RNS Number : 2868B
Brown Advisory US Smaller Cos. PLC
30 September 2025

BROWN ADVISORY US SMALLER COMPANIES PLC

Annual Report and Financial Statements for the year ended 30 June 2025

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 30 JUNE 2025
ORDINARY SHARE PERFORMANCE

Net asset value (pence)*
1,416.7
(3.7)%(2024: 1,471.4)

Russell 2000 Total Return Index
(sterling adjusted)
8,637.0
(0.7)%(2024: 8,699.0)

Ongoing charges ratio (%)*
1.01
(2024: 1.05)

Closing price (pence)
1,270.0
(1.0)%(2024: 1,282.5)

Discount to net asset value (%)*
(10.4)
(2024: (12.8))

Year ended 30 June	Net assets £'000	Net asset value per Ordinary share p	ne Or
2016	174,163	787.3	
2017	181,687	911.1	
2018	163,339	1,103.4	
2019	161,520	1,152.7	
2020	145,011	1,116.3	
2021	181,426	1,516.3	
2022	155,840	1,303.9	
2023	171,147	1,431.9	
2024	174,544	1,471.4	
2025	163,399	1,416.7	

* For definitions of the above Alternative Performance Measures please refer to the Glossary of Terms within the Annual Report.

Stephen White, Chairman, Brown Advisory US Smaller Companies, said:

"*Our past financial year can be described truly as 'a year of two halves', with a gentle run up in markets ahead of the presidential election in the first half and a more volatile and unsettled period in the second as the newly elected administration under President Trump laid out its programme of change and the geopolitical background deteriorated.*

US smaller companies were eclipsed once again by the performance of the large cap stocks, particularly those in the technology sector, known as the 'Magnificent Seven'. At the same time, returns for UK investors were largely eroded by the weakening in the US dollar against sterling, notably in the period following the presidential election.

Returns lagged our benchmark during this challenging period as within the US smaller company sector market conditions favoured the unprofitable and more speculative companies. Going forward, however, we believe US smaller companies should continue to draw support from the economy staying in reasonable shape and from expectations of a steady cutting in interest rates. The weaker dollar is also less of a negative factor for the latter given their greater domestic exposure. We continue to believe that Brown Advisory's proven philosophy, robust process and focus on high-quality, well-managed businesses is in the best interests of shareholders."

Contact:

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Singer Capital Markets, Broker to the Company	+ 44 207 496 3000

CHAIRMAN'S STATEMENT

STEPHEN WHITE
Chairman of the Board

DEAR FELLOW SHAREHOLDER,
Helped by a favourable economic background, positive earnings development and attractive valuations, US smaller companies performed reasonably well over the past twelve months, with the Russell 2000 in US dollar terms returning 7.7%. That said, smaller companies were eclipsed once again by the performance of the large cap stocks, particularly those in the technology sector, known as the 'Magnificent Seven'. At the same time, returns for UK investors in US smaller companies were largely eroded by the weakening in the US dollar against sterling, notably in the period following the presidential election, as President Trump's erratic tariff announcements encouraged fears of prolonged inflation, lower US growth and potential trade wars.

For the twelve months ended 30 June 2025, your Company's net asset value (NAV) per share in sterling fell from 1471.4p to 1416.7p, a decline of 3.7%. This was behind our benchmark, the sterling adjusted Russell 2000 Total Return index, which fell by 0.7% over the same period. An explanation of specific portfolio factors in relation to performance can be found in this statement within the Annual Report as well as in the Portfolio Manager's review within the Annual Report.

Over the twelve-month period, the Company's share price fell from 1282.5p to 1270.0p, a decline of 1.0%. This resulted in a small narrowing of the discount to NAV from 12.8% on 30 June 2024 to 10.4% on 30 June 2025. A small number of shares were bought in over the course of the year in accordance with our established buyback policy.

MARKET REVIEW
Our past financial year can be described truly as 'a year of two halves', with a gentle run up in markets ahead of the presidential election in the first half and a more volatile and unsettled period in the second as the newly elected administration under President Trump laid out its programme of change and the geo-political background deteriorated.

US equity markets began our financial year in good shape. While the geopolitical background remained unsettled, with the growing tensions in the Middle East and lack of resolution to the war in Ukraine, business activity in the US remained resilient. Furthermore, better than expected inflation numbers boosted hopes that September 2024 would finally see the Fed begin its much-awaited programme of interest rate cuts.

In the event, the Fed went further in September than expected, cutting interest rates by 50 basis points, rather than the 25 generally forecast, in its first rate cut since March 2020. This more dovish move, coupled with generally steady economic commentary, left investors feeling relatively comfortable that monetary policy was not too restrictive, and that the Fed would act again to prevent any further labour market weakness if necessary. Markets responded positively and pushed steadily ahead through the autumn to reach new all-time highs. They received a further boost towards the end of November as Donald Trump won a resounding victory in the presidential election, and the Republican party won control in a clean sweep of both the Senate and the House of Representatives. Investors responded positively to the decisive result given earlier fears of a drawn-out contested outcome and the likely future government pro-business/anti-regulatory policy agenda.

The post-election period of Trump euphoria continued briefly into the New Year as the new president's 'America First' policy agenda initially curried favour with investors. Its focus on business and growth, lower taxes and deregulation and above all on incentivising domestic manufacturing were well received. Only at the very end of January, however, did the President confirm the imposition within days of tariffs, initially in Mexico (25%), Canada (25%) and China (10%). Even though the terms were then modified, markets noted the shift in mood as tariffs were introduced steadily elsewhere, and they became more volatile as fears grew of rising inflation, lower US growth and a potential global trade war. This culminated in a major sell-off in markets in early April on the President's infamous 'Liberation Day' Executive Order as further tariffs were introduced across the board and many at higher rates than expected. Fortunately, unsettling moves in the bond market and concerned commentary from the head of JPMorgan persuaded the President to pause his higher tariff rates for 90 days. This prompted a major rally in the equity markets and gave renewed support to enable them to recapture much of the ground lost since the beginning of the year.

Politics thus became the main driver of equity markets in the second half of our financial year, rather than Federal Reserve policy and changes in interest rate expectations, as had been the case before. Indeed, throughout this latter period the Fed showed itself very keen to be following its own agenda and not to be a lackey of government policy. With the economy still robust and inflation on its favoured Personal Consumption Expenditure index uncomfortably above its 2% target level, the Fed continued to make it clear that it was in no hurry to lower interest rates further. This prompted a war of words between the President and the chair of the Federal Reserve, Jerome Powell, as the latter held his ground.

Within the US markets, the leaders in the first half were again the 'Magnificent Seven', as well as other technology stocks linked to AI where news flow remained upbeat, earnings continued to surprise positively, and valuations seemed not unreasonable. Smaller companies also performed well in this period as investors looked to pick up stocks that had lagged, and where fundamentals remained sound and valuations attractive. It also encouraged a heavy wave of speculative buying of smaller companies with poorer fundamentals, largely unrepresented in the Company's portfolio. However, smaller companies soon started to lose momentum again in the second half as investors worried that smaller companies would be more negatively affected by the arbitrary introduction of tariffs and a likely slowing in the domestic economy.

Over the year, in US dollar terms, the Russell 2000 returned 7.7%, the S&P Composite returned 15.2% and the Nasdaq returned 15.7%. The pound gained ground against the US dollar, moving from 1.264 to 1.370, as a result of which sterling-based shareholders in US smaller companies suffered a currency loss which eroded wholly the stock gains.

