

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 American SRI Fund**

**Annual Report and Audited Financial Statements
For the Year ended 31st October, 2011**

TABLE OF CONTENTS

	Page
GENERAL INFORMATION	2
DIRECTORS' REPORT	5
REPORT OF THE CUSTODIAN TO THE SHAREHOLDERS	9
INDEPENDENT AUDITORS' REPORT	10
INVESTMENT MANAGER'S REPORT	
-BROWN ADVISORY US EQUITY VALUE FUND	12
-BROWN ADVISORY US SMALLER COMPANIES FUND	14
-BROWN ADVISORY AMERICAN FUND	16
-BROWN ADVISORY US EQUITY GROWTH FUND	18
-BROWN ADVISORY AMERICAN SRI FUND	20
STATEMENT OF INVESTMENTS	
-BROWN ADVISORY US EQUITY VALUE FUND	22
-BROWN ADVISORY US SMALLER COMPANIES FUND	24
-BROWN ADVISORY AMERICAN FUND	26
-BROWN ADVISORY US EQUITY GROWTH FUND	30
-BROWN ADVISORY AMERICAN SRI FUND	32
STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)	
-BROWN ADVISORY US EQUITY VALUE FUND	36
-BROWN ADVISORY US SMALLER COMPANIES FUND	38
-BROWN ADVISORY AMERICAN FUND	40
-BROWN ADVISORY US EQUITY GROWTH FUND	42
-BROWN ADVISORY AMERICAN SRI FUND	44
BALANCE SHEET	46
PROFIT AND LOSS ACCOUNT	51
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	53
NOTES TO THE FINANCIAL STATEMENTS	55
MANAGEMENT AND ADMINISTRATION	85

BROWN ADVISORY FUNDS PLC

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 variable capital under the laws of Ireland as a public limited company pursuant to the European Communities (Undertaking for Collective Investments in Transferable Securities) Regulations, 2011 (the “UCITS Regulations”) and any regulations made thereunder.

At 31st October, 2011 the Company comprised five separate portfolios of investments (“Funds”), each of which is represented by a separate series of Redeemable Participating Shares. These Funds are the 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 and the Brown Advisory American SRI Fund which commenced operations on 23rd May, 2011.

The Company offered the following Share Classes in each of the Funds at year end:

Fund	Share Class	Launch Date	Launch Price
Brown Advisory US Equity Value Fund	Sterling Class A	9th February, 2006	STG£10.00
	Dollar Class A	4th May, 2006	US\$10.00
	Dollar Class B	24th July, 2007	US\$10.00
	Sterling Class B	9th May, 2008	STG£10.00
	Sterling Class B Hedged	6th October, 2009	STG£10.00
	Euro Class B	30th September, 2010	EUR€10.00
Brown Advisory US Smaller Companies Fund	Dollar Class B	9th November, 2007	US\$10.00
	Dollar Class A	14th December, 2007	US\$10.00
Brown Advisory American Fund	Dollar Class B	9th May, 2008	US\$10.00
	Sterling Class A	23rd February, 2009	STG£10.00
	Dollar Class A	2nd March, 2010	US\$10.00
	Euro Class B	20th April, 2010	EUR€10.00
	Sterling Class B	22nd April, 2010	STG£10.00
	Euro Class A Hedged*	22nd October, 2010	EUR€10.00
Brown Advisory US Equity Growth Fund	Sterling Class B Hedged	18th January, 2011	STG£10.00
	Dollar Class B	2nd November, 2009	US\$10.00
	Dollar Class A	29th June, 2009	US\$10.00
	Euro Class A Hedged*	4th August, 2009	EUR€10.00
	Euro Class B	20th September, 2009	EUR€10.00
	Sterling Class A Hedged	17th June, 2011	STG£10.00
	Sterling Class B Hedged	17th June, 2011	STG£10.00
Euro Class P Hedged	24th October, 2011	EUR€10.00	
Brown Advisory American SRI Fund	Dollar Class B	23rd May, 2011	US\$10.00
	Dollar Class A	12th July, 2011	US\$10.00

*Euro Class A changed to Euro Class A Hedged on 23rd May, 2011.

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. The Fund invests in mid-size and large companies 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 as listed in Appendix I of the Prospectus. The Fund may also invest in US Rule 144A Securities, American Depositary Receipts (“ADRs”), 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.

The Fund utilised financial derivative instruments during the year.

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 aims to achieve its investment objective by investing at least 80% of its net assets in equity securities of small US companies. The Fund seeks to invest primarily in small companies with above average growth prospects that are listed or traded on the US markets and exchanges as listed in Appendix I of the Prospectus. Small companies are those companies whose market capitalisations are equal to or less than US\$5 billion at the time the Fund purchases the issuer’s securities. The Fund may invest in US Rule 144A Securities, ADRs, 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 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 investment 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 and attractive stock prices, and which are listed or traded on the US markets and other exchanges as listed in Appendix I of the Prospectus. The Fund may also invest in US Rule 144A Securities, ADRs, 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.

The Fund utilised financial derivative instruments during the year.

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 and attractive stock prices, and which are listed or traded on the US markets and other exchanges as listed in Appendix I of the Prospectus. The Fund may also invest in US Rule 144A Securities, ADRs, 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.

The Fund utilised financial derivative instruments during the year.

GENERAL INFORMATION (continued)

Brown Advisory American SRI Fund

The investment objective of the Brown Advisory American 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 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 and attractive stock prices, and which are listed or traded on the US markets and other exchanges as listed in Appendix I of the Prospectus. The Fund may also invest in US Rule 144A Securities, ADRs, 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.

Dividend Policy

The Articles of Association 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.

Dividends paid to individuals by the Funds are deemed for UK income tax purposes to be dividends paid with dividend tax credits, except where over 60% of the Fund’s investments are invested throughout an accounting period in interest-paying and economically similar investments. In this case the distribution will be deemed for UK income tax purposes to be interest when received by UK individual taxpayers.

In order for UK taxpayers to benefit from capital gains tax treatment on the disposal of their holdings of shares, share classes must have been granted ‘reporting fund’ status by the HM Revenue and Customs.

The new “reporting fund” regime in the UK was introduced by HM Revenue and Customs, with effect from 1st December, 2009 and applies to the Company for the accounting year beginning 1st November, 2010 and subsequent periods. “Reporting fund” status means that a share class must distribute/or report all its income to investors each year. In accordance with the new reporting fund regime, each share class will be viewed as a separate “offshore fund” for UK tax purposes. This replaces the ‘distributor status’ regime under the United Kingdom Income and Corporation Taxes Act 1988. The ‘distributing fund’ status was received for the year ended 31st October, 2010. 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 Equity Value Sterling Class A	Brown Advisory American Dollar Class B
Brown Advisory US Equity Value Dollar Class A	Brown Advisory American Sterling Class A
Brown Advisory US Equity Value Dollar Class B	Brown Advisory American Dollar Class A
Brown Advisory US Equity Value Sterling Class B	Brown Advisory American Sterling Class B
Brown Advisory US Equity Value Sterling Class B Hedged	Brown Advisory US Equity Growth Dollar Class B
Brown Advisory US Equity Value Euro Class B	Brown Advisory US Equity Growth Dollar Class A
Brown Advisory US Smaller Companies Dollar Class B	Brown Advisory US Equity Growth Sterling Class A
Brown Advisory US Smaller Companies Dollar Class A	Brown Advisory US Equity Growth Sterling Class B

17th January, 2011

Brown Advisory American Sterling Class B Hedged

17th June, 2011

Brown Advisory US Equity Growth Sterling Class A Hedged
Brown Advisory US Equity Growth Sterling Class B Hedged

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 sixth annual report together with the audited financial statements for Brown Advisory Funds plc (the "Company") for the year ended 31st October, 2011 and comparatives for the year ended 31st October, 2010.

The Company is organised in the form of an umbrella fund with five sub-funds, Brown Advisory US Equity Value Fund, Brown Advisory US Smaller Companies Fund, Brown Advisory American Fund, Brown Advisory US Equity Growth Fund and Brown Advisory American SRI Fund (the "Funds") in existence at the year end.

Statement of Directors' Responsibilities

Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing the 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations") and the Listing Rules of the Irish Stock Exchange. They 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.

Under the UCITS regulations, the Directors are required to entrust the assets of the Company to the custodian for safe-keeping. In carrying out this duty, the Company has delegated custody of the Company's assets to Brown Brothers Harriman Trustee Services (Ireland) Limited.

Books of Account

To ensure that proper books of account are kept in accordance with Section 202 of the Companies Act, 1990 the Directors of the Company have employed a service organisation, Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator"). The books of account are located at the offices of the Administrator as stated on page 85.

Directors

The names of the persons who served as Directors at any time during the year ended 31st October, 2011 are set out below:

Michael D. Hankin (American)
David M. Churchill (American)
Clinton R. Daly (American)
Paul McNaughton (Irish)* (appointed 10th August, 2011)
Paul Montgomery (Irish)*
Gordon F. Rainey Jr. (American)
Mike Kirby (Irish)* (resigned 10th August, 2011)

*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, 2011 or during the year.

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, 1990 at any time during the year ended 31st October, 2011.

DIRECTORS' REPORT (continued)

Results, Activities and Future Developments

A review of the principal activities is included in the Investment Manager's Report on pages 12 to 21.

Details of the state of affairs of the Company and results for the year ended 31st October, 2011 are set out on pages 46 to 52. The Net Assets of the Company Attributable to Holders of Redeemable Participating Shares (for financial statement purposes) as at 31st October, 2011 were US\$1,026,193,131 (31st October, 2010: US\$357,173,311).

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 72 to 82.

Dividends

A distribution of STG€0.016 per share on the Sterling Class A Shares, US\$0.024 per share on the Dollar Class A Shares, STG€0.120 per share on the Sterling Class B Shares, US\$0.042 per share on the Dollar Class B Shares, STG€0.069 per share on the Sterling Class B Hedged Shares and EUR€0.006 per share on the Euro Class B Shares of the Brown Advisory US Equity Value Fund was approved by the Directors and declared on 1st November, 2010 and paid on 31st December, 2010.

A distribution of US\$0.011 per share on the Dollar Class B Shares, STG€0.011 per share on the Sterling Class B Shares, EUR€0.002 per share on the Euro Class A Hedged Shares and EUR€0.010 per share on the Euro Class B Shares of the Brown Advisory American Fund was approved by the Directors and declared on 1st November, 2010 and paid on 31st December, 2010.

There were no dividends paid on the Brown Advisory US Smaller Companies Fund, the Brown Advisory US Equity Growth Fund or the Brown Advisory American SRI Fund.

Significant Events During the Year

A new Prospectus dated 16th May, 2011 was approved by the Central Bank of Ireland (the "Central Bank"). A copy of the Prospectus can be obtained by contacting the Administrator at its registered office.

During the year, Mr. David Kay-Shuttleworth was appointed to the role of Money Laundering Regulations Officer for Brown Advisory Funds plc.

The Brown Advisory American SRI Fund launched on 23rd May, 2011.

Significant Events Since the Year End

Brown Investment Advisory Incorporated changed its name to Brown Advisory LLC on 1st January, 2012.

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

Corporate Governance Statement

The Board of Directors is responsible for overseeing the operations of the Company.

The European Communities (Directive 2006/46/EC) Regulations (S.I. 450 of 2009 and S.I. 83 of 2010) (the "Regulations") recommends the inclusion of a corporate governance statement in the Directors' Report.

The Company is subject to corporate governance practices imposed by:

- (i) The Irish Companies Acts 1963-2009 which are available for inspection at the registered office of the Company and may also be obtained at:- <http://www.irishstatutebook.ie/home.html>;
- (ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company at International Financial Services Centre, North Wall Quay, Dublin 1, Ireland and at the Companies Registration Office in Ireland;
- (iii) The Central Bank in their UCITS Notices and Guidance Notes which can be obtained from the Central Bank's website at:-
<http://www.centralbank.ie/regulation/industry-sectors/funds/ucits/Pages/default.aspx> and are available for inspection at the registered office of the Company; and
- (iv) The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at:-
http://www.ise.ie/Investment-Funds/Listing_Requirements_and_Procedures_for_Investment_Funds.pdf.

DIRECTORS' REPORT (continued)

Corporate Governance Statement (continued)

The Board of Directors has assessed the measures included in the Voluntary Corporate Governance Code for the Irish Domiciled Collective Investment Schemes as published by the Irish Funds Industry Association ("IFIA") in September 2010 (the "IFIA Code") as being consistent with its corporate governance practices and procedures for the financial period.

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.

The Board of Directors has procedures in place to ensure all relevant books of account 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, the ISE and the Luxembourg stock exchange. The statutory financial statements are required to be audited by independent auditors who report annually to the Board of Directors on their findings.

The Board of Directors has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited as its Administrator (the "Administrator"). 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 Articles of Association of the Company and the Companies Acts. 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 Articles of Association.

DIRECTORS' REPORT (continued)

Corporate Governance Statement (continued)

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 six Directors, being those listed on page 5 in these financial statements.

The business of the Company is managed by the Directors, who exercise all such powers of the Company as are not by the Companies Acts or by the Articles of Association 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.

There are no sub-committees of the Board of Directors.

Independent Auditors

The Independent Auditors, Deloitte & Touche, Chartered Accountants and Registered Auditors, have indicated their willingness to continue in office in accordance with section 160(2) of the Companies Act, 1963.

On behalf of the Board of Directors

Paul McNaughton

Paul Montgomery

23rd January, 2012

REPORT OF THE CUSTODIAN TO THE SHAREHOLDERS

We have enquired into the conduct of Brown Advisory Funds plc (the “Company”) for the year ended 31st October, 2011, in our capacity as Custodian 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 the Central Bank’s UCITS Notice 4.5, 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 Custodian

Our duties and responsibilities are outlined in the Central Bank’s UCITS Notice 4.5. 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 Memorandum and Articles of Association 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 Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4.5 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 its constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate 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 Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, (‘the Regulations’); and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.

Brown Brothers Harriman Trustee Services (Ireland) Ltd
Styne House
Upper Hatch Street
Dublin 2
Ireland

23rd January, 2012

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

We have audited the financial statements of Brown Advisory Funds plc (the "Company") for the year ended 31st October, 2011, which comprise the Balance Sheet, Profit and Loss Account, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Investments and the related Notes 1 to 23. These financial statements have been prepared under the accounting policies set out in the Notes therein.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the financial statements in accordance with applicable Irish law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations"). We also report to you whether in our opinion proper books of account have been kept by the Company and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all information and explanations necessary for the purposes of our audit and whether the Company's Balance Sheet and Profit and Loss Account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and Directors' transactions is not given and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. The other information comprises only the Directors' Report, the Report of the Custodian to the Shareholders, the Investment Manager's Report, the Statement of Investments and the Statement of Changes in the Portfolio (unaudited). Our responsibilities do not extend to other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion, the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the Company as at 31st October, 2011 and of the profit for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Company. The Company's Balance Sheet and its Profit and Loss Account are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Christian MacManus
For and on behalf of Deloitte & Touche
Chartered Accountants & Registered Auditors
Dublin

23rd January, 2012

INVESTMENT MANAGER'S REPORT
Brown Advisory US Equity Value Fund
For the year ended 31st October, 2011

For the fiscal year, the Brown Advisory US Equity Value Fund (the "Fund") returned 6.32%¹ versus the Russell 1000 Value benchmark return of 6.16% and the broad S&P 500 index return of 8.09%.

Our activity during the last two months of 2010 remained consistent. We continued to sell and/or reduce positions whose appreciation had rendered their reward/risk ratios unattractive or where alternatives offered much more robust opportunities. In the process, we continued to maintain business franchise quality at much lower valuations and with better dividend yields.

During the first quarter of 2011, ample liquidity continued to trump revolutions, regulatory threats, surging commodity prices and gaping budget deficits. This momentum-rewarding climate was, not surprisingly, a serious impediment to superior stock performance for our margin of safety oriented value approach.

The second quarter of 2011 saw the portfolio outperform its benchmark, yet the investing climate remained challenging. April was notable for the stock price recovery of some of our largest positions. The most significant recoveries were in **Becton Dickinson** and **Merck**; two high class companies that had lacklustre fourth quarter results. However, in both cases, the recent fundamental picture had been improving amidst pessimistic expectations. It was a reminder that when low valuations are coupled with low expectations the "weather conditions" are generally favourable. The quality, natural gas orientation, and normal earnings power continued to make **Southwestern Energy Co.** a very attractive long term investment. We continued to find selective opportunities for investment in the consumer discretionary stocks, as expectations had steadily declined and valuations had become attractive. We added a position in **Guess? Inc.** during the second quarter which has a strong brand franchise and growing international presence. The company has potential to significantly improve its profit margins as its sales mix shifts increasingly to Europe and Asia. **Guess** also offers a strong balance sheet, solid free cash flows, intelligent capital deployment and an attractive and sensible dividend payout policy. Our substantial investment in technology is characterised by global leadership, high free cash flows, highly liquid balance sheets, moderate growth prospects, low expectations and low valuations. We made an investment in **Apple** during the second quarter. This investment was made at an attractive valuation after reconciling the company's recent success and high profitability with its still large opportunity for product expansion, international distribution and corporate penetration.

In the third quarter of 2011, the portfolio has underperformed as macroeconomic concerns in Europe, indeed around the world, have continued to dominate daily news and the general mood is one of despair. Moreover, value-investing has been a difficult place to be as betting on a better future seems to be a tall bet. However, we continue to be true to our discipline: owning solid business franchises whose stock prices reflect low expectations. For example our sale of **VF Corporation** reinforced this discipline. Our original reason for holding the stock was that it was an attractive business to own given its valuation, management experience, financial strength, portfolio of brands and growing emerging market presence. Its growth opportunities in the Outdoor & Action were attractive, driven by **North Face** and **Vans**, which also gave the company margin expansion potential. Stronger than expected sales and an increasingly favourable view of **VF Corp's** acquisition of **Timberland** made for rising earnings forecasts and a much higher valuation. As a result of its many desirable attributes; the stock price had appreciated almost 50% year to date meaning expectations had improved and the stock had reached our upside target. We decided to sell out of the stock as it had reached a valuation level on par with the consumer staples industry, even though its traditional product offering has been more cyclical. Due to our strict investment process, we chose to redeploy the proceeds from this very successful investment into a variety of stocks with comparable franchise value, better finances, but with much lower valuations and expectations. The market's retreat and increased volatility provided a larger roster of intriguing ideas.

