

BBH Select Series - Mid Cap Fund

Quarterly Fund Update / 1Q 2022

The Russell Midcap Index declined -5.68% in the first quarter of 2022 on a total return basis. By comparison, BBH Select Series - Mid Cap Fund ("the Fund") declined -9.52%. Since its inception on May 24, 2021 through the end of March 2022, the Fund rose by 2.70% compared to a 1.88% return for the Russell Midcap.

During the quarter, the Russian invasion of Ukraine created several headwinds for our portfolio's relative performance. Most prominently, it helped drive the price of oil to new highs and in turn the Energy sector¹ increased 40.0% during the first quarter. Consumer Staples and Utilities, both relatively defensive sectors, were the second and third best performing up 5.4% and 3.7%, respectively. These sectors do not include many companies that are a good fit with our criteria, which is focused on identifying franchises that are likely to outperform over a full market cycle driven by strong financials and attractive growth prospects. While we may invest in one or more of these sectors in the future, the Fund currently has no exposure to Energy, Consumer Staples, or Utilities, and this alone explains most of our underperformance in the quarter. The remaining sectors of the Russell Midcap declined by -8.4%.

The Russian invasion also impacted the cost and availability of a wide variety of commodities, exacerbating supply chain constraints and input availability across many industries. Inflation and interest rate expectations increased, as commodities had their best quarter since 1990 while U.S. bonds had their worst quarter since 1980. This created headwinds for many of our companies with perceived or actual exposure to housing, venture capital funding, and life science research.

We note that many of the strongest contributors to the Russell Midcap Index return this quarter were companies that we judge to be poorly managed with weak track records of capital allocation, high leverage, low current returns, moribund growth prospects, and a poor fit with our ESG expectations. Accordingly, we remain very confident in the prospects of our current portfolio of high-quality companies with structural growth opportunities, many of which we were able to add to at attractive prices relative to a backdrop of continued strong fundamental operating performance.

Portfolio Contribution

For the first quarter, our largest positive contributor was **Crown Holdings** ("Crown"), a position we added to in the fourth quarter, which returned 13.3% and ended the quarter as our largest holding with a weight of 7.0%. Crown is a leading manufacturer of aluminum beverage cans and industrial transit packaging. The company reported strong Q4 and full year 2021 results and announced guidance for 2022 ahead of market consensus, including 9% beverage can volume growth. This is despite significant tornado damage at its newest beverage can plant in Bowling Green, Kentucky, which remained offline for most of the first quarter. As many markets are chronically undersupplied due to structural growth drivers that favor aluminum cans over alternatives, Crown continues to invest in new production capacity with new plants in Martinsville, Virginia and Uberaba, Brazil, as well as additional can lines at existing plants in Phnom Penh, Cambodia and Monterrey, Mexico. Crown is largely protected from inflation with contractual pass-throughs of key input costs, such

¹ The Fund uses GICS sector classifications for evaluating sector weights and performance.

Performance As of March 31, 2022							
	Total Returns		Average Annual Total Returns				
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception*
Class I	-9.52%	-9.52%	N/A	N/A	N/A	N/A	2.70%
Benchmark	-5.68%	-5.68%	N/A	N/A	N/A	N/A	1.88%

Class I Inception: 05/24/2021
Class I: Net/Gross Expense Ratio (%) 0.90 / 2.46
* Returns are not annualized.

The Brown Brothers Harriman & Co., through a separately identifiable department ("Investment Advisor") has contractually agreed to limit the Total Annual Fund Operating Expenses excluding certain expenses to 0.90% through March 1, 2023. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees.

Performance data quotes represents past performance. Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than the original cost. For performance current to the most recent month-end please call 1-800-625-5759. Shares redeemed within 30 days of purchase are subject to a redemption fee of 2%.

The Russell Midcap Index, the Fund's benchmark, is a market capitalization-weighted index comprised of approximately 800 publicly traded U.S. companies with market caps of between \$1 and \$66 billion. The index is not available for direct investment. The composition of the index is materially different than the Fund's holdings.

