon, we'll keep our comments in this letter brief and expand upon portfolio positioning, performance, and market conditions in future writings.

During the last seven months, we believe the market environment provided neither a tailwind nor a headwind for our relative returns. U.S. equities marched higher driven by a solid economic backdrop and fiscal policy gains. Mid-cap valuations (as measured by the Russell Mid Cap Growth Index forward price-to-earnings ratio) have risen above their historical averages, but not to extremes. Since the 3rd April, 2017, U.S. large-cap stocks slightly out-paced small-caps. A wide range of sectors - both cyclical (materials and producer durables) and traditional growth (technology and health care) - drove returns within our benchmark. Generally, while stock-selection explains the majority of the strategy's historical results, we believe our approach benefits when small-caps out-pace large-caps and traditional growth sectors drive market returns.

From a sector perspective, underperformance in the health care, information technology and materials verticals offset broad gains in the consumer discretionary, staples, energy, financial services, producer durables and utilities sectors.

Catalent Inc. (CTLT) (+50.4%), a leading contract manufacturer of pharmaceutical dosage forms, was the largest contributor to performance during the period. The company remedied issues that dampened profits several quarters ago and is now surprising investors with profitable growth in multiple divisions. CTLT's valuation (and stock price) also benefited from acquisition activity in the pharmaceutical services space this year. We still like Catalent because we suspect its biologics division will become a larger part of the firm's business mix, lifting growth, margins and ultimately Catalent's return-on-capital profile.

Waste Connections, Inc. (WCN) (+20.6%), a leading provider of waste disposal services and our largest position, was the second-best contributor over the past seven months. The company's strategy of consistent focus on less competitive markets has provided it with ample pricing power, high margins and strong free cash flow generation over the last decade. Recently, a solid U.S. economy and its financially-attractive and synergistic acquisition of Progressive Waste has powered the stock to all-time highs. Despite its run, the cash generation of the business has been impressive, underpinning its valuation.

DexCom, Inc. (DXCM) (-46.9%), the leading maker of continuous glucose monitors used by diabetics, was the largest drag on performance over the last seven months. DXCM shares took a hit in September after the FDA approved Abbott's competing glucose monitor (dubbed "FreeStyle Libre") with a better label than we (and most others) expected. While shares have recovered some of their losses, this could be a meaningful change and we are monitoring Abbott's introduction of the Libre closely.

Chipotle's (CMG) (-39.0%) stumbles also dampened the Fund's returns. In July, several customers contracted norovirus from one of the burrito chain's Virginia restaurants. Media coverage of this incident led to decreased traffic across its footprint and it squashed a nascent but sluggish recovery from prior issues.

During the period, the Fund added eight investments and exited nine positions while maintaining a low turnover rate consistent with its history and investment time horizon. Three of the new holdings were in information technology, three in industrials, one in materials and one is in the financial services industry. While in disparate parts of the market, there is a common thread. All of our new positions fit our "3G" philosophy—which focusses on durable growth, sound governance, and scalable go-to-market strategies. Also, for each investment we formed a highly-specific thesis as to why attractive "3G" traits will exist long into the future.

INVESTMENT MANAGER'S REPORT

Brown Advisory US Mid-Cap Growth Fund (continued)

For the period ended 31st October, 2017

For instance, we built a position in video-game-maker **Electronic Arts Inc. (EA)** because the industry has attractive secular growth prospects, competition has dwindled, and most importantly, we think a shift to digital sales will drive margins and return-on-capital higher in the future. We also built a position in **BWX Technologies, Inc. (BWXT)**, the sole supplier of nuclear components and fuel to the U.S. government for submarines and aircraft carriers. We believe BWX has a large moat that protects its long-term profit generation potential. Most importantly, we think the U.S. Navy may increase its vessel order rate and that BWX's content on a new class of submarine will be higher than most anticipate.

We sold positions across a variety of sectors - one in health care, five in consumer and three industrials. We sell holdings for three reasons. Since we operate a valuation-sensitive growth strategy, if a stock price breaches our price target, we reassess the data used to set our objective and trim if necessary. We sold **Orbital ATK, Inc. (OA)** and trimmed a number of holdings in the financial services sector due to valuation in the last seven months. Exogenous factors, like mergers & acquisitions, can spark a change. We exited our position in **Panera Bread (PNRA)**, for instance, because it was bought by JAB Holding Co. Finally, if empirical data proves our predictions wrong, we "re-underwrite" a position as if we didn't own it and usually take action (buying or selling). We exited **Expedia Inc. (EXPE)** and **Dentsply Sirona, Inc. (XRAY)** due to waning fundamentals earlier this year.

We remain committed to achieving attractive risk-adjusted returns over a full market cycle by owning a diversified portfolio of companies that we believe could one day grow much larger. We thank you for your support and interest, and look forward to updating you in more detail in our next update.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Sustainable Growth Fund
For the period ended 31st October, 2017

In the period from the 3rd April, 2017 to 31st October, 2017 since the fund's inception, the **US Sustainable Growth Fund** Class C USD returned 16.10% vs. 15.33% for the Russell 1000 Growth Index.

As of the date of this writing, the current global economic backdrop is favourable for risk-bearing asset classes. The major economies around the world are expanding, inflation remains dormant and interest rate policy is accommodative. Investors continue to reward stocks with increasingly higher multiples. While the macro economic outlook remains fluid and is arguably increasingly uncertain, our focus is unchanged. We seek to identify fundamentally superior companies that are using sustainable strategies to drive strong financial performance. We are disciplined on valuation and avoid chasing momentum-led stories. Given the recent rise in valuation multiples we have uncovered fewer companies that meet our criteria (due almost exclusively to stretched valuation), and our turnover has fallen as a result.

The Fund benefitted from strong stock selection in health care and information technology. Weakness in industrials partially offset the strong results. Among the eleven major economic sectors, all but three positively contributed to performance. Information Technology was the second best performing sector during the period (after utilities) and the Fund's relative overweight helped drive the positive outcome. Similarly, the Fund's underweight to consumer staples and consumer discretionary was a positive contributor. Going forward, we seek to add value primarily through stock selection given we build our portfolio from the bottom up and do not take a top down view on any sector.

During the period, three of the top five stocks that contributed to performance were information technology companies - **Adobe Systems Inc. (ADBE)** (+34.6%), **Microsoft Corporation (MSFT)** (+27.7%) and **Red Hat, Inc. (RHT)** (+39.7%). Adobe is a leading provider of digital creative tools and marketing analytics for web developers. Over the past few years the company has become a one-stop-shop for commercial enterprises seeking to move their businesses online. At its most recent investor event, Adobe issued 2018 financial guidance that was well above consensus and the stock responded positively. Microsoft also positively surprised investors with very strong results from its public cloud business, Azure. Red Hat's steady growth in its flagship enterprise LINUX operating system software offering continues to defy the skeptics and stock has responded well to the strong, consistent results. Rounding out the top five contributors, **UnitedHealth Group's (UNH)** (+29.2%) Optum business posted good growth and margin expansion while **Visa Inc. (V)** (+24.3%) continues to benefit from the move in payments away from cash and checks.

Partially offsetting the impressive results from the top five contributors, were disappointing performances from **Middleby Corporation (MIDD)** (-15.1%), **Akamai Technologies, Inc. (AKAM)** (-16.0%), **Acuity Brands, Inc. (AYI)** (-14.9%), **TJX Companies Inc. (TJX)** (-11.0%) and **TreeHouse Foods, Inc. (THS)** (-12.4%). Middleby's commercial cooking equipment unit has posted uncharacteristically low growth over the last few years driven by a slowdown in spending from its top restaurant customers. We believe, Middleby, through its innovative technology, remains a key revenue and productivity enabler to commercial kitchens. Spending is likely to occur in the near future as restaurants refresh their menu options to drive growth. Akamai's content delivery business slowed dramatically as key customers stopped using the company's network and began providing their own service. Acuity Brands' growth has been negatively affected by end-market conditions and rising competition in commercial lighting. We sold Akamai and Acuity during the period as we do not see these negative trends reversing. We also eliminated our position in Treehouse Foods given the increasingly difficult conditions in the retail food industry. TJX's comparable store sales has been weak recently but we still believe that the company's value proposition is intact and these trends should reverse.

We added two new names to the strategy in the time period: **Monolithic Power Systems, Inc. (MPWR)** and **Nordson Corporation (NDSN)**. Monolithic Power provides energy-efficient power management chips for fast-growing electrical products markets such as automotive, industrial and computing. Monolithic Power has created a compelling platform technology that can serve many different end-markets and offers programmability which can reduce elements of chip development time from weeks or even months, to a few hours.

Nordson is the undisputed leader in precision dispensing systems used in high-speed manufacturing plants. Its precision technology helps customers save money on expensive materials and reduces bottlenecks in their manufacturing processes. Over the last ten years, management has worked to reduce dependence on cyclical end-markets such as semiconductors and to broaden the portfolio into less-volatile industries such as health care.

INVESTMENT MANAGER'S REPORT

**Brown Advisory US Sustainable Growth Fund (continued)
For the period ended 31st October, 2017**

The company has raised its dividend every year for the last fifty years, a fact that offers a strong signal of the strength of its business model.

The new positions were funded by re-allocating capital from the elimination of **TreeHouse Foods, Inc. (THS)**, **Akamai Technologies, Inc. (AKAM)** and **Acuity Brands, Inc. (AYI)** as discussed previously. In addition, we eliminated our small positions in **NXP Semiconductors (NXPI)** and **Nike, Inc. (NKE)** both of which we began to exit late last year when Qualcomm announced its intention to acquire NXP, and as the competitive landscape for Nike has intensified markedly since we initiated our position back in 2011.

Brown Advisory's US Sustainable Growth Fund seeks companies with outstanding business models and sustainability drivers that directly benefit financial performance by specifically driving revenue growth, cost improvements and enhanced franchise value. We believe that the U.S. Sustainable Growth Fund has a distinct competitive advantage in the marketplace with an attractive long-term performance track record. The strategy was launched in 2009 so we are now pleased to be able to offer it to investors as a UCITS fund. Our process targets attractive performance combined with sustainable investing, and our track record proves you can have both.

Our stock selection is ultimately tested against back end screens to avoid certain controversial business involvement. The Fund has:

- 0% exposure to companies that defy the UN Global Compact Principles
- 0% exposure to companies that conduct animal testing for non-medical purposes
- 0% turnover (by company) from controversial weapons
- 0% exposure to fossil fuels, companies that own fossil fuel reserves or companies that are utilities that generate power from fossil fuels
- <3% turnover (by company) from adult entertainment
- <5% turnover (by company) from military equipment
- <5% turnover (by company) from alcohol
- <5% turnover (by company) from tobacco products
- <5% turnover (by company) from gambling

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROWN ADVISORY FUNDS PLC

Report on the audit of the financial statements

Opinion

In our opinion, Brown Advisory Funds Plc's financial statements:

- give a true and fair view of the Company's and funds' (as listed on page 3) assets, liabilities and financial position as at 31 October 2017 and of their results for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and promulgated by the Institute of Chartered Accountants in Ireland and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the statement of financial position of the company and each of its funds as at 31 October 2017;
- the statement of comprehensive income of the company and each of its funds for the year then ended;
- the statement of changes in net assets attributable to holders of redeemable participating shares of the company and each of its funds for the year then ended;
- the statement of investments for each of the funds as at 31 October 2017; and
- the notes to the financial statements for the Company and for each of its funds, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by IAASA's Ethical Standard were not provided to the Company.

Other than those disclosed in note 21, we have provided no non-audit services to the Company in the period from 1 November 2016 to 31 October 2017.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROWN ADVISORY FUNDS PLC (continued)

Our audit approach

Overview



Materiality

- Overall materiality: 0.5% of Net Assets Value ("NAV") at 31 October 2017 for each of the Company's funds.

Audit scope

- The Company is an open-ended investment Company with variable capital and engages Brown Advisory LLC (the "Manager") to manage certain duties and responsibilities with regards to the day-to-day management of the Company. We tailored the scope of our audit taking into account the types of investments within the funds, the involvement of the third parties referred to below, the accounting processes and controls, and the industry in which the Company operates. We look at each of the funds at an individual level.

Key audit matters

- Existence and valuation of financial assets and liabilities at fair value.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of financial assets and liabilities at fair value</i></p> <p>The financial assets and liabilities at fair value included in the Statement of Financial Position of each fund are measured at fair value in line with Generally Accepted Accounting Practice in Ireland.</p> <p>See Statement of Investments for each fund. The majority of investments held by the funds are disclosed as Level 1 and Level 2, with one immaterial Level 3 investment held in three of the funds.</p> <p>We focus on the existence and valuation of investments because they represent the principal element of the financial statements.</p>	<p>We obtained independent confirmation from the Depositary and counterparties of the investment portfolio held at 31 October 2017, reconciling the amounts confirmed to the accounting records.</p> <p>We tested the valuation of all investments by independently agreeing the valuation to third party pricing vendors.</p> <p>In addition to the valuation work performed, we have further considered the types of investments held and how they are valued, noting the levelling disclosures are in line with Generally Accepted Accounting Practice in Ireland.</p> <p>No issues were identified from the performance of these procedures.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROWN ADVISORY FUNDS PLC
(continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As at 31 October 2017 there are 8 funds operating. The Company's statement of financial position, statement of comprehensive income, and statement of changes in net assets attributable to holders of redeemable participating shares are an aggregation of the positions and results of the funds.

The directors control the affairs of the Company and are responsible for the overall investment policy which is determined by them. The Company engages the Manager to manage certain duties and responsibilities with regards to the day to day management of the Company. The Manager has delegated certain responsibilities to Brown Advisory LLC (the 'Investment Manager') and to Brown Brothers Harriman Fund Administration (the 'Administrator'). The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the Administrator. The Company has appointed Brown Brothers Harriman Trustee (the "Depository") to act as Depository of the Company's assets. In establishing the overall approach to our audit we assessed the risk of material misstatement at a fund level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements of each of the Company's funds as follows:

<i>Overall materiality and how we determined it</i>	0.5% (2016: 0.5%) of Net Assets Value ("NAV") at 31 October 2017 for each of the Company's funds.
<i>Rationale for benchmark applied</i>	We have applied this benchmark because the main objective of the Company is to provide investors with a total return at a fund level, taking account of the capital and income returns.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above 5 basis points of each fund's NAV, for NAV per share impacting differences (2016: 5 basis points of each fund's NAV, for NAV per share impacting differences) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's and funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's and funds' ability to continue as going concerns.

Reporting on other information

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROWN ADVISORY FUNDS PLC
(continued)**

material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

Directors' Report

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 October 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Corporate governance statement

- In our opinion, based on the work undertaken in the course of the audit of the financial statements, the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with section 1373(2)(c) of the Companies Act 2014.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.
- In our opinion, based on the work undertaken during the course of the audit of the financial statements, the information required by section 1373(2)(a),(b),(e) and (f) is contained in the Corporate Governance Statement.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROWN ADVISORY FUNDS PLC
(continued)**

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Companies Act 2014 exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the directors on 22 July 2014 to audit the financial statements for the year ended 31 October 2014 and subsequent financial periods. The period of total uninterrupted engagement is 4 years, covering the years ended 31 October 2014 to 31 October 2017.

Joanne Kelly
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
12 February 2018

STATEMENT OF INVESTMENTS

Brown Advisory US Smaller Companies Fund

As at 31st October, 2017

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Consumer Discretionary 15.07% (31st October, 2016: 13.07%)				
	113,329	Bright Horizons Family Solutions Inc	9,780,293	3.10%
	277,709	Carrols Restaurant Group Inc	3,124,226	0.99%
	61,636	Carvana Co Class A	873,998	0.28%
	163,478	Clarus Corp	1,193,389	0.38%
	148,297	Core-Mark Holding Co Inc	5,050,996	1.60%
	475,681	Global Eagle Entertainment Inc	1,155,905	0.37%
	183,651	Habit Restaurants Inc Class A	2,258,907	0.72%
	108,569	Liberty Media Corp-Liberty Formula One Class A	3,951,912	1.25%
	613,383	Liberty TripAdvisor Holdings Inc Class A	6,624,536	2.10%
	92,521	Liberty Ventures Class A	5,269,996	1.67%
	169,701	Lindblad Expeditions Holdings Inc	1,819,195	0.58%
	75,027	MakeMyTrip Ltd	2,048,237	0.65%
	52,971	Papa John's International Inc	3,604,677	1.14%
	20,156	TripAdvisor Inc	755,850	0.24%
			47,512,117	15.07%
Consumer Staples 2.82% (31st October, 2016: 2.45%)				
	42,021	Casey's General Stores Inc	4,814,346	1.53%
	37,070	PriceSmart Inc	3,106,466	0.98%
	14,796	TreeHouse Foods Inc	982,159	0.31%
			8,902,971	2.82%
Financials 5.18% (31st October, 2016: 2.16%)				
	134,902	BankUnited Inc	4,701,335	1.49%
	138,607	ConnectOne Bancorp Inc	3,721,598	1.18%
	55,275	Prosperity Bancshares Inc	3,635,989	1.16%
	77,524	Webster Financial Corp	4,263,045	1.35%
			16,321,967	5.18%
Health Care 15.45% (31st October, 2016: 14.87%)				
	52,675	Accelaron Pharma Inc	2,054,325	0.65%
	32,583	Agios Pharmaceuticals Inc	2,094,109	0.66%
	89,801	Alder Biopharmaceuticals Inc	1,010,261	0.32%
	31,894	BeiGene Ltd	2,943,816	0.93%
	28,143	Cambrex Corp	1,217,185	0.39%
	220,956	Catalent Inc	9,410,516	2.99%
	78,752	Charles River Laboratories International Inc	9,158,070	2.91%
	67,923	Coherus Biosciences Inc	764,134	0.24%
	162,786	Cotiviti Holdings Inc	5,723,556	1.82%
	91,301	Dyax Corp**	101,344	0.03%
	56,952	Henry Schein Inc	4,476,427	1.42%
	8,988	IDEXX Laboratories Inc	1,493,536	0.47%
	54,458	Jounce Therapeutics Inc	762,412	0.24%
	51,123	Medidata Solutions Inc	3,845,983	1.22%
	30,077	Neurocrine Biosciences Inc	1,868,083	0.59%
	38,923	Ultragenyx Pharmaceutical Inc	1,793,961	0.57%
			48,717,718	15.45%
Industrials 21.51% (31st October, 2016: 21.37%)				
	11,615	BWX Technologies Inc	695,971	0.22%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Smaller Companies Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Industrials 21.51% (31st October, 2016: 21.37%) (continued)				
	103,495	ESCO Technologies Inc	5,997,535	1.90%
	120,640	Healthcare Services Group Inc	6,380,650	2.02%
	71,747	HEICO Corp	6,506,018	2.06%
	116,957	Hexcel Corp	7,098,120	2.25%
	42,652	IDEX Corp	5,468,413	1.74%
	165,620	KeyW Holding Corp	1,250,431	0.40%
	137,492	Knight-Swift Transportation Holdings Inc Class A	5,699,043	1.81%
	75,481	SiteOne Landscape Supply Inc	4,793,798	1.52%
	24,332	WageWorks Inc	1,551,165	0.49%
	219,529	Waste Connections Inc	15,514,115	4.92%
	88,867	Woodward Inc	6,872,085	2.18%
			67,827,344	21.51%
Information Technology 32.62% (31st October, 2016: 34.24%)				
	59,147	2U Inc	3,763,524	1.19%
	168,276	Acxiom Corp	4,233,824	1.34%
	41	Appian Corp Class A	947	0.00%
	79,457	Aspen Technology Inc	5,126,566	1.63%
	79,453	Blackbaud Inc	8,048,589	2.55%
	34,273	Blackline Inc	1,217,377	0.39%
	95,123	Broadridge Financial Solutions Inc	8,172,968	2.59%
	194,781	BroadSoft Inc	10,683,738	3.39%
	107,390	Cavium Inc	7,408,836	2.35%
	53,384	CoreLogic Inc	2,503,710	0.80%
	96,721	Envestnet Inc	5,164,901	1.64%
	34,486	Fair Isaac Corp	5,005,988	1.59%
	272,375	Genpact Ltd	8,293,819	2.63%
	29,957	Global Payments Inc	3,114,030	0.99%
	54,524	Guidewire Software Inc	4,360,829	1.38%
	101,479	MACOM Technology Solutions Holdings Inc	4,148,462	1.32%
	78,938	MAXIMUS Inc	5,243,851	1.66%
	187,527	Mimecast Ltd	5,961,483	1.89%
	8,938	Nutanix Inc Class A	254,733	0.08%
	25,580	Paylocity Holding Corp	1,366,228	0.43%
	19,832	Proofpoint Inc	1,832,675	0.58%
	18,773	Ultimate Software Group Inc	3,803,222	1.21%
	25,332	WEX Inc	3,130,782	0.99%
			102,841,082	32.62%
Telecommunication Services 2.71% (31st October, 2016: 3.44%)				
	158,287	Cogent Communications Holdings Inc	8,531,669	2.71%
			8,531,669	2.71%
Total Equities*			300,654,868	95.36%

The accompanying notes form an integral part of the financial statements.

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS

Brown Advisory US Smaller Companies Fund (continued)

As at 31st October, 2017

Forward Foreign Currency Contracts 0.00% (31st October, 2016: 0.00%)

Currency Bought	Amount Currency Bought	Currency Sold	Amount Currency Sold	Maturity Date	Counterparty	Unrealised Gain US\$	% of Fund
Brown Advisory US Smaller Companies Fund Sterling Class B Acc H Shares							
GBP£	627,017	US\$	(830,539)	29/11/2017	Brown Brothers Harriman	2,764	0.00%
Total Forward Foreign Currency Contracts[∞]						2,764	0.00%

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	300,657,632	95.36%
Other Net Assets	14,631,487	4.64%
Net Assets Attributable to Holders of Redeemable Participating Shares	315,289,119	100.00%

Portfolio Analysis

	Total Asset %
* Transferable securities admitted to an official stock exchange	300,654,868 94.41%
∞ OTC financial derivative instruments	2,764 0.00%
Total Investments	300,657,632 94.41%

** Security fair valued by the Directors as specified in Note 1b).

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory American Fund

As at 31st October, 2017

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Consumer Discretionary 15.71% (31st October, 2016: 14.53%)				
	2,884	Bright Horizons Family Solutions Inc	248,889	0.37%
	22,183	CarMax Inc	1,665,943	2.49%
	7,066	Carrols Restaurant Group Inc	79,493	0.12%
	1,568	Carvana Co Class A	22,234	0.03%
	1,576	Cato Corp Class A	20,267	0.03%
	2,019	Chipotle Mexican Grill Inc Class A	548,966	0.82%
	4,427	Clarus Corp	32,317	0.05%
	8,046	Core-Mark Holding Co Inc	274,047	0.41%
	734	Culp Inc	23,268	0.03%
	12,918	Denny's Corp	168,838	0.25%
	2,916	DSW Inc Class A	55,842	0.08%
	12,103	Global Eagle Entertainment Inc	29,410	0.04%
	4,666	Habit Restaurants Inc Class A	57,392	0.09%
	50,713	Hanesbrands Inc	1,141,043	1.71%
	2,762	Liberty Media Corp-Liberty Formula One Class A	100,537	0.15%
	16,502	Liberty TripAdvisor Holdings Inc Class A	178,222	0.27%
	4,528	Liberty Ventures Class A	257,915	0.39%
	4,318	Lindblad Expeditions Holdings Inc	46,289	0.07%
	2,568	Loral Space & Communications Inc	121,081	0.18%
	18,297	Lowe's Cos Inc	1,462,845	2.19%
	1,908	MakeMyTrip Ltd	52,088	0.08%
	3,103	Murphy USA Inc	230,739	0.35%
	2,836	Nexstar Media Group Inc Class A	180,937	0.27%
	1,348	Papa John's International Inc	91,731	0.14%
	874	Priceline Group Inc	1,671,053	2.50%
	9,815	Regis Corp	146,538	0.22%
	7,951	TEGNA Inc	97,241	0.15%
	8,719	TJX Cos Inc	608,586	0.91%
	550	TripAdvisor Inc	20,625	0.03%
	8,814	Walt Disney Co	862,097	1.29%
			10,496,473	15.71%
Consumer Staples 2.28% (31st October, 2016: 5.99%)				
	1,862	Casey's General Stores Inc	213,329	0.32%
	40,386	Nomad Foods Ltd	609,829	0.91%
	5,389	PepsiCo Inc	594,030	0.89%
	938	PriceSmart Inc	78,604	0.12%
	376	TreeHouse Foods Inc	24,959	0.04%
			1,520,751	2.28%
Energy 3.95% (31st October, 2016: 2.81%)				
	60,185	Kinder Morgan Inc	1,089,950	1.63%
	6,702	Linn Energy Inc	258,362	0.39%
	744	Natural Gas Services Group Inc	20,683	0.03%
	11,045	Occidental Petroleum Corp	713,176	1.07%
	8,427	Par Pacific Holdings Inc	176,883	0.26%
	11,240	Suncor Energy Inc	381,711	0.57%
			2,640,765	3.95%
Financials 22.22% (31st October, 2016: 15.46%)				
	9,301	Ameriprise Financial Inc	1,455,979	2.18%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory American Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Financials 22.22% (31st October, 2016: 15.46%) (continued)				
	9,280	Ares Capital Corp	149,222	0.22%
	2,023	Assurant Inc	203,615	0.30%
	44,905	Bank of America Corp	1,229,948	1.84%
	7,471	BankUnited Inc	260,364	0.39%
	13,912	Berkshire Hathaway Inc Class B	2,600,709	3.89%
	2,320	Capital Bank Financial Corp Class A	94,192	0.14%
	36,689	Charles Schwab Corp	1,645,135	2.46%
	3,527	ConnectOne Bancorp Inc	94,700	0.14%
	972	Farmers Capital Bank Corp	40,435	0.06%
	1,457	Howard Bancorp Inc	30,451	0.05%
	16,286	JPMorgan Chase & Co	1,638,534	2.45%
	2,399	Medley Management Inc Class A	13,554	0.02%
	21,633	MFA Financial Inc	178,256	0.27%
	4,243	National Bank Holdings Corp Class A	139,255	0.21%
	6,787	National General Holdings Corp	136,962	0.20%
	3,569	OceanFirst Financial Corp	99,040	0.15%
	1,904	Pacific Premier Bancorp Inc	76,922	0.11%
	2,697	Primerica Inc	238,685	0.36%
	1,406	Prosperity Bancshares Inc	92,487	0.14%
	73,637	Regions Financial Corp	1,139,901	1.71%
	2,231	Renasant Corp	92,363	0.14%
	1,438	State National Cos Inc	30,227	0.04%
	4,937	Synovus Financial Corp	231,298	0.35%
	4,414	T Rowe Price Group Inc	410,061	0.61%
	7,614	TFS Financial Corp	117,408	0.18%
	1,943	TriState Capital Holdings Inc	44,009	0.07%
	1,745	Triumph Bancorp Inc	54,095	0.08%
	1,913	Virtus Investment Partners Inc	222,673	0.33%
	1,970	Webster Financial Corp	108,330	0.16%
	35,316	Wells Fargo & Co	1,982,640	2.97%
			14,851,450	22.22%
Health Care 6.99% (31st October, 2016: 12.78%)				
	1,340	Accelaron Pharma Inc	52,260	0.08%
	635	Addus HomeCare Corp	22,860	0.03%
	6,688	Aetna Inc	1,137,161	1.70%
	829	Agios Pharmaceuticals Inc	53,280	0.08%
	2,310	Alder Biopharmaceuticals Inc	25,988	0.04%
	2,689	Anthem Inc	562,566	0.84%
	870	BeiGene Ltd	80,301	0.12%
	716	Cambrex Corp	30,967	0.04%
	5,622	Catalent Inc	239,441	0.36%
	2,004	Charles River Laboratories International Inc	233,045	0.35%
	1,728	Coherus Biosciences Inc	19,440	0.03%
	4,136	Cotiviti Holdings Inc	145,422	0.22%
	5,361	Dyax Corp**	5,951	0.01%
	11,837	Edwards Lifesciences Corp	1,210,097	1.81%
	1,449	Henry Schein Inc	113,891	0.17%
	229	IDEXX Laboratories Inc	38,053	0.06%
	1,386	Jounce Therapeutics Inc	19,404	0.03%
	1,301	Medidata Solutions Inc	97,874	0.15%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory American Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Health Care 6.99% (31st October, 2016: 12.78%) (continued)				
	6,483	Merck & Co Inc	357,148	0.53%
	765	Neurocrine Biosciences Inc	47,514	0.07%
	2,399	Providence Service Corp	133,384	0.20%
	990	Ultragenyx Pharmaceutical Inc	45,629	0.07%
			4,671,676	6.99%
Industrials 10.27% (31st October, 2016: 8.32%)				
	7,099	Albany International Corp Class A	428,425	0.64%
	296	BWX Technologies Inc	17,736	0.03%
	11,739	Canadian National Railway Co	944,872	1.41%
	7,257	Continental Building Products Inc	193,762	0.29%
	10,579	Delta Air Lines Inc	529,267	0.79%
	2,241	EnPro Industries Inc	187,661	0.28%
	2,633	ESCO Technologies Inc	152,582	0.23%
	5,327	Federal Signal Corp	113,732	0.17%
	3,648	General Dynamics Corp	740,471	1.11%
	3,070	Healthcare Services Group Inc	162,372	0.24%
	1,821	HEICO Corp	165,128	0.25%
	2,976	Hexcel Corp	180,613	0.27%
	962	IDEX Corp	123,338	0.18%
	2,231	Kadant Inc	253,442	0.38%
	4,214	KeyW Holding Corp	31,816	0.05%
	3,498	Knight-Swift Transportation Holdings Inc Class A	144,992	0.22%
	6,038	McGrath RentCorp	269,899	0.40%
	3,470	Simpson Manufacturing Co Inc	193,418	0.29%
	1,921	SiteOne Landscape Supply Inc	122,003	0.18%
	3,659	United Rentals Inc	517,675	0.78%
	6,526	United Technologies Corp	781,554	1.17%
	619	WageWorks Inc	39,461	0.06%
	5,586	Waste Connections Inc	394,763	0.59%
	2,261	Woodward Inc	174,843	0.26%
			6,863,825	10.27%
Information Technology 29.55% (31st October, 2016: 28.72%)				
	1,505	2U Inc	95,763	0.14%
	7,214	Accenture PLC Class A	1,026,985	1.54%
	4,536	Acxiom Corp	114,126	0.17%
	1,059	Alphabet Inc Class A	1,093,989	1.64%
	1,407	Alphabet Inc Class C	1,430,412	2.14%
	2	Appian Corp Class A	46	0.00%
	10,429	Apple Inc	1,762,918	2.64%
	2,022	Aspen Technology Inc	130,459	0.19%
	2,022	Blackbaud Inc	204,829	0.31%
	931	Blackline Inc	33,069	0.05%
	4,115	Broadridge Financial Solutions Inc	353,561	0.53%
	4,956	BroadSoft Inc	271,837	0.41%
	714	Cars.com Inc	17,007	0.02%
	2,732	Cavium Inc	188,481	0.28%
	1,358	CoreLogic Inc	63,690	0.09%
	6,206	CTS Corp	168,803	0.25%
	1,467	DST Systems Inc	85,996	0.13%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory American Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Information Technology 29.55% (31st October, 2016: 28.72%) (continued)				
	18,062	eBay Inc	679,854	1.02%
	6,068	EchoStar Corp Class A	339,505	0.51%
	2,461	Envestnet Inc	131,417	0.20%
	8,661	Facebook Inc Class A	1,559,500	2.33%
	877	Fair Isaac Corp	127,305	0.19%
	6,930	Genpact Ltd	211,018	0.32%
	762	Global Payments Inc	79,210	0.12%
	1,387	Guidewire Software Inc	110,932	0.17%
	2,734	MACOM Technology Solutions Holdings Inc	111,766	0.17%
	14,954	MasterCard Inc Class A	2,224,707	3.33%
	4,031	MAXIMUS Inc	267,779	0.40%
	20,188	Microsoft Corp	1,679,238	2.51%
	4,771	Mimecast Ltd	151,670	0.23%
	227	Nutanix Inc Class A	6,469	0.01%
	651	Paylocity Holding Corp	34,770	0.05%
	15,159	PayPal Holdings Inc	1,099,937	1.65%
	505	Proofpoint Inc	46,667	0.07%
	14,879	QUALCOMM Inc	758,978	1.13%
	478	Ultimate Software Group Inc	96,838	0.14%
	26,467	Visa Inc Class A	2,910,841	4.35%
	645	WEX Inc	79,716	0.12%
			19,750,088	29.55%
Materials 0.73% (31st October, 2016: 2.13%)				
	1,943	Clearwater Paper Corp	89,669	0.13%
	2,627	Deltic Timber Corp	243,286	0.36%
	496	KMG Chemicals Inc	27,345	0.04%
	1,497	Neenah Paper Inc	129,940	0.20%
			490,240	0.73%
Real Estate 1.92% (31st October, 2016: 2.41%)				
	8,341	Crown Castle International Corp	893,154	1.33%
	11,580	Forest City Realty Trust Inc Class A	285,215	0.43%
	4,818	Xenia Hotels & Resorts Inc	104,840	0.16%
			1,283,209	1.92%
Telecommunication Services 0.46% (31st October, 2016: 1.56%)				
	1,507	ATN International Inc	81,815	0.12%
	4,019	Cogent Communications Holdings Inc	216,624	0.33%
	286	Hawaiian Telcom Holdco Inc	8,623	0.01%
			307,062	0.46%
Utilities 0.07% (31st October, 2016: 0.05%)				
	4,372	Star Group LP	48,398	0.07%
			48,398	0.07%
Total Equities*			62,923,937	94.15%

The accompanying notes form an integral part of the financial statements.