After a material retreat in energy prices and economic expectations, we began to add to our energy and industrial exposures. We initiated new positions in names we have owned before, **Deere** and **National Oilwell Varco**. They were sold last year as their valuations, in our view, fully discounted what we believed were reasonable prospects. However, after the substantial price corrections, with attractive long-term prospects still intact, we re-established positions in these well-managed, high-quality global leaders.

¹ Performance relates to the Brown Advisory US Equity Value Fund B USD Share Class, net of fees

INVESTMENT MANAGER'S REPORT
Brown Advisory US Equity Value Fund (continued)
For the year ended 31st October, 2011

In October, we added three new investments: **Diageo**, **Freeport-McMoRan Copper & Gold**, and **Emerson Electric**. All three were depressed in valuation due to varying degrees of concern over the pace of global growth. All three have material exposure to emerging market economies, especially when it comes to future incremental growth and value creation. All three are first rate companies. As we have often discussed, we are believers in the secular attractiveness of those economies, but we want to own this thesis when the natural ebb and flow of expectations and concerns allow us a margin of safety. Today, we are getting that margin of safety. In order to fund these purchases, we elected to sell our position in **Walgreen Co**. Although the stock was not expensive, we became increasingly concerned about the implications of the long term competitive battle between **Walgreen** and **Express Scripts**. In the end, our conclusion was that any large benefit from the long awaited generic wave was more and more likely to be competed away.

We continue to be encouraged by the quality, prospects, valuations, and appreciation potential of the stocks in the portfolio. In our view, the correct policy decisions that put us on the right road, even if that road is a long one, may be enough to lessen uncertainty, which should provide much better conditions for value-oriented investing.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Smaller Companies Fund
For the year ended 31st October, 2011

For the fiscal year, the Brown Advisory US Smaller Companies Fund (the "Fund") returned 7.45%² versus the Russell 2000 benchmark return of 6.71% and the Russell 2000 Growth index return of 9.84%.

The year 2011 begun where 2010 left off. The equity market continued its rally with small-capitalization securities besting large-caps once again as the macroeconomic environment continued to be conducive to small-cap outperformance. Price momentum was strong. Earnings continued to advance. Interest rates were at historic lows. Credit spreads had collapsed. Volatility had declined. Liquidity had skyrocketed. And, small-cap fund flows had turned positive. Even relatively elevated valuation levels had still not reached a point to become a major inhibitor of performance.

The positive contributors to performance in the first quarter generally represented the more traditional growth sectors of the market, health care and technology. **Henry Schein**, a long-time portfolio holding that is a leader in practice-based medical, dental and veterinary distribution, was one of the top performers driven primarily by signs of dental end-market improvement. It is satisfying to see one of the largest market caps and most stable business models in the portfolio perform this well in a generally higher-beta market environment. Our team continues to believe that there are seismic shifts occurring across the technology map, so we are likely to remain active in the space. The negative contributors mostly represented names that we are excited about over the long term. All of these businesses have attractive risk/reward attributes and are candidates for additional capital going forward.

Through the macroeconomic fog of the second quarter, we maintained our focus on bottom-up investment ideas. It is the individual stock level, given the concentration of the portfolio that far outweighs overall portfolio positioning, particularly over the long term, as a driver of returns. We remain constructive on the prospects of our businesses. The top performer for the quarter (and the third best performer for the year) was **Pegasystems**, which continued its rally on the back of tremendously positive user forum. The company has been a core technology position that we have traded around based on valuation and expectations over the past couple years.

The third quarter ranks as one of the worst quarters for small-cap stocks on record. However, the silver lining was an increased opportunity set of attractively valued, secular growth businesses. By taking advantage of the market's swoon by selectively buying into several new ideas, the portfolio has, in our view, a higher likelihood of sustained earnings growth through a protracted period of lacklustre economic activity following the end of a debt supercycle.

The mindset of managing money in the world of the new normal must be constructive paranoia – prepare for the worst and hope for the best. Our overriding mechanism for a globe mired in sub-trend GDP growth is to find and exploit companies with discernible fundamental drivers as far removed from the economic malaise as possible. Recent purchases that fit this relative performance hurdle include **Maximus** and **Hexcel**, which are illustrative of our attempt to capitalize on specific fundamental drivers that have a high likelihood of sustainability even under potentially future adverse conditions. The addition of these companies to the portfolio should increase the portfolio's risk-reward dynamic by providing greater diversity of business models, consistency of growth and upside return potential.

Maximus is the leading pure-play provider in consulting for and administration of government health and human services programs, including **Medicare** and **Medicaid**. In addition, the company continues to increase its international exposure (27% of revenue) by administering a variety of programs including the welfare-to-work programs in the U.K. and Australia. The company's overriding value proposition is that it can save local and federal government's money by outsourcing this type of work to them while also providing better outcomes to their constituents. Our belief is that as governments across the globe look for opportunities to reduce spending on various programs **Maximus** is one of the only pure plays to benefit directly from this ongoing trend.

² Performance relates to the Brown Advisory US Smaller Companies Fund B USD Share Class, net of fees

INVESTMENT MANAGER'S REPORT
Brown Advisory US Smaller Companies Fund (continued)
For the year ended 31st October, 2011

Hexcel makes lightweight high-performance composite materials from carbon fiber mainly as a substitute for metals used in the commercial aerospace, space and defense, and general industrial markets. The secular penetration of composites, which provide strength and stiffness to products without adding much weight, is becoming substantial within the aerospace industry, although we are at the very beginning of a step-change in the use of composites in new aircraft models. **Boeing** and **Airbus**, which combine to account for 55% of **Hexcel's** revenue, have been forced to delay delivery of these new models for various reasons in recent years. However, the ramp of these wider-bodied models with up to 50% of their weight being composite (versus 10% in early models) appears to have arrived. We think that the company could generate EPS over the cycle of \$2.50 and applying a conservative PE of 13 times, we think the stock can generate better than a 40% return or better over the next one to two years. Furthermore, a by-product of our purchase activity prompted by the market sell-off over the quarter was an increase in the number of holdings to 60, which is beneficial from a risk management standpoint as greater diversification tends to be needed when market correlations rise.

The Fund trailed the benchmark during the rally in October primarily due to an underweighting in Materials and overweighting to Healthcare. At the individual stock level, large holdings such as **Harman International Industries Inc.**, that were primary detractors for the third quarter became outsized positive contributors in October. Appreciation in the portfolio was relatively broad based with strong performers across Technology, Industrials and Consumer.

Economic times ahead are likely to continue to be challenging, but continued investment opportunity will arise through the volatility. The Fund continues to look for opportunities, at the margin, to swap cyclical exposure for attractively valued businesses with secular growth dynamics.

INVESTMENT MANAGER'S REPORT

Brown Advisory American Fund

For the year ended 31st October, 2011

The Brown Advisory American Fund (the "Fund") is sub-advised by the management teams of three of the Company's other funds, providing investors with exposure to 'best in breed' US companies regardless of size or style. The Fund employs a fixed allocation, which is rebalanced quarterly. Richard Bernstein, manager of the US Equity Value Fund is responsible for 40% of the Fund, Kenneth Stuzin, manager of the US Equity Growth Fund for 40% and Timothy Hathaway and Christopher Berrier, co-managers of the US Smaller Companies Fund, for the remaining 20%.

For the fiscal year since launch, the Fund returned 7.83%³ versus the Russell 3000 benchmark return of 7.90% and the broad S&P 500 index return of 8.09%.

Our activity during the last two months of 2010 remained consistent. The equity market continued its rally, with small-capitalization securities besting large-caps as the macroeconomic environment continued to be conducive to small-cap outperformance. We continued to sell and/or reduce positions whose appreciation had rendered their reward/risk ratios unattractive or where alternatives offered much more robust opportunities. While strong returns were fairly widely spread, more cyclical sectors performed particularly well as investors' views coalesced around a scenario that once again supported a cyclical recovery, with a diminished probability of a "double-dip" recession.

The Fund lagged its benchmark over the first quarter as it ended with event-driven volatility; the earthquake in Japan and its ramifications for the global economy set the tone for the final month. Concurrent with the horrible events in Japan, the messy and volatile prices of democratization in the Middle East had an obvious effect on oil prices, boosting energy stocks.

Through the macroeconomic fog of the second quarter, we maintained our focus on bottom-up investment ideas. One of the top performers for the quarter was **Pegasystems**, which continued its rally on the back of tremendously positive user forum. **Covance's** share price continued to rebound off depressed levels as order patterns firmed and strategic deal flow continued. First-quarter earnings from **Coach** were manifested by strong performance in the second quarter.

Additions to the portfolio over the quarter included **National Instruments**, **Guess?**, **Owens-Illinois** and **Lindsay**. **Guess?** has a strong brand franchise and growing international presence. The company has potential to significantly improve its profit margins as its sales mix shifts increasingly to Europe and Asia. **Guess?** also offers a strong balance sheet, solid free cash flows, intelligent capital deployment and an attractive and sensible dividend payout policy.

The portfolio struggled in the third quarter, with the period ranking as one of the worst on record for small-cap stocks in particular. Lost in the quarter's underperformance was the relative strength of business fundamentals. Many of the portfolio companies we interact with on a regular basis fail to see the economic stagnation that recent market weakness would reflect, suggesting a potential disconnect between Main Street and Wall Street. Moreover, strong second quarter earnings from a variety of portfolio companies are not reflected in current valuations, leading us to conclude that panic-driven manoeuvring drove equity investors away from growth-oriented names into the defensive buffer offered by low-beta stocks.

Top contributors in the third quarter were names that exhibit thematic, larger-cap bias that prevailed during the quarter, like **Apple** and **MasterCard**. **VF Corp.** reported stronger than expected sales and an increasingly favourable view of its acquisition of **Timberland** made for rising earnings forecasts and a much higher valuation.

Whilst the quarter was one of the worst on record, the silver lining was an opportunity to selectively buy into several new ideas. The addition of these companies to the portfolio should increase the portfolio's risk-reward dynamic by providing greater diversity of business models, consistency of growth and upside return potential. Economic times ahead are likely to continue to be challenging, but we will continue to take advantage of investment opportunity that will likely arise through the volatility.

³ Performance relates to the Brown Advisory American Fund B USD Share Class, net of fees.

INVESTMENT MANAGER'S REPORT
Brown Advisory American Fund (continued)
For the year ended 31st October, 2011

Information Technology continues to be the largest sector as we are able to find strong companies that offer highly attractive global opportunities, great finances, low valuations and still-low expectations. We added a position in **Microchip Technology**, a global high-quality technology company that makes microcontrollers found in a wide range of electronic control applications. It enjoys a leading position in the large, yet still fragmented 8-bit microcontroller market and has built a strong customer following due to its business focus, consistent execution and proprietary development tools.

The story of October was seemingly the mirror image of September, even down to the price action of individual names we own: of September's worst performers, many were amongst the best performers for October. This is the sort of violent price regression we see when markets are highly uncertain of the future, and thematic, short-term investors are driving prices.

We added several new investments during the month, including **Diageo**, **Freeport-McMoRan Copper & Gold**, and **Emerson Electric**. All three were depressed in valuation due to varying degrees of concern over the pace of global growth. All three have material exposure to emerging market economies, especially when it comes to future incremental growth and value creation. All three are first rate companies.

We are hardly "out of the woods" on either the issues in Europe or our own less than stellar economic recovery and economic times ahead are likely to continue to be challenging, but we continue to see investment opportunities despite the volatility.

INVESTMENT MANAGER'S REPORT
Brown Advisory US Equity Growth Fund
For the year ended 31st October, 2011

For the fiscal year, the Brown Advisory US Equity Growth Fund (the "Fund") returned 10.21%⁴ versus the Russell 1000 Growth benchmark return of 9.92%. The Fund also outperformed the broad S&P 500 index return of 8.09%.

Towards the end of 2010, as the market became more convinced that there would not be a double-dip in the economic recovery, some of our names that are more directly tied to a domestic recovery did quite well. December was a very strong month for the markets, and our growth portfolio very much shared in the upside. While strong returns were fairly widely spread, more cyclical sectors performed particularly well as investors' views coalesced around a scenario that once again supported a cyclical recovery, with a diminished probability of a "double-dip" recession. Specifically, the industrials, financials, and energy sectors were of particular strength for the month.

The first quarter of 2011 started out as a plebiscite on a recovering economy, jobs data that was surprisingly strong and corporate earnings that continued to surprise to the upside. The quarter ended with event-driven volatility, as the earthquake in Japan and its ramifications for the global economy set the tone for the final month. Concurrent with the horrible events in Japan, the messy and volatile prices of democratization in the Middle East had an obvious effect on oil prices. While performance for the quarter was roughly in line with our benchmarks, our performance in the long term will be driven by the superiority of our holdings.

Despite tangible volatility, we were pleased that our largest sector exposure (technology) was also the area in which we performed the best over the second quarter. On the negative side, the financial services sector was the worst performing, in part due to a combination of regulatory concerns and historically low short-term interest rates. We believe the portfolio remains attractively priced vs. our expectations for earnings. The risks, in our opinion, are not that valuations are extreme or that fundamentals are about to turn, but rather the global backdrop.

In particular, energy and infrastructure companies (**Canadian Natural Resources** and **Fluor**) had a tough time in the second quarter due to concerns of a global economic slowdown and the potential business impact stemming from the European debt crisis.

Sticking with our discipline, we added a position in **National Instruments**, funded by our sale of **Trimble Navigation**. **National Instruments** is a leader in process and research test equipment and we believe a consistent 15% grower with diversified end markets. We had owned **Trimble** for approximately 4 years but its price had reached our target and we began to think future growth rates may come under pressure given competition from cheaper technologies in its mobility business.

The portfolio struggled in the third quarter when some of the best performing names in the benchmark included **Kimberly Clark** and **IBM**; but given their relatively low growth rates, we need to emphasize that these businesses do not meet our investment criteria. Lost in the third quarter's underperformance was the relative strength of business fundamentals. The portfolio companies we interact with on a regular basis fail to see the economic stagnation that recent market weakness would reflect, suggesting a potential disconnect between Main Street and Wall Street. Moreover, strong second quarter earnings from a variety of portfolio companies are not reflected in current valuations, leading us to conclude that panic-driven manoeuvring drove equity investors away from growth-oriented names into the defensive buffer offered by low-beta stocks.

Top contributors in the third quarter were names that exhibit thematic, larger-cap bias that prevailed during the quarter, like **Apple** and **MasterCard**. **Express Scripts**, a company with great potential over the long term, lagged as the potential acquisition of **MedCo** and uncertainty surrounding **Walgreen's** contract weighed on the share price.

⁴ Performance relates to the Brown Advisory US Equity Growth Fund B USD Share Class, net of fees

INVESTMENT MANAGER'S REPORT
Brown Advisory US Equity Growth Fund (continued)
For the year ended 31st October, 2011

The story of October was seemingly the mirror image of September, even down to the price action of individual names we own: of September's worst performers, all were amongst the best performers for October. This is the sort of violent price regression we see when markets are highly uncertain of the future, and thematic, short-term investors are driving prices. Obviously, as investors saw some constructive actions being taken from a pan-European perspective, markets rallied as their algebra on the likelihood of a European-led contagion diminished. It is also worth noting that October finally brought the beginnings of third quarter corporate earnings announcements. This acted as a tonic for the U.S. market, as both fundamentals and guidance proved to be better than the implied valuations would have suggested.

While we are hardly "out of the woods" on either the issues in Europe or our own less than stellar economic recovery, it is reassuring to see that the companies we have invested in have so far had generally strong third quarter earnings, with minimal commentary on any deterioration in their end markets. While this condition may not last, we are satisfied that our portfolio companies are continuing to execute well in a volatile environment. We are not merely collectors of quality growth companies; we are investors who must maximize returns, dampen down-side volatility, and be very diligent in the application of our process.

INVESTMENT MANAGER'S REPORT

**Brown Advisory American SRI Fund
For the year ended 31st October, 2011**

The Brown Advisory American SRI Fund (the "Fund") is sub-advised by the management teams of three of the Company's other funds, providing investors with exposure to 'best in breed' US companies regardless of size or style, screened in adherence with specific socially responsible guidelines.

The Fund employs a fixed allocation, which is rebalanced quarterly. Richard Bernstein, manager of the US Equity Value Fund is responsible for 40% of the Fund, Kenneth Stuzin, manager of the US Equity Growth Fund for 40% and Timothy Hathaway and Christopher Berrier, co-managers of the US Smaller Companies Fund, for the remaining 20%.

SRI Guidelines:

- Adherence to UN Global Compact Principles
- <3% turnover from adult entertainment services
- <5% turnover from alcohol & tobacco products
- <5% turnover from military equipment
- 0% turnover from controversial weapons

The American SRI Fund was launched on **23rd May, 2011**.

For the fiscal year since launch, the Fund returned -5.10%⁵ versus the Russell 3000 benchmark return of -4.97% and the broad S&P 500 index return of -4.01%.

Exclusions from the American SRI Fund over the reporting period are as follows:

- **Amphenol Corp.:** involvement in military equipment above 5% threshold
- **Danaher Corp.:** allegation of involvement in controversial weapons
- **Diageo plc:** involvement in alcohol above 5% threshold
- **Fluor Corp.:** involvement in controversial weapons
- **Freeport McMoRan Copper & Gold Inc.:** the company has not adequately addressed alleged violations of the UN Global Compact Principles
- **Harris Corp.:** involvement in military equipment above 5% threshold
- **Hexcel Corp.:** involvement in military equipment above 5% threshold
- **Mercury Computer Systems, Inc.:** involvement in military equipment above 5% threshold
- **Northrop Grumman:** verified involvement in controversial weapons
- **SodaStream International Ltd.:** the company has not adequately addressed alleged violations of the UN Global Compact Principles

Through the macroeconomic fog of the second quarter, we maintained our focus on bottom-up investment ideas. One of the top performers for the quarter was **Pegasystems**, which continued its rally on the back of tremendously positive user forum. **Covance's** share price continued to rebound off depressed levels as order patterns firmed and strategic deal flow continued. First-quarter earnings from **Coach** were manifested by strong performance in the second quarter.

Additions to the portfolio over the quarter included **National Instruments**, **Guess?**, **Owens-Illinois** and **Lindsay**. **Guess?** has a strong brand franchise and growing international presence. The company has potential to significantly improve its profit margins as its sales mix shifts increasingly to Europe and Asia. **Guess?** also offers a strong balance sheet, solid free cash flows, intelligent capital deployment and an attractive and sensible dividend payout policy.