The Fund is new with a limited operating history.

Sources: BBH & Co. and Russell

as aluminum, and is implementing price increases and tightening the timing of pass-throughs as contracts renew. Crown expects to return over \$1 billion to shareholders in 2022 in the form of dividends and buybacks.

Our second largest positive contributor in the quarter was **Mercury Systems** ("Mercury"), a new position we initiated in the fourth quarter, which returned 17.1% and ended the quarter with a weight of 3.5%. Mercury is a producer of electronic components and systems to the defense industry, and is focused on introducing leading commercial technology capabilities into defense applications. Products include highly sophisticated processing and electronic warfare subsystems for major weapons programs such as the F-35 and the Army and Navy's next generation radar systems. Despite supply chain challenges that have been a headwind across the defense industry, the demand for Mercury's products appears likely to increase significantly following the Russian invasion of Ukraine. After passing through Congress, President Joe Biden approved a new \$728.5 billion defense budget that was 3% more than initially requested. The budget includes 9% growth in R&D which we believe will benefit Mercury's technology offerings. In addition, international defense spending commitments are increasing, with a focus on more sophisticated equipment to address risks. Following the Delta and Omicron variants, labor issues (primarily absenteeism) are also expected to improve for Mercury and its customers.

The Fund's largest performance detractor during the first quarter was **Charles River Laboratories** ("Charles River"), which declined 24.6% and ended the quarter with a weight of 6.0%. Charles River is a leading early-stage contract research organization (CRO) providing discovery, safety assessment, and other services to pharmaceutical and biotechnology companies. The company continues to experience strong growth consistent with its guidance across all three of its segments including strong tailwinds from biotech spending, rapid growth in the drug candidate pipeline, and increased activity in cell and gene therapy. However, the market sentiment surrounding Charles River's biotech customers has deteriorated given lower levels of biotech industry funding, increased market volatility, and higher interest rates. While early-stage pipelines can be more susceptible to funding slowdowns, management has been adamant that it sees no evidence of waning demand amongst its client base, a view corroborated by a number of companies in the broader life sciences ecosystem. In contrast to market sentiment, Charles River continues to experience "unprecedented demand", delivering Q4 results that were well ahead of consensus and reaffirming strong 2022 guidance. The outlook for revenue growth of 13-15% in 2022 is underpinned by a high level of visibility with client bookings out to 2023, a steady cadence of price increases, and a record backlog. We added several times to our position in Charles River during the first quarter.

Our second largest detractor was **Black Knight Inc** ("Black Knight"), which declined 30.0% and ended the quarter with a weight of 4.4%. Black Knight is a leading provider of mortgage servicing platform software, loan origination system software, and real estate data and analytics. Market sentiment around these end markets also deteriorated significantly as the potential for higher interest rates raised concerns over housing activity and volumes. However, as a mission critical provider of software deeply embedded in its customer's operations, Black Knight's franchise is highly predictable with over 90% recurring revenue and even higher revenue retention. Fourth quarter earnings were ahead of consensus and 2022 guidance was in line with expectations, with the decline in origination volumes expected to offset by higher foreclosure volumes. Black Knight also purchased the remaining 40% interest in the product pricing engine Optimal Blue from Thomas H. Lee Partners and Cannae Holdings for \$1.2 billion. This transaction will be accretive to 2022 earnings per share and simplify Black Knight's accounting and valuation. We also added to our position in Black Knight during the first quarter.

Portfolio Changes

In the first quarter, we exited our investment in **IPG Photonics Corp** ("IPG") and added a new position in **LPL Financial Holdings Inc** ("LPL").

