

Fourth Quarter 2015

➤ Global Leaders Fund Quarterly Commentary

Global Leaders Review and Outlook

During the fourth quarter, the Global Leaders Fund outperformed its benchmark, the Russell Global Large-Cap Net Index, which rose 5.07% during the quarter. Although industrial stocks weakened worldwide during the fourth quarter, technology, consumer and health care held up comparatively well. Supply-side capacity expansion in China during the past decade has put many segments within industrials into structural oversupply, along with many parts of the materials sector. Quick fixes to this situation are not readily apparent. With that in mind, we remain overweight in the consumer and technology sectors and persist in our efforts to identify compelling opportunities in the energy sector.

Since its launch in July, the Fund has beaten its benchmark by investing in market-leading companies from across the globe that deliver superior customer outcomes. We believe that companies combining superior outcomes for their customers with strong leadership can generate high and sustainable returns on invested capital (RoIC) and, over time, can lead to outstanding shareholder returns. This “win-win” for customers and shareholders is a core goal for us but not easily achieved. We focus on the long term and look for franchises that can compound excess profit at above-market growth rates for extended periods. We believe that a concentrated, low-turnover portfolio of global leaders will produce attractive risk-adjusted returns.

We seek to invest in high-quality businesses that delight their clients, often by serving them in a unique way, because customers simply want to do business with them—usually returning again and again. Although “the customer comes first” is a lesson for all businesses, in statistical terms it is a necessary but not sufficient condition for us. Shareholders must share in the customers’ goodwill

too. It is next to impossible to deliver a sustained RoIC of 20% or more—one of our key measures of “quality”—without dedicated customers. It is much easier to deliver mediocre returns to shareholders while retaining customers who love the business because they are deriving all of the value.

We have struggled with elevated valuations across our investment universe since launch. A company delivering a 20% return on its capital with a 10% weighted average cost of capital (WACC) and growing at 7% per annum is fair value, in our view, at 15x operating profit or EBIT (earnings before interest and tax). At the end of 2015, global equity valuations were at this level. However, the average return on capital was only 9%, with forecasts for around 5% to 6% growth. This implies a much lower WACC than we are using. This may be justified at today’s low central bank rates, but it is difficult to see cycle averages—or the U.S. during 2016—staying at these historic low levels. We recall the tight monetary policy of two decades ago, including Reserve Bank of Australia interest rates of 17%. Although it would be ludicrous to use those numbers today as a baseline, we prefer some margin of safety within our valuations. This has prompted us not to buy shares in many fine companies that do not offer fundamentals at an inexpensive price. Of course, an argument to buy a company’s shares can always be made on a relative basis, but relative valuations offer no protection when the entire equity market falls. The world has not seen a rising cost of capital for nearly a decade. Although on one level this indicates the global financial system may be healing, some conservatism on valuations at this juncture seems prudent.

As of December 31, 2015	3 MO.	ITD (7/1/2015)
Global Leaders Fund (BIALX)	5.32%	-1.10%
Russell Global Large-Cap Net Index	5.07%	-5.40%

Gross Expense Ratio: 1.45% (Investor), Net Expense Ratio: 0.86% (Investor)

Source: U.S. Bank. Expense Waivers are 0.59% in each share class. The contractual waivers and expense reimbursements may be changed or eliminated at any time by the Board of Trustees, on behalf of a Fund, upon 60 days written notice to the Adviser. The contractual waivers and expense reimbursements may not be terminated by the Adviser without the consent of the Board of Trustees. The contractual waivers will remain in effect until October 30, 2017. Performance data quoted represents past performance and is no guarantee of future results. Performance for periods greater than one year is annualized. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than original cost. Performance for other share classes will vary. Shares redeemed or exchanged within 14 days of purchase will be charged a 1.00% fee. Performance data quoted does not reflect the redemption or exchange fee. If reflected, total returns would be reduced. For the most recent month end performance, please call 1-800-540-6807.

Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Global Leaders Review and Outlook

The Opportunity Fund was merged into Global Leaders during the period. Many of the holdings were common to Global Leaders, so most of the assets transferred were retained. However, we executed a program trade to align the blended portfolio with our pre-inflow positioning.

We added Estee Lauder in October and began to add Brown-Forman during December. We exited OMRON in Japan during November and Burberry in December. Estee Lauder is one of the world's leading premium cosmetics companies and it has transformed itself from cosy family management in 2008 into a 20% RoIC company with highly devoted customers. We initially balked at the valuation when launching Global Leaders, as consistent growth of about 6% just did not give enough upside. However, after meeting the CFO and attending a presentation from the CEO, we believe that the RoIC can continue improving to 25% during the next three to five years. This would result from staying the course with the company's current strategy, along with internal self-help measures from a new CFO hired to improve working capital efficiency.

Brown-Forman is the maker of Jack Daniel's whiskey in the U.S. It sells good-quality whiskey at a relatively inexpensive price within the category and reinvests heavily to maintain its aspirational brand status. The rise of craft (particularly flavored) whiskeys is not detrimental to Jack Daniel's status. In fact, the release of "honey" and "fire" liquors have bolstered the brand. Brown-Forman had underperformed the S&P 500 Index since the third quarter of 2015, when it slightly missed sales estimates. This gave us an opportunity to invest in a high-RoIC company with steady but not spectacular growth that had sold off to a reasonable price.

We exited OMRON during November. This is a position that we had not been adding to from inflows for some time, and it had been diluted down to just a bit more than 1% of our total portfolio. We sold all our holdings in the company after a detailed review.

OMRON management has spent the best part of five years focused on a strategy to increase RoIC, lifting it from 5% on a path toward a goal of 20%. However, emphasis has recently changed to revenue growth. RoIC remains one of management's main performance indicators. But the new strategy requires capital investment now, in some cyclical subsectors, with RoIC stalling at 14% for some time. Although increasing growth ought to add to shareholder returns, we no longer see a company on a pathway to 20%. Consequently, we are looking elsewhere.

We had not added to Burberry from inflows for some time, and it had been diluted to close to 1% of the total portfolio because of short-term weakness in its end markets. After reviewing the key drivers, particularly incremental return on capital, we decided to exit the company. Although we continue to like Burberry's clear lead online in luxury and digital marketing, incremental capital expenditure investments are almost all dilutive to RoIC. We had noted the falling return on incremental capital previously but believed it was temporary due to sales growth pressure from China. Actually, management expects these new investments to deliver reduced RoIC over time. Given that management's performance targets don't measure RoIC, there is a clear incentive for management to trade RoIC for growth. In a time of slowing luxury sales in Greater China—the largest end market—this left us with an outlook and, more importantly, management incentives that we believe are unfavorable for the next couple of years.

Sector Diversification

- We remain overweight in the consumer and technology sectors and persist in our efforts to identify compelling opportunities in the energy sector. We have no holdings in energy.
- Industrials weakened worldwide during the fourth quarter. We remain underweight in industrials. Supply-side capacity expansion in China during the past decade has put many segments within industrials into structural oversupply, along with many parts of the materials sector. Quick fixes to this situation are not readily apparent.
- Consumer and health care held up comparatively well during the fourth quarter. We are overweight in those sectors compared with the benchmark.

SECTOR	BROWN ADVISORY GLOBAL LEADERS FUND (%)	RUSSELL GLOBAL LARGE-CAP NET INDEX (%)	DIFFERENCE (%)	BROWN ADVISORY GLOBAL LEADERS FUND (%)
	Q4 '15	Q4 '15	Q4 '15	Q3 '15
Consumer Discretionary	19.11	14.64	4.46	21.31
Consumer Staples	10.49	9.77	0.72	5.78
Energy	--	6.07	-6.07	--
Financials	16.19	21.54	-5.35	17.79
Health Care	14.04	12.29	1.75	12.87
Industrials	5.07	10.12	-5.05	8.34
Information Technology	28.96	14.28	14.67	27.84
Materials	6.16	4.65	1.51	6.07
Telecommunication Services	--	3.49	-3.49	--
Utilities	--	3.14	-3.14	--

