BROWN BROTHERS HARRIMAN

CAPITAL PARTNERS

BBH Partner Fund – International Equity

Quarterly Update | 4Q 2024

For the fourth quarter ended December 31, 2024, the BBH Partner Fund – International Equity (the "Fund") returned -5.7%. Over the same period, the MSCI EAFE Index[1] (the "Index") returned -8.1%.

PERFORMANCE (AS OF DECEMBER 31, 2024)

Fund/Benchmark	3 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.
BBHLX Class I	-5.67%	7.98%	7.98%	-2.19%	3.37%	5.41%
MSCI EAFE Index	-8.11%	3.82%	3.82%	1.65%	4.73%	5.20%

Class I Net Expense Ratio (%): 0.64 per February 29, 2024, 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

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.

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 fourth quarter and in 2024 was Taiwan Semiconductor (TSM US), the Taiwan-domiciled semiconductor foundry known globally as "TSMC." We last profiled TSMC two quarters ago as the stock was the top contributor in the second quarter and first half of 2024. As a reminder, TSMC earns over 60% of its revenue and profitability from leading-edge 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 expect mid-teens growth over a multiyear period, driven by

[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.

London Stock Exchange Group	4.1%
TSMC	3.6%
CRH	3.4%
BAE Systems	2.8%
SAP	2.5%
OBIC Co.	2.4%
Brookfield Asset Management	2.4%
Safran	2.4%
ASML	2.3%
Adidas	2.1%
Total	**28.0%**

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

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 analytical functionality. We believe TSMC is one of the highest-quality companies in the industry, sporting an operating margin in excess of 40%, very high returns on invested capital and strong free-cash-flow 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 Taiwan Semiconductor 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 (YoY). Today, the cycle has turned sharply upwards, Taiwan Semiconductor is gaining significant market share and, as a result, its revenue and earnings growth have strongly accelerated. During the quarter, TSMC reported outstanding results in which its revenue grew by 39%, gross profits expanded 48% and operating profit rose 58% YoY (all in local currency). Management raised its outlook for full-year growth by 500 bps and continues to express considerable optimism for the multiyear growth runway ahead. The Company's US-listed ADR (the security we own) returned +14% (in USD) in the quarter, bringing its full-year return to +90% (in USD). With a forward price-to-earnings multiple of approximately 18x at year end, TSMC continues to look attractively valued on an absolute basis with its shares still representing a significant discount to our estimate of the Company's intrinsic value. The Company remained one of the Fund's top 15 positions at year end.

The largest detractor during the fourth quarter was OBIC (4684 JP), a leading Japanese maker of enterprise resource planning (ERP) software that we last discussed in our Q2 2023 letter. As a reminder, OBIC dominates the mid-market ($100-$500 million in customer revenue) for ERP software in Japan, a market niche for which the Company's share is two times that of its nearest competitor. Over the past two decades of consistent annual expansion, OBIC has compounded revenue at a high-single-digit rate and earnings at a low-teens rate, and its operating margins today exceed 60%. We believe the business has a long runway for growth since Japanese corporations have been slower to adopt cloud software due to a legacy of inflexible mainframe-centric technology and a lack of internal IT staff at most of the Company's small- to medium-sized enterprise customers. Only 25% of Japan's IT employees work in-house, and over 50% of Japanese companies lack a full-time CIO. Unlike many peers, OBIC eschews third-party integrators, instead selling directly and implementing its own software (enabling a lower total cost of ownership). More recently, OBIC has begun to demonstrate success in penetrating larger enterprise accounts, expanding its addressable market considerably in the years ahead.

During the most recent quarter, OBIC reported solid results, including revenue growth of 8%, operating profits up 11% and adjusted EPS rising 12% YoY. These figures represented an acceleration from the previous three quarters, after a period in which growth had temporarily slowed as the Company devoted more of its in-house sales team to sizable multiyear pipeline opportunities with larger enterprise customers and prospects. Moreover, management expressed a bullish outlook for the remainder of its fiscal year ending March 2025, highlighting a very strong backlog of new orders that should fuel further growth. Despite the strong results and positive forward commentary, OBIC's share price fell by -15% (in USD), more than half of which was the result of the -9% decline in the value of the Japanese yen versus the US dollar during the period. While non-US dollar currencies were hit hard by the quarter's broad-based "US exceptionalism" trade (favoring the US dollar and US equities) amid the Republican sweep of the executive and legislative branches in the November US elections, we continue to be optimistic about OBIC's prospects over the near and long term. Additionally, the Japanese yen ended the quarter near all-time low valuations, approximately 65% undervalued vs. the US dollar on a purchasing power parity basis. While we do not include any foreign currency appreciation in our forecasts, any multiyear mean reversion in the value of the Japanese yen would add considerably to US dollar-based investors' returns in OBIC's shares (given the Company's 100% domestic revenue base).

Portfolio positioning

REGION AND SECTOR DIVERSIFICATION (AS OF DECEMBER 31, 2024)

Region diversification (%)			
Country	Class I	MSCI EAFE	Difference
Western Europe	56.9%	64.1%	-7.3%
North America	14.2%	0.1%	14.0%
Japan	11.0%	23.1%	-12.1%
Asia Pacific (ex. Japan)	8.3%	11.2%	-2.9%
Central Asia	1.7%	-	1.7%
South & Central America	-	-	-
Africa / Middle East	-	1.0%	-1.0%
Cash / equivalents	8.0%	0.4%	7.7%

Sector diversification (%)			
Sector	Class I	MSCI EAFE	Difference
Industrials	22.0%	17.7%	4.4%
Information technology	21.0%	8.7%	12.3%
Consumer discretionary	14.2%	11.2%	3.0%
Financials	12.8%	21.8%	-8.9%
Health care	7.4%	12.6%	-5.2%
Materials	6.6%	6.0%	0.6%
Consumer staples	4.4%	8.1%	-3.7%
Communication services	3.4%	4.8%	-1.4%
Energy	-	3.5%	-3.5%
Real estate	-	2.0%	-2.0%
Utilities	-	3.2%	-3.2%
Cash / equivalents	8.0%	0.5%	7.6%

Tables may not add exactly to 100% due to rounding.
Country allocation reported by Bloomberg 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: Bloomberg, 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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