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS

Brown Advisory American Fund (continued)

As at 31st October, 2017

Collective Investment Schemes

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Information Technology 2.16% (31st October, 2016: 0.00%)				
	20,554	Altaba Inc	1,441,246	2.16%
			1,441,246	2.16%
Total Collective Investment Schemes*			1,441,246	2.16%

REIT

Real Estate 0.45% (31st October, 2016: 0.00%)				
	10,846	Altisource Residential Corp	115,727	0.17%
	14,981	Colony NorthStar Inc Class A	183,967	0.28%
			299,694	0.45%
Total REIT*			299,694	0.45%

Forward Foreign Currency Contracts 0.03% (31st October, 2016: 0.00%)

Currency Bought	Amount Currency Bought	Amount Currency Sold	Amount Currency Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) US\$	% of Fund
Brown Advisory American Fund Euro Class A Acc H Shares							
EUR€	199,780	US\$	(236,408)	29/11/2017	Brown Brothers Harriman	(3,322)	(0.00%)
Brown Advisory American Fund Sterling Class B Dis H Shares							
GBP£	5,178,135	US\$	(6,859,422)	29/11/2017	Brown Brothers Harriman	22,305	0.03%
Total Forward Foreign Currency Contracts[∞]						18,983	0.03%

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	64,687,182	96.79%
Total Financial Liabilities at Fair Value through Profit or Loss	(3,322)	(0.00%)
Other Net Assets	2,149,705	3.21%
Net Assets Attributable to Holders of Redeemable Participating Shares	66,833,565	100.00%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS**Brown Advisory American Fund (continued)****As at 31st October, 2017**

Portfolio Analysis	Fair Value US\$	Total Asset %
* Transferable securities admitted to an official stock exchange	64,664,877	96.27%
∞ OTC financial derivative instruments	18,983	0.03%
Total Investments	64,683,860	96.30%

** Security fair valued by the Directors as specified in Note 1b).

STATEMENT OF INVESTMENTS
Brown Advisory US Equity Growth Fund
As at 31st October, 2017

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Consumer Discretionary 13.64% (31st October, 2016: 13.60%)				
	12,281	Amazon.com Inc	13,573,944	3.86%
	22,449	Charter Communications Inc Class A	7,501,782	2.13%
	3,253	Priceline Group Inc	6,219,606	1.77%
	142,783	Starbucks Corp	7,830,220	2.23%
	106,451	TJX Cos Inc	7,430,280	2.11%
	143,892	TripAdvisor Inc	5,395,950	1.54%
			47,951,782	13.64%
Consumer Staples 5.50% (31st October, 2016: 9.83%)				
	51,911	Costco Wholesale Corp	8,361,824	2.38%
	98,136	Estee Lauder Cos Inc Class A	10,972,586	3.12%
			19,334,410	5.50%
Health Care 17.30% (31st October, 2016: 15.20%)				
	138,945	Danaher Corp	12,820,455	3.65%
	118,716	DexCom Inc	5,338,659	1.52%
	55,548	Edwards Lifesciences Corp	5,678,672	1.62%
	37,703	Intuitive Surgical Inc	14,152,198	4.03%
	53,202	Thermo Fisher Scientific Inc	10,312,144	2.93%
	195,826	Zoetis Inc Class A	12,497,615	3.55%
			60,799,743	17.30%
Industrials 11.80% (31st October, 2016: 7.55%)				
	129,356	AO Smith Corp	7,657,875	2.18%
	70,900	BWX Technologies Inc	4,248,328	1.21%
	153,106	Fortive Corp	11,063,440	3.15%
	49,809	Roper Technologies Inc	12,859,189	3.66%
	73,810	Wabtec Corp	5,646,465	1.60%
			41,475,297	11.80%
Information Technology 43.54% (31st October, 2016: 44.66%)				
	83,375	Adobe Systems Inc	14,603,965	4.16%
	39,662	Alibaba Group Holding Ltd	7,333,107	2.09%
	3,584	Alphabet Inc Class A	3,702,415	1.05%
	12,201	Alphabet Inc Class C	12,404,025	3.53%
	158,585	Amphenol Corp Class A	13,796,895	3.93%
	44,616	ANSYS Inc	6,099,453	1.74%
	79,500	Facebook Inc Class A	14,314,770	4.07%
	56,244	FleetCor Technologies Inc	9,295,446	2.65%
	292,462	Genpact Ltd	8,905,468	2.53%
	68,477	Intuit Inc	10,341,397	2.94%
	70,962	NXP Semiconductors NV	8,306,102	2.36%
	216,279	PayPal Holdings Inc	15,693,204	4.46%
	114,176	Salesforce.com Inc	11,684,772	3.32%
	150,637	Visa Inc Class A	16,567,057	4.71%
			153,048,076	43.54%
Materials 3.39% (31st October, 2016: 3.28%)				
	91,271	Ecolab Inc	11,925,469	3.39%
			11,925,469	3.39%
Total Equities*			334,534,777	95.17%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Equity Growth Fund (continued)

As at 31st October, 2017

REIT

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Real Estate 3.44% (31st October, 2016: 0.00%)				
	76,983	SBA Communications Corp Class A	12,100,188	3.44%
			12,100,188	3.44%
Total REIT*			12,100,188	3.44%

Forward Foreign Currency Contracts (0.08%) (31st October, 2016: 0.03%)

Currency Bought	Amount Currency Bought	Currency Sold	Amount Currency Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) US\$	% of Fund
Brown Advisory US Equity Growth Fund Euro Class A Acc H Shares							
EUR€	20,933,090	US\$	(24,771,860)	29/11/2017	Brown Brothers Harriman	(348,967)	(0.10%)
Brown Advisory US Equity Growth Fund Euro Class P Acc H Shares							
EUR€	1,337,409	US\$	(1,582,590)	29/11/2017	Brown Brothers Harriman	(22,220)	(0.00%)
Brown Advisory US Equity Growth Fund Sterling Class B Dis H Shares							
GBP£	16,820,334	US\$	(22,281,151)	29/11/2017	Brown Brothers Harriman	73,026	0.02%
Total Forward Foreign Currency Contracts[∞]						(298,161)	(0.08%)

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	346,707,991	98.63%
Total Financial Liabilities at Fair Value through Profit or Loss	(371,187)	(0.11%)
Other Net Assets	5,191,177	1.48%
Net Assets Attributable to Holders of Redeemable Participating Shares	351,527,981	100.00%

Portfolio Analysis

Portfolio Analysis		Total Asset %
* Transferable securities admitted to an official stock exchange	346,634,965	98.17%
∞ OTC financial derivative instruments	(298,161)	(0.08%)
Total Investments	346.336.804	98.09%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Small Cap Blend Fund

As at 31st October, 2017

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Consumer Discretionary 15.33% (31st October, 2016: 13.37%)				
	42,569	Bright Horizons Family Solutions Inc	3,673,705	1.61%
	104,314	Carrols Restaurant Group Inc	1,173,532	0.51%
	23,152	Carvana Co Class A	328,295	0.14%
	20,500	Cato Corp Class A	263,630	0.12%
	63,868	Clarus Corp	466,236	0.20%
	111,273	Core-Mark Holding Co Inc	3,789,958	1.66%
	9,541	Culp Inc	302,450	0.13%
	167,995	Denny's Corp	2,195,695	0.96%
	37,910	DSW Inc Class A	725,976	0.32%
	178,678	Global Eagle Entertainment Inc	434,188	0.19%
	68,734	Habit Restaurants Inc Class A	845,428	0.37%
	40,781	Liberty Media Corp-Liberty Formula One Class A	1,484,428	0.65%
	236,842	Liberty TripAdvisor Holdings Inc Class A	2,557,894	1.12%
	63,081	Liberty Ventures Class A	3,593,094	1.57%
	63,744	Lindblad Expeditions Holdings Inc	683,336	0.30%
	33,393	Loral Space & Communications Inc	1,574,480	0.69%
	28,080	MakeMyTrip Ltd	766,584	0.34%
	40,355	Murphy USA Inc	3,000,798	1.31%
	36,874	Nexstar Media Group Inc Class A	2,352,561	1.03%
	19,897	Papa John's International Inc	1,353,991	0.59%
	127,640	Regis Corp	1,905,665	0.83%
	103,710	TEGNA Inc	1,268,373	0.56%
	7,915	TripAdvisor Inc	296,813	0.13%
			35,037,110	15.33%
Consumer Staples 1.98% (31st October, 2016: 2.04%)				
	26,041	Casey's General Stores Inc	2,983,517	1.31%
	13,885	PriceSmart Inc	1,163,563	0.51%
	5,547	TreeHouse Foods Inc	368,210	0.16%
			4,515,290	1.98%
Energy 2.44% (31st October, 2016: 1.08%)				
	87,192	Linn Energy Inc	3,361,251	1.47%
	9,670	Natural Gas Services Group Inc	268,826	0.12%
	93,236	Par Pacific Holdings Inc	1,957,024	0.85%
			5,587,101	2.44%
Financials 15.94% (31st October, 2016: 18.30%)				
	120,678	Ares Capital Corp	1,940,502	0.85%
	26,272	Assurant Inc	2,644,277	1.16%
	103,295	BankUnited Inc	3,599,831	1.57%
	30,169	Capital Bank Financial Corp Class A	1,224,861	0.54%
	52,064	ConnectOne Bancorp Inc	1,397,918	0.61%
	12,635	Farmers Capital Bank Corp	525,616	0.23%
	18,869	Howard Bancorp Inc	394,362	0.17%
	24,886	Medley Management Inc Class A	140,606	0.06%
	281,324	MFA Financial Inc	2,318,110	1.01%
	55,182	National Bank Holdings Corp Class A	1,811,073	0.79%
	87,513	National General Holdings Corp	1,766,012	0.77%
	46,415	OceanFirst Financial Corp	1,288,016	0.56%
	24,754	Pacific Premier Bancorp Inc	1,000,062	0.44%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Small Cap Blend Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Financials 15.94% (31st October, 2016: 18.30%) (continued)				
	35,069	Primerica Inc	3,103,607	1.36%
	20,763	Prosperity Bancshares Inc	1,365,790	0.60%
	29,009	Renasant Corp	1,200,973	0.52%
	18,772	State National Cos Inc	394,587	0.17%
	64,915	Synovus Financial Corp	3,041,268	1.33%
	99,018	TFS Financial Corp	1,526,858	0.67%
	25,277	TriState Capital Holdings Inc	572,524	0.25%
	22,692	Triumph Bancorp Inc	703,452	0.31%
	24,883	Virtus Investment Partners Inc	2,896,381	1.27%
	29,021	Webster Financial Corp	1,595,865	0.70%
			36,452,551	15.94%
Health Care 8.90% (31st October, 2016: 8.97%)				
	19,786	Accelaron Pharma Inc	771,654	0.34%
	8,251	Addus HomeCare Corp	297,036	0.13%
	12,239	Agios Pharmaceuticals Inc	786,600	0.34%
	33,667	Alder Biopharmaceuticals Inc	378,754	0.17%
	12,750	BeiGene Ltd	1,176,825	0.51%
	10,678	Cambrex Corp	461,823	0.20%
	82,996	Catalent Inc	3,534,800	1.55%
	29,581	Charles River Laboratories International Inc	3,439,974	1.50%
	25,513	Coherus Biosciences Inc	287,021	0.13%
	60,925	Cotiviti Holdings Inc	2,142,123	0.94%
	21,569	Dyax Corp**	23,941	0.01%
	21,116	Henry Schein Inc	1,659,718	0.73%
	3,333	IDEXX Laboratories Inc	553,845	0.24%
	20,456	Jounce Therapeutics Inc	286,384	0.12%
	19,203	Medidata Solutions Inc	1,444,642	0.63%
	11,297	Neurocrine Biosciences Inc	701,657	0.31%
	31,201	Providence Service Corp	1,734,776	0.76%
	14,620	Ultragenyx Pharmaceutical Inc	673,836	0.29%
			20,355,409	8.90%
Industrials 20.33% (31st October, 2016: 17.65%)				
	92,525	Albany International Corp Class A	5,583,884	2.44%
	4,363	BWX Technologies Inc	261,431	0.11%
	94,376	Continental Building Products Inc	2,519,839	1.10%
	29,138	EnPro Industries Inc	2,440,016	1.07%
	38,875	ESCO Technologies Inc	2,252,806	0.99%
	68,590	Federal Signal Corp	1,464,397	0.64%
	45,315	Healthcare Services Group Inc	2,396,710	1.05%
	26,833	HEICO Corp	2,433,216	1.06%
	43,848	Hexcel Corp	2,661,135	1.16%
	14,168	IDEX Corp	1,816,479	0.79%
	29,009	Kadant Inc	3,295,422	1.44%
	62,211	KeyW Holding Corp	469,693	0.21%
	51,645	Knight-Swift Transportation Holdings Inc Class A	2,140,685	0.94%
	78,518	McGrath RentCorp	3,509,755	1.53%
	45,327	Simpson Manufacturing Co Inc	2,526,527	1.10%
	28,352	SiteOne Landscape Supply Inc	1,800,636	0.79%
	9,162	WageWorks Inc	584,078	0.26%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Small Cap Blend Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Industrials 20.33% (31st October, 2016: 17.65%) (continued)				
	81,397	Waste Connections Inc	5,752,326	2.52%
	33,381	Woodward Inc	2,581,353	1.13%
			46,490,388	20.33%
Information Technology 22.03% (31st October, 2016: 22.12%)				
	22,217	2U Inc	1,413,668	0.62%
	65,941	Acxiom Corp	1,659,075	0.73%
	16	Appian Corp Class A	369	0.00%
	29,846	Aspen Technology Inc	1,925,664	0.84%
	29,844	Blackbaud Inc	3,023,197	1.32%
	13,594	Blackline Inc	482,859	0.21%
	57,317	Broadridge Financial Solutions Inc	4,924,677	2.15%
	73,164	BroadSoft Inc	4,013,045	1.76%
	9,223	Cars.com Inc	219,692	0.10%
	40,338	Cavium Inc	2,782,919	1.22%
	20,052	CoreLogic Inc	940,439	0.41%
	80,710	CTS Corp	2,195,312	0.96%
	19,082	DST Systems Inc	1,118,587	0.49%
	78,905	EchoStar Corp Class A	4,414,735	1.93%
	36,330	Envestnet Inc	1,940,022	0.85%
	12,954	Fair Isaac Corp	1,880,403	0.82%
	103,384	Genpact Ltd	3,148,043	1.38%
	11,107	Global Payments Inc	1,154,573	0.51%
	20,481	Guidewire Software Inc	1,638,070	0.72%
	39,939	MACOM Technology Solutions Holdings Inc	1,632,706	0.71%
	55,953	MAXIMUS Inc	3,716,958	1.63%
	70,394	Mimecast Ltd	2,237,825	0.98%
	3,357	Nutanix Inc Class A	95,674	0.04%
	9,609	Paylocity Holding Corp	513,217	0.22%
	7,449	Proofpoint Inc	688,362	0.30%
	7,051	Ultimate Software Group Inc	1,428,462	0.62%
	9,515	WEX Inc	1,175,959	0.51%
			50,364,512	22.03%
Materials 2.78% (31st October, 2016: 3.94%)				
	25,270	Clearwater Paper Corp	1,166,211	0.51%
	34,166	Deltic Timber Corp	3,164,113	1.38%
	6,446	KMG Chemicals Inc	355,368	0.16%
	19,273	Neenah Paper Inc	1,672,896	0.73%
			6,358,588	2.78%
Real Estate 2.22% (31st October, 2016: 3.23%)				
	150,589	Forest City Realty Trust Inc Class A	3,709,007	1.62%
	62,889	Xenia Hotels & Resorts Inc	1,368,465	0.60%
			5,077,472	2.22%
Telecommunication Services 1.91% (31st October, 2016: 3.16%)				
	19,629	ATN International Inc	1,065,659	0.46%
	59,223	Cogent Communications Holdings Inc	3,192,120	1.40%
	3,636	Hawaiian Telcom Holdco Inc	109,625	0.05%
			4,367,404	1.91%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Small Cap Blend Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Utilities 0.28% (31st October, 2016: 0.18%)				
	56,858	Star Group LP	629,418	0.28%
			629,418	0.28%
Total Equities*			215,235,243	94.14%

REIT

Real Estate 1.71% (31st October, 2016: 0.00%)

141,049	Altisource Residential Corp	1,504,993	0.66%
194,812	Colony NorthStar Inc Class A	2,392,291	1.05%
		3,897,284	1.71%

Total REIT***3,897,284 1.71%****Forward Foreign Currency Contracts (0.01%) (31st October, 2016: 0.00%)**

Currency Bought	Amount Currency Bought	Currency Sold	Amount Currency Sold	Maturity Date	Counterparty	Unrealised (Loss) US\$	% of Fund
Brown Advisory US Small Cap Blend Fund Euro Class A Acc H Shares							
EUR€	1,131,240	US\$	(1,338,642)	29/11/2017	Brown Brothers Harriman	(18,810)	(0.01%)
Total Forward Foreign Currency Contracts[∞]						(18,810)	(0.01%)

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	219,132,527	95.85%
Total Financial Liabilities at Fair Value through Profit or Loss	(18,810)	(0.01%)
Other Net Assets	9,510,560	4.16%
Net Assets Attributable to Holders of Redeemable Participating Shares	228,624,277	100.00%

Portfolio Analysis

Total Asset
%

* Transferable securities admitted to an official stock exchange	219,132,527	95.13%
∞ OTC financial derivative instruments	(18,810)	(0.01%)
Total Investments	219,113,717	95.12%

** Security fair valued by the Directors as specified in Note 1b).

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Flexible Equity Fund

As at 31st October, 2017

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Consumer Discretionary 15.65% (31st October, 2016: 17.50%)				
	152,821	CarMax Inc	11,476,857	3.27%
	13,907	Chipotle Mexican Grill Inc Class A	3,781,313	1.08%
	349,363	Hanesbrands Inc	7,860,667	2.24%
	126,046	Lowe's Cos Inc	10,077,378	2.88%
	6,024	Priceline Group Inc	11,517,647	3.29%
	60,068	TJX Cos Inc	4,192,746	1.20%
	60,718	Walt Disney Co	5,938,828	1.69%
			54,845,436	15.65%
Consumer Staples 2.36% (31st October, 2016: 1.44%)				
	275,982	Nomad Foods Ltd	4,167,328	1.19%
	37,125	PepsiCo Inc	4,092,289	1.17%
			8,259,617	2.36%
Energy 4.30% (31st October, 2016: 5.10%)				
	414,613	Kinder Morgan Inc	7,508,641	2.14%
	76,089	Occidental Petroleum Corp	4,913,067	1.40%
	78,005	Suncor Energy Inc	2,649,050	0.76%
			15,070,758	4.30%
Financials 23.79% (31st October, 2016: 19.58%)				
	64,076	Ameriprise Financial Inc	10,030,457	2.86%
	309,353	Bank of America Corp	8,473,179	2.42%
	95,842	Berkshire Hathaway Inc Class B	17,916,703	5.11%
	252,750	Charles Schwab Corp	11,333,310	3.23%
	112,196	JPMorgan Chase & Co	11,288,040	3.22%
	507,288	Regions Financial Corp	7,852,818	2.24%
	30,409	T Rowe Price Group Inc	2,824,996	0.81%
	243,290	Wells Fargo & Co	13,658,301	3.90%
			83,377,804	23.79%
Health Care 6.42% (31st October, 2016: 11.97%)				
	46,076	Aetna Inc	7,834,302	2.23%
	18,524	Anthem Inc	3,875,406	1.11%
	81,547	Edwards Lifesciences Corp	8,336,550	2.38%
	44,662	Merck & Co Inc	2,460,430	0.70%
			22,506,688	6.42%
Industrials 6.90% (31st October, 2016: 7.42%)				
	80,868	Canadian National Railway Co	6,509,065	1.86%
	72,285	Delta Air Lines Inc	3,616,419	1.03%
	25,134	General Dynamics Corp	5,101,699	1.45%
	25,240	United Rentals Inc	3,570,955	1.02%
	44,959	United Technologies Corp	5,384,290	1.54%
			24,182,428	6.90%
Information Technology 31.89% (31st October, 2016: 31.91%)				
	49,696	Accenture PLC Class A	7,074,723	2.02%
	7,296	Alphabet Inc Class A	7,537,060	2.15%
	9,693	Alphabet Inc Class C	9,854,291	2.81%
	71,847	Apple Inc	12,145,017	3.46%
	124,427	eBay Inc	4,683,432	1.34%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Flexible Equity Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Information Technology 31.89% (31st October, 2016: 31.91%) (continued)				
	59,665	Facebook Inc Class A	10,743,280	3.07%
	103,019	MasterCard Inc Class A	15,326,137	4.37%
	139,076	Microsoft Corp	11,568,342	3.30%
	104,433	PayPal Holdings Inc	7,577,658	2.16%
	102,503	QUALCOMM Inc	5,228,678	1.49%
	182,331	Visa Inc Class A	20,052,763	5.72%
			111,791,381	31.89%
Real Estate 1.76% (31st October, 2016: 1.62%)				
	57,459	Crown Castle International Corp	6,152,710	1.76%
			6,152,710	1.76%
Total Equities*			326,186,822	93.07%

Collective Investment Schemes

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Information Technology 2.83% (31st October, 2016: 0.00%)				
	141,600	Altaba Inc	9,928,992	2.83%
			9,928,992	2.83%
Total Collective Investment Schemes*			9,928,992	2.83%

Forward Foreign Currency Contracts 0.00% (31st October, 2016: (0.00%))

Currency Bought	Amount Currency Bought	Amount Currency Sold	Maturity Date	Counterparty	Unrealised Gain US\$	% of Fund
Brown Advisory US Flexible Equity Fund Sterling Class B Acc H Shares						
GBP£	2,630,169	US\$ (3,483,644)	29/11/2017	Brown Brothers Harriman	11,843	0.00%
Brown Advisory US Flexible Equity Fund Sterling Class B Dis H Shares						
GBP£	477,965	US\$ (633,108)	29/11/2017	Brown Brothers Harriman	2,107	0.00%
Total Forward Foreign Currency Contracts[∞]					13,950	0.00%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Flexible Equity Fund (continued)

As at 31st October, 2017

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	336,129,764	95.90%
Other Net Assets	14,366,427	4.10%
Net Assets Attributable to Holders of Redeemable Participating Shares	350,496,191	100.00%

Portfolio Analysis		Total Asset %
* Transferable securities admitted to an official stock exchange	336,115,814	94.53%
∞ OTC financial derivative instruments	13,950	0.00%
Total Investments	336,129,764	94.53%

The accompanying notes form an integral part of the financial statements.