As mentioned at the beginning of my statement, the Company's performance this year was somewhat disappointing. Overall returns to UK investors in US smaller companies were negative as the weakening in the US dollar more than offset the gains in share prices, while at the same time, in relative terms, our portfolio of US smaller companies marginally underperformed its benchmark. Most of the underperformance arose in the first half of the year when the Company suffered from its lack of exposure to the more speculative situations that did well then. The portfolio also suffered throughout the year from its being underweight the financial sector which performed relatively well given the underlying strength of the US economy. Our managers have tended historically to underweight the sector, preferring companies with more sustainable and less volatile earnings. Otherwise, the Company benefitted from being overweight industrials and information technology, while underweight energy, and from good stock selection in healthcare, even though the latter sector remained somewhat out of favour.

Positive contributors to return over the year were Curtiss-Wright Corp., SiTime Corp., Inari Medical, Mirion Technologies, and Encompass Health Corp, while the main detractors were Entegis, Bruker Corp, Bio-Techne Corp, ChampionX Corp. and KinderCare Learning Companies.

A more detailed coverage on the development of the US smaller company sector over the past twelve months and our activity and performance are included in the Portfolio Manager's Review within the Annual Report.

PORTFOLIO MANAGER OVERSIGHT

The Board monitors closely investment performance and, in accordance with the Portfolio Management Agreement, carries out a detailed formal appraisal of the Portfolio Manager annually, as well as regular portfolio reviews at its quarterly investment meetings. In its reviews this year, the Board noted the relative underperformance of the Company for the year as a whole and recognised that Brown Advisory had consistently applied a disciplined long-term investment approach, supported by a highly experienced and skilled investment team. While returns lagged as market conditions temporarily favoured unprofitable and more speculative companies, the Board observed that Brown Advisory's focus remains on high-quality, well-managed businesses. Given the Portfolio Manager's proven philosophy, robust process, and the current market environment, the Board continues to believe that Brown Advisory's approach is in the best interests of shareholders.

The Board also noted again that the Company's performance relative to other funds with a similar remit, both closed-end and open-end, was also satisfactory.

The Board will continue to monitor closely investment performance, both absolute and relative, to ensure that the Company's offering remains attractive.

CONDITIONAL TENDER OFFER

That said, we announced in February this year that the Board had decided that should long-term performance not be satisfactory for shareholders there should be a mechanism for them to realise up to 100% of the issued share capital in the Company at close to the prevailing NAV of the Company. Accordingly, should the NAV performance of the Company not outperform the Company's benchmark (Sterling-adjusted Russell 2000 Total Return Index) for the period 1 July 2023 to 30 June 2028 (i.e. a total period of five years with three and a half remaining), the Board intends to offer shareholders a one-off opportunity to tender some or all their shares at close to the prevailing NAV, less costs.

The Board believes that such a Conditional Tender Offer will allow the Company and its Portfolio Manager appropriate time to outperform against the Company's benchmark and, in the event it does not, to offer shareholders a liquidity event.

This redemption option will sit alongside the existing triennial continuation vote, see below.

CONTINUATION VOTE

The next continuation vote, in accordance with the three-year cycle prescribed in the Company's Articles of Association, will be held at our Annual General Meeting (AGM) in November 2026. At the last vote in November 2023 the resolution in favour of continuation was passed with 3,885,193 proxy votes or 90.5% percent in favour.

MANAGEMENT FEE

The Board reviews the total costs of the Company on a regular basis to ensure that they continue to represent good value to shareholders, that they are competitive with similar investment products and consider the quality and experience of the teams involved.

Following engagement with Brown Advisory, we were pleased to report in February this year that they had agreed to a reduced tiered management fee replacing the current fee arrangements, effective from and backdated to 1 January 2025.

Details of the amendments to the management fee arrangements are set out below.

NEW MANAGEMENT FEE ARRANGEMENTS

- The management fee will be calculated based on the lower of the Company's market capitalisation and net asset value (NAV), rather than NAV as is currently the case; and

- The management fee on the first £200m will be reduced to 0.65%, from 0.7%, and will continue to be calculated on a tiered basis.

From 1 January 2025, the management fee is therefore calculated at an annual rate of:

- 0.65% on the first £200m:

- 0.6% on the next £300m; and

- 0.5% thereafter,

in each case of the lower of the Company's market capitalisation and the Company's NAV.

The new fee arrangements do not introduce any performance fee or performance-related elements.

As mentioned before, the Board believes that the changes have the potential to reduce costs in both the short and long term and ensure stronger alignment between the Portfolio Manager and investors. It should be noted that the current year's Ongoing Charges Ratio (OCR) of 1.01% reflects only six months of this revised fee arrangement, with the full effect coming through next year.

The Portfolio Management Agreement between the Company, FundRock Partners Limited (as the Company's AIFM) and the

The Portfolio Management Agreement between the Company, FundRock Partners Limited (as the Company's AIFM) and the Portfolio Manager has been amended to reflect the new management fee. No other significant changes have been made to the agreement.

REVENUE AND CAPITAL RETURNS
The net loss per Ordinary share was (57.7)p, allocated (6.0)p to Revenue and (51.7)p to Capital. Dividend income was lower, despite some companies raising pay-outs, due to the weakening of the US dollar against sterling. With Management expenses broadly unchanged, the net revenue loss was marginally greater than the previous year. The Board still believes it appropriate to allocate all expenses to the Revenue account. No distributable revenue is available for the payment of dividends.

SHARE PRICE AND DISCOUNT
The Board has continued with its buyback policy established a couple of years ago and is committed to using share buybacks with the aim of reducing discount volatility and working to reduce any discount to the extent that it is significantly wider than those of similar investment trusts. It believes this to be in shareholders' interests. In determining whether to buy back shares, the Board considers, amongst other factors, and at its discretion, the size of the Company, general market conditions and sentiment, the liquidity in the shares and discounts in the investment trust sector overall.

Alongside this share buyback policy, the Board believes that the Company's discount will also be driven by demand for the Company's shares, reflecting its long-term investment performance, its relevance to investors, the appropriate marketing of the Company and general market conditions.

Over the period under review, the Company's share price fell 1.0% from 1282.5p to 1270.0p. This helped narrow the discount to NAV over the year from 12.8% on 30 June 2024 to 10.4% on 30 June 2025. During the year, we repurchased 328,372 shares. They were bought at an average price of £13.2 per share and at an average discount of 11.3%.

As of 30 June 2025, the number of shares held in Treasury was 6,689,626 (2024: 6,361,254) and the number in public hands was 11,533,787 (2024: 11,862,159).

GEARING
With interest rates holding firm, an unsettled political background and limited investor interest in small cap, neither the Board nor the Portfolio Manager saw good reason to deploy any gearing over the year and indeed preferred to hold some cash in hand in case of market setbacks. However, going forward, should prospects for the smaller company sector improve and investor interest return, the Board will review its decision to gear, mindful that the ability to do so to enhance returns is one of the key advantages of a closed-end structure.

BOARD COMPOSITION
Lisa Booth retired at the last AGM and Ruth Beechey joined the Board on 1 July 2024. The Board has now been fully refreshed since I took over as chair in October 2021, and all four directors will be presenting themselves for re-election at the AGM in November. As we have noted before, we are a small Board, but we believe appropriate for the size and complexity of our Company with all the necessary skill sets represented.

As mentioned before, the Board is aware of the FCA's Diversity and Inclusion Policy and notes and supports their targets. Accordingly, two of the four non-executive directors and one of the senior positions (the SID) are occupied by females. With only four directors, it is not always straightforward to meet ethnic diversity targets as well, but the Board remains committed to continue to ensure it reflects a diversity of thought and skills drawn from as wide a pool as possible.