⁵ Performance relates to the Brown Advisory American SRI Fund B USD Share Class, net of fees

INVESTMENT MANAGER'S REPORT
Brown Advisory American SRI Fund (continued)
For the year ended 31st October, 2011

The portfolio struggled in the third quarter, with the period ranking as one of the worst on record for small-cap stocks in particular. Lost in the quarter's underperformance was the relative strength of business fundamentals. Many of the portfolio companies we interact with on a regular basis fail to see the economic stagnation that recent market weakness would reflect, suggesting a potential disconnect between Main Street and Wall Street. Moreover, strong second quarter earnings from a variety of portfolio companies are not reflected in current valuations, leading us to conclude that panic-driven manoeuvring drove equity investors away from growth-oriented names into the defensive buffer offered by low-beta stocks.

Top contributors in the third quarter were names that exhibit thematic, larger-cap bias that prevailed during the quarter, like **Apple** and **MasterCard**. **VF Corp.** reported stronger than expected sales and an increasingly favourable view of its acquisition of Timberland made for rising earnings forecasts and a much higher valuation.

Whilst the quarter was one of the worst on record, the silver lining was an opportunity to selectively buy into several new ideas. The addition of these companies to the portfolio should increase the portfolio's risk-reward dynamic by providing greater diversity of business models, consistency of growth and upside return potential. Economic times ahead are likely to continue to be challenging, but we will continue to take advantage of investment opportunity that will likely arise through the volatility.

Information Technology continues to be the largest sector as we are able to find strong companies that offer highly attractive global opportunities, great finances, low valuations and still-low expectations. We added a position in **Microchip Technology**, a global high-quality technology company that makes microcontrollers found in a wide range of electronic control applications. It enjoys a leading position in the large, yet still fragmented 8-bit microcontroller market and has built a strong customer following due to its business focus, consistent execution and proprietary development tools.

The story of October was seemingly the mirror image of September, even down to the price action of individual names we own: of September's worst performers, many were amongst the best performers for October. This is the sort of violent price regression we see when markets are highly uncertain of the future, and thematic, short-term investors are driving prices.

We added several new investments during the month, including **Emerson Electric**. The company is a high quality, well managed, diversified industrial company with leading positions in process automation, industrial automation, network power, and climate technologies. We believe it is well positioned to benefit from increased demand for energy and energy efficiency, particularly in emerging markets. The stock price and valuation had declined significantly year to date over global growth concerns and conservative management commentary during the company's quarter analyst call. The right products in the right categories and in the right markets offer a lot of long term appeal especially when they are supported by high returns on capital, high free cash flows, and a proven history of shareholder value.

We are hardly "out of the woods" on either the issues in Europe or our own less than stellar economic recovery and economic times ahead are likely to continue to be challenging, but we continue to see investment opportunities despite the volatility.

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS
Brown Advisory US Equity Value Fund
As at 31st October, 2011

Equities

Industry	 Holding	 Security Description	 Fair Value US\$	 % of Fund
Consumer Discretionary 8.37% (31st October, 2010: 6.79%)				
	517,720	American Eagle Outfitters Inc	6,792,487	2.04%
	247,225	Guess? Inc	8,151,008	2.45%
	101,800	Kohl's Corp	5,395,400	1.62%
	357,750	Lowe's Cos Inc	7,519,905	2.26%
			27,858,800	8.37%
Consumer Staples 6.45% (31st October, 2010: 4.81%)				
	89,960	Diageo PLC	7,452,286	2.24%
	106,190	McCormick & Co Inc	5,156,587	1.55%
	140,985	PepsiCo Inc	8,875,006	2.66%
			21,483,879	6.45%
Energy 13.28% (31st October, 2010: 20.43%)				
	70,940	Diamond Offshore Drilling Inc	4,644,442	1.39%
	113,435	National Oilwell Varco Inc	8,087,915	2.43%
	95,980	Occidental Petroleum Corp	8,920,381	2.68%
	276,309	Southwestern Energy Co	11,616,030	3.49%
	209,416	Total SA	10,950,363	3.29%
			44,219,131	13.28%
Financials 17.35% (31st October, 2010: 15.72%)				
	142,518	ACE Ltd	10,282,674	3.09%
	136,703	American Express Co	6,919,906	2.08%
	168,693	Chubb Corp	11,310,866	3.40%
	206,505	Loews Corp	8,198,248	2.46%
	203,596	Northern Trust Corp	8,239,530	2.48%
	95,980	T Rowe Price Group Inc	5,071,583	1.52%
	302,487	US Bancorp	7,734,593	2.32%
			57,757,400	17.35%
Health Care 11.97% (31st October, 2010: 12.77%)				
	162,880	Becton Dickinson and Co	12,742,102	3.83%
	418,827	Merck & Co Inc	14,449,532	4.34%
	223,955	Novartis AG	12,646,739	3.80%
			39,838,373	11.97%
Industrials 11.09% (31st October, 2010: 10.14%)				
	127,974	3M Co	10,106,107	3.04%
	66,895	Deere & Co	5,075,324	1.52%
	64,060	Emerson Electric Co	3,082,567	0.93%
	129,144	Fluor Corp	7,340,545	2.21%
	232,681	Illinois Tool Works Inc	11,301,316	3.39%
			36,905,859	11.09%
Information Technology 21.44% (31st October, 2010: 18.95%)				
	19,477	Apple Inc	7,883,705	2.37%
	299,580	CA Inc	6,488,903	1.95%
	177,672	Cisco Systems Inc	3,288,709	0.99%
	428,773	Dell Inc	6,774,613	2.03%
	211,871	Harris Corp	7,989,655	2.40%

**All the above securities are transferable securities listed on a recognised stock exchange.
The accompanying notes form an integral part of these financial statements.**

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS
Brown Advisory US Equity Value Fund (continued)
As at 31st October, 2011

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Information Technology 21.44% (31st October, 2010: 18.95%) (continued)				
	165,785	Microchip Technology Inc	5,994,786	1.80%
	540,986	Microsoft Corp	14,401,047	4.33%
	241,410	Oracle Corp	7,908,592	2.37%
	206,507	QUALCOMM Inc	10,655,761	3.20%
			71,385,771	21.44%
Materials 5.37% (31st October, 2010: 6.92%)				
	263,934	EI du Pont de Nemours & Co	12,679,389	3.81%
	128,880	Freeport-McMoRan Copper & Gold Inc	5,187,420	1.56%
			17,866,809	5.37%
Total Equities			317,316,022	95.32%

Forward Foreign Currency Contracts 0.00% (31st October, 2010: 0.04%)

Currency Bought	Amount Currency Bought	Currency Sold	Amount Currency Sold	Maturity Date	Unrealized Gain/(Loss) US\$	% of Fund
USD	23,856,373	GBP	(14,926,079)	29/11/2011	(1,070)	0.00%
Total Forward Foreign Currency Contracts					(1,070)	0.00%

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	317,316,022	95.32%
Total Financial Liabilities at Fair Value through Profit or Loss	(1,070)	0.00%
Other Net Assets	15,585,759	4.68%
Net Assets Attributable to Holders of Redeemable Participating Shares	332,900,711	100.00%

All the above securities are transferable securities listed on a recognised stock exchange or are OTC financial derivative instruments.

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

STATEMENT OF INVESTMENTS
Brown Advisory US Smaller Companies Fund
As at 31st October, 2011

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Commercial Services 3.43% (31st October, 2010: 0.90%)				
	2,036	CoStar Group Inc	125,092	1.40%
	11,178	Genpact Ltd	180,525	2.03%
			305,617	3.43%
Consumer Discretionary 12.62% (31st October, 2010: 9.93%)				
	3,840	ANN Inc	102,297	1.15%
	2,864	Ascent Media Corp	130,255	1.46%
	7,081	GameStop Corp	180,919	2.03%
	5,705	Harman International Industries Inc	246,114	2.77%
	7,959	J Crew Group Inc	0	0.00%
	943	Monro Muffler Brake Inc	34,976	0.39%
	4,818	SodaStream International Ltd	164,101	1.84%
	4,669	Sotheby's	164,442	1.85%
	2,676	Vitamin Shoppe Inc	100,725	1.13%
			1,123,829	12.62%
Energy 8.14% (31st October, 2010: 7.32%)				
	735	CARBO Ceramics Inc	99,850	1.12%
	1,565	Dril-Quip Inc	101,881	1.15%
	2,391	Oceaneering International Inc	99,992	1.12%
	10,616	World Fuel Services Corp	423,048	4.75%
			724,771	8.14%
Health Care 19.79% (31st October, 2010: 23.08%)				
	7,351	Covance Inc	372,843	4.19%
	4,870	Gen-Probe Inc	292,687	3.29%
	3,855	Henry Schein Inc	267,190	3.00%
	1,638	IDEXX Laboratories Inc	117,920	1.32%
	6,951	Masimo Corp	143,747	1.61%
	2,992	MAXIMUS Inc	120,697	1.35%
	9,349	PSS World Medical Inc	208,015	2.34%
	3,414	SXC Health Solutions Corp	159,741	1.79%
	3,211	Volcano Corp	80,050	0.90%
			1,762,890	19.79%
Industrials 21.63% (31st October, 2010: 20.09%)				
	5,131	Actuant Corp	115,448	1.29%
	2,917	Acuity Brands Inc	135,057	1.52%
	1,428	American Science & Engineering Inc	97,104	1.09%
	1,492	Gardner Denver Inc	115,376	1.29%
	2,807	Graco Inc	120,392	1.35%
	9,076	Hexcel Corp	224,268	2.52%
	4,338	IDEX Corp	153,782	1.73%
	9,626	Knight Transportation Inc	146,315	1.64%
	2,083	MSC Industrial Direct Co	141,665	1.59%
	11,117	Quanex Building Products Corp	163,976	1.84%
	7,616	Roadrunner Transportation Systems Inc	127,035	1.43%
	9,438	UTi Worldwide Inc	137,795	1.55%
	1,012	Valmont Industries Inc	86,637	0.97%

**All the above securities are transferable securities listed on a recognised stock exchange.
The accompanying notes form an integral part of these financial statements.**

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS

Brown Advisory US Smaller Companies Fund (continued)

As at 31st October, 2011

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Industrials 21.63% (31st October, 2010: 20.09%) (continued)				
	4,761	Waste Connections Inc	162,112	1.82%
			1,926,962	21.63%
Information Technology 25.14% (31st October, 2010: 26.19%)				
	1,739	ANSYS Inc	94,515	1.06%
	17,184	Applied Micro Circuits Corp	115,820	1.30%
	2,288	Cavium Inc	74,795	0.84%
	3,687	CommVault Systems Inc	156,992	1.76%
	3,358	Concur Technologies Inc	156,113	1.75%
	20,913	DemandTec Inc	157,893	1.77%
	13,192	EXFO Inc	80,603	0.91%
	931	Factset Research Systems Inc	92,560	1.04%
	2,076	Global Payments Inc	95,288	1.07%
	2,008	Informatica Corp	91,344	1.03%
	3,386	Interactive Intelligence Group	93,961	1.05%
	8,628	Mercury Computer Systems Inc	125,710	1.41%
	6,899	Microsemi Corp	127,356	1.43%
	5,066	Pegasystems Inc	191,444	2.15%
	2,378	RightNow Technologies Inc	102,278	1.15%
	6,145	SuccessFactors Inc	163,826	1.84%
	2,003	Ultimate Software Group Inc	120,541	1.35%
	8,388	Volterra Semiconductor Corp	198,796	2.23%
			2,239,835	25.14%
Materials 3.54% (31st October, 2010: 3.49%)				
	11,302	Interline Brands Inc	168,400	1.89%
	3,190	Rockwood Holdings Inc	146,867	1.65%
			315,267	3.54%
Miscellaneous 0.88% (31st October, 2010: 0.98%)				
	6,467	National CineMedia Inc	78,186	0.88%
			78,186	0.88%
Telecommunications Services 2.49% (31st October, 2010: 4.02%)				
	15,472	Knology Inc	221,559	2.49%
			221,559	2.49%
Total Equities			8,698,916	97.66%
Total Financial Assets at Fair Value through Profit or Loss			8,698,916	97.66%
Other Net Assets			208,429	2.34%
Net Assets Attributable to Holders of Redeemable Participating Shares			8,907,345	100.00%

All the above securities are transferable securities listed on a recognised stock exchange.
The accompanying notes form an integral part of these financial statements.

STATEMENT OF INVESTMENTS

Brown Advisory American Fund

As at 31st October, 2011

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Commercial Services 1.44% (31st October, 2010: 1.13%)				
	7,876	CoStar Group Inc	483,902	0.28%
	124,694	Genpact Ltd	2,013,808	1.16%
			2,497,710	1.44%
Consumer Discretionary 8.68% (31st October, 2010: 7.29%)				
	107,753	American Eagle Outfitters Inc	1,413,719	0.82%
	14,857	ANN Inc	395,791	0.23%
	11,080	Ascent Media Corp	503,919	0.29%
	40,652	Coach Inc	2,645,226	1.53%
	21,900	Fossil Inc	2,270,154	1.31%
	27,396	GameStop Corp	699,968	0.40%
	51,454	Guess? Inc	1,696,438	0.98%
	20,836	Harman International Industries Inc	898,865	0.52%
	3,921	J Crew Group Inc	0	0.00%
	21,187	Kohl's Corp	1,122,911	0.65%
	74,455	Lowe's Cos Inc	1,565,044	0.91%
	3,386	Monro Muffler Brake Inc	125,587	0.07%
	18,723	SodaStream International Ltd	637,705	0.37%
	18,065	Sotheby's	636,249	0.37%
	10,355	Vitamin Shoppe Inc	389,762	0.23%
			15,001,338	8.68%
Consumer Staples 5.15% (31st October, 2010: 3.22%)				
	26,840	Costco Wholesale Corp	2,234,430	1.29%
	18,725	Diageo PLC	1,551,179	0.90%
	22,100	McCormick & Co Inc	1,073,176	0.62%
	30,671	Mead Johnson Nutrition Co	2,200,644	1.27%
	29,345	PepsiCo Inc	1,847,268	1.07%
			8,906,697	5.15%
Energy 11.73% (31st October, 2010: 13.48%)				
	51,166	Canadian Natural Resources Ltd	1,807,183	1.04%
	2,639	CARBO Ceramics Inc	358,508	0.21%
	16,074	Core Laboratories NV	1,737,760	1.00%
	14,766	Diamond Offshore Drilling Inc	966,730	0.56%
	6,054	Dril-Quip Inc	394,115	0.23%
	52,314	FMC Technologies Inc	2,344,714	1.36%
	23,607	National Oilwell Varco Inc	1,683,179	0.97%
	19,975	Occidental Petroleum Corp	1,856,477	1.07%
	9,252	Oceaneering International Inc	386,919	0.22%
	32,943	Schlumberger Ltd	2,420,322	1.40%
	57,510	Southwestern Energy Co	2,417,720	1.40%
	43,586	Total SA	2,279,112	1.32%
	41,074	World Fuel Services Corp	1,636,799	0.95%
			20,289,538	11.73%
Financials 7.81% (31st October, 2010: 8.28%)				
	29,662	ACE Ltd	2,140,113	1.24%
	28,450	American Express Co	1,440,139	0.83%
	120,393	Charles Schwab Corp	1,478,426	0.86%

All the above securities are transferable securities listed on a recognised stock exchange.

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

BROWN ADVISORY FUNDS PLC**STATEMENT OF INVESTMENTS****Brown Advisory American Fund (continued)**

As at 31st October, 2011

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Financials 7.81% (31st October, 2010: 8.28%) (continued)				
	35,111	Chubb Corp	2,354,193	1.36%
	42,980	Loews Corp	1,706,306	0.99%
	42,374	Northern Trust Corp	1,714,876	0.99%
	19,975	T Rowe Price Group Inc	1,055,479	0.61%
	62,955	US Bancorp	1,609,759	0.93%
			13,499,291	7.81%
Health Care 14.80% (31st October, 2010: 15.88%)				
	33,899	Becton Dickinson and Co	2,651,919	1.53%
	70,136	Covance Inc	3,557,298	2.06%
	28,347	DaVita Inc	1,984,290	1.15%
	57,060	Express Scripts Inc	2,608,213	1.51%
	18,842	Gen-Probe Inc	1,132,404	0.65%
	14,913	Henry Schein Inc	1,033,620	0.60%
	28,954	IDEXX Laboratories Inc	2,084,398	1.21%
	4,931	Intuitive Surgical Inc	2,139,364	1.24%
	26,895	Masimo Corp	556,189	0.32%
	11,623	MAXIMUS Inc	468,872	0.27%
	87,167	Merck & Co Inc	3,007,261	1.74%
	46,611	Novartis AG	2,632,123	1.52%
	36,169	PSS World Medical Inc	804,760	0.46%
	13,210	SXC Health Solutions Corp	618,096	0.36%
	12,424	Volcano Corp	309,730	0.18%
			25,588,537	14.80%
Industrials 16.50% (31st October, 2010: 15.03%)				
	26,636	3M Co	2,103,445	1.22%
	49,081	ABB Ltd	923,214	0.53%
	18,396	Actuant Corp	413,910	0.24%
	11,285	Acuity Brands Inc	522,495	0.30%
	5,525	American Science & Engineering Inc	375,700	0.22%
	45,461	Amphenol Corp	2,158,943	1.25%
	38,873	Danaher Corp	1,879,510	1.09%
	13,924	Deere & Co	1,056,414	0.61%
	13,335	Emerson Electric Co	641,680	0.37%
	72,677	Fluor Corp	4,130,961	2.39%
	5,798	Gardner Denver Inc	448,359	0.26%
	10,861	Graco Inc	465,828	0.27%
	35,116	Hexcel Corp	867,716	0.50%
	16,784	IDEX Corp	594,993	0.34%
	48,429	Illinois Tool Works Inc	2,352,196	1.36%
	37,288	Knight Transportation Inc	566,778	0.33%
	8,060	MSC Industrial Direct Co	548,161	0.32%
	64,761	National Instruments Corp	1,729,766	1.00%
	43,037	Quanex Building Products Corp	634,796	0.37%
	29,466	Roadrunner Transportation Systems Inc	491,493	0.28%
	25,436	Roper Industries Inc	2,062,351	1.19%
	24,787	Stericycle Inc	2,070,210	1.20%
	36,517	UTi Worldwide Inc	533,148	0.31%
	3,915	Valmont Industries Inc	335,163	0.19%

All the above securities are transferable securities listed on a recognised stock exchange.**The accompanying notes form an integral part of these financial statements.**

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS
Brown Advisory American Fund (continued)
As at 31st October, 2011