Source: FactSet. The information provided in this material should not be considered a recommendation to buy or sell any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Quarter-to-Date Attribution Detail by Sector

SECTOR	REPRESENTATIVE GLOBAL LEADERS ACCOUNT		RUSSELL GLOBAL LARGE-CAP INDEX		ATTRIBUTION ANALYSIS		
	AVERAGE WEIGHT (%)	RETURN (%)	AVERAGE WEIGHT (%)	RETURN (%)	ALLOCATION EFFECT (%)	SELECTION & INTERACTION EFFECT (%)	TOTAL EFFECT (%)
Consumer Discretionary	20.33	2.04	14.67	5.65	0.01	-0.71	-0.70
Consumer Staples	7.75	4.38	9.63	5.65	0.05	-0.05	-0.00
Energy	0.20	-4.12	6.51	-0.60	0.14	-0.01	0.13
Financials	16.87	8.14	21.53	3.88	0.06	0.65	0.71
Health Care	13.02	8.87	11.93	6.83	0.08	0.26	0.34
Industrials	7.74	0.75	10.15	6.17	-0.05	-0.44	-0.49
Information Technology	28.10	8.28	14.18	8.92	0.46	-0.14	0.32
Materials	5.99	11.63	4.81	3.24	-0.00	0.42	0.41
Telecommunication Services	--	--	3.47	3.47	0.07	--	0.07
Utilities	--	--	3.12	1.47	0.12	--	0.12
Total	100.00	--	100.00	--	0.95	-0.03	0.92

- Financials, materials and health care companies were the largest contributors to outperformance during the fourth quarter.
- The consumer and industrials sectors were the biggest detractors from portfolio performance during the quarter.

Source: FactSet. Total portfolio return figures provided above reflect the sum of the returns of the equity holdings in the representative account portfolio due to price movements and dividend payments or other sources of income, and exclude cash. Performance figures may vary from actual portfolio performance, as calculations are based on end-of-day security prices and do not incorporate the actual cost basis or sale price of individual securities. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Sector attribution excludes cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Quarter-to-Date Top Five Contributors to Return

Brown Advisory Global Leaders Fund Top Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
GOOG	Alphabet Inc. Class C	Operates as a holding company with interests in software, health care, transportation and other technologies, including online search and advertising.	3.61	24.73	0.76
SHW	Sherwin-Williams Company	Engages in the development, manufacture, distribution and sale of paint, coatings and related products	3.31	16.82	0.52
FB	Facebook Inc. Class A	Operates as a social networking service and website	3.11	16.42	0.46
SCHW	Charles Schwab Corporation	Provides securities brokerage and other financial services	3.13	15.52	0.45
ALXN	Alexion Pharmaceuticals Inc.	Develops biologic therapeutic products	2.11	21.97	0.43

- Alphabet, formerly called Google, was the top contributor to the portfolio's gains during the quarter. The provider of online search services and advertising saw its core business accelerate during the third quarter, driven by click-volume growth of 35% and underlying revenue growth of 21%, while expense growth and capital spending moderated.
- Sherwin-Williams rose after reporting earnings for the third quarter that, thanks to improved profit margins, exceeded expectations.
- Facebook saw its revenue growth rate accelerate 41% during the third quarter, driven by mobile advertising that grew faster than expectations at 72%. Consistent with the first two quarters of 2015, the company, during the third quarter, moderated its expense growth expectations for the full year, which bolstered the market's confidence in Facebook's ability to deliver on longer-term goals.

