

Brown Advisory US Smaller Companies PLC

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product:	Brown Advisory US Smaller Companies PLC - Ordinary Shares
Issuer Name:	Brown Advisory US Smaller Companies PLC
Product code:	GB0003463402
Website:	https://www.brownadvisory.com/intl/investment-trusts/brown-advisory-us-smaller-companies-plc
Call number:	+442033018130
Regulator:	Financial Conduct Authority - regulator of the Manager
Document valid as at:	30/07/2025

What is this product?

Type:

To grow money invested in the Company over the long term by investing in a diversified portfolio of listed US smaller and medium sized companies. The Company takes a conservative approach to investment, with the IM Focusing on capital preservation rather than trying to chase growth aggressively

Objectives:

To grow money invested in the Company over the long term by investing in a diversified portfolio of listed US smaller and medium sized companies.

The Company takes a conservative approach to investment with the investment adviser focusing on capital preservation rather than trying to chase growth aggressively. The approach emphasises taking a long term view of company prospects as well as buying when shares appear to have low value and significant growth potential.

The Company has a flexible loan facility it can use for investment purposes (known as gearing) with a view to enhancing returns.

The Company is not restricted to investing in constituent companies of the Benchmark (Sterling Adjusted Russell 2000 Index).

Intended retail investor:

This product has been designed for retail investors.

This product has been designed to form part of a broader portfolio of investments and should be purchased with advice or on an execution only basis by an investor. Investors must be able to bear loss of capital in order to seek to generate higher potential return and should be prepared to remain invested for at least the recommended holding period.

What are the risks and what could I get in return?

Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this Fund as 5 out of 7 which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level. Poor market conditions will likely impact our capacity to pay you.

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The share price of an investment company may differ from the Net Asset Value due to the level of supply and demand for units. A high level of supply may result in the price of the investment company trading below the Net Asset Value. You may not be able to sell your product easily or may have to sell at a price that significantly impacts on how much you get back.

This product does not include any protection from future market performance, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

Investors shall note that besides the risks included in the risk indicator, other risks such as market and exchange rate risk, gearing risk, smaller companies/liquidity risk and share price risk may affect the Company's performance.

[Investment performance information](#)

The Strategy invests primarily in the common stock of small-cap U.S. companies possessing above-average growth potential. We believe that outperformance is achievable for those willing to think and act differently. We systematically seek to exploit an inefficient market by investing in companies with durable growth, sound governance, and scalable go-to-market strategies. We refer to this as the '3G' model. We base our investment philosophy on producing attractive, risk-adjusted returns by investing in high-quality, well-managed smaller market cap businesses that we believe have the potential to compound into mid- and large-cap companies over time. Underlying that process is a constant focus not only on our '3G' investment criteria but also positive change at the margin. We are looking for what may make the long-term future better than today. While our discipline is almost wholly bottom up in focus, the inverse of this process is useful in thinking about the current investment environment.

Brown Advisory U.S. Smaller Companies plc is benchmarked against the Sterling adjusted Russell 2000 Index. The Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalisation of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

What could affect my return positively ?

We believe our investment strategy has the potential to outperform the benchmark by identifying companies whose high earnings-per-share growth creates relative out-performance over time. Historically, our portfolio companies have performed well in most market environments on a relative basis. The portfolio generally performs well in neutral-to-positive market environments. The portfolio has typically protected capital in down markets and both consistently and meaningfully outperformed the benchmark coming out of a market decline.

What could affect my return negatively?

We believe the environment in which our strategy tends to underperform is during a 'hyper-momentum' bull market. The reason for this is that we are a fundamentally-focused product that utilises an upside/downside price target discipline to help us maximise potential capital appreciation while minimising downside price risk. If stocks possess valuations that are stretched versus company fundamentals, and thus, in our view, pose a headwind to total returns, we tend to trim or sell positions. If the market is in a euphoric state and the only driver to price appreciation is price momentum, then we will likely underperform the benchmark until 'gravity' sets in and stretched valuations are eased.

Under adverse market conditions, an investor could suffer significant and prolonged, or even permanent, loss of capital. The maximum possible loss is 100% of the money invested in the Company. There is no minimum guaranteed level of capital to be returned.

What happens if Brown Advisory US Smaller Companies PLC is unable to pay out?

As a shareholder of the Company you would not be able to make a claim to the Financial Services Compensation Scheme in the event that the Company is unable to pay out.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

Costs over time

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment 10000 GBP	1 year	3 years	5 years (recommended holding period)
Total costs GBP	GBP 122	GBP 399	GBP 729
Impact on return (RIY) per year (%)	1.22%	1.22%	1.22%

Composition of Costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- What the different cost categories mean.

This table shows the impact on return per year			
One-Off costs	Entry costs (%)	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less. The impact of costs are already included in the price. This includes the costs of distribution of your product.
	Exit costs (%)	0.00%	The impact of the costs of exiting your investment.
Ongoing costs	Portfolio transaction costs (%)	0.14%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs (%)	1.07%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees (%)	NA	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.
	Carried interests (%)	0.00%	There is no carried interests.

How long should I hold it and can I take money out early?

Recommended minimum holding period: 5 years

The Company's ordinary shares are designed to be held over the long term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investments. The value of the ordinary shares and the income derived from them (if any) may go down as well as up. Although the ordinary shares are traded on the Main Market, it is possible that there may not be a liquid market in the shares and investors may have difficulty selling them. Accordingly, investors may be unable to realise their shares at the quoted market price (or at the prevailing net asset value per share), or at all.

How can I complain?

As a shareholder of the Company you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. Complaints about the company or the key information document should be sent to the address stated below, for the attention of the Company Secretary.

Postal address: 6th Floor, Bastion House, 125 London Wall, London, EC2Y 5AS.

Website: <https://www.brownadvisory.com/intl/investment-trusts/brown-advisory-us-smaller-companies-plc>

E-mail: InvestmentTrustEnquiries@brownadvisory.com

We will handle your request and provide you with feedback as soon as possible.

Other relevant information

We publish an annual report each year and a factsheet each month that contain more information on this product, updating its policies since its last prospectus. These documents also include information on how the product is performing. These documents can be obtained from <https://www.brownadvisory.com/intl/investment-trusts/brown-advisory-us-smaller-companies-plc>.