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Industrials 16.50% (31st October, 2010: 15.03%) (continued)				
	18,444	Waste Connections Inc	628,018	0.36%
			28,535,248	16.50%
Information Technology 26.18% (31st October, 2010: 27.84%)				
	34,365	Accenture PLC	2,069,804	1.20%
	39,618	ANSYS Inc	2,153,238	1.25%
	10,844	Apple Inc	4,389,326	2.54%
	66,483	Applied Micro Circuits Corp	448,095	0.26%
	62,349	CA Inc	1,350,479	0.78%
	8,889	Cavium Inc	290,581	0.17%
	36,978	Cisco Systems Inc	684,463	0.40%
	23,107	Citrix Systems Inc	1,682,652	0.97%
	26,621	Cognizant Technology Solutions Corp	1,936,145	1.12%
	14,266	CommVault Systems Inc	607,446	0.35%
	12,993	Concur Technologies Inc	604,045	0.35%
	89,238	Dell Inc	1,409,960	0.82%
	74,838	DemandTec Inc	565,027	0.33%
	51,041	EXFO Inc	311,861	0.18%
	3,601	Factset Research Systems Inc	358,011	0.21%
	8,032	Global Payments Inc	368,669	0.21%
	5,850	Google Inc	3,463,200	2.00%
	44,097	Harris Corp	1,662,898	0.96%
	7,768	Informatica Corp	353,366	0.20%
	13,105	Interactive Intelligence Group	363,664	0.21%
	6,494	Mastercard Inc	2,249,651	1.30%
	31,289	Mercury Computer Systems Inc	455,881	0.26%
	34,505	Microchip Technology Inc	1,247,701	0.72%
	26,691	Microsemi Corp	492,716	0.29%
	112,596	Microsoft Corp	2,997,306	1.73%
	51,041	NetApp Inc	2,090,639	1.21%
	50,243	Oracle Corp	1,645,961	0.95%
	18,383	Pegasystems Inc	694,694	0.40%
	88,262	QUALCOMM Inc	4,554,319	2.63%
	9,212	RightNow Technologies Inc	396,208	0.23%
	11,555	Salesforce.com Inc	1,538,779	0.89%
	23,774	SuccessFactors Inc	633,815	0.37%
	7,167	Ultimate Software Group Inc	431,310	0.25%
	32,454	Volterra Semiconductor Corp	769,160	0.44%
			45,271,070	26.18%
Materials 2.86% (31st October, 2010: 3.47%)				
	54,932	EI du Pont de Nemours & Co	2,638,933	1.53%
	26,825	Freeport-McMoRan Copper & Gold Inc	1,079,706	0.62%
	43,726	Interline Brands Inc	651,518	0.38%
	12,357	Rockwood Holdings Inc	568,916	0.33%
			4,939,073	2.86%
Miscellaneous 0.16% (31st October, 2010: 0.20%)				
	23,143	National CineMedia Inc	279,799	0.16%
			279,799	0.16%

**All the above securities are transferable securities listed on a recognised stock exchange.
The accompanying notes form an integral part of these financial statements.**

BROWN ADVISORY FUNDS PLC
STATEMENT OF INVESTMENTS
Brown Advisory American Fund (continued)
As at 31st October, 2011
Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Telecommunications Services 0.50% (31st October, 2010: 0.80%)				
	59,861	Knology Inc	857,210	0.50%
			857,210	0.50%

Total Equities **165,665,511** **95.81%**

Forward Foreign Currency Contracts 0.00% (31st October, 2010: 0.00%)

Currency Bought	Amount Currency Bought	Currency Sold	Amount Currency Sold	Maturity Date	Unrealized Gain/(Loss) US\$	% of Fund
USD	13,431,006	GBP	(8,406,936)	29/11/2011	5,211	0.00%
USD	96,736	EUR	(69,434)	29/11/2011	(1,553)	0.00%

Total Forward Foreign Currency Contracts **3,658** **0.00%**

	Fair Value US\$	% of Fund
Total Financial Assets at Fair Value through Profit or Loss	165,670,722	95.81%
Total Financial Liabilities at Fair Value through Profit or Loss	(1,553)	0.00%
Other Net Assets	7,244,891	4.19%
Net Assets Attributable to Holders of Redeemable Participating Shares	172,914,060	100.00%

All the above securities are transferable securities listed on a recognised stock exchange or are OTC financial derivative instruments.

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

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS
Brown Advisory US Equity Growth Fund
As at 31st October, 2011

Equities

Industry	 Holding	 Security Description	 Fair Value US\$	 % of Fund
Commercial Services 1.91% (31st October, 2010: 2.39%)				
	564,468	Genpact Ltd	9,116,158	1.91%
			9,116,158	1.91%
Consumer Discretionary 7.14% (31st October, 2010: 6.43%)				
	281,747	Coach Inc	18,333,277	3.84%
	151,782	Fossil Inc	15,733,722	3.30%
			34,066,999	7.14%
Consumer Staples 6.44% (31st October, 2010: 3.28%)				
	186,019	Costco Wholesale Corp	15,486,082	3.24%
	212,569	Mead Johnson Nutrition Co	15,251,826	3.20%
			30,737,908	6.44%
Energy 12.07% (31st October, 2010: 9.61%)				
	354,617	Canadian Natural Resources Ltd	12,525,072	2.62%
	111,403	Core Laboratories NV	12,043,778	2.52%
	362,572	FMC Technologies Inc	16,250,477	3.41%
	228,318	Schlumberger Ltd	16,774,524	3.52%
			57,593,851	12.07%
Financials 2.15% (31st October, 2010: 4.96%)				
	834,400	Charles Schwab Corp	10,246,432	2.15%
			10,246,432	2.15%
Health Care 15.22% (31st October, 2010: 15.36%)				
	288,964	Covance Inc	14,656,254	3.07%
	196,458	DaVita Inc	13,752,060	2.88%
	395,466	Express Scripts Inc	18,076,751	3.79%
	156,750	IDEXX Laboratories Inc	11,284,433	2.37%
	34,178	Intuitive Surgical Inc	14,828,467	3.11%
			72,597,965	15.22%
Industrials 19.51% (31st October, 2010: 17.48%)				
	340,164	ABB Ltd	6,398,485	1.34%
	315,081	Amphenol Corp	14,963,197	3.14%
	269,416	Danaher Corp	13,026,263	2.73%
	317,427	Fluor Corp	18,042,551	3.78%
	448,835	National Instruments Corp	11,988,383	2.51%
	176,285	Roper Industries Inc	14,293,188	3.00%
	171,787	Stericycle Inc	14,347,650	3.01%
			93,059,717	19.51%
Information Technology 31.82% (31st October, 2010: 37.73%)				
	238,179	Accenture PLC	14,345,521	3.01%
	227,942	ANSYS Inc	12,388,648	2.60%
	47,059	Apple Inc	19,048,071	3.99%
	160,150	Citrix Systems Inc	11,662,123	2.44%
	184,502	Cognizant Technology Solutions Corp	13,418,830	2.81%
	40,547	Google Inc	24,003,824	5.03%
	45,011	Mastercard Inc	15,592,711	3.27%

**All the above securities are transferable securities listed on a recognised stock exchange.
The accompanying notes form an integral part of these financial statements.**

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS

Brown Advisory US Equity Growth Fund (continued)

As at 31st October, 2011

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Information Technology 31.82% (31st October, 2010: 37.73%) (continued)				
	353,745	NetApp Inc	14,489,395	3.04%
	313,836	QUALCOMM Inc	16,193,938	3.39%
	80,087	Salesforce.com Inc	10,665,186	2.24%
			151,808,247	31.82%
Total Equities			459,227,277	96.26%

Forward Foreign Currency Contracts (0.04%) (31st October, 2010: 0.00%)

Currency Bought	Amount Currency Bought	Currency Sold	Amount Currency Sold	Maturity Date	Unrealized Gain/(Loss) US\$	% of Fund
USD	93,172	GBP	(58,320)	29/11/2011	36	0.00%
USD	5,852,200	GBP	(3,661,208)	29/11/2011	(749)	0.00%
USD	98,151	EUR	(70,365)	29/11/2011	(1,693)	0.00%
USD	12,063,352	EUR	(8,658,737)	29/11/2011	(193,616)	(0.04%)
Total Forward Foreign Currency Contracts					(196,022)	(0.04%)
Total Financial Assets at Fair Value through Profit or Loss					459,227,313	96.26%
Total Financial Liabilities at Fair Value through Profit or Loss					(196,058)	(0.04%)
Other Net Assets					18,062,821	3.78%
Net Assets Attributable to Holders of Redeemable Participating Shares					477,094,076	100.00%

All the above securities are transferable securities listed on a recognised stock exchange or are OTC financial derivative instruments.

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

STATEMENT OF INVESTMENTS
Brown Advisory American SRI Fund
As at 31st October, 2011

Equities

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Commercial Services 1.57%				
	1,649	CoStar Group Inc	101,315	0.29%
	27,193	Genpact Ltd	439,167	1.28%
			540,482	1.57%
Consumer Discretionary 9.05%				
	23,315	American Eagle Outfitters Inc	305,893	0.89%
	3,112	ANN Inc	82,904	0.24%
	2,320	Ascent Media Corp	105,514	0.31%
	9,013	Coach Inc	586,476	1.70%
	4,855	Fossil Inc	503,269	1.46%
	5,738	GameStop Corp	146,606	0.43%
	11,130	Guess? Inc	366,956	1.07%
	4,570	Harman International Industries Inc	197,150	0.57%
	4,585	Kohl's Corp	243,005	0.71%
	16,110	Lowe's Cos Inc	338,632	0.98%
	536	Monro Muffler Brake Inc	19,880	0.06%
	3,783	Sotheby's	133,237	0.39%
	2,169	Vitamin Shoppe Inc	81,641	0.24%
			3,111,163	9.05%
Consumer Staples 4.72%				
	5,951	Costco Wholesale Corp	495,421	1.44%
	4,845	McCormick & Co Inc	235,273	0.68%
	6,800	Mead Johnson Nutrition Co	487,900	1.42%
	6,418	PepsiCo Inc	404,013	1.18%
			1,622,607	4.72%
Energy 12.84%				
	11,344	Canadian Natural Resources Ltd	400,670	1.17%
	540	CARBO Ceramics Inc	73,359	0.21%
	3,575	Core Laboratories NV	386,493	1.12%
	3,275	Diamond Offshore Drilling Inc	214,414	0.62%
	1,268	Dril-Quip Inc	82,547	0.24%
	11,598	FMC Technologies Inc	519,822	1.51%
	5,110	National Oilwell Varco Inc	364,343	1.06%
	4,323	Occidental Petroleum Corp	401,780	1.17%
	1,938	Oceaneering International Inc	81,047	0.24%
	7,233	Schlumberger Ltd	531,408	1.55%
	12,440	Southwestern Energy Co	522,978	1.52%
	9,430	Total SA	493,095	1.43%
	8,602	World Fuel Services Corp	342,790	1.00%
			4,414,746	12.84%
Financials 8.52%				
	6,418	ACE Ltd	463,058	1.35%
	6,155	American Express Co	311,566	0.91%
	26,692	Charles Schwab Corp	327,778	0.95%
	7,598	Chubb Corp	509,446	1.48%
	9,300	Loews Corp	369,210	1.07%
	9,170	Northern Trust Corp	371,110	1.08%

**All the above securities are transferable securities listed on a recognised stock exchange.
The accompanying notes form an integral part of these financial statements.**

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS
Brown Advisory American SRI Fund (continued)
As at 31st October, 2011

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Financials 8.52% (continued)				
	4,320	T Rowe Price Group Inc	228,269	0.67%
	13,623	US Bancorp	348,340	1.01%
			2,928,777	8.52%
Health Care 16.13%				
	7,333	Becton Dickinson and Co	573,661	1.67%
	15,201	Covance Inc	770,995	2.24%
	6,293	DaVita Inc	440,510	1.28%
	12,707	Express Scripts Inc	580,837	1.69%
	3,946	Gen-Probe Inc	237,155	0.69%
	3,123	Henry Schein Inc	216,455	0.63%
	6,341	IDEXX Laboratories Inc	456,488	1.33%
	1,087	Intuitive Surgical Inc	471,606	1.37%
	5,633	Masimo Corp	116,490	0.34%
	2,434	MAXIMUS Inc	98,187	0.28%
	18,860	Merck & Co Inc	650,670	1.89%
	10,083	Novartis AG	569,387	1.66%
	7,575	PSS World Medical Inc	168,544	0.49%
	2,767	SXC Health Solutions Corp	129,468	0.38%
	2,602	Volcano Corp	64,868	0.19%
			5,545,321	16.13%
Industrials 12.25%				
	5,765	3M Co	455,262	1.32%
	10,782	ABB Ltd	202,809	0.59%
	3,948	Actuant Corp	88,830	0.26%
	2,363	Acuity Brands Inc	109,407	0.32%
	1,157	American Science & Engineering Inc	78,676	0.23%
	3,010	Deere & Co	228,369	0.67%
	2,880	Emerson Electric Co	138,585	0.40%
	1,214	Gardner Denver Inc	93,879	0.27%
	2,275	Graco Inc	97,575	0.28%
	3,515	IDEX Corp	124,607	0.36%
	10,480	Illinois Tool Works Inc	509,014	1.48%
	7,809	Knight Transportation Inc	118,697	0.35%
	1,688	MSC Industrial Direct Co	114,801	0.33%
	14,358	National Instruments Corp	383,502	1.12%
	9,013	Quanex Building Products Corp	132,942	0.39%
	6,171	Roadrunner Transportation Systems Inc	102,932	0.30%
	5,639	Roper Industries Inc	457,210	1.33%
	5,525	Stericycle Inc	461,448	1.34%
	7,648	UTi Worldwide Inc	111,661	0.33%
	820	Valmont Industries Inc	70,200	0.20%
	3,863	Waste Connections Inc	131,535	0.38%
			4,211,941	12.25%
Information Technology 27.22%				
	7,648	Accenture PLC	460,639	1.34%
	8,701	ANSYS Inc	472,899	1.38%
	2,311	Apple Inc	935,424	2.72%

All the above securities are transferable securities listed on a recognised stock exchange.
The accompanying notes form an integral part of these financial statements.

STATEMENT OF INVESTMENTS
Brown Advisory American SRI Fund (continued)
As at 31st October, 2011

Equities (continued)

Industry	Holding	Security Description	Fair Value US\$	% of Fund
Information Technology 27.22% (continued)				
	13,923	Applied Micro Circuits Corp	93,841	0.27%
	13,490	CA Inc	292,193	0.85%
	1,868	Cavium Inc	61,065	0.18%
	7,990	Cisco Systems Inc	147,895	0.43%
	5,105	Citrix Systems Inc	371,746	1.08%
	5,853	Cognizant Technology Solutions Corp	425,689	1.24%
	2,988	CommVault Systems Inc	127,229	0.37%
	2,721	Concur Technologies Inc	126,499	0.37%
	17,683	Dell Inc	279,392	0.81%
	16,178	DemandTec Inc	122,144	0.36%
	10,690	EXFO Inc	65,316	0.19%
	754	Factset Research Systems Inc	74,963	0.22%
	1,682	Global Payments Inc	77,204	0.22%
	1,298	Google Inc	768,416	2.23%
	1,627	Informatica Corp	74,012	0.22%
	2,744	Interactive Intelligence Group	76,146	0.22%
	1,440	Mastercard Inc	498,845	1.45%
	7,465	Microchip Technology Inc	269,934	0.78%
	5,590	Microsemi Corp	103,191	0.30%
	24,360	Microsoft Corp	648,463	1.89%
	11,316	NetApp Inc	463,503	1.35%
	10,873	Oracle Corp	356,200	1.04%
	4,032	Pegasystems Inc	152,369	0.44%
	19,339	QUALCOMM Inc	997,892	2.90%
	1,929	RightNow Technologies Inc	82,966	0.24%
	2,570	Salesforce.com Inc	342,247	1.00%
	4,979	SuccessFactors Inc	132,740	0.39%
	1,549	Ultimate Software Group Inc	93,219	0.27%
	6,797	Volterra Semiconductor Corp	161,089	0.47%
			9,355,370	27.22%
Materials 2.34%				
	11,393	EI du Pont de Nemours & Co	547,320	1.59%
	9,158	Interline Brands Inc	136,454	0.40%
	2,588	Rockwood Holdings Inc	119,151	0.35%
			802,925	2.34%
Miscellaneous 0.18%				
	5,003	National CineMedia Inc	60,486	0.18%
			60,486	0.18%
Telecommunications Services 0.52%				
	12,537	Knology Inc	179,530	0.52%
			179,530	0.52%

All the above securities are transferable securities listed on a recognised stock exchange.
 The accompanying notes form an integral part of these financial statements.

BROWN ADVISORY FUNDS PLC

STATEMENT OF INVESTMENTS
Brown Advisory American SRI Fund (continued)
As at 31st October, 2011

	Fair Value US\$	% of Fund
Total Equities	32,773,348	95.34%
Total Financial Assets at Fair Value through Profit or Loss	32,773,348	95.34%
Other Net Assets	1,603,591	4.66%
Net Assets Attributable to Holders of Redeemable Participating Shares	34,376,939	100.00%

**All the above securities are transferable securities listed on a recognised stock exchange.
The accompanying notes form an integral part of these financial statements.**

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)

**Brown Advisory US Equity Value Fund
For the year ended 31st October, 2011**

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, 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.