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Quarter-to-Date Bottom Five Contributors to Return

Brown Advisory Global Leaders Fund Bottom Five Contributors

	NAME	DESCRIPTION	AVERAGE WEIGHT (%)	RETURN (%)	CONTRIBUTION TO RETURN (%)
317430	Burberry Group plc	Manufactures, designs and distributes apparels and accessories	1.32	-14.37	-0.24
717158	Credit Suisse Group AG	Provides securities, investment banking, insurance, investment and management services	1.73	-6.99	-0.18
320898	Next plc	Owns and operates retail stores	2.89	-5.40	-0.13
OII	Oceaneering International Inc.*	Provides engineered services and products for offshore oil and gas industry	0.07	-6.55	-0.11
SSYS	Stratasys Ltd.*	Manufactures 3D printers and 3D production systems	0.02	-16.94	-0.10

- Burberry has suffered lagging demand for sales of luxury goods in some of its key markets, including Greater China.
- The strategy outlined by new management at Credit Suisse has fallen short of expectations.
- Next flagged weak demand in December 2015. It remains in our view the best online/offline retailer in Europe.

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Additions/Deletions

- Brown-Forman, the maker of Jack Daniel's whiskey in the U.S., sells good-quality whiskey at a relatively inexpensive price within the category and reinvests heavily to maintain its aspirational brand status.
- Estee Lauder is one of the world's leading premium cosmetics company. It has transformed itself from cozy family management in 2008 into a 20% RoIC company with highly devoted customers.
- Novo Nordisk is a leading player in the treatment of diabetes, a growing market. We believe the company's economy of scale in diabetes as well as pipeline developments give it a strong competitive advantage.
- We purchased American Depositary Receipts (ADR) in Unilever in October, while already holding the underlying stock.
- Burberry's management incentives exclude RoIC, encouraging management to favor growth instead. Slowing luxury sales in Greater China also argue against holding shares in the company.
- OMRON's management in 2015 shifted its emphasis from increasing RoIC to increasing revenue, with an emphasis on stepping up current capital investment. We expect the company's RoIC will stall at 14% for some time after a steady rise from 5%.

Brown Advisory Global Leaders Fund Portfolio Activity

ADDITIONS		SECTOR
BF.B	Brown-Forman Corporation Class B	Consumer Staples
EL	Estee Lauder Companies Inc. Class A	Consumer Staples
NVO	Novo Nordisk A/S Sponsored ADR Class B	Health Care
UL	Unilever PLC Sponsored ADR	Consumer Staples

DELETIONS		SECTOR
317430	Burberry Group plc	Consumer Discretionary
6645	OMRON Corporation	Information Technology

