

BBH Select Series - Mid Cap Fund

Quarterly Fund Update / 2Q 2022

The Russell Midcap Index declined -16.85% in the second quarter of 2022 on a total return basis, while the BBH Select Series - Mid Cap Fund ("the Fund") declined -18.11%. Since its inception on May 24, 2021 through the end of June 2022, the Fund declined by -14.55% compared to a decline of -13.99% for the Russell Midcap Index.

During the second quarter, markets continued to experience a high level of volatility as the war in Ukraine further disrupted global supply chains, inflation accelerated, interest rates rose, and the potential for a recession increased. The Russell Midcap Index suffered its worst first half performance since its inception in 1991, down -21.57%, and the S&P 500 declined -19.96%, its worst first half performance since 1970.

Highly defensive sectors outperformed against this backdrop. Utilities¹ was the best performing sector in the quarter, down -5.6%, followed by Energy down -6.3%, and Consumer Staples down -8.0%. These were also the three best performing sectors in the first quarter. As previously noted, 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 do have indirect exposure to these end markets through names such as Crown Holdings, Aptar Group, and Aspen Technology, the Fund currently has no direct 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 Index declined by a weighted average of -18.4%.

While many of our holdings have seen their valuation multiples compress, we continue to be impressed with the fundamental operating performance and broad resilience against a very difficult backdrop. Of our current holdings, 84% reported results in the quarter that exceeded market consensus expectations, and we were pleased with the forward guidance offered by our companies. Accordingly, we remain very confident in the prospects of our current portfolio comprised of high-quality companies with structural growth opportunities, and we continued to add to many of our holdings at what we believe to be highly attractive prices.

Portfolio Contribution

For the quarter, our largest positive drivers relative to the benchmark were **AMN Healthcare Services ("AMN")** and **Black Knight**.

AMN, a position we added to on weakness, returned 5.2% and ended the quarter as our largest holding with a weight of 7.3%. AMN is the market leader for temporary staffing for the healthcare industry, including nurses, doctors, technicians, and therapists. AMN saw exceptional demand during the height of the COVID pandemic, and wage rates are expected to decline materially as the virus becomes endemic. However, the company reported strong first quarter results and reiterated guidance for 2022 ahead of market consensus. While wage rates will continue to decline, they are normalizing above pre-

Performance As of June 30, 2022							
	Total Returns		Average Annual Total Returns				
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Class I	-18.11%	-25.90%	-17.79%	N/A	N/A	N/A	-14.55%
Benchmark	-16.85%	-21.57%	-17.30%	N/A	N/A	N/A	-13.99%

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.

Sources: BBH & Co. and Russell

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

COVID levels as hospital demand remains strong and staffing supply remains tight. Furthermore, AMN is gaining share from adding new high-retention Managed Services contracts. These factors are in line with our expectation that AMN benefits from a structural imbalance between an aging patient population and limited supply of new nurses, which has been exacerbated by COVID-related attrition. AMN used its strong free cash flow generation to repurchase 5% of shares outstanding in the first quarter.

Black Knight, a position we added to on weakness in the first quarter when it was one of our largest detractors, increased sharply following the announcement by Intercontinental Exchange (“ICE”) that it had agreed to acquire Black Knight at a 34% premium to the prior day’s close. 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 deteriorated significantly as higher interest rates began to impact 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. We chose to exit our position in Black Knight following the announcement of the acquisition by ICE despite an elevated discount to the offer price, as we judge that there is a high risk the transaction will not receive regulatory approval due to competition concerns and given the opportunity cost relative to other investment opportunities.

The Fund’s largest performance detractors relative to the benchmark in the first quarter were **Shift4 Payments** (“Shift4”) and **Entegris**.

Shift4 declined -46.6% during the quarter, prompting us to add significantly to our position, which ended at a 3.1% weight. Shift4 is an integrated payments processor, specializing in the hospitality vertical with an estimated 30%-40% market share across restaurants, lodging, and leisure. Shift4 has over 90% customer retention and its revenues are growing rapidly as it adds new merchants, expands into new verticals, and converts existing gateway customers to its end-to-end payments platform. First quarter results were generally ahead of consensus market expectations, and full-year guidance was reaffirmed but appears conservative. This sent a mixed message when management acknowledged they considered increasing guidance based on a strong first quarter but chose otherwise due to an uncertain macro environment and because they were unsure whether the market would incorporate upgraded guidance at face value. Like many of its fast-growing payments peers, Shift4 saw significant multiple compression as future growth prospects were increasingly discounted.