DIRECTORS' FEES
The Board undertakes an annual fee review to ensure that the remuneration paid to directors remains attractive, competitive and in line with its peers in order to attract and retain the best candidates. With effect from 1 January 2025, the Directors' base remuneration is £30,700 and the remuneration of the chair £40,200. The supplement for the Chair of the Audit and Risk Committee is £5,800.

The maximum level currently provided for in the Company's Articles of Association for total Directors' fees is £185,000 which provides headroom for succession planning and appointment overlap should it be necessary.

ANNUAL GENERAL MEETING
This year's AGM will be held on Monday, 10 November 2025 at 2.00pm at the offices of Brown Advisory, 18 Hanover Square, London W1S 1JY. It will include a short presentation which will be delivered in person by Chris Berrier, Portfolio Manager, covering the performance of the Company over the past year as well as his outlook for the future. The Board and Portfolio Manager would welcome questions which shareholders may submit to: InvestmentTrustEnquiries@brownadvisory.com. Subject to confidentiality, we will respond to any questions submitted either directly or by publishing our response on the Company website.

Electronic proxy voting is now available, and shareholders are encouraged to submit voting instructions using the web-based voting facility www.eproxyappointment.com and www.proxymity.io for institutional shareholders. In order to use electronic proxy voting, shareholders will require their shareholder registration number, control number and pin. If you do not have access to these details please contact the Company's Registrar, Computershare, whose details can be found within the Annual Report.

Notice of the AGM, containing full details of the business to be conducted at the meeting, is set out within the Annual Report.

SHAREHOLDER COMMUNICATIONS
The Board encourages shareholders to visit the Company's website **(*www.brownadvisory.com/basc*)** for the latest information, including thought leadership and monthly factsheets. Investors can also sign up for email communications via the link on the website.

OUTLOOK
The US economy has continued to perform well in 2025. Consumer spending remains the principal driver even if of late there have been some signs of consumers starting to trade down as they wonder how the tariffs will affect them going forward. Investment spending has also held up well due to government incentives and the move towards reshoring given the rising geopolitical and supply chain risks. While we are not expecting a recession next year, we do anticipate a period of

slower growth in 2026 as the negative effects of the tariffs are worked through, even if the impact has so far been less severe than originally feared. Indeed, we have noticed that a number of analysts have been revising up their earnings forecasts for next year in the belief that the earlier downgrades were excessive.

Investors are also still hoping that the Federal Reserve will be cutting interest rates further this autumn. Consensus is for two cuts of 25 basis points each this year, and a steady continuation in 2026. However, there is a risk that the Federal Reserve continues to take a more cautious view on the inflation outlook given the underlying strength of the US economy and the impact on import prices which has still to be factored in from the introduction of tariffs. Any delays in cutting rates are likely to be attacked by the President and rekindle the animosity between the President and the chair of the Federal Reserve given their differing views on the outlook for the economy and the inflationary risks. This could put renewed pressure on the dollar.

The geopolitical background remains a major challenge, albeit largely known, with hostilities this year between Israel and Iran and the war in Ukraine seeming to be moving in Moscow's favour. However, of more concern to investors is the unpredictable political situation at home. President Trump is pursuing his tariff agenda while also making unexpected and extensive use of executive orders to push through his own legislation, not all of it popular. Indeed, his attacking institutions such as the Federal Reserve and the courts, threatening to add massively to the national debt and deficits through his 'One Big, Beautiful Bill Act', as well as being an unreliable partner to the US's allies and partners, have only served to undermine the dollar and the US Treasury market.

Putting all this together, we believe US equity markets should continue to draw support from the economy staying in reasonable shape and from expectations of a steady cutting in interest rates. Smaller companies should also benefit from a return of investor interest given their relative underperformance of late versus the large caps and their attractive valuations. The weaker dollar is also less of a negative factor for the latter given their greater domestic exposure. That said, markets are likely to remain volatile as they have been these past months as they are shaken from time to time by unpredictable geopolitical squalls, from both home and abroad.

STEPHEN WHITE
Chairman of the Board
29 September 2025

PORTFOLIO MANAGER'S REVIEW

CHRIS BERRIER
Portfolio Manager

PERFORMANCE REVIEW
For the 12 months ending 30 June 2025, our portfolio underperformed its benchmark, the Sterling-adjusted Russell 2000 Total Return index. During the year, the Company's NAV declined by 3.7% compared to a benchmark fall of 0.7%. Several factors contributed to this underperformance, which we will explain in this review.

MARKET OVERVIEW
It is important to keep in mind that our relative performance has become more volatile since Covid-19. The structure and nature of the market has changed. Index and other passive alternatives have grown significantly and retail participation in the market has ballooned.

In the last 12 months, corporate fundamentals have had far less of an influence on market returns, with investors seeming to ignore, for example, a company's earnings, debt levels or long-term growth prospects. Instead, momentum has driven share prices higher, with investors following trends and market sentiment, detaching some stocks from their true worth.

We believe our preference for higher-quality companies and our focus on valuation should pay dividends over the long term. Lately though, in a market driven by momentum, it may have caused us to miss some of the few opportunities for gains in small-cap stocks.

The Trump administration's economic and trade policy agenda largely dictated the narrative during the second half of the reporting period. We witnessed a small-cap bear market from the peak on 4 December 2024 to the post-Liberation Day trough on 8 April 2025 as initial economic optimism quickly gave way to uncertainty. Trump's second term commenced with a flurry of policy announcements, including the Department of Government Efficiency (DOGE), tax cuts and, most significantly, tariffs. The Liberation Day tariff announcements accelerated the equity sell-off that was only reversed by the president pausing his international trade plans.

Equity markets tend to dislike instability. However, investor hopes that Trump's proposed punitive tariffs were merely an opening salvo rather than the end game saw equities recover and end the reporting period on a high note. This rebound was especially driven by lower-quality stocks, which were boosted by passive and retail investor activity as well as short covering, when short sellers buy back shares to avoid further losses.

OUR STRATEGY'S PERFORMANCE
At times, our strategy tends to trail the benchmark - for example during momentum markets, as explained above. At others, it performs better, such as during periods when markets are more balanced and in tune with corporate and economic fundamentals, and more challenging environments. While we are disappointed with the portfolio's underperformance, it does not come as a surprise to us considering the market's behaviour during much of the period. Our strategy did well during the downturn but lost ground when the market quickly bounced back, and investors once again chose to ignore company fundamentals in favour of riskier, shorter-term bets. At times like these, valuation and quality tend to be of little concern to investors.

It is also worth remembering that returns have become increasingly concentrated in a handful of companies. This phenomenon is more apparent in the dominance of the so-called 'Magnificent Seven' although we are also starting to see the same pattern emerge with smaller companies, where a few are doing really well, while many others are struggling.

Our pursuit of continuous improvement means we regularly analyse all aspects of our performance - philosophy, people and process - as we strive to learn and adapt without compromising the core principles that have driven our historical success. The result is a portfolio with slightly more concentration in the top half, which are our highest conviction positions; a success. The result is a portfolio with slightly more concentration in the top half, which are our highest conviction positions; a new analyst hire focused solely on the technology sector; and a larger-than-average list of potential new ideas.

We continue to actively manage the portfolio as the opportunity set changes, with the express intention of not only driving better returns in the short term but also building value over the long term.

KEY FACTORS IMPACTING PERFORMANCE
The paramount factor driving recent underperformance has been our sector skew. We have focused on driving and preserving portfolio value in a slowing economy. While large-cap earnings have been reasonably good due to a handful of very large technology companies, small cap earnings recently finished their third down year in a row. We believe this is a component driving the strong momentum bias in the space - namely, to own 'what is working', since fundamentals are so erratic. More specifically in the period, financials was the best performing sector in the benchmark, and this is the area where we have the biggest underweight. It is difficult for us to find banks that clearly meet our '3G' investment characteristics and our examination of the sector has uncovered many lower-quality businesses. Although this was a headwind in the short term, we do not believe our positioning will prove to be one in the long term.