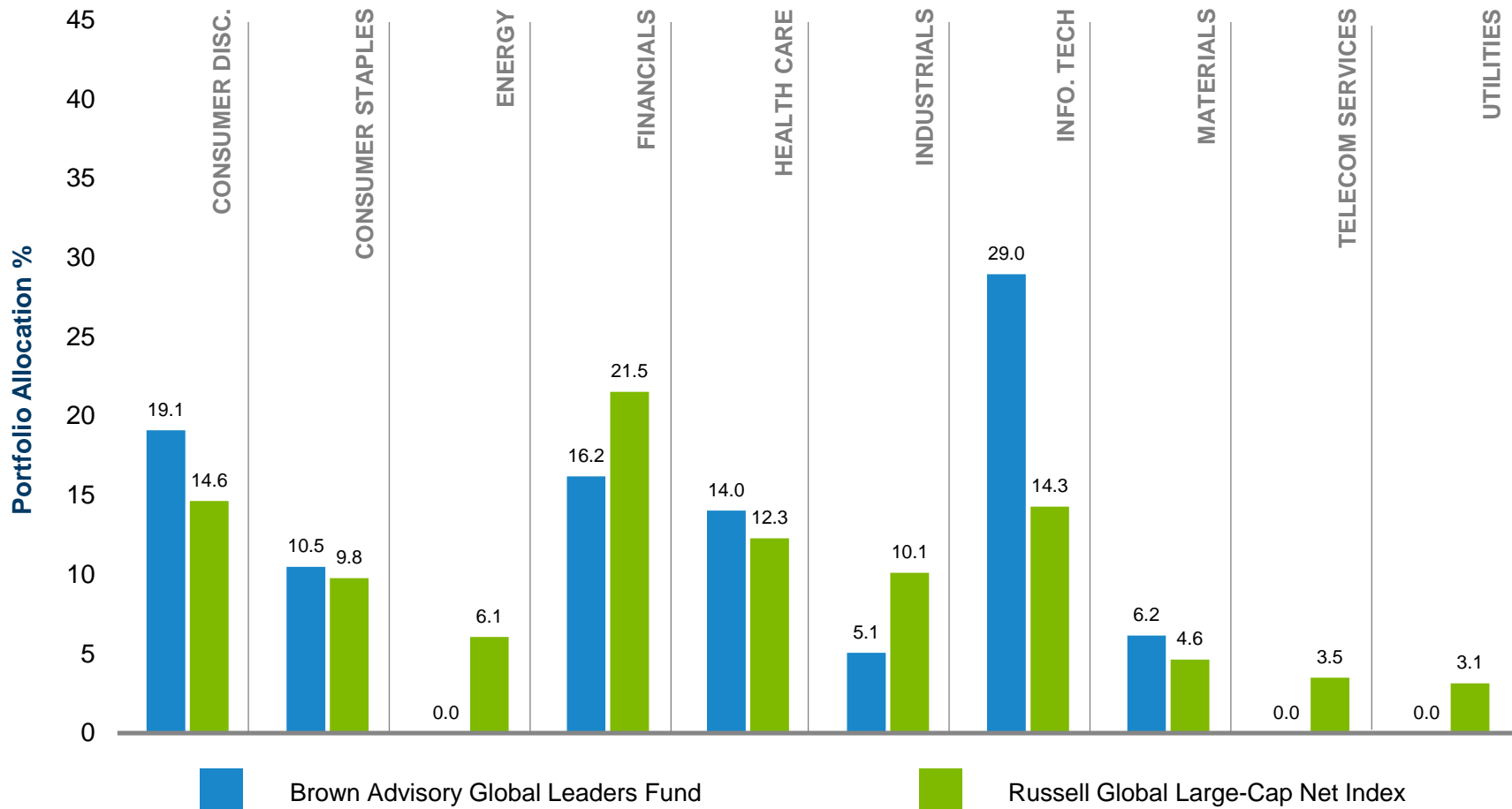
Source: FactSet. The information provided in this material should not be considered a recommendation to buy or sell any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients. Sectors are based on the Global Industry Classification Standard (GICS) classification system. *Oceaneering International and Stratasy were transferred from the Opportunity Fund to Global Leaders on Oct. 23, 2015, and sold on Oct. 27, 2015. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Portfolio Characteristics

	BROWN ADVISORY GLOBAL LEADERS FUND	RUSSELL GLOBAL LARGE-CAP NET INDEX
Number of Holdings	37*	3,410
Market Capitalization (\$ B)		
Weighted Average	101.9	89.9
Weighted Median	43.3	39.8
Maximum	587.2	587.2
Minimum	5.9	0.0
P/E Ratio FY2 Est.	18.4	14.9
Earnings Growth 3-5 Yr. Est. (%)	14.8	10.7
PEG Ratio	1.2	1.4
Top 10 Equity Holdings (%)	34.7	8.4
Inception-to-Date Portfolio Turnover (%)	55.0	1.0

Source: FactSet. Portfolio characteristics exclude cash and cash equivalents. Please see disclosure statements at the end of this presentation for additional information, a complete list of terms and definitions and the top 10 holdings as of 12/31/2015. *Global Leaders holds Unilever and Novo Nordisk in the form of both ADRs and the underlying stocks, so the number of companies held is 37, while the notational count is 39.

Sector Diversification



Source: FactSet. Sector diversification excludes cash and cash equivalents. Sectors are based on the Global Industry Classification Standard (GICS) classification system. Please see disclosure statements at the end of this presentation for additional information and for a complete list of terms and definitions.

Disclosure

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the summary or statutory prospectus, a copy of which may be obtained by calling 1-800-540-6807 or visiting the Fund's website, www.browncapadvisoryfunds.com. Please read the prospectus carefully before you invest.