Entegris declined -29.8% during the second quarter, ending with a weight of 5.6%. Entegris is a key supplier to the semiconductor industry of essential filtration products, materials, and related equipment that enable the high precision fabrication of chips. Unlike many other companies in the semiconductor supply chain who primarily sell capital equipment, Entegris’ revenue is mostly tied to the volume of chips produced. Despite strong quarterly results beating consensus expectations and an increase of forward guidance, macro fears of a semiconductor demand pullback in the next six to eighteen months drove share price declines. Late in the quarter, a memory chip manufacturer confirmed a slowdown in consumer demand for PCs and smartphones, but notably reaffirmed plans to shift more production to higher layer count chips where Entegris has more exposure due to greater complexity and purity requirements. We remain positive on Entegris’ market outlook, which benefits from extremely close customer relationships and an expanding role in continuing manufacturing technology migrations at fabrication plants that are seeking to maximize utilization and output yield at their facilities.

Holdings As of June 30, 2022	
AMN Healthcare Services Inc	7.3%
Crown Holdings Inc	6.3%
Charles River Laboratories International Inc	6.0%
Watsco Inc	5.8%
Brown & Brown Inc	5.6%
Entegris Inc	5.6%
Advanced Drainage Systems Inc	4.6%
NVR Inc	4.5%
Mercury Systems Inc	4.2%
Take-Two Interactive Software Inc	4.2%
AptarGroup Inc	4.1%
Guidewire Software Inc	4.1%
SVB Financial Group	3.8%
LPL Financial Holdings Inc	3.7%
Vulcan Materials Co	3.6%
Arista Networks Inc	3.6%
HEICO Corp (Class A)	3.4%
Wyndham Hotels & Resorts Inc	3.3%
Aspen Technology Inc	3.3%
Shift4 Payments Inc (Class A)	3.1%
Bright Horizons Family Solutions Inc.	2.2%
Graco Inc	2.1%
Bruker Corp	1.9%
First Advantage Corp	1.8%
Toro Co	1.2%
Cash & Cash Equivalents	1.0%

Holdings are subject to change.

Portfolio Changes

We initiated two new positions during the second quarter in **Aspen Technology** ("Aspen") and **First Advantage**. In addition to Black Knight, we exited our investment in **Broadridge Financial Solutions** ("Broadridge").

Aspen is the leading provider of asset optimization software specifically for capital intensive industries like refining and chemicals. Its dominant Engineering product allows customers to design and assess new and existing facilities and optimize plant processes to make them more efficient. Aspen's Manufacturing and Supply Chain suite is utilized by customer operations teams to run facilities on a day-to-day basis and maximize operations of their facilities including input optimization and scheduling. Aspen's newest Asset Performance Management solution is focused on predictive maintenance of equipment across their customers' facilities. In May, Emerson Electric ("Emerson") acquired a 55% stake in Aspen and contributed two software businesses, increasing Aspen's exposure to utilities. Aspen's products are critical to better manage and extend the life of existing facilities in capital intensive industries, will benefit from increased capital expenditures as countries seek to diversify energy sources and improve energy security and independence, and enables customers to measure and manage sustainability targets, facilitate renewable power generation in utilities, and transition to a low carbon economy. Aspen will also benefit from the combination with Emerson by leveraging its much larger sales force and extensive client relationships.

First Advantage is the second largest provider of employment background checks in a highly fragmented industry, with 96% customer retention and industry-leading profitability. First Advantage performs pre-onboarding screening and post onboarding monitoring of employees, with vertical expertise in retail/ecommerce, delivery/logistics, and technology and business services. Its technology platform is highly automated, efficient, accurate, and directly integrated with over 75 leading human capital management software solutions and over 850 automated third-party databases. It can leverage its superior scale to minimize third-party data costs while building its own rapidly growing proprietary databases, including 580 million criminal records and 36 million verified education and work histories. It has many compelling opportunities, including secular and cyclical trends toward greater labor market turnover, new product launches, a growing need for corporate risk management and compliance, and the increasing use of automation and proprietary data.

