

BBH Select Series - Mid Cap Fund

Quarterly Fund Update / 1Q 2023

1Q Highlights

- The BBH Select Series - Mid Cap Fund ("the Fund") increased 7.38% in the first quarter of 2023 on a total return basis, while the Russell Midcap Index ("the Index") increased 4.06%.
- Against a volatile market backdrop, most of our companies reported fourth quarter earnings results that indicated a stronger than expected outlook.
- We believe the management quality is a key strength for our portfolio companies.

The BBH Select Series - Mid Cap Fund ("the Fund") increased 7.38% in the first quarter of 2023 on a total return basis, while the Russell Midcap Index ("the Index") increased 4.06%. Since its inception on May 24, 2021, the Fund has declined by an average annual total return of -4.57% compared to a decline of -3.88% for the Index.

During the first quarter, volatile market performance largely mirrored rapidly changing expectations regarding the pace of interest rate increases by the Federal Reserve. An initial market rally lost momentum as strong jobs and other data drove the yield on the 2-year U.S. Treasury Note from a low of 4.06% in mid-January to a high of 5.05% on March 8th. The subsequent collapses of Silicon Valley Bank and Signature Bank reset those expectations once again as the 2-year yield completed a round trip to end the quarter at 4.06%. Equity markets rallied once the threat of broader financial contagion appeared to subside. Against this volatile backdrop, most of our companies reported fourth quarter earnings results that indicated a stronger outlook, although the risk of a recession remains for our holdings that are more sensitive to cyclical factors such as construction.

Reflecting the more optimistic market outlook, Communication Services,¹ Information Technology, and Consumer Discretionary were the Index's best performing sectors, up 15%, 14%, and 8%, respectively. Energy, Financials, and Utilities were the worst performing sectors down -8%, -6%, and -2%, respectively. The Fund is overweight Information Technology and currently has no allocation to Energy or Utilities, which benefitted the Fund's performance during the quarter.

Portfolio Attribution

For the quarter, our largest positive drivers relative to the benchmark were **Watsco Inc.** ("Watsco") and **Arista Networks Inc.** ("Arista").

Watsco returned 28.7% and ended the quarter as our largest holding with a weight of 7.0%. Watsco is the largest national independent distributor of residential heating, ventilation, and air conditioning ("HVAC") products to local installers, primarily in the Southeast. Regular replacement of HVAC units is the main demand driver, with a gradually growing installed base and consistent manufacturer price increases translating to steady, consistent

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

Performance As of March 31, 2023							
	Total Returns		Average Annual Total Returns				
	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Class I	7.38%	7.38%	-10.71%	N/A	N/A	N/A	-4.57%
Benchmark	4.06%	4.06%	-8.78%	N/A	N/A	N/A	-3.88%

Class I Inception: 05/24/2021
Class I: Net/Gross Expense Ratio (%) 0.90 / 2.29
Returns of less than one year 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, 2024. 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.

Sources: BBH & Co. and Russell

BBH Fund Information Service: (800) 625-5759

growth. The company reported fourth quarter results ahead of consensus and continues to deliver strong gross and operating margins, despite a diminishing tailwind of price increases. Management reiterated its focus on driving volume growth by leveraging its scale, product diversity, and technology leadership in collaboration with manufacturing partners. Supply chain constraints in the industry have slowed growth in recent quarters, and some of these constraints are expected to improve this year.

Arista returned 38.3% and ended the quarter with a weight of 4.9%. Arista is the leading provider of data center switches to cloud network customers. The continuing buildout of cloud resources remains a driver for Arista alongside an upgrade cycle by customers to its latest generation of switches. Arista reported another strong quarter of results which highlighted better-than-expected guidance of 25% revenue growth in 2023, supported by market share gains and 40% operating margins. The company also benefitted from an increased focus on artificial intelligence as its switches are well designed to address this market and Microsoft is its largest customer. Management continues to have multi-quarter visibility into customer demand extending through most of 2023.

The Fund's largest performance detractors relative to the benchmark in the first quarter were **SVB Financial Group** ("SVB") and **AMN Healthcare Services Inc.** ("AMN").

We exited our position in SVB, which declared bankruptcy in March after a very sudden and unfortunate turn of events. SVB was a unique bank with a dominant niche focus banking 50% of all U.S. venture-backed technology and life science companies. Prior to its collapse, SVB had reliably compounded capital for decades through a variety of interest rate and venture capital cycles. On March 8th, SVB management took strategic actions to reposition the bank's balance sheet and improve its profitability and financial flexibility. These actions were intended to proactively address earlier mistakes made while managing its securities portfolio. Unfortunately, the timing, structure, execution, and communication surrounding the announced transactions were woefully inadequate and catalyzed a run on the bank from which the company could not recover. As a result, we have lower tolerance for management missteps and consider banks to be a weaker fit with our criteria than before.

AMN declined by -19.3% during the quarter, ending with a weight of 3.9%. AMN is the market leader of temporary staffing for the healthcare industry, including nurses, doctors, technicians, and therapists. The company reported good fourth quarter results and first quarter guidance, but commentary reflected declining order trends. While some of this is seasonal, the sequential decline also reflects continued anticipation of normalized demand from uniquely strong levels during peak COVID periods. AMN expects demand to improve in the second half of the year which would allow them to meet prior full year targets. This is consistent with our view of structurally higher demand alongside an ongoing shortage of nurses that drives an increased need for temporary staffing over time.

Portfolio Changes

We initiated one new position during the first quarter in **Darling Ingredients Inc.** ("Darling").