At the individual company level, the contributors were diverse. SiTime is a leading semiconductor company specialising in timing applications. Its compute/data centre end market is benefiting from growth in key AI platforms, and the company confirmed it will provide content for the iPhone, which will buoy revenue gains in the next few years. Take-Two Interactive Software, a leading video game developer, also performed well as it builds towards the launch of the next instalment of its Grand Theft Auto franchise. Mirion Technologies, a leader in nuclear test and measurement, rallied after delivering accelerating revenue growth thanks to improved results in both its health care and commercial segments. Curtiss-Wright Corp, which provides engineered products, solutions and services mainly to aerospace and defence, and commercial nuclear services, was the portfolio's biggest individual contributor, reflecting strong organic revenue growth and high earnings visibility. Inari Medical, an innovative medical device company, was acquired by Stryker Medical in a deal completed in the second quarter of 2025 and a highlight in the health care space.

ADDITIONS AND DISPOSALS
The market volatility over the 12-month period made this an active time in the portfolio. We sold several positions, with exits prompted by a combination of merger and acquisition (M&A) activity or stocks achieving their price potential, as well as action taken when our investment thesis was no longer valid or we saw poor risk/reward dynamics.

On the acquisition side, we added a diverse array of companies to the portfolio that we believe have the potential to compound nicely over time. We also used the technology/industrial/AI-driven sell-off in early 2025 to add to a number of existing positions. In addition, we initiated new positions in a few companies on which we had previously completed our due diligence but passed on at the time due to a poor risk/reward ratio.

Examples include the heating, ventilation and air conditioning equipment manufacturer AAON, Inc., whose stock price dropped from roughly 140 to 70. The sell-off in AI-related names drove the move down as optimism over its emerging data centre cooling segment collapsed. We viewed this price decline as an opportunity to buy into the company's solid core business at a reasonable price, with the added bonus of potential long-term success from its data centre operations.

We have known OneStream, a leading software-as-a-service company focused on the office of the CFO, since it was private. We passed on the initial public offering as we wanted to better understand its go-to-market strategy, but we have tracked the business closely. Our view is that the general trend of vendor consolidation amongst enterprises will continue, and OneStream will be a long-term beneficiary. Although our first nibble on the stock was not at a perfect price, recent volatility has enabled us to build out our position at more attractive levels.

Clearwater Analytics, the leader in portfolio accounting and reporting for asset management and insurance companies, is a similar story to OneStream. We previously owned the stock until its valuation surged last year, forcing us to sell. Recently, the stock has declined to a more compelling valuation, giving us the opportunity to invest in the company again. Our view is that its legacy competitors are ill-equipped to handle the technological changes sweeping over the industry. This should enable Clearwater to gain meaningful market share on a global basis. At scale, this will be a high-margin business with the ability to produce substantial free cash flow. The company's recent acquisitions are not without risk, but we believe its three-to-five-year vision is promising.

Other notable additions include BWX Technologies, Mirion Technologies, AppFolio, Openlane, Simpson Manufacturing, Universal Display Technologies, and StandardAero.

OUTLOOK
Small-cap relative returns compared to large-cap peers have been historically poor over the last decade. Capital continues to flow into the United States' largest and most dominant technology businesses, pushing their share prices up. Combined with the poor earnings growth from smaller companies over the last few years, this dominance has produced half a decade of low, volatile returns.

Our strategy has consistently performed well during moments of 'risk-off' and less well during moments of 'risk-on'. We believe that when equity markets strongly gravitate towards certain factors or trends and momentum takes hold, we need to be even more focused on our style of fundamental, bottom-up investing. Since we continue to see solid results from many of our larger holdings, our portfolio has grown slightly more concentrated in the top half. A core of approximately 40 holdings represents most of the capital in the portfolio and is complemented by a list of smaller new or emerging holdings poised for repositioning when the time is right.

We remain confident in our valuation-conscious, high-quality and long-term approach to bottom-up investing. We have found the current nature of the equity market to be extraordinary - most notably, its concentration on certain companies and sectors. Our goal is to exploit this phenomenon to build enduring value in the portfolio over time.

PORTFOLIO MANAGER
Brown Advisory LLC
29 September 2025

KEY PERFORMANCE INDICATORS
At Board meetings, the Directors consider a number of performance indicators to assess the extent to which the Company is

meeting its objective. The key performance indicators used to measure the performance of the Company over time are as follows:

· Net Asset Value changes;

· The discount or premium of share price to Net Asset Value;

· A comparison of the absolute and relative performance of the Ordinary share price and the Net Asset Value per share relative to the return on the Company's Benchmark Index and of its peers;

· Ordinary share price movement; and

· The Company's ongoing charges ratio.

A history of the Net Asset Value, Ordinary share price and Benchmark Index are shown on the monthly factsheets which can be viewed on the Portfolio Manager website *www.brownadvisory.com/basc*

Information on performance against Key Performance Indicators can also be found within the Annual Report and within the Chairman's Statement within the Annual Report.

VIABILITY STATEMENT
In accordance with Provision 36 of the Code of Corporate Governance as issued by the Association of Investment Companies in February 2019 (the 'AIC Code'), the Board has assessed the prospects of the Company over a longer period than the twelve months required by the 'Going Concern' provision, by reviewing the next three years.

The Board has considered the Company's business model, including its investment objective and investment policy, the principal and emerging risks and uncertainties that may affect the Company, as detailed within the Annual Report, the size threshold below which the Company would be considered uneconomic or unviable, and the Company's performance and attractiveness to investors in the current environment. The Board has noted that:

· the Company holds a liquid portfolio invested predominantly in US listed equities;

· the Company is not geared;

· the Company has maintained a steady discount to NAV and has introduced a performance-based tender mechanism for the 5-year period to 30 June 2028 (see below);

· the portfolio management fee is the most significant expense of the Company. It is now charged as a percentage of the Company's market capitalisation and so would reduce if the market capitalisation of the Company were to fall. The remaining expenses are modest in value and predictable in nature;

· no significant increase to ongoing charges or operational expenses is anticipated; and

· it is satisfied that Brown Advisory LLC and the Company's other key third-party suppliers maintain suitable processes and controls to ensure that they can continue to provide their services to the Company.

The Board recognises that a continuation vote is scheduled for November 2026 but has no reason to believe that shareholders have a current intention to vote against the continuation of the Company. It also recognises that the Company has introduced a conditional tender offer should long-term performance not be satisfactory for shareholders. There is now a mechanism for shareholders to realise up to 100% of the issued share capital in the Company at close to the prevailing NAV of the Company should the NAV performance of the Company not outperform the Company's benchmark for the period 1 July 2023 to 30 June 2028.

The Board has also considered the market outlook, both for US smaller company equities and for investment trusts, and has concluded that these remain an attractive opportunity for investors.

The Board has therefore concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years.

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES
The Board, through the Audit and Risk Committee, carries out a regular review of the risk environment in which the Company operates, changes to the environment and individual risks. The Board also considers emerging risks which might affect the Company.

In addition to those principal risks and uncertainties, the Board considers that the development of artificial intelligence (AI) presents potential risks to businesses in almost every sector. The extent of the risk presented by AI is extremely hard to assess at this point but the Board considers that it is an emerging risk and, together with the Manager, will monitor developments in this area.

During the year, geopolitical uncertainties caused mainly by continuing wars and conflicts around the world and the new administration in the US have remained a threat and have increased market risk and volatility. There are a number of other risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has carried out a robust assessment of the Company's principal and emerging risks, which include those that would threaten its business model, future performance, solvency, liquidity or reputation.