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS Brown Advisory Global Leaders Fund As at 31st October, 2017

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Consumer Discretionary 8.34% (31st October, 2016: 12.49%)				
	9,362	CTS Eventim AG & Co KGaA	386,703	2.01%
	237	Priceline Group Inc	453,134	2.35%
	5,021	Starbucks Corp	275,352	1.43%
	7,021	TJX Cos Inc	490,066	2.55%
			1,605,255	8.34%
Consumer Staples 11.89% (31st October, 2016: 13.41%)				
	4,864	Brown-Forman Corp Class B	277,345	1.44%
	6,100	Estee Lauder Cos Inc Class A	682,041	3.55%
	5,389	Henkel AG & Co KGaA	679,212	3.53%
	11,448	Unilever PLC	649,163	3.37%
			2,287,761	11.89%
Financials 18.35% (31st October, 2016: 14.13%)				
	76,846	AIA Group Ltd	578,212	3.01%
	338,541	Bank Rakyat Indonesia Persero Tbk PT	389,400	2.02%
	11,419	Charles Schwab Corp	512,028	2.66%
	2,620	Deutsche Boerse AG	270,643	1.41%
	17,624	HDFC Bank Ltd	492,970	2.56%
	25,771	Hiscox Ltd	488,772	2.54%
	7,929	JPMorgan Chase & Co	797,737	4.15%
			3,529,762	18.35%
Health Care 5.60% (31st October, 2016: 7.27%)				
	3,136	Cigna Corp	618,482	3.22%
	4,481	Edwards Lifesciences Corp	458,093	2.38%
			1,076,575	5.60%
Industrials 14.26% (31st October, 2016: 9.30%)				
	1,741	3M Co	400,761	2.08%
	18,600	Atlas Copco AB Class B	738,743	3.84%
	2,815	Hoshizaki Corp	265,148	1.38%
	6,627	Safran SA	698,071	3.63%
	2,898	Schindler Holding AG	639,933	3.33%
			2,742,656	14.26%
Information Technology 31.97% (31st October, 2016: 30.80%)				
	919	Alphabet Inc Class C	934,292	4.86%
	7,118	Cognizant Technology Solutions Corp Class A	538,619	2.80%
	3,416	Facebook Inc Class A	615,085	3.20%
	2,656	FleetCor Technologies Inc	438,957	2.28%
	4,814	MasterCard Inc Class A	716,179	3.72%
	11,598	Microsoft Corp	964,722	5.02%
	5,685	PayPal Holdings Inc	412,504	2.14%
	17,183	Taiwan Semiconductor Manufacturing Co Ltd	727,356	3.78%
	7,294	Visa Inc Class A	802,194	4.17%
			6,149,908	31.97%
Materials 5.59% (31st October, 2016: 6.40%)				
	3,485	Ecolab Inc	455,350	2.37%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory Global Leaders Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Materials 5.59% (31st October, 2016: 6.40%) (continued)				
	1,569	Sherwin-Williams Co	619,990	3.22%
			1,075,340	5.59%
Total Equities*			18,467,257	96.00%

Forward Foreign Currency Contracts 0.14% (31st October, 2016: (0.00%))

Currency Bought	Amount Currency Bought	Currency Sold	Amount Currency Sold	Maturity Date	Counterparty	Unrealised Gain US\$	% of Fund
Brown Advisory Global Leaders Fund Sterling Class C Acc H Shares							
GBP£	6,197,901	US\$	(8,209,692)	29/11/2017	Brown Brothers Harriman	27,301	0.14%
Total Forward Foreign Currency Contracts[∞]						27,301	0.14%

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	18,494,558	96.14%
Other Net Assets	741,556	3.86%
Net Assets Attributable to Holders of Redeemable Participating Shares	19,236,114	100.00%

Portfolio Analysis

	Total Asset %
* Transferable securities admitted to an official stock exchange	18,467,257 88.21%
∞ OTC financial derivative instruments	27,301 0.13%
Total Investments	18,494,558 88.34%

STATEMENT OF INVESTMENTS

Brown Advisory US Mid-Cap Growth Fund

As at 31st October, 2017

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Consumer Discretionary 13.53%				
	5,655	Bright Horizons Family Solutions Inc	488,027	1.32%
	4,738	CarMax Inc	355,824	0.96%
	917	Chipotle Mexican Grill Inc Class A	249,332	0.67%
	5,579	Ctrip.com International Ltd	267,178	0.72%
	5,884	Liberty Broadband Corp Class A	507,260	1.37%
	10,317	Liberty Media Corp-Liberty Formula One Class A	375,539	1.02%
	8,559	Liberty Media Corp-Liberty SiriusXM Class A	356,996	0.97%
	7,336	Marriott International Inc Class A	876,505	2.37%
	8,253	Ross Stores Inc	523,983	1.42%
	26,747	TripAdvisor Inc	1,003,012	2.71%
			5,003,656	13.53%
Consumer Staples 4.14%				
	9,170	Brown-Forman Corp Class B	522,873	1.41%
	9,323	Church & Dwight Co Inc	421,120	1.14%
	3,362	Estee Lauder Cos Inc Class A	375,905	1.02%
	2,522	PriceSmart Inc	211,344	0.57%
			1,531,242	4.14%
Financials 2.39%				
	4,967	Prosperity Bancshares Inc	326,729	0.88%
	10,164	Webster Financial Corp	558,919	1.51%
			885,648	2.39%
Health Care 15.30%				
	2,828	Agios Pharmaceuticals Inc	181,756	0.49%
	8,559	Alder Biopharmaceuticals Inc	96,289	0.26%
	17,042	Catalent Inc	725,819	1.96%
	5,655	Charles River Laboratories International Inc	657,620	1.78%
	2,598	Cooper Cos Inc	624,195	1.69%
	21,703	Cotiviti Holdings Inc	763,077	2.06%
	2,063	CR Bard Inc	674,745	1.82%
	8,559	DexCom Inc	384,898	1.04%
	7,183	Edwards Lifesciences Corp	734,318	1.99%
	7,336	Henry Schein Inc	576,610	1.56%
	2,828	Neurocrine Biosciences Inc	175,647	0.48%
	1,376	Ultragenyx Pharmaceutical Inc	63,420	0.17%
			5,658,394	15.30%
Industrials 17.83%				
	3,210	Allegion PLC	267,682	0.72%
	4,509	BWX Technologies Inc	270,179	0.73%
	4,891	ESCO Technologies Inc	283,433	0.77%
	7,948	HEICO Corp	720,725	1.95%
	9,323	Hexcel Corp	565,813	1.53%
	3,592	IDEX Corp	460,530	1.25%
	3,821	JB Hunt Transport Services Inc	406,516	1.10%
	8,483	Sensata Technologies Holding NV	414,904	1.12%
	5,655	SiteOne Landscape Supply Inc	359,149	0.97%
	15,513	TransUnion	814,277	2.20%
	19,640	Waste Connections Inc	1,387,959	3.75%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Mid-Cap Growth Fund (continued)

As at 31st October, 2017

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Industrials 17.83% (continued)				
	8,330	Woodward Inc	644,159	1.74%
			6,595,326	17.83%
Information Technology 30.17%				
	15,590	Axiom Corp	392,244	1.06%
	5,579	Amphenol Corp Class A	485,373	1.31%
	1,299	ANSYS Inc	177,586	0.48%
	3,897	Blackbaud Inc	394,766	1.07%
	9,247	Broadridge Financial Solutions Inc	794,502	2.15%
	13,373	BroadSoft Inc	733,509	1.98%
	10,622	Cavium Inc	732,812	1.98%
	6,114	CoreLogic Inc	286,747	0.77%
	4,738	Electronic Arts Inc	566,665	1.53%
	1,834	Fair Isaac Corp	266,224	0.72%
	3,821	FleetCor Technologies Inc	631,497	1.71%
	2,980	Gartner Inc	373,424	1.01%
	25,219	Genpact Ltd	767,919	2.08%
	3,515	Global Payments Inc	365,384	0.99%
	5,961	Guidewire Software Inc	476,761	1.29%
	3,592	Intuit Inc	542,464	1.47%
	5,731	Jack Henry & Associates Inc	631,155	1.71%
	11,997	MACOM Technology Solutions Holdings Inc	490,437	1.32%
	5,197	MAXIMUS Inc	345,237	0.93%
	6,190	Microchip Technology Inc	586,812	1.59%
	15,360	Mimecast Ltd	488,294	1.32%
	5,502	Vantiv Inc Class A	385,140	1.04%
	1,987	WEX Inc	245,573	0.66%
			11,160,525	30.17%
Materials 4.67%				
	19,105	Ball Corp	820,178	2.22%
	6,954	Ecolab Inc	908,609	2.45%
			1,728,787	4.67%
Real Estate 0.77%				
	2,675	Crown Castle International Corp	286,439	0.77%
			286,439	0.77%
Telecommunication Services 2.13%				
	14,596	Cogent Communications Holdings Inc	786,724	2.13%
			786,724	2.13%
Total Equities*			33,636,741	90.93%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Mid-Cap Growth Fund (continued)

As at 31st October, 2017

REIT

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Real Estate 1.82%	4,280	SBA Communications Corp Class A	672,730	1.82%
			672,730	1.82%
Total REIT*			672,730	1.82%

Forward Foreign Currency Contracts 0.03%

Currency Bought	Amount Currency Bought	Amount Currency Sold	Maturity Date	Counterparty	Unrealised Gain US\$	% of Fund
Brown Advisory US Mid-Cap Growth Fund Sterling Class C Acc H Shares						
GBP£	3,314,523	US\$ (4,394,037)	29/11/2017	Brown Brothers Harriman	10,958	0.03%
Total Forward Foreign Currency Contracts [∞]					10,958	0.03%

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	34,320,429	92.77%
Other Net Assets	2,672,807	7.23%
Net Assets Attributable to Holders of Redeemable Participating Shares	36,993,236	100.00%

Portfolio Analysis	Total Asset %	
* Transferable securities admitted to an official stock exchange	34,309,471	86.22%
∞ OTC financial derivative instruments	10,958	0.03%
Total Investments	34,320,429	86.25%

STATEMENT OF INVESTMENTS

Brown Advisory US Sustainable Growth Fund

As at 31st October, 2017

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Consumer Discretionary 7.26%				
	2,161	Amazon.com Inc	2,388,510	3.89%
	17,884	Starbucks Corp	980,759	1.60%
	15,629	TJX Cos Inc	1,090,904	1.77%
			4,460,173	7.26%
Health Care 19.91%				
	29,827	Danaher Corp	2,752,137	4.48%
	14,820	Edwards Lifesciences Corp	1,515,049	2.47%
	4,911	IDEXX Laboratories Inc	816,061	1.33%
	2,121	Mettler-Toledo International Inc	1,447,858	2.36%
	14,562	Thermo Fisher Scientific Inc	2,822,552	4.59%
	13,663	UnitedHealth Group Inc	2,872,236	4.68%
			12,225,893	19.91%
Industrials 22.06%				
	28,810	AO Smith Corp	1,705,552	2.78%
	23,384	Fortive Corp	1,689,728	2.75%
	33,635	Healthcare Services Group Inc	1,778,955	2.90%
	24,899	Hexcel Corp	1,511,120	2.46%
	15,285	JB Hunt Transport Services Inc	1,626,171	2.65%
	11,424	Middleby Corp	1,324,042	2.16%
	11,011	Nordson Corp	1,394,984	2.27%
	15,044	Verisk Analytics Inc Class A	1,279,492	2.08%
	16,180	Wabtec Corp	1,237,770	2.01%
			13,547,814	22.06%
Information Technology 39.30%				
	17,471	Adobe Systems Inc	3,060,220	4.98%
	1,608	Alphabet Inc Class A	1,661,128	2.71%
	1,422	Alphabet Inc Class C	1,445,662	2.35%
	16,438	Cavium Inc	1,134,058	1.85%
	14,713	Facebook Inc Class A	2,649,223	4.31%
	12,597	Intuit Inc	1,902,399	3.10%
	38,203	Microsoft Corp	3,177,726	5.17%
	10,803	Monolithic Power Systems Inc	1,314,401	2.14%
	17,577	Red Hat Inc	2,123,829	3.46%
	14,145	Salesforce.com Inc	1,447,599	2.36%
	7,134	Tyler Technologies Inc	1,264,787	2.06%
	26,881	Visa Inc Class A	2,956,372	4.81%
			24,137,404	39.30%
Materials 3.24%				
	46,350	Ball Corp	1,989,806	3.24%
			1,989,806	3.24%
Total Equities			56,361,090	91.77%

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory US Sustainable Growth Fund (continued)

As at 31st October, 2017

REIT

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Real Estate 4.61%				
	19,705	American Tower Corp	2,831,017	4.61%
			2,831,017	4.61%
Total REIT			2,831,017	4.61%
Total Financial Assets at Fair Value through Profit or Loss			59,192,107	96.38%
Other Net Assets			2,226,016	3.62%
Net Assets Attributable to Holders of Redeemable Participating Shares			61,418,123	100.00%

All of the above securities are transferable securities listed on a recognised stock exchange and represent 55.70% of Total Assets.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)**Brown Advisory US Equity Value Fund*****For the period ended 9th December, 2016**

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), a statement of changes in the composition of the Statement of Investments during the reporting period is provided to ensure that Shareholders can identify changes in the investments held by the Company. These statements present the aggregate purchases and sales of transferable securities exceeding 1% of the total value of purchases and sales for the year. At a minimum the largest 20 purchases and sales must be given.

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
31,141	Berkshire Hathaway Inc Class B	5,072,162
56,030	Visa Inc Class A	4,397,711
2,321	Priceline Group Inc	3,531,043
29,890	MasterCard Inc Class A	3,140,420
41,005	Lowe's Cos Inc	3,130,002
135,909	Kinder Morgan Inc	2,865,098
29,254	Express Scripts Holding Co	2,196,114
31,609	Canadian National Railway Co	2,183,730
2,636	Alphabet Inc Class A	2,032,504
16,183	Accenture PLC Class A	1,951,697
15,022	Aetna Inc	1,939,357
21,112	Crown Castle International Corp	1,690,924
21,469	TJX Cos Inc	1,669,831
14,612	United Technologies Corp	1,588,804
12,810	Facebook Inc Class A	1,496,620
16,391	Edwards Lifesciences Corp	1,387,777
12,144	United Rentals Inc	1,312,453
55,686	Bank of America Corp	1,232,838
10,773	PepsiCo Inc	1,097,713
19,170	Wells Fargo & Co	1,077,668
17,920	CarMax Inc	993,703
6,612	Anthem Inc	958,414
9,203	Walt Disney Co	927,770
13,820	Best Buy Co Inc	660,766
15,823	Charles Schwab Corp	616,012

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Equity Value Fund* (continued)
For the period ended 9th December, 2016

Aggregate sales greater than 1% of the total value of sales

Units	Security Description	Proceeds US\$
31,141	Berkshire Hathaway Inc Class B	5,110,550
87,470	Wells Fargo & Co	4,895,704
350,279	Regions Financial Corp	4,860,692
76,595	CarMax Inc	4,770,301
56,030	Visa Inc Class A	4,442,058
51,254	JPMorgan Chase & Co	4,234,980
69,658	AbbVie Inc	4,173,176
76,997	SunTrust Banks Inc	4,059,550
122,088	Suncor Energy Inc	3,911,273
98,833	Charles Schwab Corp	3,821,676
32,767	Ameriprise Financial Inc	3,766,111
123,082	Cisco Systems Inc	3,667,326
2,321	Priceline Group Inc	3,594,463
30,812	Apple Inc	3,440,862
53,280	Microsoft Corp	3,240,707
29,890	MasterCard Inc Class A	3,133,070
80,575	Hologic Inc	3,128,464
41,005	Lowe's Cos Inc	3,085,216
3,946	Alphabet Inc Class C	3,057,095
34,108	Philip Morris International Inc	3,052,928
105,854	eBay Inc	3,049,040
74,147	Unilever NV	2,970,907
28,154	Walt Disney Co	2,882,917
135,909	Kinder Morgan Inc	2,881,271
92,370	Liberty Media Corp-Liberty Media Class C	2,828,838
41,173	QUALCOMM Inc	2,809,719
15,737	General Dynamics Corp	2,715,880
74,114	CommScope Holding Co Inc	2,676,256
43,915	Merck & Co Inc	2,639,552
71,661	Teva Pharmaceutical Industries Ltd	2,593,113
28,980	Edwards Lifesciences Corp	2,580,827
79,399	General Electric Co	2,444,825
57,210	Yahoo! Inc	2,363,471
33,562	Occidental Petroleum Corp	2,315,550
31,609	Canadian National Railway Co	2,207,889
2,636	Alphabet Inc Class A	2,094,024
35,351	WP Carey Inc	2,086,342
5,575	Chipotle Mexican Grill Inc Class A	2,078,688
59,122	Liberty Media Corp-Liberty Sirius XM Class A	2,076,211
29,254	Express Scripts Holding Co	2,069,721
42,342	Michael Kors Holdings Ltd	2,042,971
16,897	Willis Towers Watson PLC	2,042,305
16,183	Accenture PLC Class A	1,970,118
15,022	Aetna Inc	1,942,345
21,112	Crown Castle International Corp	1,793,711
28,228	Microchip Technology Inc	1,792,771

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Equity Value Fund* (continued)
For the period ended 9th December, 2016

Aggregate sales greater than 1% of the total value of sales (continued)

Units	Security Description	Proceeds US\$
23,076	Target Corp	1,741,863
43,866	BorgWarner Inc	1,724,775
24,583	Novartis AG	1,688,723
21,469	TJX Cos Inc	1,674,153
41,765	PayPal Holdings Inc	1,660,452

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Smaller Companies Fund
For the year ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
284,891	Catalent Inc	7,863,737
484,455	Liberty TripAdvisor Holdings Inc	7,591,339
110,142	Liberty Ventures	4,959,492
134,902	BankUnited Inc	4,696,068
42,625	Casey's General Stores Inc	4,573,163
169,350	Acxiom Corp	4,562,475
125,543	Cotiviti Holdings Inc	4,485,648
77,524	Webster Financial Corp	4,021,965
109,931	Core-Mark Holding Co Inc	3,805,519
49,177	Waste Connections Inc	3,765,443
42,735	Charles River Laboratories International Inc	3,484,109
44,731	Bright Horizons Family Solutions Inc	3,224,105
141,438	Mimecast Ltd	3,202,608
115,632	Genpact Ltd	3,076,976
67,564	BroadSoft Inc	2,984,254
186,311	Habit Restaurants Inc Class A	2,827,004
21,840	Fair Isaac Corp	2,723,922
33,086	TreeHouse Foods Inc	2,552,804
46,161	Hexcel Corp	2,432,175
92,839	MakeMyTrip Ltd	2,350,795
179,165	Carrols Restaurant Group Inc	2,310,127
19,693	WEX Inc	2,232,537
51,479	Cogent Communications Holdings Inc	2,083,801
28,977	Woodward Inc	2,064,123
62,334	Liberty Media Corp-Liberty Media Class A	1,993,308
31,527	Cavium Inc	1,967,442
27,925	Broadridge Financial Solutions Inc	1,950,291
192,894	KEYW Holding Corp	1,907,336
288,257	Global Eagle Entertainment Inc	1,851,586
42,034	Agios Pharmaceuticals Inc	1,846,927
31,342	ESCO Technologies Inc	1,771,728
38,579	MACOM Technology Solutions Holdings Inc	1,770,686
24,461	Blackbaud Inc	1,763,856
40,833	Healthcare Services Group Inc	1,734,800
20,138	Pricesmart Inc	1,718,051
40,972	Synchronoss Technologies Inc	1,666,797
43,420	SiteOne Landscape Supply Inc	1,592,493
28,426	Guidewire Software Inc	1,582,183
41,328	Envestnet Inc	1,568,667
28,143	Cambrex Corp	1,526,813

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Smaller Companies Fund (continued)
For the year ended 31st October, 2017

Aggregate sales greater than 1% of the total value of sales

Units	Security Description	Proceeds US\$
61,007	IDEXX Laboratories Inc	8,731,133
132,966	Cogent Communications Holdings Inc	5,857,816
54,169	Waste Connections Inc	4,869,349
66,040	TreeHouse Foods Inc	4,695,186
74,344	SPS Commerce Inc	4,153,164
49,135	HEICO Corp	3,896,802
39,799	Charles River Laboratories International Inc	3,762,846
17,716	Ultimate Software Group Inc	3,574,829
69,616	MACOM Technology Solutions Holdings Inc	3,170,549
20,039	Expedia Inc	2,936,841
142,835	Monotype Imaging Holdings Inc	2,803,586
36,317	WageWorks Inc	2,739,579
41,195	BeiGene Ltd	2,694,252
33,723	Bright Horizons Family Solutions Inc	2,563,618
180,244	Liberty TripAdvisor Holdings Inc	2,556,209
34,500	Medidata Solutions Inc	2,501,174
46,573	Hexcel Corp	2,500,710
141,199	Teladoc Inc	2,497,409
71,611	Advisory Board Co	2,392,300
57,134	Electronics For Imaging Inc	2,383,901
53,128	2U Inc	2,351,308
74,115	Liberty Media Corp-Liberty Media Class A	2,287,719
37,829	CEB Inc	2,175,478
31,149	Cavium Inc	2,161,445
56,497	BroadSoft Inc	2,156,369
25,461	Papa John's International Inc	2,087,687
113,092	Synchronoss Technologies Inc	2,083,339
63,935	Catalent Inc	1,971,279
27,591	Broadridge Financial Solutions Inc	1,949,267
23,045	Blackbaud Inc	1,852,014
7,433	CoStar Group Inc	1,778,410
25,776	Woodward Inc	1,763,273
29,366	ESCO Technologies Inc	1,707,414
15,504	IDEX Corp	1,654,929
35,899	Healthcare Services Group Inc	1,638,579
11,949	Laboratory Corp of America Holdings	1,554,511
59,919	Genpact Ltd	1,497,544
8,846	Henry Schein Inc	1,445,858
22,897	MAXIMUS Inc	1,410,193
23,586	Maxar Technologies Ltd	1,370,456
23,047	Aspen Technology Inc	1,369,136

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)

Brown Advisory American Fund

For the year ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
38,890	Visa Inc Class A	3,193,377
19,607	Berkshire Hathaway Inc Class B	2,821,092
21,678	MasterCard Inc Class A	2,291,590
1,461	Priceline Group Inc	2,148,113
85,574	Kinder Morgan Inc	1,718,471
25,818	Lowe's Cos Inc	1,708,758
24,560	Canadian National Railway Co	1,524,459
10,910	Facebook Inc Class A	1,462,295
21,191	Express Scripts Holding Co	1,429,608
28,020	Wells Fargo & Co	1,300,907
59,070	Hanesbrands Inc	1,299,700
1,482	Alphabet Inc Class A	1,199,570
12,780	Edwards Lifesciences Corp	1,188,119
10,189	Accenture PLC Class A	1,183,827
58,006	Bank of America Corp	1,112,677
21,807	CarMax Inc	1,074,131
11,679	Crown Castle International Corp	1,052,328
14,330	TJX Cos Inc	1,047,499
9,459	Aetna Inc	1,001,259
9,215	United Technologies Corp	945,717
12,463	United Rentals Inc	914,296
28,262	Charles Schwab Corp	896,374
9,426	Walt Disney Co	870,242
7,591	PepsiCo Inc	808,054
12,870	Microsoft Corp	781,698
16,912	Teva Pharmaceutical Industries Ltd	725,323
16,949	Altaba Inc	698,520
872	Alphabet Inc Class C	684,119
9,693	QUALCOMM Inc	665,523
5,908	Apple Inc	660,866
15,994	Best Buy Co Inc	618,527
5,074	Anthem Inc	598,921
40,386	Nomad Foods Ltd	587,793
10,579	Delta Air Lines Inc	537,101
6,924	JP Morgan Chase & Co	525,451

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory American Fund (continued)
For the year ended 31st October, 2017

Aggregate sales greater than 1% of the total value of sales

Units	Security Description	Proceeds US\$
24,870	Visa Inc Class A	2,085,939
10,212	Facebook Inc Class A	1,351,214
21,191	Express Scripts Holding Co	1,330,967
21,149	AbbVie Inc	1,191,129
1,463	Alphabet Inc Class C	1,174,556
37,366	Cisco Systems Inc	1,137,806
37,067	Suncor Energy Inc	1,111,224
17,438	CarMax Inc	1,104,356
37,063	Teva Pharmaceutical Industries Ltd	1,064,480
23,376	SunTrust Banks Inc	1,058,292
1,267	Amazon.com Inc	1,000,790
10,353	Philip Morris International Inc	993,935
587	Priceline Group Inc	973,949
22,512	Unilever NV	952,442
5,695	Berkshire Hathaway Inc	927,248
8,804	United Rentals Inc	913,484
21,149	PayPal Holdings Inc	900,575
12,821	Canadian National Railway Co	892,431
24,461	Hologic Inc	873,050
16,510	Starbucks Corp	865,164
10,949	Danaher Corp	850,708
12,164	Amphenol Corp	801,414
9,111	Estee Lauder Cos Inc Class A	784,045
5,292	Costco Wholesale Corp	778,503
10,092	Salesforce.com Inc	769,260
1,140	Intuitive Surgical Inc	762,882
7,562	NXP Semiconductors NV	753,976
28,041	Liberty Media Corp-Liberty Media Class C	749,710
5,700	Alexion Pharmaceuticals Inc	747,227
6,724	MasterCard Inc Class A	743,911
13,441	Wells Fargo & Co	719,280
6,398	Ecolab Inc	717,019

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Equity Growth Fund
For the year ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
215,719	Zoetis Inc Class A	12,315,975
59,727	Thermo Fisher Scientific Inc	9,372,383
75,433	Intuit Inc	9,099,713
116,858	TJX Cos Inc	8,875,199
23,072	Charter Communications Inc Class A	8,516,967
4,019	Priceline Group Inc	7,551,997
147,223	AO Smith Corp	7,403,687
78,520	Edwards Lifesciences Corp	7,304,991
30,909	Acuity Brands Inc	6,368,173
43,692	Alibaba Group Holding Ltd	6,325,402
124,715	TripAdvisor Inc	5,626,395
84,384	DexCom Inc	4,807,176
19,025	Roper Technologies Inc	3,853,533
70,900	BWX Technologies Inc	3,831,974
38,785	Danaher Corp	3,254,235
63,632	PayPal Holdings Inc	3,227,813
24,313	Adobe Systems Inc	3,140,422
23,662	Ecolab Inc	3,013,461
2,978	Amazon.com Inc	2,796,724
18,133	FleetCor Technologies Inc	2,657,687
45,538	Starbucks Corp	2,616,092
2,771	Alphabet Inc Class C	2,476,268
15,626	Facebook Inc Class A	2,450,322
19,640	Alexion Pharmaceuticals Inc	2,363,396
2,736	Intuitive Surgical Inc	2,195,877
27,334	Amphenol Corp Class A	2,072,486
29,417	Fortive Corp	1,883,866
15,506	ANSYS Inc	1,873,401
66,319	Genpact Ltd	1,804,663
13,267	SBA Communications Corp Class A	1,802,292
18,061	Estee Lauder Cos Inc Class A	1,747,015
16,195	Visa Inc Class A	1,651,547
18,004	Salesforce.com Inc	1,627,977
9,370	Costco Wholesale Corp	1,560,442

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Equity Growth Fund (continued)
For the year ended 31st October, 2017

Aggregate sales greater than 1% of the total value of sales

Units	Security Description	Proceeds US\$
113,327	Alexion Pharmaceuticals Inc	12,402,260
133,232	Mead Johnson Nutrition Co Class A	11,143,428
11,322	Amazon.com Inc	10,001,299
167,722	Cognizant Technology Solutions Corp Class A	9,680,512
171,622	Starbucks Corp	9,620,979
65,492	Facebook Inc Class A	9,240,254
167,755	Akamai Technologies Inc	9,047,310
132,000	DaVita Healthcare Partners Inc	8,647,731
43,642	Costco Wholesale Corp	7,036,808
63,001	NXP Semiconductors NV	6,606,793
9,137	Intuitive Surgical Inc	6,568,108
78,143	Danaher Corp	6,346,095
150,066	TripAdvisor Inc	6,248,747
68,303	Estee Lauder Cos Inc Class A	5,985,526
67,528	Visa Inc Class A	5,899,357
76,127	DexCom Inc	5,714,770
44,989	Adobe Systems Inc	5,688,990
30,909	Acuity Brands Inc	5,290,241
68,175	Salesforce.com Inc	5,229,150
66,853	Amphenol Corp Class A	4,795,317
44,467	ANSYS Inc	4,659,008
36,591	Ecolab Inc	4,497,803
90,642	PayPal Holdings Inc	4,364,491
52,758	Wabtec Corp	4,225,043
20,991	Roper Technologies Inc	4,219,839
71,315	Fortive Corp	4,102,386
4,777	Alphabet Inc Class C	3,998,898
188,873	Under Armour Inc Class C	3,904,063
23,963	FleetCor Technologies Inc	3,510,508
3,398	Alphabet Inc Class A	3,026,318
104,484	Genpact Ltd	2,618,110
95,254	Under Armour Inc Class A	2,477,024
22,972	Edwards Lifesciences Corp	2,394,765

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Flexible Equity SRI Fund*
For the year ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
13,442	Adobe Systems Inc	2,335,775
10,998	Thermo Fisher Scientific Inc	2,210,193
10,319	UnitedHealth Group Inc	2,145,069
22,527	Danaher Corp	2,061,121
14,639	American Tower Corp	2,034,760
13,275	Red Hat Inc	1,597,502
1,632	Amazon.com Inc	1,589,976
35,006	Ball Corp	1,499,815
9,514	Intuit Inc	1,441,962
25,403	Healthcare Services Group Inc	1,350,545
17,661	Fortive Corp	1,300,054
21,759	AO Smith Corp	1,299,297
11,544	JB Hunt Transport Services Inc	1,260,480
18,805	Hexcel Corp	1,167,648
10,683	Salesforce.com Inc	1,069,782
1,602	Mettler-Toledo International Inc	1,067,505
48,668	Hanesbrands Inc	1,062,751
8,316	Nordson Corp	1,055,596
8,628	Middleby Corp	1,020,077
6,487	Facebook Inc Class A	1,001,835
5,388	Tyler Technologies Inc	979,011
11,362	Verisk Analytics Inc Class A	965,528
8,159	Monolithic Power Systems Inc	938,340
12,220	Wabtec Corp	933,870
11,708	Microsoft Corp	919,336
12,415	Cavium Inc	838,709
13,507	Starbucks Corp	741,962
3,709	IDEXX Laboratories Inc	606,156
36,384	Nomad Food Ltd	523,534
9,706	Delta Air Lines Inc	493,275
17,752	Bank of America Corp	413,491

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Flexible Equity SRI Fund* (continued)
For the year ended 31st October, 2017

Aggregate sales greater than 1% of the total value of sales

Units	Security Description	Proceeds US\$
27,689	Visa Inc Class A	2,971,572
13,974	Berkshire Hathaway Inc	2,612,953
30,804	Microsoft Corp	2,537,076
13,442	Adobe Systems Inc	2,354,501
15,450	MasterCard Inc	2,214,558
10,319	United Health Group Inc	2,169,260
10,998	Thermo Fisher Scientific Inc	2,131,742
14,639	American Tower Corp	2,103,185
22,527	Danaher Corp	2,078,566
28,227	CarMax Inc	2,041,536
11,372	Facebook Inc Class A	2,037,731
35,668	Wells Fargo & Co	1,983,663
1,042	Priceline Group Inc	1,972,262
1,632	Amazon.com Inc	1,803,817
38,070	Charles Schwab Corp	1,708,034
10,610	Apple Inc	1,638,191
15,951	JPMorgan Chase & Co	1,617,299
13,275	Red Hat Inc	1,604,018
35,006	Ball Corp	1,502,808
18,401	Lowe's Cos Inc	1,499,850
9,097	Ameriprise Financial Inc	1,451,902
9,514	Intuit Inc	1,436,804
1,406	Alphabet Inc Class C	1,413,763
25,403	Healthcare Services Group Inc	1,343,565
16,940	Canadian National Railway Co	1,308,063
21,759	AO Smith Corp	1,288,133
17,661	Fortive Corp	1,276,184
19,310	Altaba Inc	1,267,941
11,544	JB Hunt Transport Services Inc	1,228,166
11,580	Edwards Lifesciences Corp	1,184,631
42,750	Bank of America Corp	1,184,300
18,805	Hexcel Corp	1,141,275
60,950	Kinder Morgan Inc	1,113,959
48,668	Hanesbrands Inc	1,104,023
10,815	Walt Disney Co	1,103,489
69,807	Regions Financial Corp	1,100,067
1,602	Mettler-Toledo International Inc	1,093,573
10,683	Salesforce.com Inc	1,093,298
1,059	Alphabet Inc Class A	1,082,285
6,736	Aetna Inc	1,073,458

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Flexible Equity SRI Fund* (continued)
For the year ended 31st October, 2017

Aggregate sales greater than 1% of the total value of sales (continued)

Units	Security Description	Proceeds US\$
15,224	PayPal Holdings Inc	1,059,240
8,316	Nordson Corp	1,053,554
8,555	United Rentals Inc	1,028,170
7,256	Accenture PLC	1,021,243
8,628	Middleby Corp	999,985
8,159	Monolithic Power Systems Inc	992,706
13,907	TJX Cos Inc	985,526
11,362	Verisk Analytics Inc Class A	966,338
5,388	Tyler Technologies Inc	955,239
12,220	Wabtec Corp	934,830
15,103	Express Scripts Holding Co	921,315

