BROWN BROTHERS HARRIMAN

CAPITAL PARTNERS

BBH Partner Fund – International Equity

Quarterly Update | 1Q 2025

For the first quarter ended March 31, 2025, the BBH Partner Fund – International Equity (the "Fund") returned 6.7%. Over the same period, the MSCI EAFE Index[1] (the "Index") returned 6.9%.

Philosophy

The Fund aims to provide investors with long-term maximization of total return, primarily through capital appreciation. Under normal circumstances, at least 80% of the net assets of the Fund are invested in equity securities of companies in the developed and emerging markets of the world, excluding the United States.

PERFORMANCE (AS OF MARCH 31, 2025)

Fund/Benchmark	3 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.
BBHLX Class I	6.70%	6.70%	7.31%	4.40%	8.94%	5.66%
MSCI EAFE Index	6.86%	6.86%	4.88%	6.05%	11.77%	5.40%

Class I Net Expense Ratio (%): 0.63 per February 28, 2025, prospectus
Returns of less than one year are not annualized.

Performance data quoted 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 sold, may be worth more or less than the original cost. For the most recent month-end performance, call 1 (800) 625-5769. Fund shares redeemed within 30 days of purchase are subject to a redemption fee of 2.00%.

Sources: BBH & Co. and MSCI EAFE

Portions of the Fund are allocated to different investment sub-advisers who employ investment styles broadly aligned with the investment adviser's principles of equity investing. The Fund's investment adviser monitors the sub-advisers by reviewing their portfolio performance and characteristics as well as organizational activity and departures of key personnel.

Performance review

Our top contributor in the first quarter of 2025 was **Rheinmetall AG** (RHM DE), a defense and automotive manufacturer, headquartered in Düsseldorf, Germany. Rheinmetall has been a clear beneficiary of the re-equipping of European militaries, as global geo-political tensions have risen in recent periods. The escalation of the conflict in Ukraine, which began with the annexation of Crimea in 2014 and was expanded by the large-scale ground incursion in 2022, has exposed European defense capabilities as critically undercapitalized. As the largest European supplier of artillery ammunition and major producer of military vehicles, demand for Rheinmetall's core products has increased exponentially. The scale of the structural change, and the historical preference of European

[1] The MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia, and the Far East, and excluding the U.S. and Canada. The Index is available for a number of regions and market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries. The Index is not available for direct investment.

governments to prioritize spending on welfare and social programs ahead of defense, has seen the equity market slow to value the duration of a decades-long period of defense recapitalization.

In the first quarter, Rheinmetall's share price surged as investors began to price sustainably higher defense spending in Europe. The Trump administration's public ambiguity on its commitment to NATO's mutual defense guarantee and the US Vice President's speech at the Munich Security Conference in February have awoken European governments to the reality that the continent must spend more on its own defense. Subsequent German government actions to exempt most defense spending from its self-imposed "debt brake" fiscal controls have materially increased the market opportunity for Rheinmetall.

TOP 10 COMPANIES (AS OF MARCH 31, 2025)	
Thales	3.7%
BAE Systems	3.6%
London Stock Exchange Group	3.5%
TSMC ADR	3.4%
CRH	2.8%
Safran	2.7%
Sony Group	2.3%
OBIC Co.	2.2%
Alcon	2.1%
Experian	2.1%
Total	**28.4%**

Reported as a percentage of total portfolio. Holdings are subject to change.

The largest detractor during the first quarter was **Taiwan Semiconductor** (TSM US), the Taiwan-domiciled semiconductor foundry known globally as "TSMC." We have written about TSMC several times in the last year, as the stock was the top contributor in the fourth quarter, first half and full year of 2024. As a reminder, TSMC earns over 60% of its revenue and profitability from leading-edge semiconductor technologies for which it holds over 80% market share. The Company has steadily gained share over the last 15 years, benefiting from leadership on leading-edge technologies, economies of scale and its independent foundry model (TSMC does not compete with its customers). The semiconductor business is a cyclical industry that benefits from strong secular growth through the cycle, with TSMC gaining market share over time versus the industry overall. We are underwriting mid-teens growth over a multiyear period (a haircut to the Company's forecasts for more than 20% growth), driven by the proliferation of electronic devices, increased semiconductor content per device and heightened processing power requirements (both at data centers and in "edge" devices) amid a broad-based global adoption of artificial intelligence (AI) analytical functionality. We believe TSMC is one of the highest-quality companies in the industry, sporting an operating margin in excess of 40%, high returns on invested capital and strong free-cash-flow (FCF) generation throughout the cycle. Over the last 10 years, TSMC has grown its revenue, operating profit and cash earnings at compound annual rates of 14%, 19% and 19%, respectively.