Mutual fund investing involves risk. Principal loss is possible.

Securities of medium-sized companies may be more volatile and more difficult to liquidate during market downturns than securities of larger companies. Investments in foreign securities and ADRs entail certain risks not associated with investments in domestic securities, such as volatility of currency exchange rates and, in some cases, political and economic instability and relatively illiquid markets. These risks are greater in emerging markets. In addition, the fund is susceptible to risks from investments in ETFs, REITs, derivatives, private placements and its investments in other investment companies. Diversification does not assure a profit or protect against a loss in a declining market.

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The **Russell Global Large-Cap Net Index** offers investors access to the large-cap segment of the entire global equity universe. The Russell Global Large-Cap Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to accurately reflect the changes in the market over time. All Russell indices mentioned above are trademarks/service marks of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company. One cannot invest directly in an index.

Figures shown on sector diversification and quarterly attribution by detail slides may not total due to rounding.

Terms and Definitions

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All financial statistics and ratios are calculated using information from FactSet as of the report date unless otherwise noted.

Return on Invested Capital (RoIC) is net income minus dividends divided by operating invested capital minus leases.

Weighted Average Cost of Capital (WACC) is a company's cost of capital, with each category of capital proportionally weighted. The calculation of WAAC is based on all sources of a company's capital, including preferred stock, common stock and long-term debt.

The **Average Weight** of a position or sector refers to the daily average for the period covered in this report of a stock's value as a percentage of the portfolio.

The **Total Return** of an equity security is the sum of the return from price movement and the return due to dividend payments or other sources of income. Standard benchmark-, sector- and portfolio-level returns are the sums of the weights of each security multiplied by its return, summed and calculated daily and summed over the period covered by the report or by an otherwise-noted period.

Allocation Effect measures the impact of the decision to allocate assets differently than those in the benchmark.

Selection and Interaction Effect reflects the combination of selection effect and interaction effect. Selection effect measures the effect of choosing securities that may or may not outperform those of the benchmark. Interaction effect measures the effect of allocation and selection decisions (i.e., did we overweight the sectors in which we underperformed).

Total Effect reflects the combination of allocation, selection and interaction effects. Totals may not equal due to rounding.

Contribution To Return is calculated by multiplying a security's beginning weight as a percentage of a portfolio by that security's return for the period covered in the report.

Market Capitalization refers to the aggregate value of a company's publicly traded stock. Statistics are calculated as follows: Weighted Average: the average of each holding's market cap, weighted by its relative position size in the portfolio (in such a weighting scheme, larger positions have a greater influence on the calculation); Weighted Median: the value at which half the portfolio's market capitalization weight falls above and half falls below; Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

Price-Earnings Ratio (P/E Ratio) is the ratio of the share of a company's stock compared to its per-share earnings. P/E calculations presented use FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1.

Earnings Growth 3-5 Year Est. is the average predicted annual earnings growth over the next three to five years based on estimates provided to FactSet by various outside brokerage firms, calculated according to each broker's methodology.

P/E / Growth Ratio, or PEG Ratio, is the ratio of a portfolio's P/E ratio divided by its est. 3-5 Yr. EPS growth rate.

Portfolio Turnover is the ratio of the lesser of the portfolio's aggregate purchases or sales during a given period, divided by the average value of the portfolio during that period, calculated on a monthly basis.

All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holding, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.

Terms And Definitions

Global Leaders Top 10 Fund Holdings: (as of 12/31/2015)

Top 10 Equity Holdings	% of Equities
Cash & Equivalents	12.2
Alphabet Inc	3.4
Cognizant Technology Solutions Corp	3.1
Estee Lauder Cos Inc	3.0
Visa Inc	3.0
NIKE Inc	3.0
Taiwan Semiconductor Manufacturing Co Ltd	3.0
MasterCard Inc	3.0
Priceline Group Inc	3.0
Sherwin-Williams Co	2.9

Source: U.S. Bank. Fund holdings include cash and equivalents and are subject to change at any time and should not be a recommendation to buy or sell any security