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Small Cap Blend Fund
For the year ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
103,295	Bankunited Inc	3,606,232
66,415	Liberty Ventures Class A	3,079,307
87,192	Linn Energy Inc	2,953,984
173,125	Liberty TripAdvisor Holdings Inc Class A	2,719,985
91,024	Catalent Inc	2,455,479
107,816	TEGNA Inc	2,189,589
46,899	Simpson Manufacturing Co Inc	2,023,576
18,351	Casey's General Stores Inc	1,983,379
56,705	Core-Mark Holding Co Inc	1,966,907
150,530	Altisource Residential Corp	1,891,571
58,182	National Bank Holdings Corp Class A	1,888,975
82,782	Continental Building Products Inc	1,880,138
67,102	Acxiom Corp	1,806,856
48,137	Cotiviti Holdings Inc	1,718,880
19,566	Waste Connections Inc	1,541,952
29,021	Webster Financial Corp	1,503,571
35,730	Loral Space & Communications Inc	1,438,046
25,686	EchoStar Corp Class A	1,387,095
50,092	Genpact Ltd	1,314,371
32,359	Cogent Communications Holdings Inc	1,309,030
16,605	Charles River Laboratories International Inc	1,283,699
57,263	National General Holdings Corp	1,280,927
17,877	Bright Horizons Family Solutions Inc	1,252,724
22,339	MAXIMUS Inc	1,251,772
18,490	Broadridge Financial Solutions Inc	1,240,268
26,319	Albany International Corp Class A	1,235,845
28,510	BroadSoft Inc	1,194,798
58,374	Forest City Realty Trust Inc	1,184,701
68,257	Xenia Hotels & Resorts Inc	1,184,168
50,860	Mimecast Ltd	1,124,651

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Small Cap Blend Fund (continued)
For the year ended 31st October, 2017

Aggregate sales greater than 1% of the total value of sales

Units	Security Description	Proceeds US\$
20,461	IDEXX Laboratories Inc	2,903,614
141,588	Colony NorthStar Inc Class A	2,017,529
42,996	Synovus Financial Corp	1,845,645
40,761	Cogent Communications Holdings Inc	1,845,337
46,453	Capital Bank Financial Corp Class A	1,800,059
36,820	Air Methods Corp	1,542,097
21,032	TreeHouse Foods Inc	1,451,971
17,961	Neenah Paper Inc	1,410,283
24,151	SPS Commerce Inc	1,345,645
13,606	HEICO Corp	1,129,504
18,494	ATN International Inc	1,050,321
14,819	Broadridge Financial Solutions Inc	1,030,983
4,903	Ultimate Software Group Inc	986,954
31,841	DigitalGlobe Inc	978,511
46,425	Monotype Imaging Holdings Inc	908,503
11,242	WageWorks Inc	850,331
11,509	BeiGene Ltd	846,818
50,138	Maiden Holdings Ltd	821,669
17,847	MACOM Technology Solutions Holdings Inc	809,382
8,407	Charles River Laboratories International Inc	802,408
8,384	Waste Connections Inc	773,317
18,764	Electronics For Imaging Inc	769,748
9,491	Primerica Inc	751,465
42,367	Teladoc Inc	750,065
40,956	TFS Financial Corp	743,659
67,586	Regis Corp	710,557
4,821	Expedia Inc	697,408
37,421	Synchronoss Technologies Inc	693,081
20,504	Advisory Board Co	684,812
9,685	EnPro Industries Inc	657,537
9,556	Murphy USA Inc	638,225
10,999	CEB Inc	632,533
8,238	Medidata Solutions Inc	620,188
13,514	2U Inc	605,834
31,431	Xenia Hotels & Resorts Inc	603,556

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Flexible Equity Fund
For the year ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
365,713	Hanesbrands Inc	8,143,530
45,878	Berkshire Hathaway Inc Class B	7,656,723
88,296	Visa Inc Class A	7,562,861
119,119	Wells Fargo & Co	6,558,552
41,381	Facebook Inc Class A	5,725,789
87,962	CarMax Inc	5,653,896
49,812	MasterCard Inc Class A	5,646,296
62,441	JPMorgan Chase & Co	5,372,492
3,270	Priceline Group Inc	5,269,958
221,419	Bank of America Corp	5,158,062
355,877	Regions Financial Corp	5,082,020
119,736	Charles Schwab Corp	4,710,841
70,912	Microsoft Corp	4,630,756
60,392	Lowe's Cos Inc	4,555,113
34,875	Apple Inc	4,296,176
199,959	Kinder Morgan Inc	4,127,695
33,301	Ameriprise Financial Inc	4,047,594
275,982	Nomad Foods Ltd	4,024,153
4,714	Alphabet Inc Class C	3,846,986
39,316	Edwards Lifesciences Corp	3,715,775
72,285	Delta Air Lines Inc	3,664,514
33,951	Walt Disney Co	3,454,191
45,284	Canadian National Railway Co	3,246,007
49,144	QUALCOMM Inc	3,174,602
22,136	Aetna Inc	2,999,860
23,851	Accenture PLC Class A	2,977,334
3,535	Alphabet Inc Class A	2,949,188
32,297	Crown Castle International Corp	2,877,548
40,432	Express Scripts Holding Co	2,793,301
78,005	Suncor Energy Inc	2,616,536
70,342	Teva Pharmaceutical Industries Ltd	2,562,950
7,162	Chipotle Mexican Grill Inc	2,537,305
36,801	Occidental Petroleum Corp	2,486,736
31,290	TJX Cos Inc	2,391,724
21,574	United Technologies Corp	2,365,401
50,133	PayPal Holdings Inc	2,285,321
12,621	General Dynamics Corp	2,254,180
54,277	Altaba Inc	2,242,108
65,044	eBay Inc	2,033,730
17,777	United Rentals Inc	1,922,912
17,741	PepsiCo Inc	1,871,255
22,518	T Rowe Price Group Inc	1,764,159

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Flexible Equity Fund (continued)
For the year ended 31st October, 2017

Aggregate sales greater than 1% of the total value of sales

Units	Security Description	Proceeds US\$
100,173	Express Scripts Holding Co	5,982,797
174,718	Teva Pharmaceutical Industries Ltd	4,692,663
46,795	CarMax Inc	3,094,232
27,445	United Rentals Inc	3,006,535
60,480	Best Buy Co Inc	2,685,646
1,366	Priceline Group Inc	2,382,655
33,539	Canadian National Railway Co	2,374,072
22,583	T Rowe Price Group Inc	1,796,966
16,013	Walt Disney Co	1,765,455
15,491	Visa Inc	1,340,997
6,366	Anthem Inc	1,027,212
17,674	SunTrust Banks Inc	967,680
11,599	TJX Cos Inc	897,901
5,314	Berkshire Hathaway Inc Class B	887,239
7,908	MasterCard Inc Class A	878,092
6,014	Apple Inc	799,107
24,757	Liberty Media Corp-Liberty Media Class C	770,916
15,379	Altaba Inc	752,913
17,575	Charles Schwab Corp	685,399
7,134	Lowe's Cos Inc	568,980
26,440	Kinder Morgan Inc	556,221
583	Alphabet Inc Class C	499,361
7,371	Microsoft Corp	486,342
33,444	Regions Financial Corp	485,591
5,523	JPMorgan Chase & Co	480,271
4,741	Edwards Lifesciences Corp	468,484

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)

Brown Advisory Global Leaders Fund

For the year ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
9,954	Microsoft Corp	706,136
6,811	Safran SA	571,174
15,372	Atlas Copco AB Class B	547,288
5,314	JPMorgan Chase & Co	497,563
518	Alphabet Inc Class C	492,412
26,117	Hiscox Ltd	443,413
3,562	Henkel AG & Co KGaA	429,969
2,712	FleetCor Technologies Inc	412,376
9,474	CTS Eventim AG & Co KGaA	408,439
3,870	Visa Inc Class A	391,455
1,814	Schindler Holding AG	380,469
50,300	AIA Group Ltd	352,562
1,958	Cigna Corp	351,495
6,702	Unilever PLC	347,140
2,560	MasterCard Inc Class A	343,883
8,959	Taiwan Semiconductor Manufacturing Co Ltd	341,372
3,332	Estee Lauder Cos Inc Class A	338,761
4,559	TJX Cos Inc	327,325
1,418	3M Co	301,072
1,818	Facebook Inc Class A	297,380
814	Sherwin-Williams Co	294,589
2,839	Edwards Lifesciences Corp	290,861
11,300	HDFC Bank Ltd	288,707
2,620	Deutsche Boerse AG	281,973
4,008	Cognizant Technology Solutions Corp Class A	278,350
6,226	Charles Schwab Corp	266,566
4,958	PayPal Holdings Inc	261,862
1,891	Ecolab Inc	243,908
2,815	Hoshizaki Corp	235,539
128	Priceline Group Inc	235,378
212,600	Bank Rakyat Indonesia Persero Tbk PT	225,426
2,988	Starbucks Corp	166,318
2,709	Brown-Forman Corp Class B	140,219

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)

Brown Advisory Global Leaders Fund (continued)

For the year ended 31st October, 2017

Aggregate sales greater than 1% of the total value of sales

Units	Security Description	Proceeds US\$
2,222	Moody's Corp	296,611
5,101	Nike Inc Class B	275,322
2,280	NXP Semiconductors NV	240,963
2,792	Verisk Analytics Inc	225,751
972	3M Co	191,141
3,325	Starbucks Corp	189,965
18,463	Sun Pharmaceutical Industries Ltd	149,651
1,182	MasterCard Inc Class A	127,303
1,072	Apple Inc	118,910
2,464	Brown-Forman Corp Class B	113,873
2,045	Unilever PLC	108,292
1,079	Estee Lauder Cos Inc Class A	106,399
1,830	Cognizant Technology Solutions Corp Class A	104,692
57	Priceline Group Inc	92,864
636	Cigna Corp	80,786
2,771	HDFC Bank Ltd	74,551
2,218	Novozymes A/S	73,507
943	TJX Cos Inc	67,287
2,084	Taiwan Semiconductor Manufacturing Co Ltd	66,771
691	Visa Inc Class A	59,339
1,258	PayPal Holdings Inc	53,166
1,447	Atlas Copco AB Class B	52,694
491	Edwards Lifesciences Corp	51,802
391	Facebook Inc Class A	50,251
594	JPMorgan Chase & Co	50,103
351	Ecolab Inc	44,541
6,000	AIA Group Ltd	39,302
41	Alphabet Inc Class C	35,166

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Mid-Cap Growth Fund*
For the period ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
17,659	Waste Connections Inc	1,291,155
26,747	TripAdvisor Inc	1,036,418
24,461	Cotiviti Holdings Inc	919,485
6,954	Ecolab Inc	919,438
23,300	Catalent Inc	866,313
7,183	Edwards Lifesciences Corp	811,020
18,861	Ball Corp	792,237
16,176	BroadSoft Inc	781,084
10,091	Broadridge Financial Solutions Inc	778,154
7,336	Marriott International Inc Class A	777,414
25,219	Genpact Ltd	718,261
10,622	Cavium Inc	717,170
15,513	TransUnion	705,320
16,387	Cogent Communications Holdings Inc	704,801
8,735	HEICO Corp	677,724
12,274	MACOM Technology Solutions Holdings Inc	676,211
6,422	Jack Henry & Associates Inc	672,700
2,063	CR Bard Inc	655,159
4,473	Henry Schein Inc	654,365
2,598	Cooper Cos Inc	629,984
8,330	Woodward Inc	593,667
4,280	SBA Communications Corp	588,334
6,556	Blackbaud Inc	583,637
5,655	Charles River Laboratories International Inc	573,185
3,821	FleetCor Technologies Inc	570,783
8,559	DexCom Inc	570,590
10,164	Webster Financial Corp	541,207
4,738	Electronic Arts Inc	533,633
6,190	Microchip Technology Inc	522,364
5,884	Liberty Broadband Corp Class A	521,091
9,323	Hexcel Corp	505,238
3,592	Intuit Inc	503,140
8,253	Ross Stores Inc	490,994
7,524	Prosperity Bancshares Inc	487,192
3,479	Equifax Inc	481,681
9,323	Church & Dwight Co Inc	477,743
5,861	TreeHouse Foods Inc	464,540
9,170	Brown-Forman Corp Class B	462,192
5,655	Bright Horizons Family Solutions Inc	449,162
5,579	Amphenol Corp Class A	433,614
15,360	Mimecast Ltd	424,480
5,961	Guidewire Software Inc	422,217

* Brown Advisory US Mid-Cap Growth Fund launched on 3rd April, 2017.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)**Brown Advisory US Mid-Cap Growth Fund* (continued)****For the period ended 31st October, 2017**

Aggregate purchases greater than 1% of the total cost of purchases (continued)

Units	Security Description	Cost US\$
3,592	IDEX Corp	413,185
15,590	Axiom Corp	405,829
2,598	Expedia Inc	390,043
3,797	Crown Castle International Corp	380,430
8,483	Sensata Technologies Holding NV	374,459
2,980	Gartner Inc	367,195

* Brown Advisory US Mid-Cap Growth Fund launched on 3rd April, 2017.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Mid-Cap Growth Fund* (continued)
For the period ended 31st October, 2017

Top twenty sales

Units	Security Description	Proceeds US\$
3,479	Equifax Inc	398,860
5,861	TreeHouse Foods Inc	391,912
2,598	Expedia Inc	374,351
6,258	Catalent Inc	256,684
2,659	Blackbaud Inc	244,392
2,230	Orbital ATK Inc	228,414
1,404	ANSYS Inc	184,949
2,557	Prosperity Bancshares Inc	165,340
2,803	BroadSoft Inc	153,912
2,758	Cotiviti Holdings Inc	124,528
2,665	Fastenal Co	117,017
1,122	Crown Castle International Corp	113,121
1,791	Cogent Communications Holdings Inc	85,968
815	HEICO Corp	72,909
691	Jack Henry & Associates Inc	72,830
844	Broadridge Financial Solutions Inc	63,165
355	Fair Isaac Corp	50,249
184	Dollar General Corp	13,113
204	DENTSPLY SIRONA Inc	12,660
277	MACOM Technology Solutions Holdings Inc	11,449

* Brown Advisory US Mid-Cap Growth Fund launched on 3rd April, 2017.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)

Brown Advisory US Sustainable Growth Fund*

For the period ended 31st October, 2017

Aggregate purchases greater than 1% of the total cost of purchases

Units	Security Description	Cost US\$
38,873	Microsoft Corp	3,128,693
18,117	Adobe Systems Inc	3,040,569
27,755	Visa Inc Class A	2,975,577
13,663	UnitedHealth Group Inc	2,808,244
19,705	American Tower Corp	2,800,523
14,562	Thermo Fisher Scientific Inc	2,760,871
15,308	Facebook Inc Class A	2,689,065
29,827	Danaher Corp	2,679,418
2,274	Amazon.com Inc	2,429,376
18,003	Red Hat Inc	2,074,171
46,084	Ball Corp	1,965,976
12,597	Intuit Inc	1,854,367
33,635	Healthcare Services Group Inc	1,761,016
29,649	AO Smith Corp	1,723,407
23,384	Fortive Corp	1,647,508
1,608	Alphabet Inc Class A	1,606,226
15,285	JB Hunt Transport Services	1,583,107
14,820	Edwards Lifesciences Corp	1,556,674
25,691	Hexcel Corp	1,509,361
1,425	Alphabet Inc Class C	1,437,940
2,134	Mettler-Toledo International Inc	1,404,057
14,145	Salesforce.com Inc	1,403,554
11,011	Nordson Corp	1,376,589
11,424	Middleby Corp	1,349,958
16,720	Wabtec Corp	1,288,150
15,145	Verisk Analytics Inc Class A	1,278,831
10,803	Monolithic Power Systems Inc	1,258,736
7,134	Tyler Technologies Inc	1,254,007
16,438	Cavium Inc	1,106,452
15,652	TJX Cos Inc	1,096,856
17,915	Starbucks Corp	986,771
4,925	IDEXX Laboratories Inc	806,169

* Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Sustainable Growth Fund* (continued)
For the period ended 31st October, 2017

Total of aggregate sales

Units	Security Description	Proceeds US\$
113	Amazon.com Inc	108,121
646	Adobe Systems Inc	106,994
595	Facebook Inc Class A	100,547
874	Visa Inc Class A	91,988
1,141	TreeHouse Foods Inc	87,955
670	Microsoft Corp	55,881
839	AO Smith Corp	50,996
792	Hexcel Corp	46,958
426	Red Hat Inc	45,782
540	Wabtec Corp	40,854
97	Acuity Brands Inc	17,970
258	Nike Inc Class B	13,270
259	Akamai Technologies Inc	13,143
101	Verisk Analytics Inc	7,886
13	Mettler-Toledo International Inc	6,875
42	NXP Semiconductors NV	4,407
3	Alphabet Inc Class C	2,838
14	IDEXX Laboratories Inc	2,266
31	Starbucks Corp	1,888
23	TJX Cos Inc	1,808

* Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

STATEMENT OF FINANCIAL POSITION

		Brown Advisory US Equity Value Fund*	Brown Advisory US Equity Value Fund	Brown Advisory US Smaller Companies Fund	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory American Fund
		As at 9th December, 2016 US\$	As at 31st October, 2016 US\$	As at 31st October, 2017 US\$	As at 31st October, 2016 US\$	As at 31st October, 2017 US\$	As at 31st October, 2016 US\$
	Note						
Assets							
Financial Assets at Fair Value through Profit or Loss	1,14	–	105,686,845	300,657,632	235,442,312	64,687,182	71,142,144
Cash at bank	1,2	5,958,323	6,544,312	15,793,646	23,743,021	2,382,798	4,116,074
Debtors - Amounts falling due within one year	1,4	137,694,291	3,336,139	2,024,128	1,523,243	101,901	178,508
Total Assets		143,652,614	115,567,296	318,475,406	260,708,576	67,171,881	75,436,726
Current Liabilities							
Financial Liabilities at Fair Value through Profit or Loss	1,14	–	(58)	–	–	(3,322)	(448)
Bank Overdraft	3	–	–	–	–	–	–
Creditors - Amounts falling due within one year	1,5	(143,652,614)	(1,528,771)	(3,186,287)	(3,678,306)	(334,994)	(363,826)
Liabilities (excluding Net Assets Attributable to Holders of Redeemable Participating Shares)		(143,652,614)	(1,528,829)	(3,186,287)	(3,678,306)	(338,316)	(364,274)
Net Assets Attributable to Holders of Redeemable Participating Shares (for Financial Reporting Purposes)		–	114,038,467	315,289,119	257,030,270	66,833,565	75,072,452
Adjustment to fully write off establishment expenses	17	–	–	–	–	–	–
Net Assets Attributable to Holders of Redeemable Participating Shares (for Shareholder Dealing Purposes)		–	114,038,467	315,289,119	257,030,270	66,833,565	75,072,452

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

STATEMENT OF FINANCIAL POSITION (continued)

		Brown Advisory	Brown Advisory	Brown Advisory	Brown Advisory	Brown Advisory
		US Equity	US Equity	US Flexible	US Flexible	US Small Cap
		Growth Fund	Growth Fund	Equity SRI	Equity SRI Fund	Blend Fund
		As at	As at	As at	As at	As at
		31st October,	31st October,	31st October,	31st October,	31st October,
		2017	2016	2017	2016	2016
		US\$	US\$	US\$	US\$	US\$
	Note					
Assets						
Financial Assets at Fair Value through Profit or Loss	1,14	346,707,991	350,943,387	–	37,486,753	136,500,805
Cash at bank	1,2	6,266,513	10,947,585	1,276,210	1,436,237	9,266,240
Debtors - Amounts falling due within one year	1,4	91,047	4,202,722	44,772,386	106,296	272,284
Total Assets		353,065,551	366,093,694	46,048,596	39,029,286	146,039,329
Current Liabilities						
Financial Liabilities at Fair Value through Profit or Loss	1,14	(371,187)	(2,061)	–	–	–
Bank Overdraft	3	–	–	–	–	–
Creditors - Amounts falling due within one year	1,5	(1,166,383)	(3,582,934)	(46,048,596)	(104,674)	(888,073)
Liabilities (excluding Net Assets Attributable to Holders of Redeemable Participating Shares)		(1,537,570)	(3,584,995)	(46,048,596)	(104,674)	(888,073)
Net Assets Attributable to Holders of Redeemable Participating Shares (for Financial Reporting Purposes)		351,527,981	362,508,699	–	38,924,612	145,151,256
Adjustment to fully write off establishment expenses	17	–	–	–	–	8,668
Net Assets Attributable to Holders of Redeemable Participating Shares (for Shareholder Dealing Purposes)		351,527,981	362,508,699	–	38,924,612	145,159,924

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

STATEMENT OF FINANCIAL POSITION (continued)

		Brown Advisory US Flexible Equity Fund As at 31st October, 2017 US\$	Brown Advisory US Flexible Equity Fund As at 31st October, 2016 US\$	Brown Advisory Global Leaders Fund As at 31st October, 2017 US\$	Brown Advisory Global Leaders Fund As at 31st October, 2016 US\$	Brown Advisory US Mid-Cap Growth Fund* As at 31st October, 2017 US\$	Brown Advisory US Sustainable Growth Fund* As at 31st October, 2017 US\$
	Note						
Assets							
Financial Assets at Fair Value through Profit or Loss	1,14	336,129,764	153,945,458	18,494,558	7,322,236	34,320,429	59,192,107
Cash at bank	1,2	15,583,196	5,455,636	2,419,040	437,329	1,484,590	501,408
Debtors - Amounts falling due within one year	1,4	3,868,301	393,825	20,893	188,563	3,988,799	46,566,780
Total Assets		355,581,261	159,794,919	20,934,491	7,948,128	39,793,818	106,260,295
Current Liabilities							
Financial Liabilities at Fair Value through Profit or Loss	1,14	–	(77)	–	(157)	–	–
Bank Overdraft	3	(23,772)	–	(79)	(105,682)	–	–
Creditors - Amounts falling due within one year	1,5	(5,061,298)	(329,915)	(1,698,298)	(36,353)	(2,800,582)	(44,842,172)
Liabilities (excluding Net Assets Attributable to Holders of Redeemable Participating Shares)		(5,085,070)	(329,992)	(1,698,377)	(142,192)	(2,800,582)	(44,842,172)
Net Assets Attributable to Holders of Redeemable Participating Shares (for Financial Reporting Purposes)		350,496,191	159,464,927	19,236,114	7,805,936	36,993,236	61,418,123
Adjustment to fully write off establishment expenses	17	7,429	12,955	15,889	22,474	19,048	19,048
Net Assets Attributable to Holders of Redeemable Participating Shares (for Shareholder Dealing Purposes)		350,503,620	159,477,882	19,252,003	7,828,410	37,012,284	61,437,171

* Brown Advisory US Mid-Cap Growth Fund and Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

STATEMENT OF FINANCIAL POSITION (continued)

		Total As at 31st October, 2017 US\$	Total As at 31st October, 2016 US\$
	Note		
Assets			
Financial Assets at Fair Value through Profit or Loss	1,14	1,379,322,190	1,098,469,940
Cash at bank	1,2	61,321,722	61,946,434
Debtors - Amounts falling due within one year	1,4	240,706,708	10,201,580
Total Assets		<u>1,681,350,620</u>	<u>1,170,617,954</u>
Current Liabilities			
Financial Liabilities at Fair Value through Profit or Loss	1,14	(393,319)	(2,801)
Bank Overdraft	3	(23,851)	(105,682)
Creditors - Amounts falling due within one year	1,5	(250,514,844)	(10,512,852)
Liabilities (excluding Net Assets Attributable to Holders of Redeemable Participating Shares)		<u>(250,932,014)</u>	<u>(10,621,335)</u>
Net Assets Attributable to Holders of Redeemable Participating Shares (for Financial Reporting Purposes)		1,430,418,606	1,159,996,619
Adjustment to fully write off establishment expenses	17	<u>64,928</u>	<u>44,097</u>
Net Assets Attributable to Holders of Redeemable Participating Shares (for Shareholder Dealing Purposes)		<u>1,430,483,534</u>	<u>1,160,040,716</u>

On Behalf of the Board of Directors

Director
12th February, 2018

Director

BROWN ADVISORY FUNDS PLC

STATEMENT OF FINANCIAL POSITION (continued)

As at 31st October, 2017

Brown Advisory US Smaller Companies Fund			Dollar Class A Acc Shares	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Sterling Class B Acc H Shares ¹	Sterling Class B Dis Shares			
Net Assets			US\$68,187,336	US\$50,160,131	US\$194,772,419	US\$849,395	US\$1,319,838			
Number of Shares outstanding			3,108,301	2,201,745	10,827,799	58,736	65,938			
Net Asset Value per Share (base currency)			US\$21.94	US\$22.78	US\$17.99	US\$14.46	US\$20.02			
Net Asset Value per Share (class currency)			US\$21.94	US\$22.78	US\$17.99	GBP10.89	GBP15.07			
Brown Advisory American Fund			Dollar Class B Dis Shares	Sterling Class A Dis Shares	Dollar Class A Dis Shares	Euro Class B Dis Shares	Euro Class A Acc H Shares	Sterling Class B Dis Shares	Sterling Class B Dis H Shares	
Net Assets			US\$41,836,616	US\$1,674,770	US\$1,580,001	US\$156,003	US\$235,904	US\$14,408,701	US\$6,941,570	
Number of Shares outstanding			2,124,189	32,959	72,422	5,482	10,956	443,767	277,533	
Net Asset Value per Share (base currency)			US\$19.70	US\$50.81	US\$21.82	US\$28.46	US\$21.53	US\$32.47	US\$25.01	
Net Asset Value per Share (class currency)			US\$19.70	GBP38.26	US\$21.82	EUR24.43	EUR18.48	GBP24.45	GBP18.83	
Brown Advisory US Equity Growth Fund			Dollar Class B Dis Shares	Dollar Class A Acc Shares	Euro Class A Acc H Shares	Euro Class B Acc Shares	Sterling Class B Dis H Shares	Euro Class P Acc H Shares	Dollar Class P Acc Shares	Dollar Class B Acc Shares
Net Assets			US\$143,987,782	US\$30,777,012	US\$25,130,334	US\$1,008,593	US\$22,966,666	US\$1,601,247	US\$763,940	US\$125,292,407
Number of Shares outstanding			5,205,446	1,272,358	1,080,402	33,458	886,207	78,213	44,726	7,511,461
Net Asset Value per Share (base currency)			US\$27.66	US\$24.19	US\$23.26	US\$30.14	US\$25.92	US\$20.47	US\$17.08	US\$16.68
Net Asset Value per Share (class currency)			US\$27.66	US\$24.19	EUR19.97	EUR25.88	GBP19.52	EUR17.57	US\$17.08	US\$16.68
Brown Advisory US Small Cap Blend Fund				Dollar Class B Acc Shares	Dollar Class C Acc Shares	Dollar Class A Acc Shares	Euro Class A Acc H Shares	Sterling Class B Acc Shares ²	Sterling Class B Dis Shares ³	
Net Assets				US\$158,974,642	US\$27,755,416	US\$6,555,566	US\$1,332,020	US\$25,340,329	US\$8,669,818	
Number of Shares outstanding				10,050,623	1,910,142	500,941	83,843	1,851,993	584,214	
Net Asset Value per Share (base currency)				US\$15.82	US\$14.53	US\$13.09	US\$15.89	US\$13.68	US\$14.84	
Net Asset Value per Share (class currency)				US\$15.82	US\$14.53	US\$13.09	EUR13.64	GBP10.30	GBP11.17	

¹Sterling Class B Acc H Shares launched on 24th May, 2017.

²Sterling Class B Acc Shares launched on 9th January, 2017.

³Sterling Class B Dis Shares launched on 11th November, 2016.

The accompanying notes form an integral part of the financial statements.

BROWN ADVISORY FUNDS PLC

STATEMENT OF FINANCIAL POSITION (continued)

As at 31st October, 2017

Brown Advisory US Flexible Equity Fund¹	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Sterling Class B Dis H Shares²	Sterling Class B Acc H Shares	Dollar Class A Acc Shares	Sterling Class C Dis Shares²	Dollar Class C Dis Shares²	Dollar Class M Dis Shares²	Sterling Class M Dis Shares²
Net Assets	US\$59,749,329	US\$192,413,328	US\$640,732	US\$3,523,714	US\$456,538	US\$3,163,965	US\$5,970,687	US\$66,526,336	US\$11,502,777
Number of Shares outstanding	4,328,525	13,622,181	41,661	191,821	38,123	216,194	512,130	5,680,635	782,306
Net Asset Value per Share (base currency)	US\$13.80	US\$14.13	US\$15.38	US\$18.37	US\$11.98	US\$14.63	US\$11.66	US\$11.71	US\$14.70
Net Asset Value per Share (class currency)	US\$13.80	US\$14.13	GBP11.58	GBP13.83	US\$11.98	GBP11.02	US\$11.66	US\$11.71	GBP11.07
					Dollar Class A Dis Shares²	Sterling Class A Dis Shares²	Euro Class B Dis Shares²	Dollar Class B Dis Shares²	Sterling Class B Dis Shares³
Net Assets					US\$376,679	US\$187,281	US\$1,019,828	US\$2,883,378	US\$2,089,048
Number of Shares outstanding					32,605	12,907	82,080	247,862	139,289
Net Asset Value per Share (base currency)					US\$11.55	US\$14.51	US\$12.42	US\$11.63	US\$15.00
Net Asset Value per Share (class currency)					US\$11.55	GBP10.93	EUR10.67	US\$11.63	GBP11.29
Brown Advisory Global Leaders Fund								Sterling Class C Acc H Shares	Dollar Class C Acc Shares
Net Assets								US\$8,371,522	US\$10,880,481
Number of Shares outstanding								460,928	849,779
Net Asset Value per Share (base currency)								US\$18.16	US\$12.80
Net Asset Value per Share (class currency)								GBP13.68	US\$12.80
Brown Advisory US Mid Cap Growth Fund⁴								Dollar Class C Acc Shares⁵	Sterling Class C Acc H Shares⁶
Net Assets								US\$31,593,279	US\$5,419,005
Number of Shares outstanding								2,815,529	387,967
Net Asset Value per Share (base currency)								US\$11.22	US\$13.97
Net Asset Value per Share (class currency)								US\$11.22	GBP10.52

¹Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

²Sterling Class B Dis H Shares, Sterling Class C Dis Shares, Dollar Class C Dis Shares, Dollar Class M Dis Shares, Sterling Class M Dis Shares, Dollar Class A Dis Shares, Sterling Class A Dis Shares, Euro Class B Dis Shares and Dollar Class B Dis Shares launched on 8th December, 2016.

³Sterling Class B Dis Shares launched on 16th November, 2016.

⁴The Brown Advisory US Mid-Cap Growth Fund launched on 3rd April, 2017.

⁵Dollar Class C Acc Shares launched on 3rd April, 2017.

⁶Sterling Class C Acc H Shares launched on 9th June, 2017.