The principal risks and uncertainties facing the Company at the current time, together with a description of the mitigating actions the Board has taken, are set out in the table below.

Risk	Mitigating Action
Investment performance: the appointment or continuing appointment of a portfolio manager with inadequate resources, skills or expertise, or which	**Monitoring of performance:** the Portfolio Manager reports to the Board on a quarterly basis and Manager discuss potential causes for over or under-performance at every Board meeting. The Boa alia) the resources of the Portfolio Manager and its adherence to investment guidelines.

makes poor investment decisions could result in poor investment performance, a loss of value for shareholders and a widening discount.	A detailed formal appraisal of the Portfolio Manager is carried out annually by the Board. The Board adequacy of risk controls.
Investment strategies: the Company adopts inappropriate investment strategies in pursuit of its objective which could result in decreased demand for the Company's shares, leading to a widening of the discount and poor investment performance.	**Adherence to investment guidelines:** the Board sets investment guidelines and restrictions wl follows, covering matters such as asset allocation, diversification, gearing and currency exposure. regularly and reports on compliance with them are reviewed at Board meetings. In order to ensure a Board has set absolute limits on minimum holdings and maximum exposures in the portfolio at the tim out on within the Annual Report.
Investment objective: the Company's objective becomes unattractive to investors which could result in a lack of demand for the Company's shares.	**Board review:** the Board formally reviews the Company's objective and related strategies on an a appropriate.
Share price trading at a discount to NAV: a protracted discount to NAV could reduce the attractiveness of the Company's shares.	**Discount monitoring:** the Board, through the Portfolio Manager and AIFM, keeps the level of disco Board is responsible for the Company's share buyback policy and is prepared to authorise the use liquidity to the market and to try to limit any widening of the discount, to the extent that it is wider tha trusts.
Shareholder communication: insufficient or inappropriate marketing of the Company's shares, and liaison between the Company and shareholders is weak.	**Proactive engagement:** the Board is cognisant of the importance of regular communication with offers meetings with the Company's largest shareholders, and the Board meets with shareholders Additionally, a shareholder presentation with questions and answers is available at the AGM. The E correspondence and investor relations reports and also receives feedback from the Company's bro
Financial/market: insufficient oversight or controls over financial risks, including foreign currency risk, market price risk, interest rate risk, liquidity risk, credit and counterparty risk, and insufficient revenue forecasting and monitoring, could result in losses to the Company.	**Management controls:** the Portfolio Manager has a range of procedures and controls relating to instruments and maintains a closed 'approved broker' list. **Board review:** as stated above, the Board sets investment guidelines and restrictions which are r Portfolio Manager reports on compliance with them at Board meetings. **Revenue forecasting and monitoring:** the AIFM presents detailed forecasts of income and exp current and subsequent financial years at all Board meetings. Further details of the Company's finar risk management are included in Note 13 to the Financial Statements.
Regulatory compliance: failure to comply with relevant regulations (including the Companies Act, the Financial Services and Markets Act, the Alternative Investment Fund Managers Directive, accounting standards, investment trust regulations, the FCA Listing Rules, Disclosure Guidance and Transparency Rules and Prospectus Rules) could result in fines, loss of reputation, reduced demand for the Company's shares and potentially the loss of an advantageous tax regime.	**Board awareness:** the Directors have an awareness of the more important regulations and are p changes both through its six-monthly teach-ins with its legal counsel and by the Association of Inve day-to-day compliance with regulations, the Board is reliant on the knowledge and expertise of the However, where necessary, the Board engages the services of external advisers. **Management controls:** the Company Secretary and accounting teams use checklists to aid comp by the AIFM's compliance monitoring programme and risk-based internal audit investigations.
Operational: the Company is reliant on services provided by third parties (in particular those of the Portfolio Manager, AIFM, custodian and depositary) and any control gaps and failures in their operations could expose the Company to loss or damage.	**Agreements:** written agreements are in place defining the roles and responsibilities of all third-pa **Internal control systems of the AIFM and Portfolio Manager:** the Board receives reports on and control systems, including those relating to internal audit and compliance functions. **Safekeeping of assets:** the depositary is ultimately responsible for the safekeeping of the Compa securities in segregated accounts with J.P. Morgan Chase Bank N.A. The depositary reconciles the records of the Portfolio Manager. **Monitoring of other third-party service providers:** the AIFM closely monitors the control envi provided by third parties, including those of the depositary. This is conducted through service level and key performance indicators. The Directors review reports on the AIFM's monitoring of third-part periodic basis. There are coded limits within the Portfolio Manager's dealing systems. A detailed forr Portfolio Manager and other key third party providers is carried out annually by the Board.
Cyber security: Malicious or unauthorised attempts may be made to access the IT systems and data used by the Portfolio Manager, AIFM, Administrator, Custodian, Registrar and other service providers resulting in financial loss and/or a negative impact on the Company's reputation.	**Internal control systems of the AIFM and Portfolio Manager:** the Portfolio Manager, J.P. Mor use cyber security tools. **Monitoring of other third-party service providers:** the Company's AIFM conducts ongoing rev include assessment of cyber risk and security.
Liquidity: the Company's shares become insufficiently liquid which could result in a lack of demand for the Company's shares.	**Internal control systems of the AIFM and Portfolio Manager:** liquidity and trading volumes ar the Portfolio Manager and the company's Broker. The AIFM carries out regular liquidity stress testing
Geopolitical: the impact of geopolitical events (including the new administration in the US, climate change, wars or pandemic) could result in losses to the Company.	**Board and Portfolio Manager awareness:** geopolitical events over which the Company has no Board and Portfolio Manager regularly horizon scan and consider what they can do to address thes

GOING CONCERN

The Financial Statements have been prepared on a going concern basis. The Directors consider that this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the Company's investment objective, risk management policies and capital management policies, the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the Company to meet all of its liabilities and ongoing expenses.

In determining the appropriateness of the going concern basis, the Directors gave particular focus to the operational resilience and ongoing viability of the Portfolio Manager, the AIFM and other key third-party suppliers.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and the Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the return or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

(a) select suitable accounting policies and then apply them consistently;

(b) make judgements and accounting estimates that are reasonable and prudent;

(c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

(d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Report of the Directors, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company website *www.brownadvisory.com/basc* which is a website maintained by Brown Advisory LLP. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, who are listed within this Annual Report, confirms to the best of their knowledge that:

1. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

2. the Strategic Report includes a fair review of the development and performance of the Company, together with a description of the principal risks and uncertainties that the Company faces; and

3. in their opinion the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary to assess the Company's position and performance, business model and strategy.

So far as each Director is aware at the time the report is approved:

1. there is no relevant audit information of which the Company's Auditor is unaware; and

2. the Directors have taken all steps required of a company director to make themselves aware of any relevant audit information and to establish that the Company's Auditor has been made aware of that information.

BY ORDER OF THE BOARD

STEPHEN WHITE
Chairman
29 September 2025

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

			2025		
	Note	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000
(Losses)/gains from investments held at fair value through profit or loss	8	-	(5,178)	(5,178)	-
Foreign exchange loss		-	(880)	(880)	-
Investment income	3	962	-	962	1,018
Other Income	3	225	-	225	180
Total income		**1,187**	**(6,058)**	**(4,871)**	**1,198**
Management fee	4	(1,152)	-	(1,152)	(1,222)
Other expenses	5	(605)	(3)	(608)	(578)
Total expenses		**(1,757)**	**(3)**	**(1,760)**	**(1,800)**
(Loss)/return before taxation		**(570)**	**(6,061)**	**(6,631)**	**(602)**
Taxation	6	(132)	-	(132)	(126)
Net (loss)/return after taxation		**(702)**	**(6,061)**	**(6,763)**	**(728)**
Net (loss)/return per Ordinary share	7	**(5.99)p**	**(51.67)p**	**(57.66)p**	**(6.11)p**

The total column of this statement is the profit and loss account of the Company.