Holdings As of March 31, 2022	
Crown Holdings Inc	7.0%
Entegris Inc	6.6%
Brown & Brown Inc	6.2%
Charles River Laboratories International Inc	6.0%
AMN Healthcare Services Inc	5.3%
Watsco Inc	5.3%
Advanced Drainage Systems Inc	4.4%
Black Knight Inc	4.4%
Arista Networks Inc	4.3%
Take-Two Interactive Software Inc	4.3%
Guidewire Software Inc	4.2%
NVR Inc	4.2%
Wyndham Hotels & Resorts Inc	4.1%
AptarGroup Inc	3.9%
Vulcan Materials Co	3.8%
SVB Financial Group	3.6%
Mercury Systems Inc	3.5%
HEICO Corp (Class A)	3.3%
Shift4 Payments Inc (Class A)	3.2%
LPL Financial Holdings Inc	2.5%
Bright Horizons Family Solutions Inc.	2.4%
Graco Inc	1.7%
Bruker Corp	1.6%
Broadridge Financial Solutions	1.2%
Toro Co	1.1%
Cash & Cash Equivalents	1.9%

Holdings are subject to change.

IPG is the leading producer of fiber laser products used in cutting and welding, including for solar cell and electric vehicle manufacturing alongside a broad range of industrial applications. Unfortunately, one of IPG's three major manufacturing sites, along with nearly 30% of its global workforce, is located in Russia. IPG's Russian presence has historically represented a competitive advantage in terms of recruiting new talent to support its technological leadership, and IPG proved resilient during prior geopolitical crises such as the annexation of Crimea. With the most recent conflict in Ukraine, it became clear that this war presented significant and ongoing operational risk with the potential for enhanced sanctions and trade restrictions. In addition to research and development, IPG relies on its Russian manufacturing site to supply US and German facilities with optical components. Despite these escalating risks, the share price of IPG initially failed to react, and we took decisive action to immediately exit our position in full. The share price subsequently declined 17.5% between our exit and quarter end.

LPL is the nation's largest independent broker dealer and a leader in the retail investor financial advice market. LPL provides independent financial advisors, registered investment advisors (RIAs), third party financial institutions, and employee advisors with back, middle, and front office tools to fully manage a domestic financial advisor practice. Organic net new asset growth has accelerated due to strong execution on driving advisor recruitment, advisor productivity, and better retention of both advisors and assets. The company has also expanded its addressable market through new affiliation models and by upgrading existing offerings to service a wider market. We believe organic growth will remain elevated due to favorable secular trends for independent advisors, market share gains due to LPL's leading value proposition, continued third-party financial institution wins, success in new channel expansion, and improved advisor productivity through leverage of business services offerings. LPL is also well prepared to offset industry pricing headwinds with mix shift from lower gross profit brokerage assets to advisory, and within advisory to higher gross profit centrally managed accounts. The company also benefits from the rising rate environment through yields on client cash.

As mentioned above, we added to our positions in Charles River and Black Knight. In addition, we added multiple times to our position in **SVB Financial** ("SVB" or "Silicon Valley Bank"). SVB's balance sheet is very asset sensitive and will be a significant beneficiary of interest rate increases, but it is also exposed to venture capital funding levels and capital markets activity, which appears to have had a greater impact on market sentiment. With a longer-term perspective, we felt this created an attractive opportunity to add to our position. Based on relative valuation, we also added to a lesser extent to **Entegris Inc, Shift4 Payments Inc, Take-Two Interactive Software, Watsco Inc, Guidewire Software, Heico Corp, Bright Horizons Family Solutions, Advanced Drainage Systems, and AptarGroup Inc.** Conversely, we trimmed our holdings in **Brown & Brown Inc, Broadridge Financial Solutions, and Vulcan Materials Co.** Our turnover was 4.9% for the first quarter and 10.7% since inception on May 24, 2021.

Conclusion

At the end of the first quarter 2022, we had positions in 25 companies with 54% of our assets held in the ten largest holdings. As of March 31st, the Fund was trading at 79% of our underlying intrinsic value estimates on a weighted-average basis. We ended the quarter with a cash position of 1.9%.