STATEMENT OF FINANCIAL POSITION (continued)

As at 31st October, 2017

Brown Advisory US Sustainable Growth Fund ¹	Dollar Class C Acc Shares ²	Sterling Class B Dis Shares ³	Dollar Class B Dis Shares ⁴	Dollar Class C Dis Shares ⁴	Dollar Class A Dis Shares ⁴
Net Assets	US\$15,333,892	US\$187,213	US\$3,838,293	US\$38,577,088	US\$3,500,685
Number of Shares outstanding	1,320,222	13,131	383,829	3,857,709	350,068
Net Asset Value per Share (base currency)	US\$11.61	US\$14.26	US\$10.00	US\$10.00	US\$10.00
Net Asset Value per Share (class currency)	US\$11.61	GBP10.74	US\$10.00	US\$10.00	US\$10.00

¹The Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017. Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

²Dollar Class C Acc Shares launched on 3rd April, 2017.

³Sterling Class B Dis Shares launched on 3rd August, 2017.

⁴Dollar Class B Dis Shares, Dollar Class C Dis Shares and Dollar Class A Dis Shares launched on 31st October, 2017.

STATEMENT OF FINANCIAL POSITION (continued)

As at 31st October, 2016

Brown Advisory US Equity Value Fund				Sterling Class A	Dollar Class A	Sterling Class B	Sterling Class B	Dollar Class B	Euro Class B Dis			
				Dis Shares	Dis Shares	Dis Shares	Dis H Shares	Dis Shares	Shares			
Net Assets				US\$315,019	US\$1,000,431	US\$36,169,954	US\$1,117,052	US\$75,046,420	US\$389,591			
Number of Shares outstanding				13,055	75,304	1,365,060	52,293	6,339,851	18,131			
Net Asset Value per Share (base currency)				US\$24.13	US\$13.29	US\$26.50	US\$21.36	US\$11.84	US\$21.49			
Net Asset Value per Share (class currency)				GBP19.71	US\$13.29	GBP21.65	GBP17.45	US\$11.84	EUR19.58			
Brown Advisory US Smaller Companies Fund				Dollar Class A	Dollar Class B	Dollar Class C	Euro Class B Dis	Sterling Class B				
				Acc Shares	Acc Shares	Acc Shares	Shares	Dis Shares				
Net Assets				US\$109,975,116	US\$5,075,364	US\$141,591,027	US\$232,735	US\$156,028				
Number of Shares outstanding				6,069,028	271,785	9,625,599	13,596	9,511				
Net Asset Value per Share (base currency)				US\$18.12	US\$18.67	US\$14.71	US\$17.12	US\$16.41				
Net Asset Value per Share (class currency)				US\$18.12	US\$18.67	US\$14.71	EUR15.60	GBP13.41				
Brown Advisory American Fund				Dollar Class B	Sterling Class A	Dollar Class A	Euro Class B Dis	Euro Class A	Sterling Class B	Sterling Class B		
				Dis Shares	Dis Shares	Dis Shares	Shares	Acc H Shares	Dis Shares	Dis H Shares		
Net Assets				US\$51,938,507	US\$1,496,589	US\$1,434,092	US\$125,138	US\$233,397	US\$10,600,064	US\$9,244,665		
Number of Shares outstanding				3,286,483	36,494	81,450	5,480	14,017	406,853	494,997		
Net Asset Value per Share (base currency)				US\$15.80	US\$41.01	US\$17.61	US\$22.84	US\$16.65	US\$26.05	US\$18.68		
Net Asset Value per Share (class currency)				US\$15.80	GBP33.50	US\$17.61	EUR20.81	EUR15.17	GBP21.28	GBP15.26		
Brown Advisory US Equity Growth Fund				Dollar Class B	Dollar Class A	Euro Class A	Euro Class B	Sterling Class A	Sterling Class B	Euro Class P	Dollar Class P	Dollar Class B
				Dis Shares	Acc Shares	Acc H Shares	Acc Shares	Dis H Shares	Dis H Shares	Acc H Shares	Acc Shares	Acc Shares
Net Assets				US\$200,360,392	US\$43,757,377	US\$29,417,331	US\$956,436	US\$68,886	US\$41,209,163	US\$1,068,726	US\$1,422,221	US\$44,248,167
Number of Shares outstanding				8,827,296	2,188,251	1,594,510	38,668	3,592	2,084,204	65,300	99,970	3,232,934
Net Asset Value per Share (base currency)				US\$22.70	US\$20.00	US\$18.45	US\$24.73	US\$19.18	US\$19.77	US\$16.37	US\$14.23	US\$13.69
Net Asset Value per Share (class currency)				US\$22.70	US\$20.00	EUR16.81	EUR22.53	GBP15.67	GBP16.15	EUR14.91	US\$14.23	US\$13.69

BROWN ADVISORY FUNDS PLC

STATEMENT OF FINANCIAL POSITION (continued)

As at 31st October, 2016

						Dollar Class B Dis Shares	Dollar Class A Dis Shares
Brown Advisory US Flexible Equity SRI Fund							
Net Assets						US\$37,019,279	US\$1,905,333
Number of Shares outstanding						2,510,664	133,907
Net Asset Value per Share (base currency)						US\$14.74	US\$14.23
Net Asset Value per Share (class currency)						US\$14.74	US\$14.23
Brown Advisory US Small Cap Blend Fund	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Dollar Class A Acc Shares	Dollar Class B Dis Shares	Euro Class A Acc H Shares	Euro Class B Acc H Shares	Sterling Class A Dis Shares
Net Assets	US\$119,256,060	US\$21,096,631	US\$3,977,242	US\$229,712	US\$185,565	US\$187,556	US\$227,158
Number of Shares outstanding	9,289,114	1,797,684	372,617	20,001	14,958	14,958	11,877
Net Asset Value per Share (base currency)	US\$12.84	US\$11.74	US\$10.67	US\$11.49	US\$12.41	US\$12.54	US\$19.13
Net Asset Value per Share (class currency)	US\$12.84	US\$11.74	US\$10.67	US\$11.49	EUR11.30	EUR11.42	GBP15.63
Brown Advisory US Flexible Equity Fund				Dollar Class B Acc Shares	Dollar Class C Acc Shares	Sterling Class B Acc H Shares	Dollar Class A Acc Shares
Net Assets				US\$19,467,882	US\$138,519,614	US\$1,489,207	US\$1,179
Number of Shares outstanding				1,765,591	12,309,746	109,269	122
Net Asset Value per Share (base currency)				US\$11.03	US\$11.25	US\$13.63	US\$9.66
Net Asset Value per Share (class currency)				US\$11.03	US\$11.25	GBP11.14	US\$9.66
Brown Advisory Global Leaders Fund						Sterling Class C Acc H Shares ¹	Dollar Class C Acc Shares
Net Assets						US\$4,674,615	US\$3,153,795
Number of Shares outstanding						354,740	315,702
Net Asset Value per Share (base currency)						US\$13.18	US\$9.99
Net Asset Value per Share (class currency)						GBP10.77	US\$9.99

¹Sterling Class C Acc H Shares launched on 8th February, 2016.

STATEMENT OF FINANCIAL POSITION (continued)

As at 31st October, 2015

Brown Advisory US Equity Value Fund				Sterling Class A Dis Shares	Dollar Class A Dis Shares	Sterling Class B Dis Shares	Sterling Class B Dis H Shares	Dollar Class B Dis Shares	Euro Class B Dis Shares			
Net Assets				US\$618,768	US\$1,256,438	US\$261,247,148	US\$23,084,326	US\$221,080,774	US\$5,889,200			
Number of Shares outstanding				25,480	93,982	9,789,797	852,417	18,545,838	272,260			
Net Asset Value per Share (base currency)				US\$24.28	US\$13.37	US\$26.69	US\$27.08	US\$11.92	US\$21.63			
Net Asset Value per Share (class currency)				GBP15.75	US\$13.37	GBP17.31	GBP17.57	US\$11.92	EUR19.67			
Brown Advisory US Smaller Companies Fund					Dollar Class A Acc Shares	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Euro Class B Dis Shares	Sterling Class B Dis Shares ¹			
Net Assets					US\$56,658,977	US\$4,688,533	US\$102,569,804	US\$23,604,110	US\$108,027			
Number of Shares outstanding					3,374,292	272,963	7,600,375	1,499,017	7,159			
Net Asset Value per Share (base currency)					US\$16.79	US\$17.18	US\$13.50	US\$15.75	US\$15.09			
Net Asset Value per Share (class currency)					US\$16.79	US\$17.18	US\$13.50	EUR14.32	GBP9.79			
Brown Advisory American Fund				Dollar Class B Dis Shares	Sterling Class A Dis Shares	Dollar Class A Dis Shares	Euro Class B Dis Shares	Euro Class A Acc H Shares	Sterling Class B Dis Shares	Sterling Class B Dis H Shares		
Net Assets				US\$108,379,872	US\$1,872,501	US\$2,312,421	US\$124,123	US\$432,009	US\$12,521,579	US\$64,999		
Number of Shares outstanding				6,908,822	45,807	131,744	5,476	25,528	484,203	2,775		
Net Asset Value per Share (base currency)				US\$15.69	US\$40.88	US\$17.55	US\$22.67	US\$16.92	US\$25.86	US\$23.42		
Net Asset Value per Share (class currency)				US\$15.69	GBP26.52	US\$17.55	EUR20.61	EUR15.39	GBP16.77	GBP15.19		
Brown Advisory US Equity Growth Fund				Dollar Class B Dis Shares	Dollar Class A Acc Shares	Euro Class A Acc H Shares	Euro Class B Acc Shares	Sterling Class A Dis H Shares	Sterling Class B Dis H Shares	Euro Class P Acc H Shares	Dollar Class P Acc Shares	Dollar Class B Acc Shares
Net Assets				US\$428,132,805	US\$66,764,933	US\$169,749,078	US\$1,699,842	US\$372,949	US\$68,579,886	US\$1,076,424	US\$9,182,244	US\$142,867,459
Number of Shares outstanding				18,792,504	3,301,567	8,952,462	68,470	15,203	2,726,647	63,406	633,205	10,401,175
Net Asset Value per Share (base currency)				US\$22.78	US\$20.22	US\$18.96	US\$24.83	US\$24.53	US\$25.15	US\$16.98	US\$14.50	US\$13.74
Net Asset Value per Share (class currency)				US\$22.78	US\$20.22	EUR17.24	EUR22.58	GBP15.91	GBP16.32	EUR15.44	US\$14.50	US\$13.74

¹Sterling Class B Dis Shares launched on 19th June, 2015.

BROWN ADVISORY FUNDS PLC

STATEMENT OF FINANCIAL POSITION (continued)

As at 31st October, 2015

				Dollar Class B		Dollar Class A	
				Dis Shares		Dis Shares	
Brown Advisory US Flexible Equity SRI Fund³							
Net Assets				US\$41,423,220		US\$1,949,912	
Number of Shares outstanding				2,758,181		134,034	
Net Asset Value per Share (base currency)				US\$15.02		US\$14.55	
Net Asset Value per Share (class currency)				US\$15.02		US\$14.55	
				Dollar Class B	Dollar Class C	Dollar Class A	Dollar Class B
				Acc Shares	Acc Shares	Acc Shares	Dis Shares
Brown Advisory US Small Cap Blend Fund							
Net Assets				US\$51,534,325	US\$16,753,734	US\$8,802,705	US\$219,028
Number of Shares outstanding				4,210,253	1,504,805	860,708	20,001
Net Asset Value per Share (base currency)				US\$12.24	US\$11.13	US\$10.23	US\$10.95
Net Asset Value per Share (class currency)				US\$12.24	US\$11.13	US\$10.23	US\$10.95
				Dollar Class B	Dollar Class C	Sterling Class B	Dollar Class A
				Acc Shares	Acc Shares	Acc H Shares	Acc Shares¹
Brown Advisory US Flexible Equity Fund							
Net Assets				US\$16,926,780	US\$156,242,469	US\$2,494,596	US\$154,453
Number of Shares outstanding				1,516,333	13,749,048	142,704	15,734
Net Asset Value per Share (base currency)				US\$11.16	US\$11.36	US\$17.48	US\$9.82
Net Asset Value per Share (class currency)				US\$11.16	US\$11.36	GBP11.34	US\$9.82
Brown Advisory Global Leaders Fund²							Dollar Class C
							Acc Shares⁴
Net Assets							US\$5,679,265
Number of Shares outstanding							559,135
Net Asset Value per Share (base currency)							US\$10.16
Net Asset Value per Share (class currency)							US\$10.16

¹Dollar Class A Acc Shares launched on 27th February, 2015.

²The Brown Advisory Global Leaders Fund launched on 1st April, 2015.

³The Brown Advisory American SRI Fund changed its name to the Brown Advisory US Flexible Equity SRI Fund on 17th April, 2015.

⁴Dollar Class C Acc Shares launched on 1st May, 2015.

STATEMENT OF COMPREHENSIVE INCOME

		Brown Advisory US Equity Value Fund*	Brown Advisory US Equity Value Fund	Brown Advisory US Smaller Companies Fund	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory American Fund
		Period Ended 9th December, 2016 US\$	Year Ended 31st October, 2016 US\$	Year Ended 31st October, 2017 US\$	Year Ended 31st October, 2016 US\$	Year Ended 31st October, 2017 US\$	Year Ended 31st October, 2016 US\$
	Note						
Income	1,7	251,541	5,804,063	1,482,065	1,082,551	900,550	1,470,244
Net gain/(loss) on Financial Assets at Fair Value through Profit or Loss	1	7,729,784	(24,615,210)	59,457,468	18,629,670	16,073,039	(3,394,726)
Total income/(loss)		7,981,325	(18,811,147)	60,939,533	19,712,221	16,973,589	(1,924,482)
Expenses	1,8	(99,913)	(2,278,321)	(3,349,071)	(2,322,677)	(761,929)	(999,091)
Net income/(loss) before finance costs		7,881,412	(21,089,468)	57,590,462	17,389,544	16,211,660	(2,923,573)
Finance Costs							
Dividend paid	1,16	(916,455)	(4,768,855)	–	–	(126,824)	(396,625)
Interest expense		–	–	–	44	–	(867)
Profit/(loss) for the year before taxation		6,964,957	(25,858,323)	57,590,462	17,389,588	16,084,836	(3,321,065)
Withholding taxes on dividends	1	(71,186)	(1,443,283)	(330,377)	(279,831)	(246,545)	(384,034)
Operating Profit/(Loss)		6,893,771	(27,301,606)	57,260,085	17,109,757	15,838,291	(3,705,099)
Adjustment to fully write off establishment expenses	17	–	–	–	–	–	–
Increase/(Decrease) in Net Assets for the year/period Attributable to Holders of Redeemable Participating Shares		6,893,771	(27,301,606)	57,260,085	17,109,757	15,838,291	(3,705,099)

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

STATEMENT OF COMPREHENSIVE INCOME (continued)

		Brown Advisory US Equity Growth Fund Year Ended 31st October, 2017 US\$	Brown Advisory US Equity Growth Fund Year Ended 31st October, 2016 US\$	Brown Advisory US Flexible Equity SRI Fund* Year Ended 31st October, 2017 US\$	Brown Advisory US Flexible Equity SRI Fund Year Ended 31st October, 2016 US\$	Brown Advisory US Small Cap Blend Fund Year Ended 31st October, 2017 US\$	Brown Advisory US Small Cap Blend Fund Year Ended 31st October, 2016 US\$
	Note						
Income	1,7	1,959,051	3,671,738	556,241	586,097	2,416,563	1,266,074
Net gain/(loss) on Financial Assets at Fair Value through Profit or Loss	1	66,508,213	(16,282,204)	9,823,789	(635,178)	41,222,726	6,390,277
Total income/(loss)		68,467,264	(12,610,466)	10,380,030	(49,081)	43,639,289	7,656,351
Expenses	1,8	(3,753,496)	(7,414,029)	(503,542)	(411,591)	(2,538,047)	(1,388,496)
Net income/(loss) before finance costs		64,713,768	(20,024,495)	9,876,488	(460,672)	41,101,242	6,267,855
Finance Costs							
Dividend paid	1,16	–	–	(29,375)	(154,458)	–	–
Interest expense		–	–	–	–	–	(154)
Profit/(loss) for the year before taxation		64,713,768	(20,024,495)	9,847,113	(615,130)	41,101,242	6,267,701
Withholding taxes on dividends	1	(550,798)	(1,090,481)	(155,946)	(160,094)	(680,027)	(360,725)
Operating Profit/(Loss)		64,162,970	(21,114,976)	9,691,167	(775,224)	40,421,215	5,906,976
Adjustment to fully write off establishment expenses	17	–	–	–	(3,336)	(5,153)	(5,168)
Increase/(Decrease) in Net Assets for the year/period Attributable to Holders of Redeemable Participating Shares		64,162,970	(21,114,976)	9,691,167	(778,560)	40,416,062	5,901,808

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

STATEMENT OF COMPREHENSIVE INCOME (continued)

		Brown Advisory US Flexible Equity Fund Year Ended 31st October, 2017 US\$	Brown Advisory US Flexible Equity Fund Year Ended 31st October, 2016 US\$	Brown Advisory Global Leaders Fund Year Ended 31st October, 2017 US\$	Brown Advisory Global Leaders Fund Year Ended 31st October, 2016 US\$	Brown Advisory US Mid-Cap Growth Fund* Period Ended 31st October, 2017 US\$	Brown Advisory US Sustainable Growth Fund* Period Ended 31st October, 2017 US\$
	Note						
Income	1,7	3,663,299	2,278,894	126,427	83,141	48,069	22,440
Net gain/(loss) on Financial Assets at Fair Value through Profit or Loss	1	58,710,706	(4,670,615)	3,037,926	(939,146)	1,523,849	1,211,576
Total income/(loss)		62,374,005	(2,391,721)	3,164,353	(856,005)	1,571,918	1,234,016
Expenses	1,8	(1,833,957)	(1,107,781)	(57,929)	(45,846)	(103,997)	(49,437)
Net income/(loss) before finance costs		60,540,048	(3,499,502)	3,106,424	(901,851)	1,467,921	1,184,579
Finance Costs							
Dividend paid	1,16	–	–	–	–	–	–
Interest expense		–	–	(519)	–	–	–
Profit/(loss) for the year before taxation		60,540,048	(3,499,502)	3,105,905	(901,851)	1,467,921	1,184,579
Withholding taxes on dividends	1	(1,016,427)	(636,737)	(26,938)	(16,730)	(13,072)	(6,509)
Operating Profit/(Loss)		59,523,621	(4,136,239)	3,078,967	(918,581)	1,454,849	1,178,070
Adjustment to fully write off establishment expenses	17	(5,526)	(5,541)	(6,585)	(6,603)	19,048	19,048
Increase/(Decrease) in Net Assets for the year/period Attributable to Holders of Redeemable Participating Shares		59,518,095	(4,141,780)	3,072,382	(925,184)	1,473,897	1,197,118

* The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

STATEMENT OF COMPREHENSIVE INCOME (continued)

		Total Year/Period Ended 31st October, 2017 US\$	Total Year Ended 31st October, 2016 US\$
	Note		
Income	1,7	11,426,246	16,242,802
Net gain/(loss) on Financial Assets at Fair Value through Profit or Loss	1	265,299,076	(25,517,132)
Total income/(loss)		276,725,322	(9,274,330)
Expenses	1,8	(13,051,318)	(15,967,832)
Net income/(loss) before finance costs		263,674,004	(25,242,162)
Finance Costs			
Dividend paid	1,16	(1,072,654)	(5,319,938)
Interest expense		(519)	(977)
Profit/(loss) for the year before taxation		262,600,831	(30,563,077)
Withholding taxes on dividends	1	(3,097,825)	(4,371,915)
Operating Profit/(Loss)		259,503,006	(34,934,992)
Adjustment to fully write off establishment expenses	17	20,832	(20,648)
Increase/(Decrease) in Net Assets for the year/period Attributable to Holders of Redeemable Participating Shares		259,523,838	(34,955,640)

All recognised gains and losses for both the current and the previous year/period are included in the Statement of Comprehensive Income. All amounts arise solely from continuing operations.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE PARTICIPATING SHARES**

	Brown Advisory US Equity Value Fund* Period Ended 9th December, 2016 US\$	Brown Advisory US Equity Value Fund Year Ended 31st October, 2016 US\$	Brown Advisory US Smaller Companies Fund Year Ended 31st October, 2017 US\$	Brown Advisory US Smaller Companies Fund Year Ended 31st October, 2016 US\$	Brown Advisory American Fund Year Ended 31st October, 2017 US\$	Brown Advisory American Fund Year Ended 31st October, 2016 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year/period	114,038,467	513,176,654	257,030,270	187,629,451	75,072,452	125,707,476
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	6,893,771	(27,301,606)	57,260,085	17,109,757	15,838,291	(3,705,099)
Capital transactions						
Proceeds from Redeemable Participating Shares issued	502,008	13,764,023	135,344,952	122,446,906	3,481,831	21,030,085
Distributions Reinvested	9,496	375,146	–	–	8,847	20,971
Cost of Redeemable Participating Shares redeemed	(121,443,742)	(385,975,750)	(134,346,188)	(70,155,844)	(27,567,856)	(67,980,981)
Net proceeds from capital transactions	(120,932,238)	(371,836,581)	998,764	52,291,062	(24,077,178)	(46,929,925)
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year/period	–	114,038,467	315,289,119	257,030,270	66,833,565	75,072,452

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE PARTICIPATING SHARES (continued)**

	Brown Advisory US Equity Growth Fund Year Ended 31st October, 2017 US\$	Brown Advisory US Equity Growth Fund Year Ended 31st October, 2016 US\$	Brown Advisory US Flexible Equity SRI Fund* Year Ended 31st October, 2017 US\$	Brown Advisory US Flexible Equity SRI Fund Year Ended 31st October, 2016 US\$	Brown Advisory US Small Cap Blend Fund Year Ended 31st October, 2017 US\$	Brown Advisory US Small Cap Blend Fund Year Ended 31st October, 2016 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year/period	362,508,699	888,425,620	38,924,612	43,373,132	145,159,924	77,999,177
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	64,162,970	(21,114,976)	9,691,167	(778,560)	40,416,062	5,901,808
Capital transactions						
Proceeds from Redeemable Participating Shares issued	147,126,664	178,259,303	2,415,562	1,241,607	92,274,660	97,810,660
Distributions Reinvested	—	—	10,539	52,664	—	—
Cost of Redeemable Participating Shares redeemed	(222,270,352)	(683,061,248)	(51,041,880)	(4,964,231)	(49,222,855)	(36,551,721)
Net proceeds from capital transactions	(75,143,688)	(504,801,945)	(48,615,779)	(3,669,960)	43,051,805	61,258,939
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year/period	351,527,981	362,508,699	—	38,924,612	228,627,791	145,159,924

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE PARTICIPATING SHARES (continued)**

	Brown Advisory US Flexible Equity Fund Year Ended 31st October, 2017 US\$	Brown Advisory US Flexible Equity Fund Year Ended 31st October, 2016 US\$	Brown Advisory Global Leaders Fund Year Ended 31st October, 2017 US\$	Brown Advisory Global Leaders Fund Year Ended 31st October, 2016 US\$	Brown Advisory US Mid-Cap Growth Fund* Period Ended 31st October, 2017 US\$	Brown Advisory US Sustainable Growth Fund* Period Ended 31st October, 2017 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year/period	159,477,882	175,818,298	7,828,410	5,679,265	–	–
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	59,518,095	(4,141,780)	3,072,382	(925,184)	1,473,897	1,197,118
Capital transactions						
Proceeds from Redeemable Participating Shares issued	172,901,058	14,580,314	9,160,561	7,336,490	37,154,481	60,300,053
Distributions Reinvested	–	–	–	–	–	–
Cost of Redeemable Participating Shares redeemed	(41,393,415)	(26,778,950)	(809,350)	(4,262,161)	(1,616,094)	(60,000)
Net proceeds from capital transactions	131,507,643	(12,198,636)	8,351,211	3,074,329	35,538,387	60,240,053
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year/period	350,503,620	159,477,882	19,252,003	7,828,410	37,012,284	61,437,171

* The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE PARTICIPATING SHARES (continued)**

	Total Year/Period Ended 31st October, 2017 US\$	Total Year Ended 31st October, 2016 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year/period	1,160,040,716	2,017,809,073
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	259,523,838	(34,955,640)
Capital transactions		
Proceeds from Redeemable Participating Shares issued	660,661,830	456,469,388
Distributions Reinvested	28,882	448,781
Cost of Redeemable Participating Shares redeemed	(649,771,732)	(1,279,730,886)
Net proceeds from capital transactions	10,918,980	(822,812,717)
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year/period	1,430,483,534	1,160,040,716

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st October, 2017

1 Statement of Accounting Policies

The significant accounting policies adopted by Brown Advisory Funds plc (the “Company”), consisting of the ten sub-funds (the Brown Advisory US Equity Value Fund*, the Brown Advisory US Smaller Companies Fund, the Brown Advisory American Fund, the Brown Advisory US Equity Growth Fund, the Brown Advisory US Flexible Equity SRI Fund**, the Brown Advisory US Small Cap Blend Fund, the Brown Advisory US Flexible Equity Fund, the Brown Advisory Global Leaders Fund, the Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund), (the “Funds”), are as follows:

a) Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014, the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011, (as amended) (the “UCITS Regulations”) and the Listing Rules of the Irish Stock Exchange. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council (“FRC”).

These financial statements have been prepared in accordance with the standard “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”). For the audited financial statements for the year ended 31st October, 2017, securities were quoted, listed or traded on an exchange were valued at last traded price for financial reporting purposes.

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. Valuation time is 5 p.m. (EST), on the relevant dealing day.

The format and certain wording of the financial statements have been adapted from those contained in the Companies Act 2014 and FRS 102. The information required to be included in the statement of total recognised gains and losses and reconciliation of movements in shareholders funds, is, in the opinion of the Directors contained in the Statement of Comprehensive Income and the Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares. The Company has availed of the exemption available to investment funds under FRS 102 not to prepare a cash flow statement.

b) Valuation of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

In accordance with FRS 102, the Company has classified its investments as financial assets or financial liabilities at fair value through profit or loss.

Initial Measurement

Purchases and sales of financial instruments are accounted for at trade date for financial statement purposes. Realised gains and losses on disposals of financial instruments are calculated using the first in first out (FIFO) method for the following sub-funds: the Brown Advisory US Equity Growth Fund, the Brown Advisory US Flexible Equity SRI Fund**, the Brown Advisory US Small Cap Blend Fund, the Brown Advisory US Flexible Equity Fund, the Brown Advisory Global Leaders Fund, the Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund. The remaining sub-funds calculate realised gains and losses on disposals of financial instruments using the average cost method. Financial instruments categorised at fair value through profit or loss, are measured initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

** Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

1 Statement of Accounting Policies (continued)

b) Valuation of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)

Subsequent Measurement

After initial measurement, the Company measures financial instruments which are classified at fair value through profit or loss, at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their official quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty in the case of non-exchange traded instruments, at the Statement of Financial Position date without any deduction for estimated future selling costs. Financial Assets are valued at their last quoted market price for pricing purposes and at last traded price for financial reporting purposes.

If a quoted official market price is not available on a recognised stock exchange or from a broker/counterparty, the fair value of the financial instrument may be estimated by the Directors using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques or any other technique that provides a reliable estimate of prices obtained in actual market transactions.

Excluding forward foreign currency contracts, there was one security valued in this manner held by the Brown Advisory US Smaller Companies Fund, the Brown Advisory American Fund and the Brown Advisory US Small Cap Blend Fund in the amount of US\$101,344, US\$5,951 and US\$23,941 as at 31st October, 2017, respectively (31st October, 2016: US\$101,344, US\$5,951 and US\$23,942, respectively).

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

c) Forward Foreign Currency Contracts

The Company may enter into forward foreign currency contracts. The fair value of open forward foreign currency contracts is calculated as the difference between the contractual rate and the current forward rate that would close out the contract on the valuation date. Net gains or losses on contracts which have been settled are included in the Statement of Comprehensive Income. Gains or losses on open forward foreign currency exchange contracts are reported as Financial Assets or Liabilities at Fair Value through Profit or Loss as appropriate in the Statement of Financial Position. Gains or losses on forward currency contracts are recognised in the Statement of Comprehensive Income.

During the year ended 31st October, 2017, the Brown Advisory US Smaller Companies Fund, the Brown Advisory American Fund, the Brown Advisory US Equity Growth Fund, the Brown Advisory US Small Cap Blend Fund, the Brown Advisory US Flexible Equity Fund, the Brown Advisory Global Leaders Fund and the Brown Advisory US Mid-Cap Growth Fund utilised forwards foreign currency contracts for share class hedging purposes.

d) Cash and Other Liquid Assets

Cash and other liquid assets will be valued at their face value together with accrued interest, where applicable, to the valuation point on the relevant dealing day unless, in the opinion of the Directors (in "consultation with" the Investment Manager and the Administrator), any adjustment should be made to reflect the true value thereof.

In response to the CBI publishing the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the "Investor Money Regulations" or "IMR") in March 2015 (effective from 1st July, 2016), the Investment Manager undertook a review together with the Administrator of the way in which subscription, distribution and redemption monies are channelled to and from the Company. As a result of this review, effective from 1st July, 2016, subscription and redemption monies will be channelled through an umbrella cash collection account in the name of the Company. The cash account has been opened with Brown Brothers Harriman Trustee Services (Ireland) Limited, which has credit ratings of F1, as rated by Fitch, the balance in this account as of 31st October, 2017 is US\$521,113 (31st October, 2016: US\$Nil).

1 Statement of Accounting Policies (continued)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

e) Income and Expense Recognition

Dividend income is recognised in the Statement of Comprehensive Income on the date upon which the relevant security is listed as “ex-dividend” to the extent that information thereon is reasonably available to the Fund. Dividend and interest income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits. Bank deposit interest and other income and expenses are accounted for on an accruals basis.

f) Receivable from/Payable to Brokers

Receivable from/payable to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered on the balance sheet date.

g) Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Consolidation Act, 1997, as amended. It is not chargeable to Irish tax on its income or capital gains. However, Irish tax can arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of shares or on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary. Any tax arising on a chargeable event is a liability of the Shareholder, albeit it is paid by the Company (although if the Company fails to deduct the tax or the correct amount of tax it becomes ultimately a liability of the Company).