We made TSMC one of the Fund's larger positions in late 2022 during a cyclical downturn in the industry at a moment in which the stock was trading at a valuation of just 10x forward earnings with those earnings projected to modestly decline year over year. The shares delivered a strong +72% return in 2024 (during which it was the Fund's largest contributor), and we sold nearly half our position into this valuation strength. In the most recent period, TSMC fell -16% in Q1 amid a global sell-off in technology growth stocks generally and semiconductor and AI-related shares specifically. The Company has continued to strongly outperform the industry, growing revenue 30% in 2024 and forecasting growth in the mid-20% range for 2025, underpinned by confidence in data center spending and share gains in smartphones and other end markets. The Q1 sell-off in the stock and sector was driven partly by the launch of Chinese AI models like DeepSeek that claimed to offer comparable performance at a fraction of the costs invested in Western models. We continue to belief that lower costs (for example, for power consumption) for AI processing power should naturally lead to an even faster proliferation of AI-related applications, and TSMC's business model should prove to be a classic tollbooth beneficiary of exploding AI adoption over time. As its shares derated on cyclical concerns, we have rebuilt our position to be a top five holding, as we believe the Company will continue to be a "cyclical thriver" that gains market share in any slowdown (though at present, no such slowdown is apparent as industry demand trends remain very robust). TSMC trades on 15x our estimate of 2025 earnings and offers a more than 4% FCF yield.

Portfolio positioning

REGION AND SECTOR DIVERSIFICATION (AS OF MARCH 31, 2025)

Region diversification (%)			
Region	Class I	MSCI EAFE	Difference
Western Europe	60.3%	65.9%	-5.6%
North America	14.1%	1.2%	12.8%
Japan	11.6%	21.7%	-10.1%
Asia Pacific (ex. Japan)	6.4%	10.3%	-3.9%
Cash / equivalents	6.0%	0.4%	5.6%
Central Asia	1.7%	-	1.7%
Africa / Middle East	-	0.5%	-0.5%

Sector diversification (%)			
Sector	Class I	MSCI EAFE	Difference
Industrials	27.4%	17.8%	9.6%
Information technology	20.5%	8.0%	12.5%
Consumer discretionary	11.9%	10.3%	1.5%
Financials	9.7%	23.5%	-13.8%
Materials	8.6%	5.7%	2.8%
Health care	6.1%	0.4%	5.8%
Cash / equivalents	6.0%	12.1%	-6.1%
Consumer staples	4.9%	8.2%	-3.4%
Communication services	3.6%	5.0%	-1.4%
Energy	1.4%	3.7%	-2.3%
Real estate	-	3.4%	-3.4%
Utilities	-	1.9%	-1.9%

Tables may not add exactly to 100% due to rounding.
Country allocation reported by FactSet and may differ from what is provided by sub-advisors' accounting systems. Country & region classification by country & region of domicile. Holdings are subject to change.
Sources: FactSet, iShares MSCI EAFE ETF and BBH

Sub-advisors

SELECT EQUITY

Select Equity Group's (SEG) investment philosophy is grounded in the belief that rigorous, independent research and disciplined, long-term investing can generate attractive returns. SEG seeks to identify what it believes to be the highest-quality businesses – those with steady, predictable growth, high returns on capital and expanding barriers to competition. The sub-adviser believes these companies are both well-positioned for long-term growth and resilient in difficult economic environments.

TRINITY STREET Asset Management

The Trinity Street Asset Management (TSAM) investment philosophy centers around searching globally for companies undergoing structural change that is underappreciated by the broader market and where the TSAM investment team can see a path for a 50% return over the next 2-3 years. The team focuses their research efforts exclusively on companies experiencing periods of change because they believe this is where disruptions to normal market pricing mechanisms (i.e., attractive risk/reward opportunities and significant discounts to intrinsic value) are most likely to be found. The change factor could be a change in management, product, geopolitical environment, or in industry supply/demand dynamics that is misunderstood or underappreciated by the market.

The Fund seeks to generate attractive returns over time but does not attempt to mirror a benchmark or index. The composition of the MSCI EAFE Index is materially different than the Fund's holdings.

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 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.

Index definitions

iShares MSCI EAFE ETF is an index that seeks to track the investment results of an index composed of large- and mid-capitalization developed market equities, excluding the U.S. and Canada. The index is not available for direct investment.

Risks

Investors in the Fund should be able to withstand short-term fluctuations in the equity 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.

Foreign investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards. Prices of emerging markets securities can be significantly more volatile than the prices of securities in developed countries and currency risk and political risks are accentuated in emerging markets. 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. The Fund also invests in derivative instruments, investments whose values depend on the performance of the underlying security, assets, interest rate, index, or currency and entail potentially higher volatility and risk of loss compared to traditional stock or bond investments.

Asset allocation decisions, particularly large redemptions, made by BBH&Co., whose discretionary investment advisory clients make up a large percentage of the Fund's shareholders, 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.

The BBH International Equity Fund is sub-advised by Select Equity Group and Trinity Street Asset Management.

Effective August 18, 2023, Trinity Street Asset Management LLP was added as a sub-adviser to the Fund responsible for managing a portion of the Fund's assets alongside Select Equity Group, L.P.

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.

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