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

Units	Security Description	Cost US\$
228,255	Novartis AG	13,190,624
196,210	PepsiCo Inc	12,827,563
247,225	Guess? Inc	9,435,843
206,505	Loews Corp	8,525,218
173,846	Illinois Tool Works Inc	8,473,399
242,860	Merck & Co Inc	8,372,461
166,991	Northern Trust Corp	7,952,320
129,144	Fluor Corp	7,706,164
287,236	Microsoft Corp	7,505,092
89,960	Diageo PLC	7,467,729
244,200	Oracle Corp	7,456,291
125,571	National Oilwell Varco Inc	7,281,440
142,437	EI du Pont de Nemours & Co	7,005,056
19,477	Apple Inc	6,769,977
157,405	Lennox International Inc	6,418,008
75,406	3M Co	6,416,823
169,473	Walgreen Co	6,408,096
67,725	VF Corp	6,181,309
73,365	Becton Dickinson and Co	5,914,854
129,481	Harris Corp	5,437,461
308,590	Cisco Systems Inc	5,432,926
101,800	Kohl's Corp	5,268,776
73,460	Deere & Co	5,224,215
133,329	Southwestern Energy Co	5,221,555
165,785	Microchip Technology Inc	5,163,343
210,575	Lowe's Cos Inc	4,723,199
95,980	T Rowe Price Group Inc	4,663,625
128,880	Freeport-McMoRan Copper & Gold Inc	4,571,847
85,211	Total SA	4,495,732
48,375	Occidental Petroleum Corp	4,283,831
306,210	American Eagle Outfitters Inc	4,243,561
78,647	QUALCOMM Inc	4,154,070
62,498	Chubb Corp	3,821,416
97,959	Medtronic Inc	3,730,974
58,418	ACE Ltd	3,728,119
142,572	US Bancorp	3,686,493
236,071	Dell Inc	3,565,733
154,130	CA Inc	3,493,848
114,015	Owens Ill Inc	3,484,226
64,060	Emerson Electric Co	2,987,675
60,565	McCormick & Co Inc	2,889,867
97,423	Bank of New York Mellon Corp	2,735,393
56,053	American Express Co	2,645,846

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Equity Value Fund (continued)
For the year ended 31st October, 2011

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

Units	Security Description	Proceeds US\$
280,043	Walgreen Co	10,053,158
108,145	Air Products & Chemicals Inc	9,854,011
288,599	Medtronic Inc	9,513,309
153,746	Snap-On Inc	8,887,679
67,725	VF Corp	8,196,212
97,921	National Oilwell Varco Inc	7,704,782
132,004	Accenture PLC	7,584,082
345,253	Bank of New York Mellon Corp	6,702,914
392,090	Cisco Systems Inc	6,522,838
96,207	Northrop Grumman Corp	6,372,561
67,109	Exxon Mobil Corp	5,530,745
72,440	Oceaneering International Inc	5,229,536
52,320	Deere & Co	4,936,236
111,738	Canadian Natural Resources Ltd	4,706,841
157,405	Lennox International Inc	4,453,682
91,635	McCormick & Co Inc	4,431,108
76,912	Tidewater Inc	4,259,543
59,120	Diamond Offshore Drilling Inc	4,188,893
55,184	Johnson & Johnson	3,433,794
55,225	PepsiCo Inc	3,430,064
56,674	Dover Corp	3,304,152
68,338	Assurant Inc	2,778,063
114,015	Owens Ill Inc	2,663,077
28,595	Waters Corp	2,224,418
139,005	Dell Inc	2,044,758
33,026	Norfolk Southern Corp	1,993,848
32,275	QUALCOMM Inc	1,767,668
31,825	American Express Co	1,538,307
77,595	CA Inc	1,523,336

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Smaller Companies Fund
For the year ended 31st October, 2011

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

Units	Security Description	Cost US\$
66,973	World Fuel Services Corp	2,526,913
44,605	Covance Inc	2,493,528
29,430	Gen-Probe Inc	1,931,058
28,745	Henry Schein Inc	1,900,858
24,646	United Therapeutics Corp	1,624,382
32,296	Harman International Industries Inc	1,513,247
22,039	MSC Industrial Direct Co	1,482,573
29,735	Global Payments Inc	1,449,448
28,737	Informatica Corp	1,341,453
35,998	Pegasystems Inc	1,316,856
31,211	IDEX Corp	1,305,104
85,520	Knology Inc	1,288,503
68,307	Knight Transportation Inc	1,275,445
59,173	Interline Brands Inc	1,267,101
50,400	Volterra Semiconductor Corp	1,231,116
58,133	UTi Worldwide Inc	1,223,158
44,212	Actuant Corp	1,202,657
27,015	Graco Inc	1,158,497
41,656	ANN Inc	1,078,834
37,382	Waste Connections Inc	1,074,526
94,548	DemandTec Inc	1,061,744
22,391	SXC Health Solutions Corp	1,058,196
67,784	Genpact Ltd	1,027,996
40,838	GameStop Corp	967,893
21,915	Dresser-Rand Group Inc	962,219
21,028	Sotheby's	946,684
30,467	Sensata Technologies Holding NV	946,500
12,649	Idexx Laboratories Inc	939,056
39,785	IntraLinks Holdings Inc	919,341
89,328	Applied Micro Circuits Corp	915,078
27,465	CommVault Systems Inc	914,034
11,763	Dril-Quip Inc	899,389
39,104	Microsemi Corp	870,390
27,758	Masimo Corp	861,974
30,190	RightNow Technologies Inc	848,939
28,813	ANN Inc	848,790
10,271	Oceaneering International Inc	792,660
18,158	Ascent Media Corp	761,143
17,237	Rockwood Holdings Inc	760,181
16,016	Polycom Inc	734,261
11,857	Hughes Communications Inc	716,037
19,709	Vitamin Shoppe Inc	699,488
13,032	ANSYS Inc	689,549
7,380	American Science & Engineering Inc	651,847

BROWN ADVISORY FUNDS PLC**STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)**
Brown Advisory US Smaller Companies Fund (continued)
For the year ended 31st October, 2011**Aggregate sales greater than 1% of the total value of sales**

Units	Security Description	Proceeds US\$
45,888	Covance Inc	2,555,470
30,901	Henry Schein Inc	2,102,302
29,444	Gen-Probe Inc	2,062,928
56,357	World Fuel Services Corp	1,947,343
33,713	Informatica Corp	1,748,882
28,841	United Therapeutics Corp	1,628,773
32,378	Global Payments Inc	1,592,274
24,565	MSC Industrial Direct Co	1,584,506
41,785	Pegasystems Inc	1,503,646
33,007	Harman International Industries Inc	1,436,945
55,821	ANN Inc	1,434,331
34,189	IDEX Corp	1,408,247
29,857	Graco Inc	1,396,611
39,448	Sensata Technologies Holding NV	1,320,994
26,697	Dresser-Rand Group Inc	1,268,167
86,980	Knology Inc	1,251,265
40,493	Waste Connections Inc	1,238,355
63,677	UTi Worldwide Inc	1,212,207
52,550	Volterra Semiconductor Corp	1,209,193
48,325	Actuant Corp	1,125,054
23,425	Polycom Inc	1,121,511
15,382	Oceaneering International Inc	1,077,181
58,808	Interline Brands Inc	1,072,669
34,810	RightNow Technologies Inc	1,058,646
14,196	Idexx Laboratories Inc	1,051,603
27,365	CommVault Systems Inc	1,049,890
18,977	SXC Health Solutions Corp	1,043,884
62,000	Genpact Ltd	939,904
13,166	Dril-Quip Inc	931,182
58,681	Knight Transportation Inc	917,039
33,757	GameStop Corp	868,765
17,324	Rockwood Holdings Inc	841,613
20,421	Sotheby's	838,494
44,421	Seattle Genetics Inc	824,967
87,335	Applied Micro Circuits Corp	792,875
14,623	ANSYS Inc	779,468
40,812	Momenta Pharmaceuticals Inc	736,760
27,730	Titan Machinery Inc	727,030
25,656	Masimo Corp	715,522
11,857	Hughes Communications Inc	709,852
17,033	Vitamin Shoppe Inc	703,857
15,294	Ascent Media Corp	695,267
23,648	Volcano Corp	693,861
6,671	Factset Research Systems Inc	680,723
48,601	DexCom Inc	653,879
32,205	Microsemi Corp	644,087
73,635	DemandTec Inc	639,195
39,785	IntraLinks Holdings Inc	633,140

BROWN ADVISORY FUNDS PLC**STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)****Brown Advisory American Fund****For the year ended 31st October, 2011****Aggregate purchases greater than 1% of the total cost of purchases**

Units	Security Description	Cost US\$
73,213	Fluor Corp	4,547,815
11,847	Apple Inc	4,196,117
73,467	QUALCOMM Inc	3,969,160
58,072	Covance Inc	3,228,171
57,271	Express Scripts Inc	2,963,167
5,157	Google Inc	2,883,661
47,341	Novartis AG	2,730,566
40,480	PepsiCo Inc	2,642,748
49,262	Accenture PLC	2,633,587
75,994	Merck & Co Inc	2,579,732
96,591	Microsoft Corp	2,549,593
83,979	Bank of New York Mellon Corp	2,440,332
47,374	EI du Pont de Nemours & Co	2,398,340
125,673	Cisco Systems Inc	2,318,017
28,175	Becton Dickinson and Co	2,302,531
27,815	Schlumberger Ltd	2,274,856
44,779	Illinois Tool Works Inc	2,262,973
40,101	FMC Technologies Inc	2,257,669
33,148	Mead Johnson Nutrition Co	2,113,023
44,048	NetApp Inc	2,047,584
5,975	Intuitive Surgical Inc	2,043,445
23,147	3M Co	2,018,957
21,900	Fossil Inc	2,014,670
26,070	IDEXX Laboratories Inc	1,975,650
35,601	Total SA	1,973,047
51,969	Guess? Inc	1,966,986
35,195	Coach Inc	1,966,229
48,830	Southwestern Energy Co	1,962,416
25,700	DaVita Inc	1,945,012
48,859	Walgreen Co	1,930,605
37,514	Amphenol Corp	1,911,788
45,607	Canadian Natural Resources Ltd	1,884,514
22,446	Stericycle Inc	1,880,705
40,244	Northern Trust Corp	1,866,759
30,467	National Oilwell Varco Inc	1,848,442
34,673	ANSYS Inc	1,833,616

BROWN ADVISORY FUNDS PLC**STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)**
Brown Advisory American Fund (continued)
For the year ended 31st October, 2011**Aggregate sales greater than 1% of the total value of sales**

Units	Security Description	Proceeds US\$
112,588	Bank of New York Mellon Corp	2,312,870
123,327	Cisco Systems Inc	2,098,601
56,189	Walgreen Co	2,003,034
31,145	Accenture PLC	1,803,514
54,427	Medtronic Inc	1,784,597
13,911	VF Corp	1,689,845
18,421	Air Products & Chemicals Inc	1,684,190
56,518	Urban Outfitters Inc	1,463,683
3,117	Apple Inc	1,199,133
15,382	Allergan Inc	1,114,547
16,616	Northrop Grumman Corp	1,097,803
12,545	National Oilwell Varco Inc	988,747
16,856	Snap-On Inc	985,547
46,920	ABB Ltd	967,938
2,343	Intuitive Surgical Inc	920,024
11,088	Exxon Mobil Corp	910,488
30,640	Lennox International Inc	873,673
16,140	McCormick & Co Inc	783,293
7,579	Deere & Co	715,939
11,135	PepsiCo Inc	692,192
15,590	Trimble Navigation Ltd	685,238
8,485	Oceaneering International Inc	617,823
14,848	United Therapeutics Corp	610,980
12,870	Canadian Natural Resources Ltd	566,625
7,527	Citrix Systems Inc	559,087
11,075	Informatica Corp	549,407
15,994	Sensata Technologies Holding NV	544,777
7,860	Diamond Offshore Drilling Inc	543,133
10,769	Dresser-Rand Group Inc	532,617
1,879	Mastercard Inc	524,757
22,132	Owens Ill Inc	517,039

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Equity Growth Fund
For the year ended 31st October, 2011

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

Units	Security Description	Cost US\$
379,071	Fluor Corp	24,621,817
43,788	Google Inc	24,550,766
447,302	Express Scripts Inc	24,171,874
68,371	Apple Inc	23,618,821
233,423	Schlumberger Ltd	19,592,042
337,324	FMC Technologies Inc	18,960,647
335,783	QUALCOMM Inc	18,338,135
279,505	Mead Johnson Nutrition Co	17,558,671
357,589	NetApp Inc	17,500,041
221,202	DaVita Inc	17,148,030
300,243	Covance Inc	16,981,720
392,400	Canadian Natural Resources Ltd	16,953,561
51,881	Intuitive Surgical Inc	16,928,250
299,789	Coach Inc	16,782,310
691,688	ABB Ltd	16,708,866
310,232	Amphenol Corp	16,354,479
190,451	Stericycle Inc	16,326,264
291,305	Accenture PLC	15,540,929
186,127	Roper Industries Inc	15,137,751
57,212	Mastercard Inc	15,076,275
199,422	Cognizant Technology Solutions Corp	14,902,494
202,847	Citrix Systems Inc	14,815,297
834,578	Charles Schwab Corp	14,647,262
438,348	Urban Outfitters Inc	14,643,962
188,937	Costco Wholesale Corp	14,446,662
285,604	Danaher Corp	14,408,857
154,503	Fossil Inc	14,167,831
493,377	National Instruments Corp	14,138,609
168,934	IDEXX Laboratories Inc	12,988,300
241,003	ANSYS Inc	12,965,998
112,533	Core Laboratories NV	11,391,775
79,140	Salesforce.com Inc	10,502,124
354,580	Bank of New York Mellon Corp	10,419,026
633,159	Genpact Ltd	9,935,315

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory US Equity Growth Fund (continued)
For the year ended 31st October, 2011

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

Units	Security Description	Proceeds US\$
543,882	Urban Outfitters Inc	14,605,844
38,648	Apple Inc	14,395,530
514,999	ABB Ltd	11,218,473
454,494	Bank of New York Mellon Corp	10,646,018
28,357	Intuitive Surgical Inc	10,609,692
124,881	Allergan Inc	9,054,069
28,441	Mastercard Inc	7,902,836
130,419	Accenture PLC	7,444,238
402,462	Cisco Systems Inc	7,209,397
154,236	Trimble Navigation Ltd	6,886,723
11,897	Google Inc	6,731,644
90,952	Citrix Systems Inc	6,707,290
129,417	FMC Technologies Inc	6,690,048
110,934	QUALCOMM Inc	6,134,308
131,082	Canadian Natural Resources Ltd	5,609,684
94,488	Coach Inc	5,568,720
66,297	Stericycle Inc	5,543,171
69,548	DaVita Inc	5,477,650
65,061	Schlumberger Ltd	5,409,514
94,141	Covance Inc	5,228,466
67,223	Cognizant Technology Solutions Corp	4,920,602
58,877	Roper Industries Inc	4,741,003
60,263	Costco Wholesale Corp	4,641,514
66,936	Mead Johnson Nutrition Co	4,434,275
56,803	IDEXX Laboratories Inc	4,341,377
79,280	Danaher Corp	3,999,648
61,644	Fluor Corp	3,931,671
234,047	Genpact Ltd	3,546,954
69,648	NetApp Inc	3,537,730
61,765	Amphenol Corp	3,214,492
22,902	Salesforce.com Inc	3,209,932
191,045	Charles Schwab Corp	3,115,487
76,778	Jacobs Engineering Group Inc	3,044,688
51,822	ANSYS Inc	2,752,542
51,836	Express Scripts Inc	2,682,528

BROWN ADVISORY FUNDS PLC**STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)****Brown Advisory American SRI Fund
For the period ended 31st October, 2011****Aggregate purchases greater than 1% of the total cost of purchases**

Units	Security Description	Cost US\$
22,134	QUALCOMM Inc	1,220,712
3,106	Apple Inc	1,051,819
15,833	Covance Inc	896,028
22,810	Merck & Co Inc	804,177
14,096	Accenture PLC	798,561
29,090	Bank of New York Mellon Corp	770,313
8,870	Becton Dickinson and Co	749,783
29,465	Microsoft Corp	725,745
12,085	Novartis AG	718,448
10,615	PepsiCo Inc	715,841
13,850	EI du Pont de Nemours & Co	700,698
1,371	Google Inc	697,002
12,707	Express Scripts Inc	668,201
15,080	Walgreen Co	625,560
15,045	Southwestern Energy Co	625,223
11,960	Illinois Tool Works Inc	618,600
15,735	Medtronic Inc	615,460
11,405	Total SA	613,470
6,755	3M Co	598,635
9,060	ACE Ltd	592,093
7,233	Schlumberger Ltd	584,841
9,190	Chubb Corp	574,615
7,332	IDEXX Laboratories Inc	560,544
21,666	ABB Ltd	542,740
11,316	NetApp Inc	536,308
9,013	Coach Inc	529,332
12,570	FMC Technologies Inc	528,239
1,474	Intuitive Surgical Inc	521,917
6,462	DaVita Inc	514,329
32,490	Cisco Systems Inc	513,427
5,955	Stericycle Inc	513,147
29,975	Genpact Ltd	490,722
31,055	Dell Inc	488,992
7,277	Mead Johnson Nutrition Co	488,422
5,951	Costco Wholesale Corp	487,673
6,307	Citrix Systems Inc	483,554
5,946	Roper Industries Inc	481,503
1,703	Mastercard Inc	481,485
8,742	ANSYS Inc	477,585
5,035	Occidental Petroleum Corp	476,824
10,680	Northern Trust Corp	471,526
12,420	Guess? Inc	468,740
6,483	Cognizant Technology Solutions Corp	464,786
20,700	CA Inc	458,688
11,344	Canadian Natural Resources Ltd	455,736
4,855	Fossil Inc	447,497

STATEMENT OF CHANGES IN THE PORTFOLIO (UNAUDITED)
Brown Advisory American SRI Fund (continued)
For the period ended 31st October, 2011

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

Units	Security Description	Proceeds US\$
29,090	Bank of New York Mellon Corp	613,689
15,080	Walgreen Co	549,792
15,735	Medtronic Inc	535,425
3,670	VF Corp	435,043
24,500	Cisco Systems Inc	397,620
7,150	Amphenol Corp	389,518
6,448	Accenture PLC	372,745
7,745	Harris Corp	350,231
12,924	Urban Outfitters Inc	329,368
795	Apple Inc	291,358
4,197	PepsiCo Inc	270,649
7,755	Lennox International Inc	234,498
10,884	ABB Ltd	225,345
2,245	Air Products & Chemicals Inc	206,770
13,372	Dell Inc	203,990
3,685	McCormick & Co Inc	181,788
2,642	ACE Ltd	170,388
387	Intuitive Surgical Inc	157,773
2,795	QUALCOMM Inc	151,804
6,365	Owens Ill Inc	151,234
7,210	CA Inc	147,883
3,404	United Therapeutics Corp	139,407
3,950	Merck & Co Inc	136,588
1,537	Becton Dickinson and Co	130,950
5,105	Microsoft Corp	127,575
2,457	EI du Pont de Nemours & Co	127,482
2,002	Novartis AG	119,457
1,975	Total SA	107,853