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is:

- (i) an Exempt Irish Investor (as defined in Section 739D of the Taxes Consolidation Act, 1997, as amended) who has provided the Company with the necessary signed statutory declarations; or
- (ii) who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided that the necessary signed declarations are held by the Company.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its Shareholders.

h) Foreign Exchange Translation

Functional and Presentation Currency

The functional and presentation currency of each of the Funds is US Dollar. This is considered to be the currency of the primary economic environments of the Funds. The presentation currency of the aggregated financial statements is US Dollar.

Transactions and Balances

Assets and liabilities denominated in currencies other than the functional currency of the Fund are translated into the functional currency at the exchange rates ruling at the balance sheet date. Transactions in currencies other than the functional currency of the Fund are translated into the functional currency at the exchange rates ruling at the dates of the transactions. Gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account in determining the results for the year. Proceeds from subscriptions and amounts paid for redemptions in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transactions.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

1 Statement of Accounting Policies (continued)

i) Dividend Policy

The Constitution empower the Directors to declare dividends out of the profits of the relevant Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund. The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant fund. A Shareholder may require the Company instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same.

The distributions on the distributing shares are recognised in the Statement of Comprehensive Income as finance costs when they are declared by the Board of Directors.

j) Transaction Costs

Transaction costs are the costs incurred in the acquisition, issue or disposal of financial assets and liabilities. Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs. Transaction costs are recognised on the Statement of Comprehensive Income under "Expenses". Transaction costs on trades charged by the Depositary are recognised on the Statement of Comprehensive Income under "Expenses".

k) Redeemable Participating Shares

Redeemable Participating Shares provide the Shareholders with the right to redeem their shares for cash equal to their proportionate share of the Net Asset Value of the Company and, accordingly, are classified as liabilities. The liability to Shareholders is presented in the Statement of Financial Position as "Net Assets Attributable to Holders of Redeemable Participating Shares" and is based on the residual assets of the Company after deducting all other liabilities.

l) Withholding Taxes

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its Shareholders.

Dividend and interest income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, net of any tax credits.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

2 Cash at Bank

	Brown Advisory US Equity Value Fund*	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory US Equity Growth Fund	Brown Advisory US Flexible Equity SRI Fund**	Brown Advisory US Small Cap Blend Fund	Brown Advisory US Flexible Equity Fund	Brown Advisory Global Leaders Fund	Brown Advisory US Mid-Cap Growth Fund***	Brown Advisory US Sustainable Growth Fund***	Total
As at 31st October, 2017	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Citibank	1,428,529	1,502,323	216,464	551,997	121,292	917,921	1,482,495	201,998	-	-	6,423,019
Deutsche Bank	1,422,101	5,161,908	743,762	1,896,636	416,754	3,153,931	5,093,781	694,056	1,483,914	-	20,066,843
HSBC	-	-	-	-	-	-	-	164,003	-	-	164,003
JP Morgan Chase	587,798	1,377,108	198,423	505,990	111,183	841,415	1,358,933	185,162	-	501,171	5,667,183
SEB	758,428	1,502,323	216,464	551,997	121,292	917,921	1,482,495	201,998	-	-	5,752,918
Standard Chartered Bank	1,428,529	6,009,289	865,858	2,207,989	485,169	3,671,682	5,929,978	807,993	-	-	21,406,487
Wells Fargo	332,938	238,664	34,388	87,692	19,269	145,824	235,514	32,090	-	-	1,126,379
Brown Brothers Harriman & Co.	-	2,031	107,439	464,212	1,251	7,304	-	131,740	676	237	714,890
	<u>5,958,323</u>	<u>15,793,646</u>	<u>2,382,798</u>	<u>6,266,513</u>	<u>1,276,210</u>	<u>9,655,998</u>	<u>15,583,196</u>	<u>2,419,040</u>	<u>1,484,590</u>	<u>501,408</u>	<u>61,321,722</u>

	Brown Advisory US Equity Value Fund	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory US Equity Growth Fund	Brown Advisory US Flexible Equity SRI Fund	Brown Advisory US Small Cap Blend Fund	Brown Advisory US Flexible Equity Fund	Brown Advisory Global Leaders Fund	Total
As at 31st October, 2016	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Citibank	961,982	3,490,700	624,029	1,609,442	211,044	1,365,639	802,040	64,292	9,129,168
JP Morgan Chase	526,873	1,911,839	341,778	881,483	115,588	747,953	439,274	35,213	5,000,001
SEB	2,107,492	7,647,356	1,367,110	3,525,933	462,351	2,991,814	1,757,094	140,850	20,000,000
Standard Chartered Bank	2,107,492	7,647,355	1,367,110	3,525,933	462,351	2,991,813	1,757,094	140,850	19,999,998
Wells Fargo	526,873	1,911,839	341,777	881,483	115,588	747,953	439,274	35,212	4,999,999
Brown Brothers Harriman & Co.	313,600	1,133,932	74,270	523,311	69,315	421,068	260,860	20,912	2,817,268
	<u>6,544,312</u>	<u>23,743,021</u>	<u>4,116,074</u>	<u>10,947,585</u>	<u>1,436,237</u>	<u>9,266,240</u>	<u>5,455,636</u>	<u>437,329</u>	<u>61,946,434</u>

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016. Disclosed data presents values as at 9th December, 2016.

** The Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

*** The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st October, 2017

2 Cash at Bank (continued)

For cash accounts, funds deposited are liabilities of the banks, creating a debtor-creditor relationship between the bank and the Company. All cash balances at the year end are held with Brown Brothers Harriman & Co., or with third party institutions approved by the Company on overnight deposit, or directly with a sub-custodian.

3 Bank Overdraft

	Brown Advisory US Equity Value Fund*	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory US Equity Growth Fund	Brown Advisory US Flexible Equity SRI Fund**	Brown Advisory US Small Cap Blend Fund	Brown Advisory US Flexible Equity Fund	Brown Advisory Global Leaders Fund	Brown Advisory US Mid-Cap Growth Fund***	Brown Advisory US Sustainable Growth Fund***	Total
As at 31st October, 2017	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Brown Brothers Harriman & Co.	—	—	—	—	—	—	(23,772)	(79)	—	—	(23,851)
	—	—	—	—	—	—	(23,772)	(79)	—	—	(23,851)

	Brown Advisory US Equity Value Fund	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory US Equity Growth Fund	Brown Advisory US Flexible Equity SRI Fund	Brown Advisory US Small Cap Blend Fund	Brown Advisory US Flexible Equity Fund	Brown Advisory Global Leaders Fund	Total
As at 31st October, 2016	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Brown Brothers Harriman & Co.	—	—	—	—	—	—	—	(105,682)	(105,682)
	—	—	—	—	—	—	—	(105,682)	(105,682)

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016. Disclosed data presents values as at 9th December, 2016.

** The Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

*** The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

4 Debtors

	Brown Advisory US Equity Value Fund*	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory US Equity Growth Fund	Brown Advisory US Flexible Equity SRI Fund**	Brown Advisory US Small Cap Blend Fund	Brown Advisory US Flexible Equity Fund	Brown Advisory Global Leaders Fund	Brown Advisory US Mid-Cap Growth Fund***	Brown Advisory US Sustainable Growth Fund***	Total
As at 31st October, 2017	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Receivable from Broker	137,554,112	1,470,832	53,250	119	44,735,657	752,240	–	662	173,166	113,301	184,853,339
Subscriptions Receivable	–	139,701	358	78,251	–	479,726	3,701,687	–	3,784,286	46,435,035	54,619,044
Dividends Receivable	109,650	24,719	24,588	12,677	17,932	25,672	166,614	6,078	816	1,224	389,970
Expense Reimbursement (Note 9)	30,453	–	–	–	18,797	292	–	14,153	30,531	17,220	111,446
Prepaid Fees	–	366	201	–	–	–	–	–	–	–	567
Other Receivables	76	388,510	23,504	–	–	320,252	–	–	–	–	732,342
	<u>137,694,291</u>	<u>2,024,128</u>	<u>101,901</u>	<u>91,047</u>	<u>44,772,386</u>	<u>1,578,182</u>	<u>3,868,301</u>	<u>20,893</u>	<u>3,988,799</u>	<u>46,566,780</u>	<u>240,706,708</u>

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016. Disclosed data presents values as at 9th December, 2016.

** The Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

*** The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

4 Debtors (continued)

	Brown Advisory US Equity Value Fund US\$	Brown Advisory US Smaller Companies Fund US\$	Brown Advisory American Fund US\$	Brown Advisory US Equity Growth Fund US\$	Brown Advisory US Flexible Equity SRI Fund US\$	Brown Advisory US Small Cap Blend Fund US\$	Brown Advisory US Flexible Equity Fund US\$	Brown Advisory Global Leaders Fund US\$	Total US\$
As at 31st October, 2016	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Receivable from Broker	3,162,385	27,928	97,645	4,159,973	53,367	8,854	171,826	105,680	7,787,658
Subscriptions Receivable	105,216	1,479,218	331	13,813	24,819	87,845	132,715	50,000	1,893,957
Dividends Receivable	68,538	16,097	20,423	–	20,704	18,278	89,284	4,448	237,772
Expense Reimbursement (Note 9)	–	–	60,109	28,936	7,406	157,307	–	28,435	282,193
	<u>3,336,139</u>	<u>1,523,243</u>	<u>178,508</u>	<u>4,202,722</u>	<u>106,296</u>	<u>272,284</u>	<u>393,825</u>	<u>188,563</u>	<u>10,201,580</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

5 Creditors

As at 31st October, 2017	Brown Advisory US Equity Value Fund* US\$	Brown Advisory US Smaller Companies Fund US\$	Brown Advisory American Fund US\$	Brown Advisory US Equity Growth Fund US\$	Brown Advisory US Flexible Equity SRI Fund** US\$	Brown Advisory US Small Cap Blend Fund US\$	Brown Advisory US Flexible Equity Fund US\$	Brown Advisory Global Leaders Fund US\$	Brown Advisory US Mid- Cap Growth Fund*** US\$	Brown Advisory US Sustainable Growth Fund*** US\$	Total US\$
Payable to Broker	47,001,204	2,703,630	104,279	–	–	1,392,281	4,635,522	1,671,860	2,763,925	44,819,342	105,092,043
Redemptions Payable	96,502,720	178,989	121,149	675,615	45,916,066	50,386	129,203	6,641	–	–	143,580,769
Investment Management Fees (Note 9)	–	198,208	44,740	258,876	31,010	184,611	126,881	3,063	12,861	6,201	866,451
Administration and Transfer Agent Fees (Note 10)	14,676	35,833	15,742	50,591	11,746	36,730	46,931	2,649	4,500	1,610	221,008
Legal and Professional Fees	52,676	28,510	11,862	67,780	64,289	13,102	36,154	5,142	6,737	7,633	293,885
Depository and Trustee Fees (Note 11)	4,369	12,020	4,248	19,805	5,495	9,628	13,393	2,483	3,047	2,484	76,972
Directors Fees and Expenses (Note 12)	7,259	14,276	4,552	24,371	2,771	12,426	25,341	1,006	1,339	735	94,076
Other Payables	22,952	6,400	22,781	29,523	14,402	13,952	36,336	5,201	6,666	3,495	161,708
Audit Fees	46,758	8,421	5,641	39,822	2,817	10,504	11,537	253	1,507	672	127,932
	<u>143,652,614</u>	<u>3,186,287</u>	<u>334,994</u>	<u>1,166,383</u>	<u>46,048,596</u>	<u>1,723,620</u>	<u>5,061,298</u>	<u>1,698,298</u>	<u>2,800,582</u>	<u>44,842,172</u>	<u>250,514,844</u>

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016. Disclosed data presents values as at 9th December, 2016.

** The Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

*** The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

5 Creditors (continued)

	Brown Advisory US Equity Value Fund US\$	Brown Advisory US Smaller Companies Fund US\$	Brown Advisory American Fund US\$	Brown Advisory US Equity Growth Fund US\$	Brown Advisory US Flexible Equity SRI Fund US\$	Brown Advisory US Small Cap Blend Fund US\$	Brown Advisory US Flexible Equity Fund US\$	Brown Advisory Global Leaders Fund US\$	Total US\$
As at 31st October, 2016									
Payable to Broker	379,595	920,670	167,383	189,537	8,571	468,917	176,098	–	2,310,771
Redemptions Payable	1,007,938	2,477,797	39,591	2,816,223	11,749	82,344	7,159	–	6,442,801
Investment Management Fees (Note 9)	25,475	204,062	95,660	341,073	26,468	265,038	72,426	29,720	1,059,922
Administration and Transfer Agent Fees (Note 10)	22,411	33,009	15,855	82,533	15,750	41,006	17,439	2,266	230,269
Legal and Professional Fees	41,349	12,665	10,875	60,138	20,107	5,397	10,762	681	161,974
Directors Fees and Expenses (Note 12)	3,761	3,248	2,360	10,257	1,150	2,598	9,412	154	32,940
Depository and Trustee Fees (Note 11)	5,786	10,097	3,172	17,895	4,952	5,618	6,209	386	54,115
Other Payables	19,606	8,337	23,289	25,456	13,726	13,654	21,380	2,892	128,340
Audit Fees	22,850	8,421	5,641	39,822	1,946	3,501	7,892	254	90,327
Accrued Tax payable	–	–	–	–	255	–	1,138	–	1,393
	<u>1,528,771</u>	<u>3,678,306</u>	<u>363,826</u>	<u>3,582,934</u>	<u>104,674</u>	<u>888,073</u>	<u>329,915</u>	<u>36,353</u>	<u>10,512,852</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital

The authorised share capital of the Company is 1,000,000,000,000 shares of no par value, initially designated as unclassified shares.

Movement in Redeemable Participating Shares during the year/period ended 31st October, 2017

Brown Advisory US Equity Value Fund¹	Sterling Class A Dis Shares	Dollar Class A Dis Shares	Sterling Class B Dis Shares	Sterling Class B Dis H Shares	Dollar Class B Dis Shares	Euro Class B Dis Shares
Shares in issue as at 1st November, 2016	13,055	75,304	1,365,060	52,293	6,339,851	18,131
Redeemable Participating Shares Issued	41	173	387	257	39,924	215
Reinvestment of Dividend	1	47	18	–	719	–
Redeemable Participating Shares Redeemed	(13,097)	(75,524)	(1,365,465)	(52,550)	(6,380,494)	(18,346)
Shares in issue as at 9th December, 2016	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

Brown Advisory US Smaller Companies Fund	Dollar Class A Acc Shares	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Euro Class B Dis Shares²	Sterling Class B Acc H Shares³	Sterling Class B Dis Shares
Shares in issue as at 1st November, 2016	6,069,028	271,785	9,625,599	13,596	–	9,511
Redeemable Participating Shares Issued	2,163,433	1,977,470	3,076,287	–	59,235	127,970
Redeemable Participating Shares Redeemed	(5,124,160)	(47,510)	(1,874,087)	(13,596)	(499)	(71,543)
Shares in issue as at 31st October, 2017	<u>3,108,301</u>	<u>2,201,745</u>	<u>10,827,799</u>	<u>–</u>	<u>58,736</u>	<u>65,938</u>

¹Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

²Euro Class B Dis Shares closed on 24th August, 2017.

³Sterling Class B Acc H Shares launched on 24th May, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year/period ended 31st October, 2017 (continued)

Brown Advisory American Fund	Dollar Class B Dis Shares	Sterling Class A Dis Shares	Dollar Class A Dis Shares	Euro Class B Dis Shares	Euro Class A Acc H Shares	Sterling Class B Dis Shares	Sterling Class B Dis H Shares
Shares in issue as at 1st November, 2016	3,286,483	36,494	81,450	5,480	14,017	406,853	494,997
Redeemable Participating Shares Issued	57,511	307	5,821	–	–	74,391	7,954
Reinvestment of Dividend	563	–	–	2	–	–	–
Redeemable Participating Shares Redeemed	(1,220,368)	(3,842)	(14,849)	–	(3,061)	(37,477)	(225,418)
Shares in issue as at 31st October, 2017	<u>2,124,189</u>	<u>32,959</u>	<u>72,422</u>	<u>5,482</u>	<u>10,956</u>	<u>443,767</u>	<u>277,533</u>

Brown Advisory US Equity Growth Fund	Dollar Class B Dis Shares	Dollar Class A Acc Shares	Euro Class A Acc H Shares	Euro Class B Acc Shares	Sterling Class A Dis H Shares¹	Sterling Class B Dis H Shares	Euro Class P Acc H Shares	Dollar Class P Acc Shares	Dollar Class B Acc Shares
Shares in issue as at 1st November, 2016	8,827,296	2,188,251	1,594,510	38,668	3,592	2,084,204	65,300	99,970	3,232,934
Redeemable Participating Shares Issued	690,852	1,089,745	196,632	650	–	68,657	48,535	10,871	6,638,317
Redeemable Participating Shares Redeemed	(4,312,702)	(2,005,638)	(710,740)	(5,860)	(3,592)	(1,266,654)	(35,622)	(66,115)	(2,359,790)
Shares in issue as at 31st October, 2017	<u>5,205,446</u>	<u>1,272,358</u>	<u>1,080,402</u>	<u>33,458</u>	<u>–</u>	<u>886,207</u>	<u>78,213</u>	<u>44,726</u>	<u>7,511,461</u>

¹Sterling Class A Dis H Shares closed on 25th April, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year/period ended 31st October, 2017 (continued)

Brown Advisory US Flexible Equity SRI Fund¹

	Dollar Class B Dis Shares	Dollar Class A Dis Shares
Shares in issue as at 1st November, 2016	2,510,664	133,907
Redeemable Participating Shares Issued	44,160	102,088
Reinvestment of Dividend	722	–
Redeemable Participating Shares Redeemed	<u>(2,555,546)</u>	<u>(235,995)</u>
Shares in issue as at 31st October, 2017	<u>–</u>	<u>–</u>

Brown Advisory US Small Cap Blend Fund	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Dollar Class A Acc Shares	Dollar Class B Dis Shares²	Euro Class A Acc H Shares	Euro Class B Acc H Shares³	Sterling Class A Dis Shares⁴	Sterling Class B Acc Shares⁵	Sterling Class B Dis Shares⁶
Shares in issue as at 1st November, 2016	9,289,114	1,797,684	372,617	20,001	14,958	14,958	11,877	–	–
Redeemable Participating Shares Issued	3,604,218	249,843	323,009	3,870	98,981	–	–	2,010,206	667,525
Redeemable Participating Shares Redeemed	<u>(2,842,709)</u>	<u>(137,385)</u>	<u>(194,685)</u>	<u>(23,871)</u>	<u>(30,096)</u>	<u>(14,958)</u>	<u>(11,877)</u>	<u>(158,213)</u>	<u>(83,311)</u>
Shares in issue as at 31st October, 2017	<u>10,050,623</u>	<u>1,910,142</u>	<u>500,941</u>	<u>–</u>	<u>83,843</u>	<u>–</u>	<u>–</u>	<u>1,851,993</u>	<u>584,214</u>

¹Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

²Dollar Class B Dis Shares closed on 25th September, 2017.

³Euro Class B Acc H Shares closed on 17th February, 2017.

⁴Sterling Class A Dis Shares closed on 17th February, 2017.

⁵Sterling Class B Acc Shares launched on 9th January, 2017.

⁶Sterling Class B Dis Shares launched on 11th November, 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year/period ended 31st October, 2017 (continued)

Brown Advisory US Flexible Equity Fund¹	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Sterling Class B Dis H Shares²	Sterling Class B Acc H Shares	Dollar Class A Acc Shares	Sterling Class B Dis Shares³	Dollar Class M Dis Shares²	Sterling Class M Dis Shares²	Dollar Class A Dis Shares²
Shares in issue as at 1st November, 2016	1,765,591	12,309,746	—	109,269	122	—	—	—	—
Redeemable Participating Shares Issued	2,668,146	2,414,565	80,526	119,073	40,139	201,241	6,841,954	1,310,007	111,524
Redeemable Participating Shares Redeemed	(105,212)	(1,102,130)	(38,865)	(36,521)	(2,138)	(61,952)	(1,161,319)	(527,701)	(78,919)
Shares in issue as at 31st October, 2017	<u>4,328,525</u>	<u>13,622,181</u>	<u>41,661</u>	<u>191,821</u>	<u>38,123</u>	<u>139,289</u>	<u>5,680,635</u>	<u>782,306</u>	<u>32,605</u>

	Sterling Class A Dis Shares²	Dollar Class B Dis Shares²	Sterling Class C Dis Shares²	Euro Class B Dis Shares²	Dollar Class C Dis Shares²
Shares in issue as at 1st November, 2016	—	—	—	—	—
Redeemable Participating Shares Issued	23,068	343,575	294,834	110,104	649,106
Redeemable Participating Shares Redeemed	<u>(10,161)</u>	<u>(95,713)</u>	<u>(78,640)</u>	<u>(28,024)</u>	<u>(136,976)</u>
Shares in issue as at 31st October, 2017	<u>12,907</u>	<u>247,862</u>	<u>216,194</u>	<u>82,080</u>	<u>512,130</u>

¹Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

²Sterling Class B Dis H Shares, Sterling Class C Dis Shares, Dollar Class C Dis Shares, Dollar Class M Dis Shares, Sterling Class M Dis Shares, Dollar Class A Dis Shares, Sterling Class A Dis Shares, Euro Class B Dis Shares and Dollar Class B Dis Shares launched on 8th December, 2016.

³Sterling Class B Dis Shares launched on 16th November, 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year/period ended 31st October, 2017 (continued)

Brown Advisory Global Leaders Fund

	Sterling Class C Acc H Shares	Dollar Class C Acc Shares
Shares in issue as at 1st November, 2016	354,740	315,702
Redeemable Participating Shares Issued	140,020	561,933
Redeemable Participating Shares Redeemed	(33,832)	(27,856)
Shares in issue as at 31st October, 2017	<u>460,928</u>	<u>849,779</u>

Brown Advisory US Mid-Cap Growth Fund¹

	Dollar Class C Acc Shares²	Sterling Class C Acc H Shares³
Shares in issue as at 3rd April, 2017	—	—
Redeemable Participating Shares Issued	2,966,249	387,967
Redeemable Participating Shares Redeemed	(150,720)	—
Shares in issue as at 31st October, 2017	<u>2,815,529</u>	<u>387,967</u>

¹The Brown Advisory US Mid-Cap Growth Fund launched on 3rd April, 2017.

²Dollar Class C Acc Shares launched on 3rd April, 2017.

³Sterling Class C Acc H Shares launched on 9th June, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)**Movement in Redeemable Participating Shares during the year/period ended 31st October, 2017 (continued)**

Brown Advisory US Sustainable Growth Fund¹	Sterling Class B Dis Shares³	Dollar Class C Acc Shares²	Dollar Class B Dis Shares⁴	Dollar Class C Dis Shares⁴	Dollar Class A Dis Shares⁴
Shares in issue as at 3rd April, 2017	—	—	—	—	—
Redeemable Participating Shares Issued	13,131	1,325,830	383,829	3,857,709	350,068
Redeemable Participating Shares Redeemed	—	(5,608)	—	—	—
Shares in issue as at 31st October, 2017	<u>13,131</u>	<u>1,320,222</u>	<u>383,829</u>	<u>3,857,709</u>	<u>350,068</u>

¹The Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017. Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

²Dollar Class C Acc Shares launched on 3rd April, 2017.

³Sterling Class B Dis Shares launched on 3rd August, 2017.

⁴Dollar Class B Dis Shares, Dollar Class C Dis Shares and Dollar Class A Dis Shares launched on 31st October, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year ended 31st October, 2016

Brown Advisory US Equity Value Fund	Sterling Class A Dis Shares	Dollar Class A Dis Shares	Sterling Class B Dis Shares	Sterling Class B Dis H Shares	Dollar Class B Dis Shares	Euro Class B Dis Shares
Shares in issue as at 1st November, 2015	25,480	93,982	9,789,797	852,417	18,545,838	272,260
Redeemable Participating Shares Issued	1,015	8,671	106,928	481	930,557	11,904
Reinvestment of Dividend	1	53	32	41	31,036	–
Redeemable Participating Shares Redeemed	(13,441)	(27,402)	(8,531,697)	(800,646)	(13,167,580)	(266,033)
Shares in issue as at 31st October, 2016	<u>13,055</u>	<u>75,304</u>	<u>1,365,060</u>	<u>52,293</u>	<u>6,339,851</u>	<u>18,131</u>

Brown Advisory US Smaller Companies Fund	Dollar Class A Acc Shares	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Euro Class B Dis Shares	Sterling Class B Dis Shares
Shares in issue as at 1st November, 2015	3,374,292	272,963	7,600,375	1,499,017	7,159
Redeemable Participating Shares Issued	4,338,623	103,340	3,059,185	4,079	2,747
Redeemable Participating Shares Redeemed	(1,643,887)	(104,518)	(1,033,961)	(1,489,500)	(395)
Shares in issue as at 31st October, 2016	<u>6,069,028</u>	<u>271,785</u>	<u>9,625,599</u>	<u>13,596</u>	<u>9,511</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year ended 31st October, 2016 (continued)

Brown Advisory American Fund	Dollar Class B Dis Shares	Sterling Class A Dis Shares	Dollar Class A Dis Shares	Euro Class B Dis Shares	Euro Class A Acc H Shares	Sterling Class B Dis Shares	Sterling Class B Dis H Shares
Shares in issue as at 1st November, 2015	6,908,822	45,807	131,744	5,476	25,528	484,203	2,775
Redeemable Participating Shares Issued	148,585	133	4,660	–	4,215	22,507	912,051
Reinvestment of Dividend	1,318	–	–	4	–	–	–
Redeemable Participating Shares Redeemed	(3,772,242)	(9,446)	(54,954)	–	(15,726)	(99,857)	(419,829)
Shares in issue as at 31st October, 2016	<u>3,286,483</u>	<u>36,494</u>	<u>81,450</u>	<u>5,480</u>	<u>14,017</u>	<u>406,853</u>	<u>494,997</u>

Brown Advisory US Equity Growth Fund	Dollar Class B Dis Shares	Dollar Class A Acc Shares	Euro Class A Acc H Shares	Euro Class B Acc Shares	Sterling Class A Dis H Shares	Sterling Class B Dis H Shares	Euro Class P Acc H Shares	Dollar Class P Acc Shares	Dollar Class B Acc Shares
Shares in issue as at 1st November, 2015	18,792,504	3,301,567	8,952,462	68,470	15,203	2,726,647	63,406	633,205	10,401,175
Redeemable Participating Shares Issued	1,946,784	1,130,109	2,049,762	400	–	460,588	175,908	25,350	4,508,450
Redeemable Participating Shares Redeemed	(11,911,992)	(2,243,425)	(9,407,714)	(30,202)	(11,611)	(1,103,031)	(174,014)	(558,585)	(11,676,691)
Shares in issue as at 31st October, 2016	<u>8,827,296</u>	<u>2,188,251</u>	<u>1,594,510</u>	<u>38,668</u>	<u>3,592</u>	<u>2,084,204</u>	<u>65,300</u>	<u>99,970</u>	<u>3,232,934</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)**Movement in Redeemable Participating Shares during the year ended 31st October, 2016 (continued)****Brown Advisory US Flexible Equity SRI Fund**

	Dollar Class B Dis Shares	Dollar Class A Dis Shares
Shares in issue as at 1st November, 2015	2,758,181	134,034
Redeemable Participating Shares Issued	70,297	15,089
Reinvestment of Dividend	3,495	–
Redeemable Participating Shares Redeemed	<u>(321,309)</u>	<u>(15,216)</u>
Shares in issue as at 31st October, 2016	<u>2,510,664</u>	<u>133,907</u>

Brown Advisory US Small Cap Blend Fund

	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Dollar Class A Acc Shares	Dollar Class B Dis Shares	Euro Class A Acc H Shares	Euro Class B Acc H Shares	Sterling Class A Dis Shares
Shares in issue as at 1st November, 2015	4,210,253	1,504,805	860,708	20,001	23,910	14,958	11,877
Redeemable Participating Shares Issued	7,293,763	539,651	120,029	–	–	–	–
Redeemable Participating Shares Redeemed	<u>(2,214,902)</u>	<u>(246,772)</u>	<u>(608,120)</u>	<u>–</u>	<u>(8,952)</u>	<u>–</u>	<u>–</u>
Shares in issue as at 31st October, 2016	<u>9,289,114</u>	<u>1,797,684</u>	<u>372,617</u>	<u>20,001</u>	<u>14,958</u>	<u>14,958</u>	<u>11,877</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

6 Share Capital (continued)**Movement in Redeemable Participating Shares during the year ended 31st October, 2016 (continued)****Brown Advisory US Flexible Equity Fund**

	Dollar Class B Acc Shares	Dollar Class C Acc Shares	Sterling Class B Acc H Shares	Dollar Class A Acc Shares
Shares in issue as at 1st November, 2015	1,516,333	13,749,048	142,704	15,734
Redeemable Participating Shares Issued	441,749	784,639	73,766	–
Redeemable Participating Shares Redeemed	(192,491)	(2,223,941)	(107,201)	(15,612)
Shares in issue as at 31st October, 2016	<u>1,765,591</u>	<u>12,309,746</u>	<u>109,269</u>	<u>122</u>

Brown Advisory Global Leaders Fund

	Sterling Class C Acc H Shares¹	Dollar Class C Acc Shares
Shares in issue as at 1st November, 2015	–	559,135
Redeemable Participating Shares Issued	372,756	188,944
Redeemable Participating Shares Redeemed	(18,016)	(432,377)
Shares in issue as at 31st October, 2016	<u>354,740</u>	<u>315,702</u>

¹Sterling Class C Acc H Shares launched on 8th February, 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

7 Income

	Brown Advisory US Equity Value Fund*	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory US Equity Growth Fund	Brown Advisory US Flexible Equity SRI Fund**	Brown Advisory US Small Cap Blend Fund	Brown Advisory US Flexible Equity Fund	Brown Advisory Global Leaders Fund	Brown Advisory US Mid-Cap Growth Fund***	Brown Advisory US Sustainable Growth Fund***	Total
For the year/period ended 31st October, 2017	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Dividend Income	250,742	1,396,370	886,320	1,883,328	547,238	2,358,976	3,597,449	124,537	45,254	21,696	11,111,910
Miscellaneous Income	–	16,382	2,298	26,012	2,119	8,385	15,329	595	313	27	71,460
Deposit Interest Income	799	69,313	11,932	49,711	6,884	49,202	50,521	1,295	2,502	717	242,876
	<u>251,541</u>	<u>1,482,065</u>	<u>900,550</u>	<u>1,959,051</u>	<u>556,241</u>	<u>2,416,563</u>	<u>3,663,299</u>	<u>126,427</u>	<u>48,069</u>	<u>22,440</u>	<u>11,426,246</u>
	Brown Advisory US Equity Value Fund	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory US Equity Growth Fund	Brown Advisory US Flexible Equity SRI Fund	Brown Advisory US Small Cap Blend Fund	Brown Advisory US Flexible Equity Fund	Brown Advisory Global Leaders Fund	Total		
For the year ended 31st October, 2016	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$		
Dividend Income	5,781,071	1,060,765	1,462,298	3,634,935	583,724	1,255,929	2,269,494	82,493	16,130,709		
Miscellaneous Income	3,640	1,152	1,102	5,238	–	516	1	21	11,670		
Deposit Interest Income	19,352	20,634	6,844	31,565	2,373	9,629	9,399	627	100,423		
	<u>5,804,063</u>	<u>1,082,551</u>	<u>1,470,244</u>	<u>3,671,738</u>	<u>586,097</u>	<u>1,266,074</u>	<u>2,278,894</u>	<u>83,141</u>	<u>16,242,802</u>		

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016. Disclosed data presents values for the period ended 9th December, 2016.