The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no other comprehensive income, and therefore the net return after taxation is also the total comprehensive income for the year.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

These Notes within the Annual Report form part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note
Fixed assets	8
Investments at fair value through profit or loss	
Current assets	
Debtors	10
Cash at bank and in hand and cash equivalents	11
Creditors: amounts falling due within one year	12
Net current assets	
Total assets less current liabilities	
Capital and reserves	
Called up share capital	14
Share premium account	
Non-distributable reserve	
Capital redemption reserve	
Retained earnings - capital reserve	
Retained earnings - revenue reserve	
Total shareholders' funds	
Net asset value per Ordinary share (pence)	15

The Financial Statements within the Annual Report were approved by the Board of Directors and signed on its behalf on 29 September 2025.

STEPHEN WHITE
Chairman
Company Registration Number 02781968

The Notes within the Annual Report form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

for the year ended 30 June 2025	Called up Share Capital £'000	Share Premium £'000	Non-distributable Reserve £'000	Capital Redemption Reserve £'000	Capital Reserve† £'000
1 July 2024	**4,555**	**19,550**	**841**	**9,628**	**149,973**
Repurchase of Ordinary shares to be held in treasury	-	-	-	-	(4,382)
Net return for the year	-	-	-	-	(6,061)
Balance at 30 June 2025	**4,555**	**19,550**	**841**	**9,628**	**139,530**

for the year ended 30 June 2024	Called up Share Capital £'000	Share Premium £'000	Non-distributable Reserve £'000	Capital Redemption Reserve £'000	Capital Reserve† £'000
1 July 2023	**4,555**	**19,550**	**841**	**9,628**	**145,848**
Repurchase of Ordinary shares to be held in treasury	-	-	-	-	(1,199)
Net return for the year	-	-	-	-	5,324
Balance at 30 June 2024	**4,555**	**19,550**	**841**	**9,628**	**149,973**

* Dividends are only payable from the revenue reserve element of retained earnings.

† Retained earnings comprise the total of Capital reserve and Revenue reserve.

The Notes within the Annual Report form part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note
Cash flows from operating activities	
Investment income received (gross)	
Deposit interest received	
Investment management fee paid	
Other cash expenses	
Net cash outflow from operating activities before taxation	
Taxation	

Net cash outflow from operating activities

Cash flows from investing activities
Purchases of investments
Sales of investments

Net cash inflow/(outflow) from investing activities
Cash flows from financing activities
Repurchase of ordinary shares into Treasury

Net cash outflow from financing activities

(Decrease) in cash
Cash and cash equivalents at the start of the year Realised loss on foreign currency
Realised loss on foreign currency

Cash and cash equivalents at end of the year

The Notes within the Annual Report form part of these Financial Statements.

RECONCILIATION OF NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Net return before taxation
Gain on investments
Realised loss on foreign currency
(Increase) in Debtors
Increase in other creditors and accruals

Net cash outflow from operating activities before taxation

ANALYSIS OF CHANGES IN NET DEBT

	At 30 June 2024 £'000	Cash Flow £'000
Cash at bank and cash equivalents	9,722	(872)
	9,722	**(872)**

The Notes within the Annual Report form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. GENERAL INFORMATION

Brown Advisory US Smaller Companies PLC (a Public Company Limited by shares) is an investment Company incorporated in the United Kingdom with a premium listing on the London Stock Exchange. The Company registration number is 02781968 and the registered office is 4th Floor, 140 Aldersgate Street, London EC1A 4HY.

The Company conducts its affairs so as to qualify as an investment trust under the provisions of section 1158 of the Corporation Tax Act 2010. The Company has qualified as an investment trust in respect of all relevant years up to and including the year ended 30 June 2025. Section 1158 was amended to allow companies to seek approval of compliance in advance and for all subsequent financial years. The Company received such advance approval subject to it continuing to meet the relevant eligible conditions and ongoing requirements. The Company intends to conduct its affairs so as to enable it to comply with the requirements. Such approval exempts the Company from UK corporation tax on gains realised in the relevant year on its portfolio of fixed asset investments.

A summary of the accounting policies, all of which have been applied consistently throughout the period is set out below.

2. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements for the year ended 30 June 2025 have been prepared in accordance with UK Generally Accepted Accounting Practice ('UK GAAP') including Financial Reporting Standard 102 ('FRS 102'), the financial reporting standard applicable in the UK and Republic of Ireland and with the Statement of Recommended Practice ('SORP') for Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Companies ('AIC') in July 2022.

The Company continues to adopt the going concern basis in the preparation of the Financial Statements. The Financial Statements have been prepared in accordance with the Company's accounting policies as set out below. They are presented in accordance with the Companies Act 2006 (the 'Act') and the requirements of the SORP 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in July 2022.

In accordance with FRS 102, the Company is required to identify its functional reporting currency in which the Company predominantly operates. Having regard to the Company's share capital and the predominant currency in which its shareholders operate, pounds sterling, is the identified functional and presentation reporting currency of the Company.

The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental reporting is required.

STATEMENT OF COMPLIANCE

The Financial Statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102 and the Companies Act 2006.

(b) Principal accounting policies

(b) Principal accounting policies

(i) Financial instruments

Financial instruments include fixed asset investments and derivative assets and liabilities.

Accounting standards recognise a hierarchy of fair value measurements for financial instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

Level 1 - Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Included within this category are investments listed on any recognised stock exchange.

Level 2 - Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be those for which the quoted price has been recently suspended, forward exchange contracts and certain other derivative instruments.

Level 3 - External inputs are unobservable.

Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instruments. Included within this category are unquoted investments.

(ii) Fixed asset investments

As an investment trust, the Company measures its fixed asset investments at "fair value through profit or loss" and treats all transactions on the realisation and revaluation of investments as transactions on the capital account. Purchases are recognised on the relevant trade date, inclusive of expenses which are incidental to their acquisition. Sales are also recognised on the trade date, after deducting expenses incidental to the sales.

Quoted investments are valued at bid value at the close of business on the relevant date on the exchange on which the investment is quoted.

(iii) Foreign currency

Monetary assets, monetary liabilities and equity investments denominated in a foreign currency are expressed in sterling at rates of exchange ruling at the Statement of Financial Position date. Purchases and sales of investment securities, dividend income, interest income and expenses are translated at the rates of exchange prevailing at the respective dates of such transactions.

Foreign exchange profits and losses on fixed asset investments are included within the changes in fair value in the capital account. Foreign exchange profits and losses on other currency balances are separately credited or charged to the capital account except where they relate to revenue items when they are credited or charged to the revenue account.

(iv) Income

Income from equity shares is brought into the revenue account (except where, in the opinion of the Directors, its nature indicates it should be recognised within the capital account) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.

Dividends from overseas companies are shown gross of withholding tax.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash (scrip dividends), the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the capital account.

Deposit interest income and interest from cash equivalents is accounted for on an accruals basis and recognised in the period the interest is earned.

(v) Expenses, including finance charges

Expenses are charged to the revenue account of the Income Statement, except as noted below:

- expenses incidental to the or disposal of fixed asset investments are included within the cost of the investments or deducted from the disposal proceeds of investments and are thus charged to the capital element of retained earnings - arising on investments sold via the capital account;

and

- all expenses are accounted for on an accruals basis. Finance charges are accrued using the effective interest rate method.