Darling is the global leader of processing animal by-products into their basic components of fats and proteins, with 15% of all animals raised for meat globally passing through a Darling rendering facility. With 270 facilities in 22 countries, Darling processes and transforms all aspects of animal by-product and waste streams into useable products such as animal feed, pet food ingredients, renewable diesel, and specialty ingredients such as collagen and gelatin. Darling provides an essential service to meat producers while generating an attractive and growing revenue stream. Under CEO Randy Stuewe's successful tenure over the last 20 years, Darling has impressively consolidated the U.S. rendering and used cooking oil collection

Holdings As of March 31, 2023	
Watsco Inc	7.0%
Entegris Inc	6.1%
NVR Inc	5.7%
Crown Holdings Inc	5.1%
Brown & Brown Inc	5.1%
Arista Networks Inc	4.9%
Guidewire Software Inc	4.9%
Shift4 Payments Inc (Class A)	4.5%
Take-Two Interactive Software Inc	4.2%
Vulcan Materials Co	4.0%
AMN Healthcare Services Inc	3.9%
HEICO Corp (Class A)	3.9%
Advanced Drainage Systems Inc	3.7%
Zebra Technologies Corp (Class A)	3.7%
LPL Financial Holdings Inc	3.3%
AptarGroup Inc	3.2%
Wyndham Hotels & Resorts Inc	3.1%
Mercury Systems Inc	3.1%
Aspen Technology Inc	2.9%
Darling Ingredients Inc	2.6%
Bright Horizons Family Solutions Inc	2.4%
Toro Co	2.1%
First Advantage Corp	2.0%
Charles River Laboratories International Inc	1.8%
Bruker Corp	1.7%
Cash & Cash Equivalents	5.0%

Holdings are subject to change.

industries to reach 50% share of both. In 2013, Darling's Diamond Green Diesel joint venture ("DGD JV") with Valero Energy became the first major producer of renewable diesel, which utilizes Darling's fat feedstocks to manufacture diesel fuel with 85% lower carbon intensity than traditional refining. Renewable diesel is an effectively identical replacement for conventional diesel that also burns cleaner. DGD JV is the leading producer with substantial cost and scale advantages as adoption of renewable diesel continues to grow. Collagen, which is produced from gelatin, has emerged as a quickly growing, high-margin health and wellness product for which Darling is the largest global producer. Growth across Darling's various end markets will enhance already strong free cash flow, and we believe this will lead to attractive capital return for shareholders.

During the quarter we trimmed holdings in Arista and **Shift4 Payments Inc.** These trims were relatively small, opportunistic actions based on price performance, and allow us to better manage the size of the positions within the context of the broader portfolio after significant appreciation. We also trimmed **Charles River Laboratories** due to increased supply chain risks, and we exited our remaining small position in **Graco Inc.**

In addition to Darling, proceeds from the above trims were added to existing positions in **Advanced Drainage Systems Inc., Aptargroup Inc., Bright Horizons Family Solutions, Bruker Corp, First Advantage Corp, Toro Co,** and **Zebra Technologies Corp.** These additions were based largely on relative valuation and to further diversify the portfolio. Our turnover for the quarter was 4.7%.

Conclusion

At the end of the quarter, we held positions in 25 companies with 52% of assets in the 10 largest holdings. As of March 31st, the Fund was trading at 79% of our underlying intrinsic value² estimates on a weighted-average basis. We ended the quarter with a cash position of 5.0%.

Recent turmoil in the banking sector highlights the importance of management quality, which is one of the four pillars of our investment strategy. Strong leadership is a key factor when determining the prospects of a company, yet it is invisible on a company's balance sheet and must be assessed over time. Strong managers act with integrity, are superior operators with excellent execution skills, and allocate capital wisely with a long-term perspective. They also attract other strong managers and enable a company to anticipate important industry trends and take full advantage of market opportunities. Conversely, poor management can quickly destroy value as missteps compound, such as failing to recognize industry change, under-investing, taking unnecessary risks, or making ill-considered acquisitions. We seek to analyze managements' tenure and track record, the depth of operational expertise, the incentive plans and governance structure, the quality of the board, the strength of its culture, and capital allocation decisions over time. We believe management quality is a key strength for our portfolio companies.

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

Sincerely,



Timothy F. Harris
Fund Manager



² The weighted average percentage of intrinsic value represents the market value of the portfolio securities as a percentage of what BBH estimates to be the present value of the cash that the portfolio's businesses can generate and distribute to shareholders over the businesses' remaining life.

Share Class Overview
As of March 31, 2023

	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class I	BBMIX	5/24/2021	\$49.8	\$9.17

Equity Weighting As of March 31, 2023	
Common Stock	95.0%
Cash and Cash Equivalents	5.0%
Total	100.0%

Sector Weighting As of March 31, 2023	
Communication Services	4.4%
Consumer Discretionary	11.8%
Consumer Staples	2.7%
Energy	0.0%
Financials	13.5%
Health Care	7.9%
Industrials	23.0%
Information Technology	23.7%
Materials	13.0%
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, 2023	
Watsco Inc	7.0%
Entegris Inc	6.1%
NVR Inc	5.7%
Crown Holdings Inc	5.1%
Brown & Brown Inc	5.1%
Arista Networks Inc	4.9%
Guidewire Software Inc	4.9%
Shift4 Payments Inc	4.5%
Take-Two Interactive Software Inc	4.2%
Vulcan Materials Co	4.0%
Total	51.5%

Reported as a percentage of total portfolio.

Fund Facts As of March 31, 2023	
Number of Securities Held	25
Average P/E	22.5
Average Market Cap (bil)	\$13.3
Turnover (Rolling 12-Months)	21.75%

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.

Price/Earnings (P/E) ratio is a company's current share price divided by earnings per-share. Turnover ratio is the rate of trading in a portfolio; higher values imply more frequent trading.

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