** The Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

*** The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

8 Expenses

	Brown Advisory US Equity Value Fund*	Brown Advisory US Smaller Companies Fund	Brown Advisory American Fund	Brown Advisory US Equity Growth Fund	Brown Advisory US Flexible Equity SRI Fund**	Brown Advisory US Small Cap Blend Fund	Brown Advisory US Flexible Equity Fund	Brown Advisory Global Leaders Fund	Brown Advisory US Mid- Cap Growth Fund***	Brown Advisory US Sustainable Growth Fund***	Total
For the year/period ended 31st October, 2017	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Investment Management Fees (Note 9)	–	2,570,575	532,235	2,922,731	335,869	1,956,672	1,177,073	26,354	48,409	18,441	9,588,359
Administration and Transfer Agent Fees (Note 10)	12,860	217,831	98,037	295,626	26,895	183,349	260,988	15,645	14,129	4,538	1,129,898
Transaction Fees	76,802	216,885	113,222	141,259	46,983	168,380	84,165	22,842	27,119	6,303	903,960
Legal and Professional Fees	11,330	147,048	33,168	167,090	61,818	84,616	117,471	20,451	7,770	9,827	660,589
Depository and Trustee Fees (Note 11)	3,764	70,390	21,144	74,789	15,387	50,564	64,808	10,353	9,120	7,710	328,029
Directors' Fees and Expenses (Note 12)	3,498	46,278	10,368	54,039	6,595	33,426	48,411	2,035	2,471	1,107	208,228
Listing and Printing Fees	4,122	47,575	19,308	58,629	7,717	35,059	54,213	10,398	10,583	3,851	251,455
Audit Fees	23,908	18,706	5,432	26,311	3,687	17,506	15,181	566	1,508	672	113,477
Other Expenses	1,435	13,783	2,543	13,045	17,389	8,475	11,647	437	22,326	21,816	112,896
Total Expenses	137,719	3,349,071	835,457	3,753,519	522,340	2,538,047	1,833,957	109,081	143,435	74,265	13,296,891
Less: Expense Reimbursement (Note 9)	(37,806)	–	(73,528)	(23)	(18,798)	–	–	(51,152)	(39,438)	(24,828)	(245,573)
Total Expenses after Expense Reimbursement	<u>99,913</u>	<u>3,349,071</u>	<u>761,929</u>	<u>3,753,496</u>	<u>503,542</u>	<u>2,538,047</u>	<u>1,833,957</u>	<u>57,929</u>	<u>103,997</u>	<u>49,437</u>	<u>13,051,318</u>

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016. Disclosed data presents values for the period ended 9th December, 2016.

** The Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

*** The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

8 Expenses (continued)

	Brown Advisory US Equity Value Fund US\$	Brown Advisory US Smaller Companies Fund US\$	Brown Advisory American Fund US\$	Brown Advisory US Equity Growth Fund US\$	Brown Advisory US Flexible Equity SRI Fund US\$	Brown Advisory US Small Cap Blend Fund US\$	Brown Advisory US Flexible Equity Fund US\$	Brown Advisory Global Leaders Fund US\$	Total US\$
For the year ended 31st October, 2016									
Investment Management Fees (Note 9)	1,793,697	1,922,783	755,221	6,243,990	318,034	1,094,734	827,563	34,622	12,990,644
Administration and Transfer Agent Fees (Note 10)	167,360	186,790	96,316	521,207	35,383	165,553	105,013	13,455	1,291,077
Transaction Fees	55,139	36,882	77,927	59,305	6,405	53,173	11,252	12,763	312,846
Legal and Professional Fees	94,542	47,847	40,991	237,093	20,980	32,089	60,417	6,420	540,379
Depository and Trustee Fees (Note 11)	53,286	51,500	21,702	131,915	12,788	27,639	36,918	2,008	337,756
Directors' Fees and Expenses (Note 12)	30,748	33,071	11,742	33,746	6,354	19,765	28,841	1,289	165,556
Listing and Printing Fees	51,193	29,266	23,537	99,758	8,592	19,244	25,455	3,266	260,311
Audit Fees	25,953	10,021	1,222	71,902	2,315	318	8,874	320	120,925
Other Expenses	6,403	4,517	2,695	15,113	8,146	3,182	3,448	138	43,642
Total Expenses	2,278,321	2,322,677	1,031,353	7,414,029	418,997	1,415,697	1,107,781	74,281	16,063,136
Less: Expense Reimbursement (Note 9)	–	–	(32,262)	–	(7,406)	(27,201)	–	(28,435)	(95,304)
Total Expenses after Expense Reimbursement	2,278,321	2,322,677	999,091	7,414,029	411,591	1,388,496	1,107,781	45,846	15,967,832

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

9 Investment Management Fee**Brown Advisory US Equity Value Fund***

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 Dollar Class A Dis Shares and Sterling Class A Dis Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 1.00% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Dis H Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class B Dis Shares, Euro Class B Dis Shares and Sterling Class B Dis Shares. These fees accrue and are calculated at each valuation point and are payable monthly in arrears. The Investment Manager is also 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 Investment Manager earned a fee of US\$Nil for the period ended 9th December, 2016 (year ended 31st October, 2016: US\$1,793,697), of which US\$Nil (31st October, 2016: US\$25,475) was outstanding at 9th December, 2016.

The Investment Manager has agreed to reimburse the Fund US\$37,806 for the period ended 9th December, 2016 (year ended 31st October, 2016: US\$Nil), in order that total expenses of the Fund do not exceed 1.75% of the Net Asset Value of the Dollar Class A Dis Shares and Sterling Class A Dis Shares, 1.00% of the Net Asset Value of the Dollar Class B Dis Shares, Euro Class B Dis Shares, Sterling Class B Dis Shares and Sterling Class B Dis H Shares during the year. Expense reimbursement of US\$30,453 (31st October, 2016: US\$Nil) was outstanding at 9th December, 2016.

Brown Advisory US Smaller Companies Fund

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 Dollar Class A Acc Shares. The Investment Manager is entitled to receive an annual fee not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class B Acc Shares, Euro Class B Dis Shares, Sterling Class B Dis Shares and Sterling Class B Acc H Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.50% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class C Acc Shares. These fees accrue and are calculated at each valuation point and are payable monthly in arrears. The Investment Manager is also 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 Investment Manager earned a fee of US\$2,570,575 for the year ended 31st October, 2017 (31st October, 2016: US\$1,922,783), of which US\$198,208 (31st October, 2016: US\$204,062) was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$Nil for the year ended 31st October, 2017 (31st October, 2016: US\$Nil), in order that total expenses of the Fund do not exceed 1.75% of the Net Asset Value of the Dollar Class A Acc Shares, 1.00% of the Net Asset Value of the Dollar Class B Acc Shares, Euro Class B Dis Shares and Sterling Class B Dis Shares and 0.75% of the Net Asset Value of the Dollar Class C Acc Shares during the year. Expense reimbursement of US\$Nil (31st October, 2016: US\$Nil) was outstanding at 31st October, 2017.

Brown Advisory American Fund

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 Dis Shares, Dollar Class A Dis Shares and Euro Class A Acc Hedged Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 1.00% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Dis H Shares. The Investment Manager is entitled to receive an annual fee not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class B Dis Shares, Euro Class B Dis Shares and Sterling Class B Dis Shares. These

*Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

9 Investment Management Fee (continued)

Brown Advisory American Fund (continued)

fees accrue and are calculated at each valuation point and are payable monthly in arrears. The Investment Manager is also 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 Investment Manager earned a fee of US\$532,235 for the year ended 31st October, 2017 (31st October, 2016: US\$755,221), of which US\$44,740 (31st October, 2016: US\$95,660) was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$73,528 for the year ended 31st October, 2017 (31st October, 2016: US\$32,262), in order that total expenses of the Fund do not exceed 1.75% of the Net Asset Value of the Dollar Class A Dis Shares, Euro Class A Acc H Shares and Sterling Class A Dis Shares and 1.00% of the Net Asset Value of the Dollar Class B Dis Shares, Euro Class B Dis Shares, Sterling Class B Dis Shares and Sterling Class B Dis H Shares during the year. Expense reimbursement of US\$Nil (31st October, 2016: US\$60,109) was outstanding at 31st October, 2017.

Brown Advisory US Equity Growth Fund

The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 2.25% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class P Acc Shares and Euro Class P Acc H Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 1.75% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class A Dis H Shares. 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 Dollar Class A Acc Shares and Euro Class A Acc H Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 1.00% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Dis H Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class B Acc Shares, Dollar Class B Dis Shares and Euro Class B Acc Shares. These fees accrue and are calculated at each valuation point and are 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 is also 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 Investment Manager earned a fee of US\$2,922,731 for the year ended 31st October, 2017 (31st October, 2016: US\$6,243,990), of which US\$258,876 (31st October, 2016: US\$341,073) was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$23 for the year ended 31st October, 2017 (31st October, 2016: US\$Nil), in order that total expenses of the Fund do not exceed 2.50% of the Net Assets Value of the Dollar Class P Acc Shares and Euro Class P Acc H Shares, 1.75% of the Net Asset Value of the Dollar Class A Acc Shares, Euro Class A Acc H Shares and Sterling Class A Dis H Shares and 1.00% of the Net Assets Value of the Dollar Class B Acc Shares, Dollar Class B Dis Shares, Euro Class B Acc Shares and Sterling Class B Dis H Shares during the year. Expense reimbursement of US\$Nil (31st October, 2016: US\$28,936) was outstanding at 31st October, 2017.

Brown Advisory US Flexible Equity SRI Fund*

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 Dollar Class A Dis 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 Dollar Class B Dis Shares.

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

9 Investment Management Fee (continued)**Brown Advisory US Flexible Equity SRI Fund* (continued)**

These fees accrue and are calculated at each valuation point and are 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 is also 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 Investment Manager earned a fee of US\$335,869 for the year ended 31st October, 2017 (31st October, 2016: US\$318,034), of which US\$31,010 (31st October, 2016: US\$26,468) was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$18,798 for the year ended 31st October, 2017 (31st October, 2016: US\$7,406), in order that total expenses of the Fund do not exceed 1.80% of the Net Asset Value of the Dollar Class A Dis Shares and 1.05% of the Net Asset Value of the Dollar Class B Dis Shares during the year. Expense reimbursement of US\$18,797 (31st October, 2016: US\$7,406) was outstanding at 31st October, 2017.

Brown Advisory US Small Cap Blend Fund

The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 1.75% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class A Acc Shares and Euro Class A Acc H Shares. The Investment Manager will receive an annual fee not exceeding 1.00% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class B Acc Shares, Sterling Class B Acc Shares and Sterling Class B Dis Shares. The Investment Manager will receive an annual fee not exceeding 0.50% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class C Acc Shares. These fees accrue and are calculated at each valuation point and are 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 is also 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 Investment Manager earned a fee of US\$1,956,672 for the year ended 31st October, 2017 (31st October, 2016: US\$1,094,734), of which US\$184,611 (31st October, 2016: US\$265,038) was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$Nil for the year ended 31st October, 2017 (31st October, 2016: US\$27,201), in order that total expenses of the Fund do not exceed 1.75% of the Net Asset Value of the Dollar Class A Acc Shares, Euro Class A Acc H Shares and Sterling Class A Dis Shares, 1.25% of the Net Asset Value of the Dollar Class B Acc Shares and Euro Class B Acc H Shares and 0.75% of the Net Asset Value of the Dollar Class C Acc Shares during the year. Expense reimbursement of US\$292 (31st October, 2016: US\$157,307) was outstanding at 31st October, 2017.

Brown Advisory US Flexible Equity Fund

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 Dollar Class A Acc Shares, Dollar Class A Dis Shares and Sterling Class A Dis Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class B Acc Shares, Sterling Class B Dis Shares, Sterling Class B Acc H Shares, Euro Class B Dis Shares, Dollar Class B Dis Shares and Sterling Class B Dis Shares.. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.50% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class C Acc Shares, Sterling Class C Dis Shares, Dollar Class C Dis Shares, Dollar Class M Dis Shares and Sterling M Dis Shares. These fees accrue and are calculated at each valuation point and are payable monthly

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

9 Investment Management Fee (continued)

Brown Advisory US Flexible Equity Fund (continued)

in arrears. The Investment Manager is also 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 Investment Manager earned a fee of US\$1,177,073 for the year ended 31st October, 2017 (31st October, 2016: US\$827,563), of which US\$126,881 (31st October, 2016: US\$72,426) was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$Nil for the year ended 31st October, 2017 (31st October, 2016: US\$Nil), in order that total expenses of the Fund do not exceed 1.75% of the Net Asset Value of the Dollar Class A Acc Shares, 1.00% of the Net Asset Value of the Dollar Class B Acc Shares and Sterling Class B Acc H Shares and 0.75% of the Net Asset Value of the Dollar Class C Acc Shares during the year. Expense reimbursement of US\$Nil (31st October, 2016: US\$Nil) was outstanding at 31st October, 2017.

Brown Advisory Global Leaders Fund

The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.50% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class C Acc Shares and Sterling Class C Acc H Shares. These fees accrue and are calculated at each valuation point and are payable monthly in arrears. The Investment Manager is also 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 Investment Manager earned a fee of US\$26,354 for the year ended 31st October, 2017 (31st October, 2016: US\$34,622), of which US\$3,063 (31st October, 2016: US\$29,720) was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$51,152 for the year ended 31st October, 2017 (31st October, 2016: US\$28,435), in order that total expenses of the Fund do not exceed 0.75% of the Net Asset Value of the Dollar Class C Acc Shares and Sterling Class C Acc H Shares during the year. Expense reimbursement of US\$14,153 (31st October, 2016: US\$28,435) was outstanding at 31st October, 2017.

Brown Advisory US Mid-Cap Growth Fund*

The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.50% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class C Acc Shares and Sterling Class C Acc H Shares. These fees accrue and are calculated at each valuation point and are payable monthly in arrears. The Investment Manager is also 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 Investment Manager earned a fee of US\$48,409 for the period ended 31st October, 2017, of which US\$12,861 was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$39,438 for the period ended 31st October, 2017, in order that total expenses of the Fund do not exceed 0.75% of the Net Asset Value of the Dollar Class C Acc Shares during the year. Expense reimbursement of US\$30,531 was outstanding at 31st October, 2017.

Brown Advisory US Sustainable Growth Fund*

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 Dollar Class A Dis Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Dis Shares and Dollar Class B Dis Shares. The Investment Manager is entitled to receive from the Company out of the assets of the Fund an annual fee not exceeding 0.50% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class C Acc Shares and Dollar Class C Dis Shares. These fees accrue and are calculated at each valuation point and are payable monthly in arrears. The Investment Manager is also

*Brown Advisory US Mid-Cap Growth Fund and Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

9 Investment Management Fee (continued)

Brown Advisory US Sustainable Growth Fund*

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 Investment Manager earned a fee of US\$18,441 for the period ended 31st October, 2017, of which US\$6,201 was outstanding at 31st October, 2017.

The Investment Manager has agreed to reimburse the Fund US\$24,828 for the period ended 31st October, 2017, in order that total expenses of the Fund do not exceed 0.75% of the Net Asset Value of the Dollar Class C Acc Shares during the year. Expense reimbursement of US\$17,220 was outstanding at 31st October, 2017.

10 Administration and Transfer Agent Fees

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 Administrator earned a fee of US\$1,129,898 for the year ended 31st October, 2017 (31st October, 2016: US\$1,291,077), of which US\$221,008 (31st October, 2016: US\$230,269) was outstanding at 31st October, 2017.

11 Depositary and Trustee Fees

The Depositary is entitled to receive a Trustee fee of up to 0.02% of the net assets of the Funds. This fee is accrued and calculated at each valuation point and is payable monthly in arrears.

The Depositary is also entitled to receive out of the assets of each Fund all agreed sub-custodian fees and expenses, transaction charges and cash service charges (all at normal commercial rates) and to recover properly vouched out-of-pocket expenses out of the assets of each Fund (plus VAT, if any).

The Depositary earned a combined Depositary and Trustee fee of US\$328,029 for the year ended 31st October, 2017 (31st October, 2016: US\$337,756), of which US\$76,972 (31st October, 2016: US\$54,115) was outstanding at 31st October, 2017.

12 Directors' Fees and Expenses

The Directors are entitled to such remuneration for their services as Directors, as the Directors may determine, provided that the aggregate emoluments of the Directors in respect of any twelve month accounting period shall not exceed US\$100,000, or such higher amounts as may be approved by the Board of Directors or the Company in a general meeting. In addition, the Directors are also entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as Directors.

Directors' fees during the reporting period from 1st November, 2016 to 31st October, 2017 were EUR€25,500 per annum for Mr. Gordon F. Rainey Jr. and Mr. Charles E. Noell, EUR€28,500 per annum for Mr. Tony Garry and Mr. Paul Montgomery (proportionally, since/to date of appointment/resignation), and EUR€33,500 per annum for Mr. Paul McNaughton.

*Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st October, 2017

12 Directors' Fees and Expenses (continued)

The aggregate emoluments of the Directors (including expenses) for the year ended 31st October, 2017 was US\$208,228 (31st October, 2016: US\$165,556) of which US\$94,076 (31st October, 2016: US\$32,940) was outstanding at 31st October, 2017.

The following Directors, who are connected with the Investment Manager, namely Mr. Michael D. Hankin, Mr. David M. Churchill, Mr. Clinton R. Daly, Mr. Brett D. Rogers and Ms. Keryn Brock are not entitled to fees for the years ended 31st October, 2017 and 31st October, 2016.

13 Other Fees

The Company also pay out of the assets of the Funds, fees in respect of the publication and circulation of details of the Net Asset Value per Redeemable Participating Share, stamp duties, taxes, brokerage, the fees and expenses of auditors, tax, legal and other professional advisers.

14 Financial Risk Management

Strategy in Using Financial Instruments

As an investment company, Brown Advisory Funds plc invests in equities and other investments so as to achieve its investment objectives.

The objective of the Funds, except for the Brown Advisory Global Leaders Fund, is to achieve capital appreciation by investing primarily in US equities. The objective of the Brown Advisory Global Leaders Fund is to achieve capital appreciation by investing primarily in global equities. In pursuing its investment objective, the Company is exposed to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk that could result in a reduction in the Company's net assets. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance.

The risks and the Directors' approach to the management of the risks are as follows:

Market Risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements: market price risk, currency risk and interest rate risk. The Board of Directors reviews and agrees policies for managing these risks. The policies have remained substantially unchanged from those applying at the prior year end. The Company's Investment Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolios on an ongoing basis.

The Company calculates its global risk exposure by using the commitment approach. Currency forwards will be used for hedging purposes only. Due to foreign exchange rate changes, changes to market values of underlying cash securities, or portfolio subscriptions/redemptions modest levels of inadvertent exposure may arise from time to time. In this case, the global exposures will be measured using the commitment approach based on the market value of the underlying assets i.e. the notional value of the currency leg(s). Exposures will be monitored on spreadsheets as at each valuation point.

Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company's assets consist principally of quoted equities, the values of which are determined by market forces. All security investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Market Risk (continued)

The Board of Directors manages the market price risks inherent in the investment portfolios by ensuring full and timely access to relevant information from the Investment Manager. The Board of Directors meets regularly and at each meeting reviews investment performance and overall market positions. They monitor the Investment Manager's compliance with the Company's objectives.

An analysis of each Fund's investment portfolios is shown in the Statement of Investments. This shows the majority of the investments' value is in equity securities of US companies. Accordingly, there is a concentration of exposure to that country, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

If prices of equity securities at 31st October, 2017 and at 31st October, 2016 had increased by 5%, with all other variables remaining constant, the increase in Net Assets Attributable to Holders of Redeemable Participating Shares is shown in the table below. Conversely, if prices had decreased by 5%, this would have resulted in an equal but opposite effect on Net Assets Attributable to Holders of Redeemable Participating Shares, on the basis that all other variables remain constant.

	NAV Impact US\$ 31st October, 2017	NAV Impact US\$ 31st October, 2016
Brown Advisory US Equity Value Fund*	N/A	5,284,342
Brown Advisory US Smaller Companies Fund	15,032,743	11,772,116
Brown Advisory American Fund	3,233,244	3,557,107
Brown Advisory US Equity Growth Fund	17,331,748	17,547,169
Brown Advisory US Flexible Equity SRI Fund**	N/A	1,874,338
Brown Advisory US Small Cap Blend Fund	10,956,626	6,825,040
Brown Advisory US Flexible Equity Fund	16,805,791	7,697,273
Brown Advisory Global Leaders Fund	923,363	366,112
Brown Advisory US Mid-Cap Growth Fund***	1,715,474	N/A
Brown Advisory US Sustainable Growth Fund***	2,959,605	N/A

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

** Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

*** Brown Advisory US Mid-Cap Growth Fund and Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Most of the financial assets and financial liabilities of each Fund are denominated in the functional currency of the Fund, with the effect that the Company has no significant exposure to foreign currency risk. As such, no sensitivity analysis is disclosed.

In accordance with Company policy, the Investment Manager monitors the Company's currency position on a daily basis. The Board of Directors relies upon the Investment Manager to keep it informed of any material events.

Interest Rate Risk

The majority of the Funds financial assets and liabilities are non-interest bearing. As a result, the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

In accordance with Company policy, the Investment Manager monitors the Funds' overall interest sensitivity on a daily basis. The Board of Directors relies upon the Investment Manager to keep it informed of any material events.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)**Credit Risk**

The Company takes on exposure to credit risk, which is the risk that a counterparty or issuer will be unable to pay amounts in full when due.

The majority of the Funds' financial assets are non-interest bearing equity securities. As a result, they are not subject to significant amounts of credit risk.

Credit risk is managed, in part, by the Funds' investment restrictions, including that, subject to other provisions set forth in the Prospectus:

- (a) each Fund may not invest more than 10% of Net Assets in transferable securities or money market instruments issued by the same body provided that;
- (b) the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5%, is less than 40%.

All transactions in listed securities are settled in a timely manner. The risk of default is considered minimal.

For cash accounts, funds deposited are liabilities of the banks, creating a debtor-creditor relationship between the bank and the Company. Cash accounts opened on the books of Brown Brothers Harriman & Co. are obligations of Brown Brothers Harriman & Co. while cash accounts opened on the books of a sub-custodian (agency accounts) are obligations of the sub-custodian. Accordingly, while Brown Brothers Harriman & Co. is responsible for exercising reasonable care in the administration of agency cash accounts, it is not liable for their repayment in the event the sub-custodian, by reason of its bankruptcy, insolvency or otherwise, fails to make repayment.

All cash at bank balances at the year end are held with Brown Brothers Harriman & Co., or with third party institutions approved by the Company on overnight deposit, or directly with a sub-custodian.

The short-term credit rating for Brown Brothers Harriman & Co. is F1, this indicates the strongest intrinsic capacity for timely payment of financial commitments, as rated by Fitch.

The short-term credit ratings for those institutions where cash was held at the year end are outlined in the table below:

	Standard and Poor's 31st October, 2017	Standard and Poor's 31st October, 2016
Citibank	A-2	A-1
Deutsche Bank	A-2	n/a
HSBC	A-1	n/a
JP Morgan Chase	A-2	A-2
SEB	A-1	A-1
Standard Chartered Bank	A-1	A-2
Wells Fargo	A-1	A-1

A short-term obligation rated "A-1" is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

There is no cash held with those institutions marked as "n/a" for the year ends noted.

A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Credit Risk (continued)

Brown Brothers Harriman & Co. performs both initial and ongoing due diligence on the sub-custodians in its global depository network. Such reviews include an assessment of the sub-custodian's financial strength and general reputation and standing and, at a minimum, meet the due diligence requirements established by applicable law. The financial analysis is focused on the sub-custodian bank's capital adequacy, asset quality, financial flexibility and strength, management expertise, earnings, and liquidity as key indicators of its financial standing in the market. These reviews are not audits.

In accordance with Company policy, the Investment Manager monitors the Funds' credit position on a daily basis. The Board of Directors relies upon the Investment Manager to keep it informed of any material event. There were no material changes to the Company's policies and processes for managing credit risk and the methods used to measure risk since the year end.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of Redeemable Participating Shares. The Funds invest the majority of their assets in equities that are traded in an active market and can be readily disposed of. The Funds' listed securities are considered readily realisable as they are listed on a recognised stock exchange.

In accordance with Company policy, the Investment Manager monitors the Funds' liquidity position on a daily basis. The Board of Directors relies upon the Investment Manager to keep it informed of any material events. There were no material changes to the Company's policies and processes for managing liquidity risk and the methods used to measure risk since the year end.

The following tables split the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

Brown Advisory US Equity Value Fund*

	As at 31st October, 2017		As at 31st October, 2016	
	Less than 1 Month US\$	More than 1 month US\$	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	–	–	58	–
Payable to Broker	47,001,204	–	379,595	–
Accrued expenses	–	148,690	–	141,237
Redeemable Participating Shares	96,502,720	–	115,046,405	–
Total Financial Liabilities	143,503,924	148,690	115,426,058	141,237

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Liquidity Risk (continued)

Brown Advisory US Smaller Companies Fund

	As at 31st October, 2017		As at 31st October, 2016	
	Less than 1 Month US\$	More than 1 month US\$	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	–	–	–	–
Payable to Broker	2,703,630	–	920,670	–
Accrued expenses	–	303,668	–	279,839
Redeemable Participating Shares	315,468,108	–	259,508,067	–
Total Financial Liabilities	318,171,738	303,668	260,428,737	279,839

Brown Advisory American Fund

	As at 31st October, 2017		As at 31st October, 2016	
	Less than 1 Month US\$	More than 1 month US\$	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	3,322	–	448	–
Payable to Broker	104,279	–	167,383	–
Accrued expenses	–	109,566	–	156,852
Redeemable Participating Shares	66,954,714	–	75,112,043	–
Total Financial Liabilities	67,062,315	109,566	75,279,874	156,852

Brown Advisory US Equity Growth Fund

	As at 31st October, 2017		As at 31st October, 2016	
	Less than 1 Month US\$	More than 1 month US\$	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	371,187	–	2,061	–
Payable to Broker	–	–	189,537	–
Accrued expenses	–	490,768	–	577,174
Redeemable Participating Shares	352,203,596	–	365,324,922	–
Total Financial Liabilities	352,574,783	490,768	365,516,520	577,174

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Liquidity Risk (continued)

Brown Advisory US Flexible Equity SRI Fund*

	As at 31st October, 2017		As at 31st October, 2016	
	Less than 1 Month US\$	More than 1 month US\$	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	–	–	–	–
Payable to Broker	–	–	8,571	–
Accrued expenses	–	132,530	–	84,354
Redeemable Participating Shares	45,916,066	–	38,936,361	–
Total Financial Liabilities	45,916,066	132,530	38,944,932	84,354

Brown Advisory US Small Cap Blend Fund

	As at 31st October, 2017		As at 31st October, 2016	
	Less than 1 Month US\$	More than 1 month US\$	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	18,810	–	–	–
Payable to Broker	1,392,281	–	468,917	–
Accrued expenses	–	280,953	–	336,812
Redeemable Participating Shares	228,671,149	–	145,224,932	–
Total Financial Liabilities	230,082,240	280,953	145,693,849	336,812

Brown Advisory US Flexible Equity Fund

	As at 31st October, 2017		As at 31st October, 2016	
	Less than 1 Month US\$	More than 1 month US\$	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	–	–	77	–
Payable to Broker	4,635,522	–	176,098	–
Accrued expenses	–	296,573	–	146,658
Redeemable Participating Shares	350,617,965	–	159,459,131	–
Bank Overdraft	23,772	–	–	–
Total Financial Liabilities	355,277,259	296,573	159,635,306	146,658

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)**Liquidity Risk (continued)****Brown Advisory Global Leaders Fund**

	As at 31st October, 2017		As at 31st October, 2016	
	Less than 1 Month US\$	More than 1 month US\$	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	–	–	157	–
Payable to Broker	1,671,860	–	–	–
Accrued expenses	–	19,797	–	36,353
Redeemable Participating Shares	19,226,866	–	7,783,462	–
Bank Overdraft	79	–	105,682	–
Total Financial Liabilities	20,898,805	19,797	7,889,301	36,353

Brown Advisory US Mid-Cap Growth Fund*

	As at 31st October, 2017	
	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	–	–
Payable to Broker	2,763,925	–
Accrued expenses	–	36,657
Redeemable Participating Shares	36,974,188	–
Total Financial Liabilities	39,738,113	36,657

Brown Advisory US Sustainable Growth Fund*

	As at 31st October, 2017	
	Less than 1 Month US\$	More than 1 month US\$
Financial Liabilities at Fair Value through Profit or Loss	–	–
Payable to Broker	44,819,342	–
Accrued expenses	–	22,830
Redeemable Participating Shares	61,399,075	–
Total Financial Liabilities	106,218,417	22,830

* Brown Advisory US Mid-Cap Growth Fund and Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Fair Value Estimation

FRS 102 on “Fair Value Disclosure” requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities. The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value. Amendments were made to this FRS, revising the disclosure requirements for financial institutions. An entity shall apply these amendments for accounting periods beginning on or after 1 January 2017. Early application is permitted. This amendment has been early adopted in the preparation of these financial statements.