BROWN ADVISORY FUNDS PLC

BALANCE SHEET

	Note	Brown Advisory US Equity Value Fund As at 31st October, 2011 US\$	Brown Advisory US Equity Value Fund As at 31st October, 2010 US\$	Brown Advisory US Smaller Companies Fund As at 31st October, 2011 US\$	Brown Advisory US Smaller Companies Fund As at 31st October, 2010 US\$	Brown Advisory American Fund As at 31st October, 2011 US\$	Brown Advisory American Fund As at 31st October, 2010 US\$
Assets							
Financial Assets at Fair Value through Profit or Loss	1	317,316,022	197,070,875	8,698,916	9,100,442	165,670,722	32,611,899
Cash at bank	1,2	14,160,593	6,908,574	260,617	428,489	6,981,409	1,295,798
Debtors - Amounts falling due within one year	1,4	5,384,790	3,769,201	35,504	517,407	2,183,408	208,294
		336,861,405	207,748,650	8,995,037	10,046,338	174,835,539	34,115,991
Current Liabilities							
Financial Liabilities at Fair Value through Profit or Loss	1	(1,070)	–	–	–	(1,553)	–
Bank Overdraft	3	–	–	–	–	–	(113,618)
Creditors - Amounts falling due within one year	1,5	(3,959,624)	(3,687,599)	(87,692)	(567,121)	(1,919,926)	(248,462)
Net Assets Attributable to Holders of Redeemable Participating Shares		332,900,711	204,061,051	8,907,345	9,479,217	172,914,060	33,753,911
Represented By:							
Net Assets Attributable to Holders of Redeemable Participating Shares based on dealing NAV (for shareholder dealing purposes)	1	332,989,161	204,117,891	8,909,929	9,484,045	172,964,586	33,763,844
Adjustment to revalue assets on bid basis	17	(88,450)	(53,084)	(2,584)	(4,828)	(50,526)	(9,933)
Adjustment to fully write off establishment expenses	17	–	(3,756)	–	–	–	–
Net Assets Attributable to Holders of Redeemable Participating Shares (for financial statement purposes)		332,900,711	204,061,051	8,907,345	9,479,217	172,914,060	33,753,911

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

BROWN ADVISORY FUNDS PLC

BALANCE SHEET (continued)

	Brown Advisory US Equity Growth Fund	Brown Advisory US Equity Growth Fund²	Brown Advisory American SRI Fund¹	Total	Total	
	As at 31st October, 2011 US\$	As at 31st October, 2010 US\$	As at 31st October, 2011 US\$	As at 31st October, 2011 US\$	As at 31st October, 2010 US\$	
	Note					
Assets						
Financial Assets at Fair Value through Profit or Loss	1	459,227,313	106,848,819	32,773,348	983,686,321	345,632,035
Cash at bank	1,2	16,477,337	3,091,395	1,087,889	38,967,845	11,724,256
Debtors - Amounts falling due within one year	1,4	8,147,463	145,479	658,565	16,409,730	4,640,381
		483,852,113	110,085,693	34,519,802	1,039,063,896	361,996,672
Current Liabilities						
Financial Liabilities at Fair Value through Profit or Loss	1	(196,058)	–	–	(198,681)	–
Bank Overdraft	3	–	–	–	–	(113,618)
Creditors - Amounts falling due within one year	1,5	(6,561,979)	(206,561)	(142,863)	(12,672,084)	(4,709,743)
Net Assets Attributable to Holders of Redeemable Participating Shares		477,094,076	109,879,132	34,376,939	1,026,193,131	357,173,311
Represented By:						
Net Assets Attributable to Holders of Redeemable Participating Shares based on dealing NAV (for shareholder dealing purposes)	1	477,248,534	109,903,389	34,390,228	1,026,502,438	357,269,169
Adjustment to revalue assets on bid basis	17	(154,458)	(24,257)	(9,936)	(305,954)	(92,102)
Adjustment to fully write off establishment expenses	17	–	–	(3,353)	(3,353)	(3,756)
Net Assets Attributable to Holders of Redeemable Participating Shares (for financial statement purposes)		477,094,076	109,879,132	34,376,939	1,026,193,131	357,173,311

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

On Behalf of the Board of Directors

Paul McNaughton
Director
23rd January, 2012

Paul Montgomery
Director

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

BROWN ADVISORY FUNDS PLC
BALANCE SHEET (continued)
As at 31st October, 2011

Brown Advisory US Equity Value Fund	Sterling Class A	Dollar Class A	Dollar Class B	Sterling Class B	Sterling Class B Hedged	Euro Class B	
Net Assets (for shareholder dealing purposes)	US\$2,844,855	US\$3,748,078	US\$148,618,523	US\$145,795,982	US\$24,345,224	US\$7,636,500	
Number of Shares outstanding	165,936	398,891	17,967,149	7,886,801	1,252,587	509,106	
Net Asset Value per Share (base currency)	US\$17.14	US\$9.40	US\$8.27	US\$18.49	US\$19.44	US\$15.00	
Net Asset Value per Share (class currency)	STG£10.72	US\$9.40	US\$8.27	STG£11.56	STG£12.16	EUR€10.94	
Brown Advisory US Smaller Companies Fund					Dollar Class B	Dollar Class A	
Net Assets (for shareholder dealing purposes)					US\$8,143,943	US\$765,985	
Number of Shares outstanding					818,130	76,534	
Net Asset Value per Share (base currency)					US\$9.95	US\$10.01	
Net Asset Value per Share (class currency)					US\$9.95	US\$10.01	
Brown Advisory American Fund	Dollar Class B	Sterling Class A	Dollar Class A	Euro Class B	Sterling Class B	Euro Class A Hedged*	Sterling Class B Hedged
Net Assets (for shareholder dealing purposes)	US\$105,038,137	US\$1,098,200	US\$4,239,327	US\$28,680,737	US\$19,554,501	US\$101,041	US\$14,252,643
Number of Shares outstanding	10,292,130	40,388	361,630	1,944,047	1,161,973	7,064	930,602
Net Asset Value per Share (base currency)	US\$10.21	US\$27.19	US\$11.72	US\$14.75	US\$16.83	US\$14.30	US\$15.32
Net Asset Value per Share (class currency)	US\$10.21	STG£17.00	US\$11.72	EUR€10.76	STG£10.53	EUR€10.43	STG£9.58
Brown Advisory US Equity Growth Fund	Dollar Class B	Dollar Class A	Euro Class A Hedged*	Euro Class B	Sterling Class A Hedged	Sterling Class B Hedged	Euro Class P Hedged
Net Assets (for shareholder dealing purposes)	US\$361,593,955	US\$78,702,143	US\$12,050,383	US\$18,740,092	US\$99,386	US\$5,964,683	US\$97,891
Number of Shares outstanding	25,960,907	6,177,212	803,800	1,234,773	6,192	372,740	7,047
Net Asset Value per Share (base currency)	US\$13.93	US\$12.74	US\$14.99	US\$15.18	US\$16.05	US\$16.00	US\$13.89
Net Asset Value per Share (class currency)	US\$13.93	US\$12.74	EUR€10.93	EUR€11.07	STG£10.04	STG£10.01	EUR€10.13
Brown Advisory American SRI Fund¹					Dollar Class B	Dollar Class A	
Net Assets (for shareholder dealing purposes)					US\$34,192,089	US\$198,140	
Number of Shares outstanding					3,602,673	20,962	
Net Asset Value per Share (base currency)					US\$9.49	US\$9.45	
Net Asset Value per Share (class currency)					US\$9.49	US\$9.45	

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

*Euro Class A changed to Euro Class A Hedged on 23rd May, 2011.

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

BROWN ADVISORY FUNDS PLC
BALANCE SHEET (continued)
As at 31st October, 2010

Brown Advisory US Equity Value Fund	Sterling Class A	Dollar Class A	Dollar Class B	Sterling Class B	Sterling Class B Hedged	Euro Class B
Net Assets (for shareholder dealing purposes)	US\$11,378,563	US\$20,824,272	US\$82,719,455	US\$76,577,269	US\$9,595,090	US\$3,023,241
Number of Shares outstanding	698,976	2,333,119	10,577,146	4,357,092	516,552	214,156
Net Asset Value per Share (base currency)	US\$16.28	US\$8.93	US\$7.82	US\$17.58	US\$18.58	US\$14.12
Net Asset Value per Share (class currency)	STG£10.16	US\$8.93	US\$7.82	STG£10.97	STG£11.60	EUR€0.15
Brown Advisory US Smaller Companies Fund					Dollar Class B	Dollar Class A
Net Assets (for shareholder dealing purposes)					US\$3,646,194	US\$5,837,851
Number of Shares outstanding					393,751	621,117
Net Asset Value per Share (base currency)					US\$9.26	US\$9.40
Net Asset Value per Share (class currency)					US\$9.26	US\$9.40
Brown Advisory American Fund	Dollar Class B	Sterling Class A	Dollar Class A	Euro Class B	Sterling Class B	Euro Class A
Net Assets (for shareholder dealing purposes)	US\$20,252,815	US\$129,448	US\$2,485,607	US\$4,211,811	US\$6,603,628	US\$80,534
Number of Shares outstanding	2,136,500	5,093	226,827	307,397	422,495	5,760
Net Asset Value per Share (base currency)	US\$9.48	US\$25.42	US\$10.96	US\$13.70	US\$15.63	US\$13.98
Net Asset Value per Share (class currency)	US\$9.48	STG£15.86	US\$10.96	EUR€0.84	STG£9.75	EUR€3.98
Brown Advisory US Equity Growth Fund²			Dollar Class B	Dollar Class A	Euro Class A	Euro Class B
Net Assets (for shareholder dealing purposes)			US\$63,136,285	US\$35,695,887	US\$1,127,608	US\$9,943,607
Number of Shares outstanding			4,993,993	3,063,217	78,429	721,845
Net Asset Value per Share (base currency)			US\$12.64	US\$11.65	US\$14.38	US\$13.78
Net Asset Value per Share (class currency)			US\$12.64	US\$11.65	EUR€10.33	EUR€0.90

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

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

BROWN ADVISORY FUNDS PLC**BALANCE SHEET (continued)**

As at 31st October, 2009

Brown Advisory US Equity Value Fund	Sterling Class A	Sterling Class B Hedged	Sterling Class B	Dollar Class A	Dollar Class B
Net Assets (for shareholder dealing purposes)	US\$1,658,561	US\$6,296,666	US\$55,386,478	US\$9,103,458	US\$16,613,492
Number of Shares outstanding	116,176	382,878	3,616,618	1,159,712	2,436,461
Net Asset Value per Share (base currency)	US\$14.28	US\$16.45	US\$15.31	US\$7.85	US\$6.82
Net Asset Value per Share (class currency)	STG£8.70	STG£10.02	STG£9.33	US\$7.85	US\$6.82
Brown Advisory US Smaller Companies Fund				Dollar Class A	Dollar Class B
Net Assets (for shareholder dealing purposes)				US\$150,472	US\$2,965,145
Number of Shares outstanding				20,387	410,586
Net Asset Value per Share (base currency)				US\$7.38	US\$7.22
Net Asset Value per Share (class currency)				US\$7.38	US\$7.22
Brown Advisory American Fund				Sterling Class A	Dollar Class B
Net Assets (for shareholder dealing purposes)				US\$55,623	US\$5,020,606
Number of Shares outstanding				2,650	643,490
Net Asset Value per Share (base currency)				US\$20.99	US\$7.80
Net Asset Value per Share (class currency)				STG£12.79	US\$7.80

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

BROWN ADVISORY FUNDS PLC

PROFIT AND LOSS ACCOUNT

	Note	Brown Advisory US Equity Value Fund Year Ended 31st October, 2011 US\$	Brown Advisory US Equity Value Fund Year Ended 31st October, 2010 US\$	Brown Advisory US Smaller Companies Fund Year Ended 31st October, 2011 US\$	Brown Advisory US Smaller Companies Fund Year Ended 31st October, 2010 US\$	Brown Advisory American Fund Year Ended 31st October, 2011 US\$	Brown Advisory American Fund Year Ended 31st October, 2010 US\$
Income	1,7	5,834,482	3,558,602	72,692	25,936	1,151,428	255,557
Net gain/(loss) on Financial Assets at Fair Value through Profit or Loss	1	11,833,960	20,616,405	(99,820)	956,341	291,994	2,925,866
Total income/(loss)		17,668,442	24,175,007	(27,128)	982,277	1,443,422	3,181,423
Expenses	1,8	(2,929,015)	(1,918,526)	(501,509)	(60,686)	(1,256,728)	(287,108)
Net income/(loss) before finance costs		14,739,427	22,256,481	(528,637)	921,591	186,694	2,894,315
Finance costs							
Dividend paid	1,16	(1,423,204)	(911,140)	–	–	(35,526)	(20,748)
Interest expense		–	(10,809)	(670)	(299)	(147)	(510)
Profit/(loss) for the year before taxation		13,316,223	21,334,532	(529,307)	921,292	151,021	2,873,057
Withholding taxes on dividends		(970,530)	(534,589)	(10,531)	(2,720)	(184,218)	(36,951)
Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares		12,345,693	20,799,943	(539,838)	918,572	(33,197)	2,836,106

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

PROFIT AND LOSS ACCOUNT (continued)

	Note	Brown Advisory US Equity Growth Fund Year Ended 31st October, 2011 US\$	Brown Advisory US Equity Growth Fund ² Period Ended 31st October, 2010 US\$	Brown Advisory American SRI Fund ¹ Period Ended 31st October, 2011 US\$	Total Year /Period Ended 31st October, 2011 US\$	Total Year/Period Ended 31st October, 2010 US\$
Income	1,7	1,626,539	218,227	132,834	8,817,975	4,058,322
Net gain/(loss) on Financial Assets at Fair Value through Profit or Loss	1	1,507,056	12,323,352	(914,866)	12,618,324	36,821,964
Total income/(loss)		3,133,595	12,541,579	(782,032)	21,436,299	40,880,286
Expenses	1,8	(4,219,485)	(547,830)	(212,428)	(9,119,165)	(2,814,150)
Net income/(loss) before finance costs		(1,085,890)	11,993,749	(994,460)	12,317,134	38,066,136
Finance costs						
Dividend paid	1,16	–	–	–	(1,458,730)	(931,888)
Interest expense		–	–	–	(817)	(11,618)
Profit/(loss) for the year before taxation		(1,085,890)	11,993,749	(994,460)	10,857,587	37,122,630
Withholding taxes on dividends		(285,020)	(45,311)	(20,104)	(1,470,403)	(619,571)
Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares		(1,370,910)	11,948,438	(1,014,564)	9,387,184	36,503,059

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

All recognised gains and losses for both the current year and the previous year are included in the Profit and Loss Account. All gains and losses arise solely from continuing operations.

On Behalf of the Board of Directors

Paul McNaughton
Director
23rd January, 2012

Paul Montgomery
Director

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

BROWN ADVISORY FUNDS PLC

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

	Brown Advisory US Equity Value Fund Year Ended 31st October, 2011 US\$	Brown Advisory US Equity Value Fund Year Ended 31st October, 2010 US\$	Brown Advisory US Smaller Companies Fund Year Ended 31st October, 2011 US\$	Brown Advisory US Smaller Companies Fund Year Ended 31st October, 2010 US\$	Brown Advisory American Fund Year Ended 31st October, 2011 US\$	Brown Advisory American Fund Year Ended 31st October, 2010 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year/period	204,061,051	88,978,826	9,479,217	3,114,365	33,753,911	5,073,097
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	12,345,693	20,799,943	(539,838)	918,572	(33,197)	2,836,106
Capital transactions						
Proceeds from Redeemable Participating Shares issued	198,943,018	160,949,120	58,458,114	5,612,049	148,971,797	29,353,688
Distributions Reinvested	235,517	306,771	–	–	12,894	661
Cost of Redeemable Participating Shares redeemed	(82,684,568)	(66,973,609)	(58,490,148)	(165,769)	(9,791,345)	(3,509,641)
Net proceeds from capital transactions	116,493,967	94,282,282	(32,034)	5,446,280	139,193,346	25,844,708
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year/period	332,900,711	204,061,051	8,907,345	9,479,217	172,914,060	33,753,911

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

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

	Brown Advisory US Equity Growth Fund Year Ended 31st October, 2011 US\$	Brown Advisory US Equity Growth Fund² Period Ended 31st October, 2010 US\$	Brown Advisory American SRI Fund¹ Period Ended 31st October, 2011 US\$	Total Year/Period Ended 31st October, 2011 US\$	Total Year/Period Ended 31st October, 2010 US\$
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year/period	109,879,132	–	–	357,173,311	97,166,288
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	(1,370,910)	11,948,438	(1,014,564)	9,387,184	36,503,059
Capital transactions					
Proceeds from Redeemable Participating Shares issued	613,607,644	104,015,696	35,391,503	1,055,372,076	299,930,553
Distributions Reinvested	–	–	–	248,411	307,432
Cost of Redeemable Participating Shares redeemed	(245,021,790)	(6,085,002)	–	(395,987,851)	(76,734,021)
Net proceeds from capital transactions	368,585,854	97,930,694	35,391,503	659,632,636	223,503,964
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year/period	477,094,076	109,879,132	34,376,939	1,026,193,131	357,173,311

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

1 Statement of Accounting Policies

The significant accounting policies adopted by Brown Advisory Funds plc (the “Company”), consisting of the five 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 and the Brown Advisory American SRI 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 Acts, 1963 to 2009, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 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 Accounting Standards Board.

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 information required by Financial Reporting Standard (“FRS”) 3: “Reporting Financial Performance”, to be included in a statement of total recognised gains and losses and a reconciliation of movements in shareholders’ funds is, in the opinion of the Directors, contained in the Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares on pages 51 to 54. The Company has availed of the exemption available to open-ended investment funds under FRS 1: “Cash Flow Statements”, 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 26: “Financial Instruments: Measurement”, 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. 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 Profit and Loss Account.

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 balance sheet date without any deduction for estimated future selling costs. Financial Assets are valued at their last quoted market price for pricing purposes and at their bid prices 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 valuation technique that provides a reliable estimate of prices obtained in actual market transactions. Excluding forward foreign currency contracts, there were no investments priced in this manner as at 31st October, 2011 or 31st October, 2010.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Profit and Loss Account.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

1 Statement of Accounting Policies (continued)

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 Profit and Loss Account. 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 Balance Sheet. Gains or losses on forward foreign currency contracts are recognised in the Profit and Loss Account.

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.

e) Income and Expense Recognition

Dividend income is recognised in the Profit and Loss Account on the date upon which the relevant security is listed as “ex-dividend” to the extent that information thereon is reasonably available to the Funds. Dividend and interest income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Profit and Loss Account, 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

1 Statement of Accounting Policies (continued)

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.

i) Distribution Policy

The Articles of Association empower the Directors to declare dividends in respect of any Shares out of net income (including interest and dividend income) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company. Net realised and unrealised capital gains of the Funds attributable to the Shares are expected to be retained by the relevant Fund which will result in an increase in the Net Asset Value per Share. The Directors, nevertheless, reserve the right to declare dividends in respect of such realised and unrealised capital gains less realised and unrealised capital losses in their sole discretion.

The distributions on the distributing shares are recognised in the Profit and Loss Account as finance costs.

j) 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 Balance Sheet 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

3 Bank Overdraft

As at 31st October, 2011 there were no overdrawn bank accounts.