Our criteria are designed to identify companies that are most likely to outperform over a full market cycle, and it limits our opportunity set to the highest quality companies with the best long-term potential. Most companies do not meet our criteria, and some sectors have more companies that meet our criteria than others. In order to determine business quality, we evaluate how a company is positioned relative to its customers, competitors, suppliers, and other peers in the value chain. Companies that are leaders in growing markets typically have far more attractive investment opportunities and fewer operational challenges. They are also more likely to have sustainable competitive advantages with superior returns on invested capital and market power. Companies offering essential products and services generally have strong pricing power over time and are less sensitive to inflation and economic downturns, particularly if there are few variables beyond management's control. These attributes tend to result in strong customer loyalty, which in turn allow the company to grow faster and more profitably. By applying these business quality principles to the companies in our portfolio, we expect to deliver attractive investment returns over time while minimizing the potential for permanent loss of capital.

Thank you for your interest in BBH Select Series – Mid Cap. Please reach out if you have any questions.

Sincerely,



Timothy F. Harris
Fund Manager



Share Class Overview
As of March 31, 2022

	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class I	BBMIX	5/24/2021	\$14.0	\$10.27

Equity Weighting As of March 31, 2022	
Common Stock	98.1%
Cash and Cash Equivalents	1.9%
Total	100.0%

Sector Weighting As of March 31, 2022	
Communication Services	4.4%
Consumer Discretionary	10.9%
Consumer Staples	0.0%
Energy	0.0%
Financials	12.6%
Health Care	13.2%
Industrials	19.7%
Information Technology	24.3%
Materials	14.9%
Real Estate	0.0%
Utilities	0.0%
Total	100.0%

Reported as a percentage of portfolio securities, excluding Cash and Cash Equivalents.

Top 10 Companies As of March 31, 2022	
Crown Holdings Inc	7.0%
Entegris Inc	6.6%
Brown & Brown Inc	6.2%
Charles River Laboratories International Inc	6.0%
AMN Healthcare Services Inc	5.3%
Watsco Inc	5.3%
Advanced Drainage Systems Inc	4.4%
Black Knight Inc	4.4%
Arista Networks Inc	4.3%
Take-Two Interactive Software Inc	4.3%
Total	53.9%

Reported as a percentage of total portfolio.

Fund Facts As of March 31, 2022	
Number of Securities Held	25
Average Market Cap (bil)	\$14.3
Exclude cash equivalents	

There is no assurance the Fund will achieve its investment objective.

Portfolio holdings and characteristics are subject to change. Totals may not sum due to rounding.

Opinions, forecasts, and discussions about investment strategies represent the author's views as of the date of this commentary and are subject to change without notice. References to specific securities, asset classes, and financial markets are for illustrative purposes only and are not intended to be and should not be interpreted as recommendations.

Purchase and sale information provided should not be considered as a recommendation to purchase or sell a particular security and that there is no assurance, as of the date of publication, that the securities purchased remain in a fund's portfolio or that securities sold have not been repurchased.

RISKS

Investors in the Fund should be able to withstand short-term fluctuations in the equity markets and fixed income markets in return for potentially higher returns over the long term. The value of portfolios changes every day and can be affected by changes in interest rates, general market conditions and other political, social and economic developments.

The Fund is 'non-diversified' and may assume large positions in a small number of issuers which can increase the potential for greater price fluctuation. Foreign investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

Investing in small or medium sized companies typically exhibit greater risk and higher volatility than larger, more established companies.

Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs may be highly volatile or may decline shortly after the IPO. Asset allocation decisions by a large investor or an investment adviser, particularly large redemptions, may adversely impact remaining Fund shareholders.

For more complete information, visit www.bbhffunds.com for a prospectus. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.

Shares of the Fund are distributed by ALPS Distributors, Inc. and is located at 1290 Broadway, Suite 1000, Denver, CO 80203.

Brown Brothers Harriman & Co. ("BBH"), a New York limited partnership, was founded in 1818 and provides investment advice to registered mutual funds through a separately identifiable department (the "SID"). The SID is registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940.

Not FDIC Insured

No Bank Guarantee

May Lose Money