Broadridge is the leading provider of select back-office applications to the financial industry, most notably proxy distribution and post-trade processing. For U.S. public corporate proxies, Broadridge has a near monopoly on distribution of the proxies and collection of the results for all shares held through broker dealers. The complicated U.S. structure of individual equity ownership via custodians and nominees relies on Broadridge's central role as a trusted intermediary. We began selling down our position in the fourth quarter of 2021 based on relative valuation, and we exited the remaining position in the second quarter of 2022 as the valuation remained elevated and to facilitate new positions in Aspen and First Advantage. The business has continued to perform well, and it remains a company we would like to own at the right price.

As mentioned above, we added to our positions in AMN and Shift4. In addition, we continued to add to **SVB Financial, Charles River Laboratories, Watsco, Guidewire Software, Bright Horizons Family Solutions, LPL Financial Holdings, and Advanced Drainage Systems**, all companies we added to earlier in the first quarter. We also added to **Graco**. Conversely, we trimmed our holding in **Brown & Brown** and **Wyndham Hotels & Resorts** on share price strength. Our turnover is 13.3% year-to-date and 19.2% over the last 12 months.

Conclusion

At the end of the second quarter 2022, we had positions in 25 companies with 54% of our assets held in the 10 largest holdings. As of June 30th, the Fund was trading at 66% of our underlying intrinsic value² estimates on a weighted-average basis. We ended the quarter with a cash position of 1.0%.

We have added to a number of our holdings that have underperformed year-to-date. In doing so, we take care to ensure that our views are not static, and our estimates of intrinsic value are not anchored by expectations at initiation. We constantly monitor and engage in ongoing due diligence for all of our portfolio holdings. This ongoing process is largely indistinguishable from the foundational due diligence we undertake prior to initiating a new position. In addition to monitoring company earnings and developments, analysts build on their knowledge through regular meetings with company management and the management of peer companies, engage industry experts and research the broader value-chain, and attend facility tours, investor days, and conferences. While we always maintain a long-term outlook, our company models and intrinsic value estimates are reviewed quarterly and regularly updated to ensure we are incorporating the latest information into our expectations. In addition, all trades are discussed with the entire team, not just the portfolio manager and coverage analyst, which ensures we benefit from different perspectives and adequately challenge our assumptions. This process allows us to trade with confidence when valuations diverge meaningfully from what we reasonably expect given the long-term outlook for a company.

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.

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



Share Class Overview
As of June 30, 2022

	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class I	BBMIX	5/24/2021	\$11.5	\$8.41

Equity Weighting
As of June 30, 2022

Common Stock	99.0%
Cash and Cash Equivalents	1.0%
Total	100.0%

Sector Weighting
As of June 30, 2022

Communication Services	4.2%
Consumer Discretionary	10.1%
Consumer Staples	0.0%
Energy	0.0%
Financials	13.2%
Health Care	15.3%
Industrials	23.2%
Information Technology	19.8%
Materials	14.1%
Real Estate	0.0%
Utilities	0.0%
Total	100.0%

Top 10 Companies
As of June 30, 2022

AMN Healthcare Services Inc	7.3%
Crown Holdings Inc	6.3%
Charles River Laboratories International Inc	6.0%
Watsco Inc	5.8%
Brown & Brown Inc	5.6%
Entegris Inc	5.6%
Advanced Drainage Systems Inc	4.6%
NVR Inc	4.5%
Mercury Systems Inc	4.2%
Take-Two Interactive Software Inc	4.2%
Total	54.1%

Reported as a percentage of total portfolio.

Fund Facts
As of June 30, 2022

Number of Securities Held	25
Average P/E	19.8
Average Market Cap (bil)	\$11.1
Turnover (Rolling 12-Months)	19.17%
Exclude cash equivalents	

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