	Brown Advisory US Equity Value Fund US\$	Brown Advisory US Smaller Companies Fund US\$	Brown Advisory American Fund US\$	Brown Advisory US Equity Growth Fund² US\$	Total US\$
As at 31st October, 2010					
Brown Brothers Harriman and Co.	-	-	(113,618)	-	(113,618)
	<u>-</u>	<u>-</u>	<u>(113,618)</u>	<u>-</u>	<u>(113,618)</u>

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

4 Debtors

	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 American SRI Fund¹ US\$	Total US\$
As at 31st October, 2011						
Receivable from Broker	4,054,177	16,623	2,018,846	7,705,708	482,904	14,278,258
Subscriptions Receivable	1,189,051	315	88,668	290,204	154,671	1,722,909
Dividends Receivable	145,394	1,701	60,794	169,515	13,350	390,754
Prepaid Fees	–	1,495	–	2,414	7,640	11,549
Expense Reimbursement (Note 9)	(4,617)	15,350	15,038	(20,481)	–	5,290
Other Receivables	785	20	62	103	–	970
	<u>5,384,790</u>	<u>35,504</u>	<u>2,183,408</u>	<u>8,147,463</u>	<u>658,565</u>	<u>16,409,730</u>
	Brown Advisory US Equity Value Fund US\$	Brown Advisory US Smaller Companies Fund US\$	Brown Advisory American Fund US\$	Brown Advisory US Equity Growth Fund² US\$	Total US\$	
As at 31st October, 2010						
Subscriptions Receivable	2,504,042	420,934	–	103,130	3,028,106	
Receivable from Broker	1,085,435	25,374	92,192	–	1,203,001	
Dividends Receivable	210,769	5,794	24,126	40,647	281,336	
Expense Reimbursement (Note 9)	(31,930)	65,285	91,914	1,599	126,868	
Other Receivables	885	20	62	103	1,070	
Prepaid Fees	–	–	–	–	–	
	<u>3,769,201</u>	<u>517,407</u>	<u>208,294</u>	<u>145,479</u>	<u>4,640,381</u>	

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

BROWN ADVISORY FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st October, 2011

5 Creditors

As at 31st October, 2011	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 American SRI Fund¹ US\$	Total US\$
Payable to Broker	3,372,784	34,902	1,620,972	4,933,218	87,610	10,049,486
Redemptions Payable	198,636	–	76,988	1,108,089	–	1,383,713
Investment Management Fees (Note 9)	210,965	8,451	105,093	321,051	20,699	666,259
Administration and Transfer Agent Fees (Note 10)	85,433	17,337	54,026	84,707	12,533	254,036
Custody and Trustee Fees (Note 11)	24,055	4,556	14,826	35,689	6,077	85,203
Directors Fees and Expenses (Note 12)	22,858	678	10,317	31,864	347	66,064
Other Payables	8,160	9,015	20,748	9,407	14,997	62,327
Audit Fees	26,799	346	6,542	18,879	304	52,870
Legal and Professional Fees	9,934	12,407	10,414	19,075	296	52,126
	<u>3,959,624</u>	<u>87,692</u>	<u>1,919,926</u>	<u>6,561,979</u>	<u>142,863</u>	<u>12,672,084</u>

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

5 Creditors (continued)

As at 31st October, 2010	Brown Advisory US Equity Value Fund US\$	Brown Advisory US Smaller Companies Fund US\$	Brown Advisory American Fund US\$	Brown Advisory US Equity Growth Fund² US\$	Total US\$
Payable to Broker	3,231,295	488,642	113,763	–	3,833,700
Investment Management Fees (Note 9)	200,077	33,408	87,821	67,740	389,046
Redemptions Payable	94,089	–	7,592	76,817	178,498
Administration and Transfer Agent Fees (Note 10)	49,478	16,294	23,288	13,812	102,872
Legal and Professional Fees	45,609	27,482	2,160	10,900	86,151
Audit Fees	25,872	486	1,924	19,640	47,922
Other Payables	14,889	(1,760)	7,515	7,306	27,950
Directors Fees and Expenses (Note 12)	15,745	329	1,242	4,260	21,576
Custody and Trustee Fees (Note 11)	8,202	2,193	2,768	5,142	18,305
Accrued Tax Payable	2,343	47	389	944	3,723
	<u>3,687,599</u>	<u>567,121</u>	<u>248,462</u>	<u>206,561</u>	<u>4,709,743</u>

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

BROWN ADVISORY FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31st October, 2011

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 ended 31st October, 2011

	Sterling Class A Shares	Dollar Class A Shares	Dollar Class B Shares	Sterling Class B Shares	Sterling Class B Hedged Shares	Euro Class B Shares	
Brown Advisory US Equity Value Fund							
Shares in issue as at 1st November, 2010	698,976	2,333,119	10,577,146	4,357,092	516,552	214,156	
Redeemable Participating Shares issued	117,953	415,738	9,477,652	4,538,679	1,337,793	337,754	
Reinvestment of dividends	899	165	25,898	896	-	126	
Redeemable Participating Shares redeemed	(651,892)	(2,350,131)	(2,113,547)	(1,009,866)	(601,758)	(42,930)	
Shares in issue as at 31st October, 2011	<u>165,936</u>	<u>398,891</u>	<u>17,967,149</u>	<u>7,886,801</u>	<u>1,252,587</u>	<u>509,106</u>	
					Dollar Class B Shares	Dollar Class A Shares	
Brown Advisory US Smaller Companies Fund							
Shares in issue as at 1st November, 2010					393,751	621,117	
Redeemable Participating Shares issued					893,373	4,485,593	
Reinvestment of dividends					-	-	
Redeemable Participating Shares redeemed					(468,994)	(5,030,176)	
Shares in issue as at 31st October, 2011					<u>818,130</u>	<u>76,534</u>	
	Dollar Class B Shares	Sterling Class A Shares	Dollar Class A Shares	Euro Class B Shares	Sterling Class B Shares	Euro Class A Hedged Shares*	Sterling Class B Hedged Shares
Brown Advisory American Fund							
Shares in issue as at 1st November, 2010	2,136,500	5,093	226,827	307,397	422,495	5,760	-
Redeemable Participating Shares issued	8,570,449	37,062	151,055	1,746,396	888,289	13,468	979,140
Reinvestment of dividends	636	-	-	284	189	-	-
Redeemable Participating Shares redeemed	(415,455)	(1,767)	(16,252)	(110,030)	(149,000)	(12,164)	(48,538)
Shares in issue as at 31st October, 2011	<u>10,292,130</u>	<u>40,388</u>	<u>361,630</u>	<u>1,944,047</u>	<u>1,161,973</u>	<u>7,064</u>	<u>930,602</u>

*Euro Class A changed to Euro Class A Hedged on 23rd May, 2011.

BROWN ADVISORY FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year ended 31st October, 2011

	Dollar Class B Shares	Dollar Class A Shares	Euro Class A Hedged Shares*	Euro Class B Shares	Sterling Class A Hedged Shares	Sterling Class B Hedged Shares	Euro Class P Hedged Shares
Brown Advisory US Equity Growth Fund²							
Shares in issue as at 1st November, 2010	4,993,993	3,063,217	78,429	721,845	-	-	-
Redeemable Participating Shares issued	25,978,222	15,627,616	1,187,293	922,727	6,192	394,932	7,047
Reinvestment of dividends	-	-	-	-	-	-	-
Redeemable Participating Shares redeemed	<u>(5,011,308)</u>	<u>(12,513,621)</u>	<u>(461,922)</u>	<u>(409,799)</u>	<u>-</u>	<u>(22,192)</u>	<u>-</u>
Shares in issue as at 31st October, 2011	<u><u>25,960,907</u></u>	<u><u>6,177,212</u></u>	<u><u>803,800</u></u>	<u><u>1,234,773</u></u>	<u><u>6,192</u></u>	<u><u>372,740</u></u>	<u><u>7,047</u></u>
Brown Advisory American SRI Fund¹						Dollar Class B Shares	Dollar Class A Shares
Shares in issue as at 1st November, 2010						-	-
Redeemable Participating Shares issued						3,602,673	20,962
Reinvestment of dividends						-	-
Redeemable Participating Shares redeemed						<u>-</u>	<u>-</u>
Shares in issue as at 31st October, 2011						<u><u>3,602,673</u></u>	<u><u>20,962</u></u>

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

*Euro Class A changed to Euro Class A Hedged on 23rd May, 2011.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year ended 31st October, 2010

	Sterling Class A Shares	Dollar Class A Shares	Dollar Class B Shares	Sterling Class B Shares	Sterling Class B Hedged Shares	Euro Class B Shares
Brown Advisory US Equity Value Fund						
Shares in issue as at 1st November, 2009	116,176	1,159,712	2,436,461	3,616,618	382,878	–
Redeemable Participating Shares issued	625,377	2,418,867	8,916,091	3,734,588	244,374	216,929
Reinvestment of dividends	356	11,724	16,334	6,490	–	–
Redeemable Participating Shares redeemed	<u>(42,933)</u>	<u>(1,257,184)</u>	<u>(791,740)</u>	<u>(3,000,604)</u>	<u>(110,700)</u>	<u>(2,773)</u>
Shares in issue as at 31st October, 2010	<u>698,976</u>	<u>2,333,119</u>	<u>10,577,146</u>	<u>4,357,092</u>	<u>516,552</u>	<u>214,156</u>
Brown Advisory US Smaller Companies Fund						
					Dollar Class B Shares	Dollar Class A Shares
Shares in issue as at 1st November, 2009					410,586	20,387
Redeemable Participating Shares issued					–	602,618
Reinvestment of dividends					–	–
Redeemable Participating Shares redeemed					<u>(16,835)</u>	<u>(1,888)</u>
Shares in issue as at 31st October, 2010					<u>393,751</u>	<u>621,117</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

6 Share Capital (continued)

Movement in Redeemable Participating Shares during the year ended 31st October, 2010

	Dollar Class B Shares	Sterling Class A Shares	Dollar Class A Shares	Euro Class B Shares	Sterling Class B Shares	Euro Class A Shares
Brown Advisory American Fund						
Shares in issue as at 1st November, 2009	643,490	2,650	–	–	–	–
Redeemable Participating Shares issued	1,688,492	2,443	226,827	452,152	422,495	5,760
Reinvestment of dividends	84	–	–	–	–	–
Redeemable Participating Shares redeemed	(195,566)	–	–	(144,755)	–	–
Shares in issue as at 31st October, 2010	<u>2,136,500</u>	<u>5,093</u>	<u>226,827</u>	<u>307,397</u>	<u>422,495</u>	<u>5,760</u>
			Dollar Class B Shares	Dollar Class A Shares	Euro Class A Shares	Euro Class B Shares
Brown Advisory US Equity Growth Fund²						
Shares in issue as at 1st November, 2009			–	–	–	–
Redeemable Participating Shares issued			5,093,247	3,513,913	78,429	730,225
Reinvestment of dividends			–	–	–	–
Redeemable Participating Shares redeemed			(99,254)	(450,696)	–	(8,380)
Shares in issue as at 31st October, 2010			<u>4,993,993</u>	<u>3,063,217</u>	<u>78,429</u>	<u>721,845</u>

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

BROWN ADVISORY FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st October, 2011

7 Income

	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 American SRI Fund¹ US\$	Total US\$
For the year ended 31st October, 2011						
Dividend Income	5,821,112	71,244	1,146,331	1,611,148	128,976	8,778,811
Miscellaneous Income	10,412	1,165	3,859	12,214	3,713	31,363
Deposit Interest Income	2,958	283	1,238	3,177	145	7,801
	<u>5,834,482</u>	<u>72,692</u>	<u>1,151,428</u>	<u>1,626,539</u>	<u>132,834</u>	<u>8,817,975</u>

	Brown Advisory US Equity Value Fund US\$	Brown Advisory US Smaller Companies Fund US\$	Brown Advisory American Fund US\$	Brown Advisory US Equity Growth Fund² US\$	Total US\$
For the year ended 31st October, 2010					
Dividend Income	3,486,763	18,553	252,591	216,153	3,974,060
Miscellaneous Income	70,043	7,334	2,706	1,826	81,909
Deposit Interest Income	1,796	49	260	248	2,353
	<u>3,558,602</u>	<u>25,936</u>	<u>255,557</u>	<u>218,227</u>	<u>4,058,322</u>

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st October, 2011

8 Expenses

	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 American SRI Fund¹ US\$	Total US\$
For the year ended 31st October, 2011						
Investment Management Fees (Note 9)	2,153,711	302,065	810,216	3,178,198	91,557	6,535,747
Transaction Fees	354,797	168,933	245,110	526,362	55,496	1,350,698
Administration and Transfer Agent Fees (Note 10)	223,654	29,337	122,353	218,688	16,473	610,505
Legal and Professional Fees	72,038	(1,841)	57,520	144,631	32,702	305,050
Custodian and Trustee Fees (Note 11)	66,662	17,107	35,468	87,223	8,483	214,943
Directors' Fees and Expenses (Note 12)	24,289	1,805	11,713	36,683	85	74,575
Audit Fees	27,727	1,105	9,050	13,669	304	51,855
Listing and Printing Fees	6,137	5,231	7,937	8,646	1,328	29,279
Other Expenses	–	–	584	5,390	6,000	11,974
Total Expenses	2,929,015	523,742	1,299,951	4,219,490	212,428	9,184,626
Less: Expense Reimbursement (Note 9)	–	(22,233)	(43,223)	(5)	–	(65,461)
Total Expenses after Expense Reimbursement	2,929,015	501,509	1,256,728	4,219,485	212,428	9,119,165

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

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 Fund² US\$	Total US\$
For the year ended 31st October, 2010					
Investment Management Fees (Note 9)	1,265,785	31,255	161,254	349,200	1,807,494
Transaction Fees	337,949	17,126	100,989	111,283	567,347
Administration and Transfer Agent Fees (Note 10)	151,551	53,844	70,153	58,914	334,462
Legal and Professional Fees	66,382	1,343	6,645	23,626	97,996
Custodian and Trustee Fees (Note 11)	43,246	12,749	16,411	20,123	92,529
Audit Fees	24,052	289	1,750	19,640	45,731
Listing and Printing Fees	23,711	2,301	3,792	8,729	38,533
Directors' Fees and Expenses (Note 12)	14,312	222	2,603	7,828	24,965
Total Expenses	1,926,988	119,129	363,597	599,343	3,009,057
Less: Expense Reimbursement (Note 9)	(8,462)	(58,443)	(76,489)	(51,513)	(194,907)
Total Expenses after Expense Reimbursement	1,918,526	60,686	287,108	547,830	2,814,150

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

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 Brown Advisory US Equity Value Fund (the "Fund") an annual fee not exceeding 1.50% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class A Shares, Dollar Class A Shares and Euro Class A Hedged Shares, not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Shares, Dollar Class B Shares and Euro Class B Shares, and not exceeding 1.00% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Hedged 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 reasonable out-of-pocket costs and expenses in the performance of its duties.

The Investment Manager earned a fee of US\$2,153,711 for the year ended 31st October, 2011 (31st October, 2010: US\$1,265,785), of which US\$210,965 (31st October, 2010: US\$200,077) was outstanding at 31st October, 2011.

The Investment Manager has agreed to reimburse the Fund US\$Nil for the year ended 31st October, 2011 (31st October, 2010: US\$8,462), in order that total expenses of the Fund do not exceed 1.75% of its Net Asset Value of the Sterling Class A Shares, Dollar Class A Shares and Euro Class A Hedged Shares, 1.00% of the Net Asset Value of the Sterling Class B Shares, Dollar Class B Shares and Euro Class B Shares, and 1.25% of the Net Asset Value of the Sterling Class B Hedged Shares during the year.

Brown Advisory US Smaller Companies Fund

The Investment Manager is entitled to receive from the Company out of the assets of the Brown Advisory US Smaller Companies Fund (the "Fund") an annual fee not exceeding 1.50% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class A Shares, Dollar Class A Shares and Euro Class A Hedged Shares, and not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Shares, Dollar Class B Shares and Euro Class B Shares. 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 reasonable out-of-pocket costs and expenses in the performance of its duties.

The Investment Manager earned a fee of US\$302,065 for the year ended 31st October, 2011 (31st October, 2010: US\$31,255), of which US\$8,451 (31st October, 2010: US\$33,408) was outstanding at 31st October, 2011.

The Investment Manager has agreed to reimburse the Fund US\$22,233 for the year ended 31st October, 2011 (31st October, 2010: US\$58,443), in order that total expenses of the Fund do not exceed 1.75% of the Net Asset Value of the Sterling Class A Shares, Dollar Class A Shares and Euro Class A Hedged Shares and 1.00% of the Net Asset Value of the Sterling Class B Shares, Dollar Class B Shares and Euro Class B Shares during the year.

Brown Advisory American Fund

The Investment Manager is entitled to receive from the Company out of the assets of the Brown Advisory American Fund (the "Fund") an annual fee not exceeding 1.50% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class A Shares, Dollar Class A Shares and Euro Class A Hedged Shares, not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Shares, Dollar Class B Shares and Euro Class B Shares, and not exceeding 1.00% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Hedged 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 reasonable out-of-pocket costs and expenses in the performance of its duties.

The Investment Manager earned a fee of US\$810,216 for the year ended 31st October, 2011 (31st October, 2010: US\$161,254), of which US\$105,093 (31st October, 2010: US\$87,821) was outstanding at 31st October, 2011.

The Investment Manager has agreed to reimburse the Fund US\$43,223 for the year ended 31st October, 2011 (31st October, 2010: US\$76,489), in order that total expenses of the Fund do not exceed 1.75% of its Net Asset Value of the Sterling Class A Shares, Dollar Class A Shares and Euro Class A Hedged Shares, 1.00% of the Net Asset Value of the Sterling Class B Shares, Dollar Class B Shares and Euro Class B Shares, and 1.25% of the Net Asset Value of the Sterling Class B Hedged Shares during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

9 Investment Management Fee (continued)

Brown Advisory US Equity Growth Fund

The Investment Manager is entitled to receive from the Company out of the assets of the Brown Advisory US Equity Growth Fund (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 Shares and Euro Class A Hedged Shares, not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class B Shares and Euro Class B Shares, not exceeding 2.25% (plus VAT, if any) of the net assets of the Fund attributable to the Euro Class P Hedged Shares, not exceeding 1.75% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class A Hedged Shares, and not exceeding 1.00% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class B Hedged 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 reasonable out-of-pocket costs and expenses in the performance of its duties.

The Investment Manager earned a fee of US\$3,178,198 for the year ended 31st October, 2011 (31st October, 2010: US\$349,200), of which US\$321,051 (31st October, 2010: US\$67,740) was outstanding at 31st October, 2011.