(vi) Taxation

Withholding tax deducted at source from income received is treated as part of the taxation charge in the income account, in instances where it cannot be recovered.

Deferred tax is provided in accordance with FRS 102, on an undiscounted basis, on all timing differences that have originated but not reversed by the Statement of Financial Position date, based on the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

(vii) Capital redemption reserve

The nominal value of Ordinary share capital purchased and cancelled is transferred out of called-up share capital and into the capital redemption reserve.

Capital redemption reserve is not available for the payment of dividends.

(viii) Retained earnings
This consists of the following:

Capital return
The following are accounted for in this reserve:

· gains and losses on the realisation of fixed asset investments;

· increases and decreases in the valuation of fixed asset investments held at the year end;

· realised and unrealised foreign exchange differences of a capital nature;

· tax charges associated with transactions of a capital nature;

· costs of professional advice, including related irrecoverable VAT, relating to the capital structure of the Company;

· other capital charges and credits charged or credited to this account in accordance with the above policies; and

· the costs of purchasing Ordinary share capital.

Revenue return
· the income return or loss for the year is taken to the income element of this reserve.

This element of the retained earnings reserve may be used to fund the distribution of profits to investors via dividend payments only when this is in a surplus position. Currently there is an accumulated loss and therefore no distributions can be paid.

(ix) Borrowing and finance costs
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs and subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Finance costs are recognised in the Income Statement in the period in which they are incurred. All finance costs are directly charged to the revenue column of the Income Account.

(x) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, demand deposits and short term highly liquid investment that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Recognition - cash and cash equivalents are recognised at the time funds are received into the company bank accounts, settlement accounts, or custodial accounts. Similarly, withdrawals or transfers are recognised when payments are initiated or cleared.

Measurement - Cash and cash equivalents are measured at amortised cost, which approximates fair value due to their short- term nature. Cash and cash equivalents typically include balances with banks and custodians, including current accounts and overnight deposits, short term investments, margin cash balances held with brokers and demand deposits.

(xi) Securities sold awaiting settlement
Securities sold awaiting settlement represent proceeds due from the sale of investments which have been contracted for but not yet settled as at the reporting date.

Under FRS 102, these balances are recognised when the contractual obligation for the sale has been established (i.e. trade date accounting is applied), and are measured initially at fair value, which is typically the transaction price.

Receivables arising from securities sold are presented within current assets on the Statement of Financial Position.

(c) Significant accounting judgements, estimates and assumptions
The preparation of the Company's Financial Statements on occasion requires management to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

Management do not believe that any significant accounting judgements have been applied to these Financial Statements other than the allocations between capital and revenue shown in Notes 4 and 5.

3. INCOME

	£
Investment Income	
Dividends from United Kingdom companies	
Dividends from overseas companies	

	=====
Other income	
Deposit interest	
Interest from liquidity fund (cash equivalents)	

Total income	

4. MANAGEMENT FEE

	2025			
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000
Management fee	1,152	-	1,152	1,222
	1,152	**-**	**1,152**	**1,222**

Details of the calculation of the management fee are given in Note 16.

5. OTHER EXPENSES

	2025			
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000
Directors' remuneration	147	-	147	160
Auditor's remuneration - audit of the Company Financial Statements	56	-	56	53
Other expenses	402	3	405	365
	605	**3**	**608**	**578**

6. TAXATION

(a) Analysis of tax charge in the year

	2025			
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000
Overseas tax charge relating to the current year	132	-	132	126
Total tax (see Note 6b)	**132**	**-**	**132**	**126**

(b) Factors affecting current tax charge for the year

The tax assessed for the year is higher than (2024: lower) the Company's applicable rate of corporation tax of 25% (2024: 25%). The differences are explained below:

	2025			
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000
Net (loss)/return before taxation	(570)	(6,061)	(6,631)	(602)
Corporation tax at 25.00% (2024: 25.00%)	(142)	(1,515)	(1,657)	(151)
Effects of:				
Tax free gain/(loss) on investments	-	1,514	1,514	-
Non-taxable income received	(222)	-	(222)	(234)
Capital expenses deductible for tax purposes	-	1	1	-
Overseas tax relating to the current year	132	-	132	126
Double taxation relief expensed	(3)	-	(3)	-
Unutilised management expenses for the year	367	-	367	385
Total tax charge for the year	**132**	**-**	**132**	**126**

Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

There is an unrecognised deferred tax asset of £6,210,000 (2024: £5,841,000) which relates to unutilised excess expenses. The deferred tax asset would only be recovered if the Company were to generate sufficient profits to utilise these expenses. It is considered too uncertain that this will occur and therefore, no deferred tax asset has been recognised.

7. NET (LOSS)/RETURN PER ORDINARY SHARE

The return per Ordinary share figure is based on the net loss for the year of £6,762,857 (2024: Profit £4,596,536), and on 11,728,907 (2024: 11,918,279) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The return per Ordinary share figure detailed above can be further analysed between revenue and capital, as below.

Net revenue loss
Net capital (loss)/return
Net total (loss)/return
Weighted average number of Ordinary shares in issue during the year
Revenue loss per Ordinary share
Capital (loss)/return per Ordinary share
Total (loss)/return per Ordinary share

8. Investments held as at fair value through profit or loss

(a) Portfolio investments

Valuation at beginning of year

Investment holding (losses)/gains at beginning of year

Cost at beginning of year

Purchases at cost
Sales at cost
Cost at end of year
Investment holding gains at end of year

Valuation at end of year

Investments listed overseas included above

(b) (Losses)/gains on investments

Net losses on sale of investments
Movement in investment holding (losses)/gains

(Losses)/gains on investments

9. Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within losses (2024: gains) on investments in the Income Statement. The total costs were as follows:

Purchases
Sales

Total

10. Debtors

Prepayments and accrued income
Dividends receivable
Securities sold awaiting settlement

11. Cash and cash equivalents

Cash at bank and in hand
Cash equivalents

Cash equivalents comprise liquidity holdings in the Blackrock ICS US Treasury Open-Ended Fund and in the GSLN LQ TR US Open-end fund.

12. Creditors: amounts falling due within one year

Management fee
Other creditors and accruals
Purchases awaiting settlement

13. FINANCIAL INSTRUMENTS

Background

The Company's financial instruments comprise securities and other investments, cash balances and term loans, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases of investments awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short-term debtors and creditors which are denominated in sterling and do not incur interest and therefore are not subject to foreign currency risk or interest rate risk.

The principal risks the Company faces in its portfolio management activities are:

- foreign currency risk
- market price risk
- interest rate risk
- liquidity risk
- credit and counterparty risk

The Portfolio Manager's policies for managing these risks are summarised below and have been applied throughout the year.

(a) Foreign currency risk

(a) Foreign currency risk
A substantial portion of the financial assets of the Company are denominated in US Dollars with the result that the Statement of Financial Position and Income Statement can be significantly affected by currency movements.

The Company normally takes account of this risk when making investment decisions although it could hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated.

Foreign currency sensitivity
The principal currency to which the Company was exposed during the year was the US Dollar as all investments are quoted in that currency. The exchange rates applying against sterling at 30 June and the average rates during the year ended 30 June were as follows:

	2025	
	At 30 June	Average for the year
US Dollar	1.3704	1.2943
	1.3704	**1.2943**

The following tables illustrate the sensitivity of the profit after tax for the year and net assets to exchange rates for sterling against the US Dollar. It assumes the following changes in exchange rates:

£/US Dollar +/- 5% (2024: +/- 5%)

These percentages have been determined based on market volatility in exchange rates over the previous twelve months. The sensitivity analysis is based on the company's foreign currency financial instruments held at the date of each Statement of Financial Position.

