

Brown Advisory Funds

Enclosed is the 2017 Tax Form for your account with the Brown Advisory Funds. The Form provides information on any applicable 2017 distributions and proceeds from redemptions. Please note that all information contained in this Statement has been provided to the Internal Revenue Service. In addition to the tax information provided on your enclosed Tax Form, below is supplemental information to assist you with the preparation of your 2017 income tax returns. Please consult your tax advisor for the specific application of any items below relating to the preparation of your tax returns.

Income from U.S. Government Obligations

Some states do not tax their residents on income from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends shown in Box 1 of your 2017 Tax Form that were attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Ordinary Income Attributable to Direct U.S. Govt. Obligation (see Box 1)</u>
Brown Advisory Equity Income Fund	0.00%
Brown Advisory Flexible Equity Fund	0.00%
Brown Advisory Global Leaders Fund	0.00%
Brown Advisory Growth Equity Fund	0.00%
Brown Advisory Intermediate Income Fund	8.90%
Brown Advisory Macquarie Asia New Stars Fund	0.00%
Brown Advisory Maryland Bond Fund	0.00%
Brown Advisory Mid-Cap Growth Fund	0.00%
Brown Advisory Mortgage Securities Fund	0.09%
Brown Advisory Small-Cap Fundamental Value Fund	0.00%
Brown Advisory Small-Cap Growth Fund	0.00%
Brown Advisory-Somerset Emerging Markets Fund	0.00%
Brown Advisory Strategic Bond Fund	0.21%
Brown Advisory Sustainable Growth Fund	0.00%
Brown Advisory Sustainable Bond Fund	7.44%
Brown Advisory Tax Exempt Bond Fund	0.00%
Brown Advisory Total Return Fund	2.16%
Brown Advisory–WMC Japan Alpha Opportunities Fund	0.00%
Brown Advisory–WMC Strategic European Equity Fund	0.00%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2017 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

Income from Foreign Sources:

1) For the year ended December 31, 2017, the following Brown Advisory Funds earned foreign source income. The amount of foreign source income can be calculated as a percentage of your ordinary dividend shown in Box 1 of your 2017 Tax Form. Please see the information below for your foreign source gross income amount.

Fund Name	Foreign Source Gross Income (Use % listed below and apply to Ordinary Income as shown in Box 1 to compute)
Brown Advisory – Macquarie Asia New Stars Fund	100%
Brown Advisory – Somerset Emerging Market Fund	100%
Brown Advisory – WMC Japan Alpha Opportunities Fund	100%
Brown Advisory – WMC Strategic European Equity Fund	100%

Income subject to the Alternative Minimum Tax

Some of the income received from a mutual fund may be exempt from federal income tax, but subject to the Alternative Minimum Tax. The following table shows the percentage of total ordinary income dividends that was attributable to income earned from securities subject to the Alternative Minimum Tax:

<u>Fund Name</u>	<u>% of Income Attributable to Securities Subject to the AMT</u>
Brown Advisory Maryland Bond Fund	6.54%
Brown Advisory Tax Exempt Bond Fund	18.88%

Please consult your tax adviser if you have any questions regarding the percentage of income subject to the Alternative Minimum Tax.

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Important Tax Information Regarding Brown Advisory Funds Income By State or U.S. Territory:

The following chart provides information to assist you in determining the source of interest income earned on a state-by-state basis for the **Brown Advisory Maryland Bond Fund, and Brown Advisory Tax Exempt Bond Fund**. Of course, the tax treatment of income paid by the portfolio depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend you consult your tax advisor.

Note: For additional help in completing your state and local tax returns, please refer to your 2017 year end statement that shows the non-taxable portion of your income.

State	Maryland Bond Fund	Tax Exempt Bond Fund
Alabama	0.00%	0.54%
Alaska	0.00%	0.00%
Arizona	0.00%	0.21%
Arkansas	0.00%	0.00%
California	0.00%	4.57%
Colorado	0.23%	8.01%
Connecticut	0.00%	1.00%
Delaware	0.00%	0.00%
Dist of Columbia	0.94%	3.23%
Florida	0.10%	5.89%
Georgia	0.00%	0.00%
Guam	0.00%	0.00%
Hawaii	0.00%	0.66%
Idaho	0.00%	0.00%
Illinois	0.00%	3.40%
Indiana	0.00%	1.38%
Iowa	0.00%	0.00%
Kansas	0.00%	0.00%
Kentucky	0.00%	0.78%
Louisiana	0.00%	2.48%
Maine	0.00%	0.00%
Maryland	76.18%	1.67%
Massachusetts	1.07%	1.27%
Michigan	0.00%	2.43%
Minnesota	0.00%	0.00%
Mississippi	0.00%	1.96%
Missouri	0.00%	3.32%
Montana	0.00%	0.00%

State	Maryland Bond Fund	Tax Exempt Bond Fund
Nebraska	0.00%	0.00%
Nevada	0.00%	2.54%
New Hampshire	0.00%	0.52%
New Jersey	0.00%	1.38%
New Mexico	0.00%	0.00%
New York	2.90%	7.85%
North Carolina	1.83%	1.04%
North Dakota	0.00%	0.00%
Ohio	1.53%	0.20%
Oklahoma	0.00%	0.00%
Oregon	0.00%	2.26%
Other	0.60%	0.04%
Pennsylvania	1.91%	5.59%
Puerto Rico	0.00%	0.00%
Rhode Island	0.00%	0.00%
South Carolina	0.00%	0.57%
South Dakota	0.00%	0.57%
Tennessee	0.00%	1.35%
Texas	8.11%	23.84%
Utah	0.00%	0.00%
Vermont	0.00%	0.00%
Virginia	2.49%	3.64%
Washington	2.11%	2.47%
West Virginia	0.00%	0.02%
Wisconsin	0.00%	3.32%
Wyoming	0.00%	0.00%
Virgin Islands	0.00%	0.00%