The Company has classified fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- (i) Level 1: Investments, whose values are based on quoted market prices in active markets, and therefore are classified within level 1, include active listed equities. Quoted prices for these instruments are not adjusted.
- (ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter traded derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.
- (iii) Level 3: Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgement or estimation. As observable prices are not available for these securities, a Fund would use valuation techniques to derive the fair value. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the financial asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the Directors in consultation with the Investment Adviser. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables provide an analysis within the fair value hierarchy of the Funds’ financial assets and liabilities measured at fair value at 31st October, 2017 and 31st October, 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory US Equity Value Fund, 31st October, 2016*

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	105,686,845	–	–	105,686,845
Total Financial Assets	105,686,845	–	–	105,686,845
Financial Liabilities				
Forward Foreign Currency Contracts	–	(58)	–	(58)
Total Financial Liabilities	–	(58)	–	(58)
	105,686,845	(58)	–	105,686,787

Brown Advisory US Smaller Companies Fund, 31st October, 2017

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	300,553,524	–	101,344	300,654,868
Forward Foreign Currency Contracts	–	2,764	–	2,764
Total Financial Assets	300,553,524	2,764	101,344	300,657,632
	300,553,524	2,764	101,344	300,657,632

Brown Advisory US Smaller Companies Fund, 31st October, 2016

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	235,340,968	–	101,344	235,442,312
Total Financial Assets	235,340,968	–	101,344	235,442,312
	235,340,968	–	101,344	235,442,312

* Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory American Fund, 31st October, 2017

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	62,917,986	–	5,951	62,923,937
Collective Investment Schemes	1,441,246	–	–	1,441,246
REIT	299,694	–	–	299,694
Forward Foreign Currency Contracts	–	22,305	–	22,305
Total Financial Assets	64,658,926	22,305	5,951	64,687,182
Financial Liabilities				
Forward Foreign Currency Contracts	–	(3,322)	–	(3,322)
Total Financial Liabilities	–	(3,322)	–	(3,322)
	64,658,926	18,983	5,951	64,683,860

Brown Advisory American Fund, 31st October, 2016

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	71,135,424	–	5,951	71,141,375
Forward Foreign Currency Contracts	–	769	–	769
Total Financial Assets	71,135,424	769	5,951	71,142,144
Financial Liabilities				
Forward Foreign Currency Contracts	–	(448)	–	(448)
Total Financial Liabilities	–	(448)	–	(448)
	71,135,424	321	5,951	71,141,696

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory US Equity Growth Fund, 31st October, 2017

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	334,534,777	–	–	334,534,777
REIT	12,100,188	–	–	12,100,188
Forward Foreign Currency Contracts	–	73,026	–	73,026
Total Financial Assets	346,634,965	73,026	–	346,707,991
Financial Liabilities				
Forward Foreign Currency Contracts	–	(371,187)	–	(371,187)
Total Financial Liabilities	–	(371,187)	–	(371,187)
	346,634,965	(298,161)	–	346,336,804

Brown Advisory US Equity Growth Fund, 31st October, 2016

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	350,843,386	–	–	350,843,386
Forward Foreign Currency Contracts	–	100,001	–	100,001
Total Financial Assets	350,843,386	100,001	–	350,943,387
Financial Liabilities				
Forward Foreign Currency Contracts	–	(2,061)	–	(2,061)
Total Financial Liabilities	–	(2,061)	–	(2,061)
	350,843,386	97,940	–	350,941,326

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory US Flexible Equity SRI Fund 31st October, 2016*

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	37,486,753	–	–	37,486,753
Total Financial Assets	37,486,753	–	–	37,486,753
	37,486,753	–	–	37,486,753

Brown Advisory US Small Cap Blend Fund, 31st October, 2017

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	215,211,302	–	23,941	215,235,243
REIT	3,897,284	–	–	3,897,284
Total Financial Assets	219,108,586	–	23,941	219,132,527
Financial Liabilities				
Forward Foreign Currency Contracts	–	(18,810)	–	(18,810)
Total Financial Liabilities	–	(18,810)	–	(18,810)
	219,108,586	(18,810)	23,941	219,113,717

Brown Advisory US Small Cap Blend Fund, 31st October, 2016

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	136,475,645	–	23,942	136,499,587
Forward Foreign Currency Contracts	–	1,218	–	1,218
Total Financial Assets	136,475,645	1,218	23,942	136,500,805
	136,475,645	1,218	23,942	136,500,805

* Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory US Flexible Equity Fund, 31st October, 2017

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	326,186,822	–	–	326,186,822
Collective Investment Schemes	9,928,992	–	–	9,928,992
Forward Foreign Currency Contracts	–	13,950	–	13,950
Total Financial Assets	336,115,814	13,950	–	336,129,764
	336,115,814	13,950	–	336,129,764

Brown Advisory US Flexible Equity Fund, 31st October, 2016

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	153,945,458	–	–	153,945,458
Total Financial Assets	153,945,458	–	–	153,945,458
Financial Liabilities				
Forward Foreign Currency Contracts	–	(77)	–	(77)
Total Financial Liabilities	–	(77)	–	(77)
	153,945,458	(77)	–	153,945,381

Brown Advisory Global Leaders Fund, 31st October, 2017

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	18,467,257	–	–	18,467,257
Forward Foreign Currency Contracts	–	27,301	–	27,301
Total Financial Assets	18,467,257	27,301	–	18,494,558
	18,467,257	27,301	–	18,494,558

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory Global Leaders Fund, 31st October, 2016

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	7,322,236	–	–	7,322,236
Total Financial Assets	7,322,236	–	–	7,322,236
Financial Liabilities				
Forward Foreign Currency Contracts	–	(157)	–	(157)
Total Financial Liabilities	–	(157)	–	(157)
	7,322,236	(157)	–	7,322,079

Brown Advisory US Mid-Cap Growth Fund, 31st October, 2017*

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	33,636,741	–	–	33,636,741
REIT	672,730	–	–	672,730
Forward Foreign Currency Contracts	–	10,958	–	10,958
Total Financial Assets	34,309,471	10,958	–	34,320,429
	34,309,471	10,958	–	34,320,429

Brown Advisory US Sustainable Growth Fund, 31st October, 2017*

	Quoted Prices in Active Markets for Identical Assets Level 1 US\$	Significant other Observable Inputs Level 2 US\$	Significant Unobservable Inputs Level 3 US\$	Total US\$
Financial Assets				
Equities	56,361,090	–	–	56,361,090
REIT	2,831,017	–	–	2,831,017
Total Financial Assets	59,192,107	–	–	59,192,107
	59,192,107	–	–	59,192,107

There were no transfers between levels during the years ended 31st October, 2017 or 31st October, 2016.

* The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017
15 Related Parties Transactions

Under FRS 102: "Related Party Disclosure", parties are related if any party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Mr. Michael D. Hankin is President and Chief Executive Officer of the Investment Manager. Mr. David M. Churchill is the Chief Operating Officer and Chief Financial Officer of the Investment Manager. Mr. Brett D. Rogers is General Counsel and Chief Compliance Officer of the Investment Manager. Mr. Clinton R. Daly was a member of the board until 3rd February, 2017. As disclosed in Notes 8 and 9, the Investment Manager earned a fee of US\$9,588,359 for the year ended 31st October, 2017 (31st October, 2016: US\$12,990,644), of which US\$866,451 (31st October, 2016: US\$1,059,922) was outstanding at 31st October, 2017. As disclosed in Notes 8 and 9, the Investment Manager has agreed to reimburse US\$245,573 (31st October, 2016: US\$95,304), of which US\$111,446 (31st October, 2016: US\$282,193) was outstanding at 31st October, 2017. For the year ended 31st October, 2016 Mr. Michael D. Hankin, Mr. David M. Churchill and Mr. Clinton R. Daly waived their fees as Directors of Brown Advisory Funds plc.

Mr. Gordon F. Rainey Jr. is a Director of Brown Investment Advisory & Trust Company an affiliate of the Investment Manager and Brown Advisory Incorporated, which controls the Investment Manager.

Ms. Keryn J. Brock is Head of International Business for an affiliate of the Investment Manager.

Mr. Michael Hankin and Mr. David M. Churchill are Directors of Brown Advisory Limited. Brown Advisory Limited provides consultancy services to the Company. Fees earned by Brown Advisory Limited for the year ended 31st October, 2017 amounted to EUR€31,500 (31st October, 2016: EUR€31,500).

Brown Advisory Limited acts as UK Facilities Agent and is contractually entitled to receive a fee for this service. For the year ended 31st October, 2017, this fee was waived by Brown Advisory Limited.

The Investment Manager of the Funds, except for the Brown Advisory Global Leaders Fund, is Brown Advisory LLC. The Investment Manager of the Brown Advisory Global Leaders Fund is Brown Advisory Limited.

As at 31st October, 2017, Brown Advisory Limited did not hold any shares.

As at 31st October, 2017, Brown Advisory LLC held:

Sub-Fund	Share class	Shares as at 31st October, 2016	Shares Subscribed	Shares Redeemed	Shares as at 31st October, 2017	Value at 31st October, 2016	Value at 31st October, 2017
Brown Advisory US Smaller Companies Fund	Euro Class B Dis Shares	7,639	-	7,639	-	EUR€119,325 (US\$130,989)	-
Brown Advisory US Smaller Companies Fund	Sterling Class B Dis Shares	7,159	-	7,159	-	GBP£96,223 (US\$117,777)	-
Brown Advisory US Small Cap Blend Fund	Dollar Class B Dis Shares	20,001	-	20,001	-	US\$229,806	-
Brown Advisory US Small Cap Blend Fund	Euro Class A Acc H Shares	14,958	-	14,958	-	EUR€169,320 (US\$185,871)	-
Brown Advisory US Small Cap Blend Fund	Euro Class B Acc H Shares	14,958	-	14,958	-	EUR€171,114 (US\$187,841)	-
Brown Advisory US Small Cap Blend Fund	Sterling Class A Dis Shares	11,877	-	11,877	-	GBP£186,001 (US\$227,666)	-
Brown Advisory Global Leaders Fund	Dollar Class C Acc Shares	99,100	-	15,514	83,586	US\$990,009	US\$1,069,902
Brown Advisory US Sustainable Growth Fund	Sterling Class B Dis Shares	-	4,566	-	4,566	-	GBP£49,033 (US\$65,124)
Brown Advisory US Sustainable Growth Fund	Dollar Class C Acc Shares	-	43,959	-	43,959	-	US\$510,365

16 Dividends

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

During the year ended 31st October, 2017 the Directors distributed substantially all of the net investment income of the Company for the year ended 31st October, 2016, US\$1,072,654 (distributed during the year ended 31st October, 2016 for the year ended 31st October, 2015: US\$5,319,938).

The following dividends per share of the Company were declared on 1st November, 2017:

		31st October, 2017	31st October, 2016
Sub-Fund		Rate Per Share	Rate Per Share
Brown Advisory US Equity Value Fund	Sterling Class A Dis Shares	N/A	GBP£ 0.028
Brown Advisory US Equity Value Fund	Dollar Class A Dis Shares	N/A	US\$ 0.019
Brown Advisory US Equity Value Fund	Dollar Class B Dis Shares	N/A	US\$ 0.096
Brown Advisory US Equity Value Fund	Sterling Class B Dis Shares	N/A	GBP£ 0.176
Brown Advisory US Equity Value Fund	Sterling Class B Dis H Shares	N/A	GBP£ 0.155
Brown Advisory US Equity Value Fund	Euro Class B Dis Shares	N/A	EUR€ 0.157
Brown Advisory American Fund	Dollar Class B Dis Shares	US\$ 0.005	US\$ 0.027
Brown Advisory American Fund	Euro Class B Dis Shares	EUR€ 0.007	EUR€ 0.037
Brown Advisory American Fund	Sterling Class B Dis Shares	GBP£ 0.007	GBP£ 0.037
Brown Advisory American Fund	Sterling Class B Dis H Shares	GBP£ 0.004	GBP£ 0.032
Brown Advisory US Flexible Equity SRI Fund	Dollar Class B Dis Shares	N/A	US\$ 0.012
Brown Advisory US Flexible Equity Fund	Euro Class B Dis Shares	EUR€ 0.059	N/A
Brown Advisory US Flexible Equity Fund	Sterling Class B Dis H Shares	GBP£ 0.061	N/A
Brown Advisory US Flexible Equity Fund	Sterling Class C Dis Shares	GBP£ 0.017	N/A
Brown Advisory US Flexible Equity Fund	Sterling Class M Dis Shares	GBP£ 0.063	N/A
Brown Advisory US Flexible Equity Fund	Dollar Class M Dis Shares	US\$ 0.067	N/A
Brown Advisory US Flexible Equity Fund	Dollar Class C Dis Shares	US\$ 0.018	N/A

17 Net Asset Value per Redeemable Participating Share

The Net Asset Value per Redeemable Participating Share is calculated by dividing the total Net Assets of each Fund attributable to a class by the number of Redeemable Participating Shares of that class in issue.

In accordance with FRS 102, the Company has classified all its investments at fair value through profit or loss.

In accordance with the provisions of the Company's Prospectus, investment positions are valued based on the last price at the valuation point on the relevant valuation date for the purposes of determining the Net Asset Value per Redeemable Participating Share for Shareholder dealing and for various fee calculations.

Recalculation of Net Asset Value for Pricing Purposes

For financial statement purposes, establishment expenses totalling US\$253,493 including fees paid to the professional advisors of the Company and for the listing of Shares on the Irish Stock Exchange, were entirely written off in the period 11th October, 2005 to 31st October, 2017 in accordance with FRS 102. For the purpose of calculating the Shareholder dealing NAV, establishment expenses are being amortised over the first five financial years of the lifetime of the sub-fund. US\$20,832 was amortised for the year ended 31st October, 2017 (31st October, 2016: US\$20,648). For Brown Advisory US Flexible Equity SRI Fund US\$Nil was amortized for the year ended 31st October, 2017 (31st October, 2016: US\$3,336), for Brown Advisory US Small Cap Blend Fund US\$ 5,153 was amortized for the year ended 31st October, 2017 (31st October, 2016: US\$5,168), for Brown Advisory US Flexible Equity Fund US\$ 5,526 was amortized for the year ended 31st October, 2017 (31st October, 2016: US\$5,541), for Brown Advisory Global Leaders Fund US\$6,585 was amortized for the year ended 31st October, 2017 (31st October, 2016: US\$6,603), for Brown Advisory US Mid-Cap Growth Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

US\$19,048 was paid for the period ended 31st October, 2017, for Brown Advisory US Sustainable Growth Fund US\$19,048 was paid for the period ended 31st October, 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

18 Efficient Portfolio Management

The Company may employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for investment purposes or hedging.

Where a Fund invests in financial derivative instruments for such purposes, a risk management process will be submitted to the Central Bank of Ireland by the Company, prior to the Fund engaging in such transactions in accordance with the Central Bank's requirements and UCITS Regulations. The Company on behalf of the Funds, will on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

During the year ended 31st October, 2017, the Company engaged in currency class hedging to hedge against movements in the values of Hedged Share Classes as a result of changes in the exchange rates against US Dollar of the respective currencies. The currency class hedging involves utilising forward foreign exchange contracts to provide a return hedged against fluctuations. This currency hedging policy will seek to limit Shareholders' risk of loss arising from an appreciation in the value of the currency of the Hedged Share Class relative to the value of the US Dollar.

The counterparties and the details of all open forward foreign currency contracts as at 31st October, 2017 are disclosed in the Statement of Investments.

19 Soft Commissions

During the year ended 31st October, 2017, the Investment Manager entered into soft commission arrangements with brokers/dealers whereby certain goods and services used by the Investment Manager are paid for by the commissions generated from trades executed under these arrangements. The goods and services are directly relevant and are used to assist in the provision to clients of investment management services or for valuation or performance measurement of portfolios.

These arrangements do not affect a broker's duty to provide best execution.

20 Exchange Rates

The following exchange rates to US Dollar were used:

	31st October, 2017	31st October, 2016
British Pound Sterling	1.328	1.224
Danish Krone	N/A	0.148
Euro	1.165	1.098
Hong Kong Dollar	0.128	0.129
India Rupiah	0.016	0.015
Japanese Yen	0.009	0.010
Swedish Krona	0.119	0.111
Swiss Franc	1.002	1.011

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017
21 Auditors' Remuneration

The tables below outline the remuneration (excluding VAT) invoiced / paid to the statutory auditors for the years ended 31st October, 2017 and 31st October, 2016 were as follows:

PricewaterhouseCoopers	Year ended 31st October, 2017	Year ended 31st October, 2016
	EUR	EUR
Audit services	82,200	64,000
Audit related services fees	24,000	-
Total audit & audit related services fees	106,200	64,000
Tax advisory services	89,448	70,165
Total non-audit services fees	89,448	70,165

22 Significant Events during the Year

On 1st November, 2016 dividends were declared and distributed on 14th November, 2016. Details are presented in Note 16.

Effective 11th November, 2016 the Brown Advisory US Small Cap Blend Fund Sterling Class B Dis Shares was launched.

Effective 16th November, 2016 the Brown Advisory US Flexible Equity Fund Sterling Class B Dis H Shares was launched.

On 8th December, 2016 the Brown Advisory US Flexible Equity Fund launched share classes: Sterling Class B Dis H Shares, Sterling Class C Dis Shares, Dollar Class C Dis Shares, Dollar Class M Dis Shares, Sterling Class M Dis Shares, Dollar Class A Dis Shares, Sterling Class A Dis Shares, Euro Class B Dis Shares and Dollar Class B Dis Shares.

Effective 9th December, 2016, the Brown Advisory US Equity Value Fund merged into the Brown Advisory US Flexible Equity Fund. The Brown Advisory US Equity Value Fund terminated at the merge date.

Effective 9th January, 2017 the Brown Advisory US Small Cap Blend Fund Sterling Class B Acc Shares was launched.

Effective as of the close of trading on 17th January, 2017, the Brown Advisory US Small Cap Blend Fund is closed to new accounts and/or new investors, subject to certain exceptions. Existing investors (which hold shares directly or via a financial intermediary holding an account with the Fund) as of 17th January, 2017 can continue to make additional purchases and reinvest distributions in the Fund.

Effective 3rd February, 2017, Clinton R. Daly retired from a Director role to Brown Advisory Funds plc.

Effective 17th February, 2017 the Brown Advisory US Small Cap Blend Fund Euro Class B Acc H Shares and Sterling Class A Dis Shares were liquidated.

The Brown Advisory US Mid-Cap Growth Fund and the Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.

On 3rd April, 2017 the Brown Advisory US Mid-Cap Growth Fund Dollar Class C Acc Shares and the Brown Advisory US Sustainable Growth Fund Dollar Class C Acc Shares were launched.

Effective 25th April, 2017 the Brown Advisory US Equity Growth Fund Sterling Class A Dis H Shares was liquidated.

Effective 3rd May, 2017, Paul Montgomery retired from a Director to Brown Advisory Funds plc.

Effective 3rd May, 2017, Tony Garry was appointed to a role as a Director of Brown Advisory Funds plc.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2017

22 Significant Events during the Year (continued)

Effective 24th May, 2017 the Brown Advisory US Smaller Companies Fund Sterling Class B Acc H Shares was launched.

A new prospectus and the supplements to the prospectus were noted by the Central Bank on 7th June, 2017.

Effective 9th June, 2017 the Brown Advisory US Mid-Cap Growth Fund Sterling Class C Acc H Shares was launched.

Effective 3rd August, 2017 the Brown Advisory US Sustainable Growth Fund Sterling Class B Dis Shares was launched.

Effective 25th September, 2017 the Brown Advisory US Small Cap Blend Fund Dollar Class B Dis Shares was liquidated.

Effective 15th September, 2017, Keryn Brock was appointed to a role as a Director of Brown Advisory Funds plc.

A new prospectus and the supplements to the prospectus were noted by the Central Bank on 25th October, 2017.

Effective 31st October, 2017, the Brown Advisory US Flexible Equity SRI Fund merged into the Brown Advisory US Sustainable Growth Fund. The Brown Advisory US Flexible Equity SRI Fund terminated at the merge date.

There have been no other significant events affecting the Company during the year.

23 Events since the Year End

On 1st November, 2017 dividends were declared and distributed on 14th November, 2017. Details are presented in Note 16.

Brown Advisory LLC switched the below holdings on 21 November 2017:

- Brown Advisory US Sustainable Growth Fund Dollar Class C Acc Shares switch out 21,979.5547 in to Brown Advisory US Mid-Cap Growth B Acc,
- Brown Advisory US Sustainable Growth Fund Dollar Class C Acc Shares switch out 21,979.5547 in to Brown Advisory US Mid-Cap Growth C Acc.

A new prospectus and the supplements to the prospectus were noted by the Central Bank on 21st December, 2017.

There have been no other significant events affecting the Company since the year end.

24 Approval of Financial Statements

The Board of Directors approved the report and audited financial statements on 12th February, 2018.

APPENDIX 1 - TOTAL EXPENSE RATIOS

The total expense ratios (TERs) for the year are set out in the table below.

The annualised TER calculation includes all annual operating costs including performance fees (where applicable) and excludes bank interest, FX and dealing costs, and withdrawn taxes on dividends and interest in compliance with the guidelines set out by the Swiss Funds Association (SFA). The TERs are not required to be included in this Report by the Central Bank of Ireland or the Irish Stock Exchange. They are provided for information purpose only and are unaudited. Only Swiss registered Funds are presented in the table below.

For the year ended 31st October, 2017 and 31st October, 2016:

	31st October, 2017	31st October, 2016
Brown Advisory US Equity Value Fund¹		
Sterling Class A Dis Shares	N/A	1.62%
Dollar Class A Dis Shares	N/A	1.58%
Sterling Class B Dis Shares	N/A	0.91%
Sterling Class B Dis H Shares	N/A	0.95%
Dollar Class B Dis Shares	N/A	0.90%
Euro Class B Dis Shares	N/A	0.91%
Brown Advisory US Smaller Companies Fund		
Dollar Class A Acc Shares	1.68%	1.68%
Dollar Class B Acc Shares	0.96%	0.93%
Dollar Class C Acc Shares	0.69%	0.68%
Euro Class B Dis Shares ²	N/A	0.92%
Sterling Class B Dis Shares	0.94%	0.93%
Sterling Class B Acc H Shares ³	0.97%	N/A
Brown Advisory American Fund		
Dollar Class B Dis Shares	1.00%	1.00%
Sterling Class A Dis Shares	1.75%	1.75%
Dollar Class A Dis Shares	1.75%	1.75%
Euro Class B Dis Shares	1.00%	1.00%
Euro Class A Acc H Shares	1.75%	1.75%
Sterling Class B Dis Shares	1.00%	1.00%
Sterling Class B Dis H Shares	1.00%	1.00%
Brown Advisory US Equity Growth Fund		
Dollar Class B Dis Shares	0.96%	0.91%
Dollar Class A Acc Shares	1.71%	1.67%
Euro Class A Acc H Shares	1.73%	1.68%
Euro Class B Acc Shares	0.96%	0.92%
Sterling Class A Dis H Shares ⁴	1.75%	1.71%
Sterling Class B Dis H Shares	0.99%	0.96%
Euro Class P Acc H Shares	2.47%	2.45%
Dollar Class P Acc Shares	2.47%	2.40%
Dollar Class B Acc Shares	0.94%	0.91%
Brown Advisory US Flexible Equity SRI Fund⁵		
Dollar Class B Dis Shares	1.05%	0.99%
Dollar Class A Dis Shares	1.80%	1.74%

¹Brown Advisory US Equity Value Fund merged into Brown Advisory US Flexible Equity Fund on 9th December, 2016.

²Euro Class B Dis Shares was liquidated on 24th April, 2017.

³Sterling Class B Acc H Shares launched on 24th May, 2017.

⁴Sterling Class A Dis H Shares was liquidated on 25th April, 2017.

⁵Brown Advisory US Flexible Equity SRI Fund merged into Brown Advisory US Sustainable Growth Fund on 31st October, 2017.

APPENDIX 1 - TOTAL EXPENSE RATIOS (CONTINUED)

	31st October, 2017	31st October, 2016
Brown Advisory US Small Cap Blend Fund		
Dollar Class B Acc Shares	1.22%	1.25%
Dollar Class C Acc Shares	0.72%	0.75%
Dollar Class A Acc Shares	1.72%	1.75%
Dollar Class B Dis Shares ¹	1.20%	1.25%
Euro Class A Acc H Shares	1.74%	1.75%
Euro Class B Acc H Shares ²	1.24%	1.25%
Sterling Class A Dis Shares ²	1.70%	1.75%
Sterling Class B Acc Shares ³	1.23%	N/A
Sterling Class B Dis Shares ⁴	1.22%	N/A
Brown Advisory US Flexible Equity Fund		
Dollar Class B Acc Shares	0.96%	0.93%
Dollar Class C Acc Shares	0.70%	0.68%
Sterling Class B Acc H Shares	0.98%	0.97%
Dollar Class A Acc Shares	1.73%	1.63%
Sterling Class B Dis H Shares ⁵	0.24%	N/A
Sterling Class C Dis Shares ⁵	0.70%	N/A
Dollar Class C Dis Shares ⁵	0.70%	N/A
Dollar Class M Dis Shares ⁵	0.21%	N/A
Sterling Class M Dis Shares ⁵	0.20%	N/A
Dollar Class A Dis Shares ⁵	1.70%	N/A
Sterling Class A Dis Shares ⁵	1.70%	N/A
Euro Class B Dis Shares ⁵	0.25%	N/A
Dollar Class B Dis Shares ⁵	0.95%	N/A
Sterling Class B Dis Shares ⁶	0.95%	N/A
Brown Advisory Global Leaders Fund		
Dollar Class C Acc Shares	0.50%	0.75%
Sterling Class C Acc H Shares	0.50%	0.75%
Brown Advisory US Mid-Cap Growth Fund⁷		
Dollar Class C Acc Shares ⁸	0.75%	N/A
Sterling Class C Acc H Shares ⁹	0.75%	N/A
Brown Advisory US Sustainable Growth Fund⁷		
Dollar Class C Acc Shares ⁸	0.75%	N/A
Sterling Class B Dis Shares ¹⁰	1.00%	N/A

¹Dollar Class B Dis Shares was liquidated on 25th September, 2017.²Euro Class B Acc H Shares and Sterling Class A Dis Shares were liquidated on 17th February, 2017.³Sterling Class B Acc Shares launched on 9th January, 2017.⁴Sterling Class B Dis Shares launched on 11th November, 2016.⁵Sterling Class B Dis H Shares, Sterling Class C Dis Shares, Dollar Class C Dis Shares, Dollar Class M Dis Shares, Sterling Class M Dis Shares, Dollar Class A Dis Shares, Sterling Class A Dis Shares, Euro Class B Dis Shares and Dollar Class B Dis Shares launched on 8th December, 2016.⁶Sterling Class B Dis Shares launched on 16th November, 2016.⁷Brown Advisory US Mid-Cap Growth Fund and Brown Advisory US Sustainable Growth Fund launched on 3rd April, 2017.⁸Dollar Class C Acc Shares launched on 3rd April, 2017.⁹Sterling Class C Acc H Shares launched on 9th June, 2017.¹⁰Sterling Class B Dis Shares launched on 3rd August, 2017.

Total Expense Ratios are based on the trailing 12 months preceding the dates listed above.

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

Michael D. Hankin (US Resident)
Paul McNaughton (Chairman, Irish Resident)*
Tony Garry (Irish Resident)* (appointed on 3rd May, 2017)
Paul Montgomery (Irish Resident)* (resigned on 3rd May, 2017)
David M. Churchill (US Resident)
Gordon F. Rainey Jr. (US Resident)
Charles E. Noell (US Resident)*
Brett D. Rogers (US Resident)
Clinton R. Daly (US Resident) (resigned on 3rd February, 2017)
Keryn Brock (UK Resident) (appointed on 15th September, 2017)

*Independent Non-Executive Director

REGISTERED OFFICE OF THE COMPANY

Third Floor
3 George's Dock
Dublin D01 X5X0
Ireland

ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

Brown Brothers Harriman Fund Administration
Services (Ireland) Limited
30 Herbert Street
Dublin D02 W329
Ireland

INVESTMENT MANAGER AND DISTRIBUTOR

Brown Advisory LLC
901 South Bond Street
Suite 400
Baltimore
Maryland 21231
USA

DEPOSITARY

Brown Brothers Harriman Trustee
Services (Ireland) Limited
30 Herbert Street
Dublin D02 W329
Ireland

SUB-INVESTMENT MANAGER

Brown Advisory Limited
6-10 Bruton Street
London W1J 6PX
United Kingdom

COMPANY SECRETARY

Dechert Secretarial Limited
3 George's Dock
Dublin D01 X5X0
Ireland

INDEPENDENT AUDITORS

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin D01 X9R7
Ireland

SPONSORING BROKER

A&L Listing Limited
IFSC
North Wall Quay
Dublin D01 H104
Ireland

LEGAL ADVISORS

Dechert
3 George's Dock
Dublin D01 X5X0
Ireland

SWISS REPRESENTATIVE AND PAYING AGENT

RBC Investor Services Bank S.A.,
Esch-sur-Alzette, Zurich Branch,
Badenerstrasse 567
PO Box 1292
8048 Zurich
Switzerland

UK FACILITIES AGENT

Brown Advisory Limited
6-10 Bruton Street
London W1J 6PX
United Kingdom

MANAGEMENT AND ADMINISTRATION (continued)

Information for the Swiss Investors:

The Fund's Prospectus, Key Investor Information Documents (KIIDs), Instrument of Incorporation, annual and interim report and accounts may be obtained, free of charge, from the Swiss Representative and Paying Agent, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Badenerstrasse 567, PO Box 1292, 8048 Zurich. A copy of the full portfolio changes during the period/year under review is available free of charge from the Swiss Representative and Paying Agent.