If sterling had weakened by 5% (2024: 5%) against the currencies this would have had the following effect on revenue, capital, total return and, accordingly, net assets:

		2025		
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000
US Dollar	(51)	7,772	7,721	(58)
	(51)	**7,772**	**7,721**	**(58)**

If sterling had strengthened by 5% (2024: 5%) against the currencies below this would have had the following effect:

		2025		
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000
US Dollar	51	(7,772)	(7,721)	58
	51	**(7,772)**	**(7,721)**	**58**

(b) Market price risk
By the very nature of its activities, the Company's investments are exposed to market price fluctuations.

The board reviews and agrees policies for managing this risk. The investment adviser assesses the exposure to market price risk when making each investment decision, and monitors the overall level of market price risk on the whole of the investment portfolio on an ongoing basis. Further information on the investment portfolio and investment policy is set out in the Portfolio Manager's Review within the Annual report.

Other price risk sensitivity
The following illustrates the sensitivity of the profit after taxation for the year and the total equity to an increase or decrease of 20% (2024: 20%) in the fair value of the Company's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the year. The sensitivity analysis is based on the Company's equities at each reporting date, with all other variables held constant.

The impact of a 20% increase in the value of investments on the revenue loss for the year to 30 June 2025 is a decrease of £202,000 (2024: £232,000) and on the capital return is an increase of £31,088,000 (2024: £33,185,000).

The impact of a 20% fall in the value of investments on the revenue loss for the year to 30 June 2025 is an increase of £202,000 (2024: £232,000) and on the capital return is a decrease of £31,088,000 (2024: £33,185,000).

(c) Interest rate risk
Interest rate movements may affect:

- the fair value of investments of fixed interest securities,
- the level of income receivable from any floating interest-bearing securities and cash at bank and on deposit, and
- the interest payable on floating interest term loans.

The financial assets (excluding short-term debtors) consist of:

		2025	
	Cash flow	No	Cash flow

	interest rate risk £'000	interest rate risk £'000	Total £'000	interest rate risk £'000
GBP	1,287	-	1,287	2,853
US Dollar	6,683	-	6,683	6,869
	7,970	**-**	**7,970**	**9,722**

The floating interest rate risk assets consist of cash deposits at call.

The financial liabilities consist of:

		2025		
	Fixed rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000
US Dollar	-	466	466	-
GBP	-	-	-	-
	-	**466**	**466**	**-**

(d) Liquidity risk
Liquidity risk is not considered significant. All liabilities are payable within three months. The Company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary.

(e) Credit and counterparty risk
Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company manages credit risk by using brokers from a database of approved brokers who have undergone due diligence tests by the Portfolio Manager's Best Execution Committee and by dealing through JPMCB with banks authorised by the Financial Conduct Authority. Any derivative positions are marked to market and exposure to counterparties is monitored on a daily basis by the Portfolio Manager; the Board reviews it on a quarterly basis. The maximum exposure to credit risk at 30 June 2025 was £8,425,000 (2024: £9,801,000).

The calculation is based on the Company's credit exposure as at 30 June 2025 and may not be representative of the year as a whole.

(f) Fair value of financial assets and financial liabilities
The financial assets and financial liabilities are carried in the Statement of Financial Position at their fair value or the statement amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals and cash at bank).

Fair Value hierarchy

FRS102 - section 34.22 on Financial Instruments requires financial institutions, such as investment trusts, to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables includes only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the instrument and not based on available observable market data. The financial assets measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy as follows:

		2025				2024
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000
Investments	155,440	-	-	155,440	165,925	-

(g) Use of derivatives
In order to enhance returns, the Company may take short positions (using contracts for difference) in respect of a small number of larger capital securities. There were no derivative positions held at the year end (2024: nil).

14. PAID-UP SHARE CAPITAL

	2025 Number	£'000
Ordinary shares of 25p each		
Balance brought forward	11,862,159	2,964
Ordinary shares repurchased into treasury	(328,372)	(82)
Closing balance of Ordinary shares	**11,533,787**	**2,882**
Treasury shares		
Balance brought forward	6,361,254	1,591
Repurchase of Ordinary shares into treasury	328,372	82
Closing balance of Ordinary shares held in treasury	**6,689,626**	**1,673**
Total		**4,555**

328,372 shares were bought back in the year for holding in treasury (2024: 90,000) for a total consideration of £4.38m (2024: £1.20m). 6,689,626 shares were held in Treasury during the year (2024: 6,361,254). Therefore the Company has bought back 2.8% of its shares in the year (2024: 0.8%).

Since the year end, 82,762 further shares were bought back for holding in treasury.

The reasons for the repurchases of the Company's shares are provided in the Chairman's Statement within the Annual Report.

15. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per Ordinary share is based on the net assets attributable to the equity shareholders of £163,399,000 (2024: £174,544,000) and on 11,533,787 (2024: 11,862,159) Ordinary shares, being the number of Ordinary shares in issue at the year end.

16. RELATED PARTIES AND TRANSACTIONS WITH THE PORTFOLIO MANAGER AND THE AIFM

Directors

There are no transactions with the Directors other than aggregated remuneration for services as Directors as disclosed in the Directors' Remuneration Report within the Annual Report and as set out in Note 5 to the Financial Statements and the beneficial interests of the Directors in the Ordinary shares of the company as disclosed within the Annual report.

Transactions with the Portfolio Manager and the AIFM

FundRock Partners Limited (FundRock) has been appointed as AIFM to the Company pursuant to an Alternative Investment Fund Management Agreement between FundRock and the Company. FundRock has also been appointed to provide company secretarial services to the Company.

Brown Advisory has been appointed to provide portfolio management services pursuant to a Portfolio Management Agreement between the Company, FundRock and Brown Advisory.

Up until 31 December 2024 the management fee has been calculated at an annual rate of 0.7% on the first £200 million; 0.6% of the next £300 million; and 0.5% thereafter of the Company's adjusted net assets.

With effect from 1 January 2025, the revised management fee has been calculated at an annual rate of 0.65% on the first £200 million; 0.6% of the next £300 million; and 0.5% thereafter of the Company's adjusted net assets.

The management fee is payable by the Company to FundRock, who shall deduct from the management fee the amounts due to it as AIFM and for company secretarial services and shall pay the balance to Brown Advisory.

The management fee is calculated and payable on a quarterly basis.

The management fee payable to FundRock for the period from 1 July 2024 to 30 June 2025 was £1,152,000 (payable to FundRock for the period from 1 July 2023 to 30 June 2024: £1,222,000) with £262,000 outstanding as at 30 June 2025 (2024: £303,000).

The appointment of Brown Advisory and FundRock may be terminated by not less than six months' notice.

17. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments outstanding at 30 June 2025 (2024: nil).

18. Annual results

This Annual Results announcement does not constitute the Company's statutory accounts for the years ended 30 June 2024 and 30 June 2025 but is derived from those accounts. Statutory accounts for the year ended 30 June 2024 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 June 2024 and the year ended 30 June 2025 both received an audit report which was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not include statements under Section 498 of the Companies Act 2006 respectively. The statutory accounts for the year ended 30 June 2025 will be delivered to the Registrar of Companies.

19. Other information

The Annual General Meeting of the Company will be held on 10 November 2025.

A copy of the Annual Report & Accounts for the year ended 30 June 2025 will shortly be submitted to the National Storage Mechanism and will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism

The Annual Report & Accounts will also be available for download from the Company's website www.brownadvisory.com/basc

Enquiries:

FundRock Partners Limited, Company Secretary
ukfundscosec@apexgroup.com

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

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