The Investment Manager has agreed to reimburse the Fund US\$5 for the year ended 31st October, 2011 (31st October, 2010: US\$51,513), in order that total expenses of the Fund do not exceed 1.75% of the Net Asset Value of the Dollar Class A Shares and Euro Class A Hedged Shares, 1.00% of the Net Assets Value of the Dollar Class B Shares and Euro Class B Shares, 2.50% of the Net Assets Value of the Euro Class P Hedged Shares, 2.00% of the Net Assets Value of the Sterling Class A Hedged Shares, 1.25% of the Net Asset Value of the Sterling Class B Hedged Shares during the year.

Brown Advisory American SRI Fund

The Investment Manager is entitled to receive from the Company out of the assets of the Brown Advisory American SRI Fund (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 Shares and Euro Class A Hedged Shares, a fee not exceeding 1.75% (plus VAT, if any) of the net assets of the Fund attributable to the Sterling Class A, a fee not exceeding 0.75% (plus VAT, if any) of the net assets of the Fund attributable to the Dollar Class B Shares and Euro Class B Hedged Shares, and a fee not exceeding 1.00% (plus VAT, if any) if the net assets of the Fund attributable to the Sterling Class B Hedged 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 reasonable out-of-pocket costs and expenses in the performance of its duties.

The Investment Manager earned a fee of US\$91,557 for the year ended 31st October, 2011 of which US\$20,699 was outstanding at 31st October, 2011.

10 Administration and Transfer Agent Fees

The Administrator is entitled to receive an annual fee of up to 0.07% of the net assets of the Funds, subject to an annual minimum fee of US\$48,000 per Fund. This fee is accrued and calculated at each valuation point and is payable monthly in arrears. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction charges and out-of-pocket expenses incurred by it for the benefit of the Company in the performance of its duties out of the assets of the Funds (plus VAT thereon, if any).

In addition, the Administrator is entitled to an annual minimum fee of US\$10,000 per annum for acting as Registrar to the Funds. The Administrator is entitled to be repaid all of its properly vouched out-of-pocket expenses out of the assets of each Fund (plus VAT thereon, if any).

The Administrator earned a fee of US\$610,505 for the year ended 31st October, 2011 (31st October, 2010: US\$334,462), of which US\$254,036 (31st October, 2010: US\$102,872) was outstanding at 31st October, 2011.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

11 Custodian and Trustee Fees

The Custodian is entitled to receive from the Company an annual Custody fee (including sub-custodian fees) which will not exceed 0.005% of the net assets of the Funds, subject to a minimum fee of US\$12,000 together with reasonable costs and expenses incurred by the Custodian in the performance of its duties. The Custodian is also entitled to transaction charges and other out-of-pocket expenses out of the assets of the Funds (plus VAT thereon, if any).

The Custodian is also 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 Custodian earned a combined Custodian and Trustee fee of US\$214,943 for the year ended 31st October, 2011 (31st October, 2010: US\$92,529), of which US\$85,203 (31st October, 2010: US\$18,305) was outstanding at 31st October, 2011.

12 Directors' Fees and Expenses

The Directors who are not connected with the Investment Manager 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 are currently set at EUR15,000 (plus VAT, if any) per Director per annum.

The aggregate emoluments of the Directors (including expenses) for the year ended 31st October, 2011 was US\$74,575 (31st October, 2010: US\$24,965) of which US\$66,064 (31st October, 2010: US\$21,576) was outstanding at 31st October, 2011.

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 is to achieve capital appreciation by investing primarily in US 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

Market Risk (continued)

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.

The Board of Directors manage 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 on pages 22 to 35. 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, 2011 had increased by 5%, with all other variables remaining constant, this would have increased Net Assets Attributable to Holders of Redeemable Participating Shares of the Brown Advisory US Equity Value Fund by approximately US\$15,865,801 (31st October, 2010: US\$9,853,544). 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.

If prices of equity securities at 31st October, 2011 had increased by 5%, with all other variables remaining constant, this would have increased Net Assets Attributable to Holders of Redeemable Participating Shares of the Brown Advisory US Smaller Companies Fund by approximately US\$434,946 (31st October, 2010: US\$455,022). 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.

If prices of equity securities at 31st October, 2011 had increased by 5%, with all other variables remaining constant, this would have increased Net Assets Attributable to Holders of Redeemable Participating Shares of the Brown Advisory American Fund by approximately US\$8,283,276 (31st October, 2010: US\$1,630,595). 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.

If prices of equity securities at 31st October, 2011 had increased by 5%, with all other variables remaining constant, this would have increased Net Assets Attributable to Holders of Redeemable Participating Shares of the Brown Advisory US Equity Growth Fund by approximately US\$22,961,364 (31st October, 2010: US\$5,342,441). 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.

If prices of equity securities at 31st October, 2011 had increased by 5%, with all other variables remaining constant, this would have increased Net Assets Attributable to Holders of Redeemable Participating Shares of the Brown Advisory American SRI Fund by approximately US\$1,638,667. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

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 Funds, 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 event.

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 event.

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 the year end are outlined in the table overleaf:

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

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

	Standard and Poor's
	31 October 2011
	S&P
Bank of America	A-1
Citibank	A-1
Credit Suisse	A-1
Deutsche Bank, Frankfurt	A-1
DnB NOR Bank ASA	A-1
JP Morgan Chase	A-1
Nordea Bank, Oslo	A-1+
Royal Bank of Canada	A-1+
Toronto Dominion	A-1+
Wells Fargo	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.

Brown Brothers Harriman & Co. performs both initial and ongoing due diligence on the sub-custodians in its global custody 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 event. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

Liquidity Risk (continued)

The following tables analyse 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, 2011		As at 31st October, 2010	
	Less than 1 Month	More than 1 month	Less than 1 Month	More than 1 month
Financial liabilities at fair value through profit or loss	1,070	–	–	–
Payable to broker	3,372,784	–	3,231,295	–
Accrued expenses	–	388,204	–	362,215
Redeemable Participating Shares	333,187,797	–	204,155,140	–
Total Financial Liabilities	336,561,651	388,204	207,386,435	362,215

Brown Advisory US Smaller Companies Fund

	As at 31st October, 2011		As at 31st October, 2010	
	Less than 1 Month	More than 1 month	Less than 1 Month	More than 1 month
Payable to broker	34,902	–	488,642	–
Accrued expenses	–	52,790	–	78,479
Redeemable Participating Shares	8,909,929	–	9,479,217	–
Total Financial Liabilities	8,944,831	52,790	9,967,859	78,479

Brown Advisory American Fund

	As at 31st October, 2011		As at 31st October, 2010	
	Less than 1 Month	More than 1 month	Less than 1 Month	More than 1 month
Financial liabilities at fair value through profit or loss	1,553	–	–	–
Payable to broker	1,620,972	–	113,763	–
Accrued expenses	–	221,966	–	127,107
Redeemable Participating Shares	173,041,574	–	33,761,503	–
Bank Overdraft	–	–	113,618	–
Total Financial Liabilities	174,664,099	221,966	33,988,884	127,107

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

Liquidity Risk (continued)

Brown Advisory US Equity Growth Fund²

	As at 31st October, 2011		As at 31st October, 2010	
	Less than 1 Month	More than 1 month	Less than 1 Month	More than 1 month
Financial liabilities at fair value through profit or loss	196,058	–	–	–
Payable to broker	4,933,218	–	–	–
Accrued expenses	–	520,672	–	129,744
Redeemable Participating Shares	478,356,623	–	109,955,949	–
Total Financial Liabilities	483,485,899	520,672	109,955,949	129,744

Brown Advisory American SRI Fund¹

	As at 31st October, 2011	
	Less than 1 Month	More than 1 month
Payable to broker	87,610	–
Accrued expenses	–	55,253
Redeemable Participating Shares	34,390,228	–
Total Financial Liabilities	34,477,838	55,253

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

Fair Value Estimation

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.

No Level 3 investments are held by the Funds. There was no transfers between levels during the year/period.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

The following table provides an analysis within the fair value hierarchy of the Fund's financial assets and liabilities measured at fair value at 31st October, 2011:

Brown Advisory US Equity Value Fund, 31st October, 2011

	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	317,316,022	–	–	317,316,022
Total Financial Assets	317,316,022	–	–	317,316,022
Financial Liabilities				
Forward Foreign Currency Contracts	–	(1,070)	–	(1,070)
Total Financial Liabilities	–	(1,070)	–	(1,070)
	317,316,022	(1,070)	–	317,314,952

Brown Advisory US Equity Value Fund, 31st October, 2010

	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	196,981,063	–	–	196,981,063
Forward Foreign Currency Contracts	–	89,812	–	89,812
Total Financial Assets	196,981,063	89,812	–	197,070,875

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory US Smaller Companies Fund, 31st October, 2011

	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	8,698,916	–	–	8,698,916
Total Financial Assets	8,698,916	–	–	8,698,916

Brown Advisory US Smaller Companies Fund, 31st October, 2010

	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	9,100,442	–	–	9,100,442
Total Financial Assets	9,100,442	–	–	9,100,442

Brown Advisory American Fund, 31st October, 2011

	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	165,665,511	–	–	165,665,511
Forward Foreign Currency Contracts	–	5,211	–	5,211
Total Financial Assets	165,665,511	5,211	–	165,670,722
Financial Liabilities				
Forward Foreign Currency Contracts	–	(1,553)	–	(1,553)
Total Financial Liabilities	–	(1,553)	–	(1,553)
	165,665,511	3,658	–	165,669,169

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory American Fund, 31st October, 2010

	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	32,611,899	–	–	32,611,899
Total Financial Assets	32,611,899	–	–	32,611,899

Brown Advisory US Equity Growth Fund, 31st October, 2011

	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	459,227,277	–	–	459,227,277
Forward Foreign Currency Contracts	–	36	–	36
Total Financial Assets	459,227,277	36	–	459,227,313
Financial Liabilities				
Forward Foreign Currency Contracts	–	(196,058)	–	(196,058)
Total Financial Liabilities	–	(196,058)	–	(196,058)
	459,227,277	(196,022)	–	459,031,255

Brown Advisory US Equity Growth Fund², 31st October, 2010

	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	106,848,819	–	–	106,848,819
Total Financial Assets	106,848,819	–	–	106,848,819

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

14 Financial Risk Management (continued)

Fair Value Estimation (continued)

Brown Advisory American SRI Fund¹, 31st October, 2011

	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	32,773,348	–	–	32,773,348
Total Financial Assets	32,773,348	–	–	32,773,348

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

²The Brown Advisory US Equity Growth Fund launched on 2nd November, 2009.

15 Related Parties Transactions

Under FRS 8 “Related Party Transactions”, parties are related if one 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 Treasurer of the Investment Manager. As disclosed in Notes 8 and 9, the Investment Manager earned a fee of US\$6,535,747 for the year ended 31st October, 2011 (31st October, 2010: US\$1,807,494). For the year ended 31st October, 2011 Mr. Michael D. Hankin and Mr. David M. Churchill waived their fees as Directors of Brown Advisory Funds plc.

During the year Mr. Gordan F. Rainey Jr. was director of Brown Advisory & Trust Company, the parent of the Investment Manager and Brown Advisory Holdings Incorporated, the ultimate parent of the Brown Advisory Group.

Brown Advisory Limited replaced Capita Financial Administration Limited as UK Facilities Agent on 20th December, 2010. Brown Advisory Limited is contractually entitled to receive a fee for this service. For the period ended 31st October, 2011, this fee has been waived by Brown Advisory Limited.

Mr. Mike Kirby, who served as a director of the Company up until 10th August, 2011, is Managing Principal of KB Associates, a firm which provided consultancy services to the Company during the year. Fees earned by KB Associates during the year ended 31st October, 2011 amounted to US\$26,770 (31st October, 2010: US\$25,410).

During the year, KB Associates were replaced by Brown Advisory Limited. Mr. Michael D. Hankin and Mr. David M. Churchill are directors of Brown Advisory Limited. Fees earned by Brown Advisory Limited for the period to 31st October, 2011 amounted to US\$7,081.

As at 31st October, 2011 Brown Investment Advisory Incorporated held 10,040 (31st October, 2010: 10,040) Brown Advisory US Smaller Companies Fund Dollar Class B shares with a value of US\$99,900. Mr. Michael D. Hankin is a Director and Mr. David M. Churchill is the Treasurer of Brown Investment Advisory Incorporated.

As at 31st October, 2011 BAT Commingled Fund Manager Incorporated held 7,063 (31st October, 2010: nil) Brown Advisory American Fund Euro Class A Hedged shares with a value of US\$101,007; 4,999 (31st October, 2010: nil) Brown Advisory American SRI Fund Dollar Class A shares with a value of US\$47,250; 3,827 (31st October, 2010: nil) Brown Advisory US Equity Growth Fund Euro Class A Hedged shares with a value of US\$57,359; 6,191 (31st October, 2010: nil) Brown Advisory US Equity Growth Fund Sterling Class A Hedged shares with a value of US\$99,405; and 7,017 (31st October, 2010: nil) Brown Advisory US Equity Growth Fund Euro Class P Hedged shares with a value of US\$97,462.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

15 Related Parties Transactions (continued)

As at 31st October, 2011 Mr. Michael Hankin was a director and Mr. David M. Churchill was the treasurer of BAT Commingled Fund Manager Incorporated.

The Board of Directors is not aware of any transactions with connected persons during the year ended 31st October, 2011 other than those disclosed in these financial statements.

16 Dividends

During the year ended 31st October, 2011 the Directors distributed substantially all of the net investment income of the Company for the year ended 31st October, 2010, US\$1,458,730 (31st October, 2009: US\$931,888).

The following dividends per share of the Company were declared:

Sub-Fund		31st October, 2011	31st October, 2010
		Rate Per Share	Rate Per Share
US Equity Value Fund	Sterling Class A	GBP £0.121	GBP £0.016
US Equity Value Fund	Dollar Class A	USD \$0.075	USD \$0.024
US Equity Value Fund	Dollar Class B	USD \$0.064	USD \$0.042
US Equity Value Fund	Sterling Class B	GBP £0.071	GBP £0.120
US Equity Value Fund	Sterling Class B Hedged	GBP £0.051	GBP £0.069
US Equity Value Fund	Euro Class B	EUR €0.087	EUR €0.006
American Fund	Dollar Class B	USD \$Nil	USD \$0.011
American Fund	Sterling Class A	GBP £Nil	GBP £0.000
American Fund	Euro Class B	EUR €Nil	EUR €0.002
American Fund	Sterling Class B	GBP £Nil	GBP £0.011
American Fund	Euro Class A Hedged*	EUR €Nil	EUR €0.010

*Euro Class A changed to Euro Class A Hedged on 23rd May, 2011.

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 the provisions of the Company's Prospectus, investment positions are valued based on the last price at the closed business on the relevant valuation for the purposes of determining the Net Asset Value per Redeemable Participating Share for shareholder dealing and for various fee calculations. For financial statement purposes and to comply with FRS 26 "Financial Instruments Measurement" investment positions are valued at the bid for long positions at the balance sheet date. The difference between the valuation of investment positions are prescribed by FRS and the methodology indicated in the Company's Prospectus results in a decrease in the value of investments for the Brown Advisory US Equity Value Fund of US\$(88,450) (31st October, 2010: US\$(53,084)); for the Brown Advisory US Smaller Companies Fund of US\$(2,584) (31st October, 2010: US\$(4,828)); for the Brown Advisory American Fund of US\$(50,526) (31st October, 2010: US\$(9,933)); for the Brown Advisory US Equity Growth Fund US\$ (154,458) (31st October, 2010: US\$(24,257)) and for the Brown Advisory American SRI Fund¹ of US\$(9,936).

¹The Brown Advisory American SRI Fund launched on 23rd May, 2011.

Recalculation of Net Asset Value for Pricing Purposes

For financial statement purposes, establishment expenses totaling US\$67,868, 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, 2006 in accordance with FRS 10 "Goodwill and Intangible Assets". 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 Company. US\$6,403 was amortised for the year ended 31st October, 2011 (31st October, 2010: US\$13,001).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31st October, 2011

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 by the Company, prior to the Fund engaging in such transactions in accordance with the Central Bank's requirements as such are set out in Guidance Note 3/03. 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.

19 Soft Commissions

During the year ended 31st October, 2011, 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, 2011	31st October, 2010
British Pound Sterling	1.599	1.602
Euro	1.371	1.392

21 Auditors' Remuneration

The charges for work carried out for the Company by its statutory audit firm, Deloitte & Touche, for the years ended 31st October, 2011 and 31st October, 2010 (excluding VAT) were as follows:

	Year ended 31st October, 2011	Year ended 31st October, 2010
	EUR	EUR
Audit services	35,000	28,050
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	35,000	28,050

22 Events since the Year End

Brown Investment Advisory Incorporated changed its name to Brown Advisory LLC on 1st January, 2012.

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

23 Approval of Financial Statements

The Board of Directors approved the report and audited financial statements on 23rd January, 2012.

MANAGEMENT AND ADMINISTRATION

DIRECTORS

Michael D. Hankin (American)
David M. Churchill (American)
Clinton R. Daly (American)
Paul McNaughton (Irish)* (appointed 10th August, 2011)
Paul Montgomery (Irish)*
Gordon F. Rainey Jr. (American)
Mike Kirby (Irish)* (resigned 10th August, 2011)

*Independent Non-Executive Director

ADMINISTRATOR AND REGISTRAR

Brown Brothers Harriman Fund Administration
Services (Ireland) Limited
Styne House
Upper Hatch Street
Dublin 2
Ireland

CUSTODIAN

Brown Brothers Harriman Trustee
Services (Ireland) Limited
Styne House
Upper Hatch Street
Dublin 2
Ireland

COMPANY SECRETARY

Goodbody Secretarial Limited
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

SPONSORING BROKER

A&L Listing Limited
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

REGISTERED OFFICE OF THE COMPANY

c/o A&L Goodbody Solicitors
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

INVESTMENT MANAGER

Brown Investment Advisory Incorporated
901 South Bond Street
Suite 400
Baltimore
Maryland 21231
USA

AUDITORS

Deloitte & Touche
Chartered Accountants and Registered Auditors
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

LEGAL ADVISERS

A&L Goodbody Solicitors
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

UK FACILITIES AGENT

Brown Advisory Limited*
Brookfield House
44 Davies Street
London W1K 5JA
United Kingdom

Capita Financial Administration Limited*
Beaufort House
15 St. Botolph Street
London EC3A 7HH
United Kingdom

*Brown Advisory Limited replaced Capita Financial
Administration Limited as UK Facilities Agent on 20th
October, 2011