

CAPITAL PARTNERS

BBH Partner Fund – International Equity

Quarterly Update | Q4 2025

For the fourth quarter ended December 31, 2025, the BBH Partner Fund – International Equity (the “Fund”) returned 2.0%. Over the same period, the MSCI EAFE Index¹ (the “Index”) returned 4.9%.

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.

Portions of the Fund are allocated to different investment sub-advisors who employ investment styles broadly aligned with the investment advisor’s principles of equity investing. The Fund’s investment advisor monitors the sub-advisors 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 of 2025 was **Samsung Electronics** (SSNLF). Over the past year as the pace of AI investments has accelerated and the magnitude grown, memory has emerged as one of the primary gating factors, causing an unprecedented increase in the prices of both DRAM and NAND. Throughout the prior downturn when the potential threat of Chinese competition in the memory market loomed, Samsung, Micron and SK Hynix were disciplined in their capital allocation, further exacerbating the current supply shortage. Samsung had previously struggled to qualify with Nvidia for HBM and had significant losses in its foundry business resulting in a steep valuation discount to both history and peers. The increase in reasoning and inference has been a key driver in the increase in memory demand and therefore prices.

Memory supply is limited for at least the next two years as both SK Hynix and Micron currently have no spare clean room capacity and won’t have new capacity until 2028. Samsung, however, has some spare clean room capacity so is particularly well positioned to benefit from the current high memory prices and is allegedly exploiting its strong

PERFORMANCE (AS OF DECEMBER 31, 2025)

| Fund/Benchmark | 3 mo. | YTD | 1 yr. | 3 yr. | 5 yr. | 10 yr. |
|------------------------|-------|--------|--------|--------|-------|--------|
| BBHLX Class I | 2.03% | 26.19% | 26.19% | 15.93% | 3.72% | 8.03% |
| MSCI EAFE Index | 4.86% | 31.22% | 31.22% | 17.22% | 8.92% | 8.18% |

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

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.

position with significant price increase for customers. AI demand requires HBM and low power DRAM rather than conventional DRAM, so memory producers are prioritising HBM which is taking capacity away from traditional DRAM and could result in shortages for consumer devices. Chinese memory companies are not currently capable of producing leading edge HBM so are not able to help alleviate the shortages. Given that supply is likely to remain very tight over the next two years as AI infrastructure spending accelerates, profitability expectations and earnings duration for Samsung is likely to have further to climb. The current demand and supply dynamics in the memory market are therefore exceptional and represent a large change over the past year which has not yet been fully recognised in the current share price.

TOP 10 COMPANIES (AS OF DECEMBER 31, 2025)

| | |
|-----------------------------|--------------|
| TSMC ADR | 4.5% |
| BAE Systems | 3.5% |
| ASML Holding | 3.3% |
| CRH | 3.3% |
| Keyence Corp | 3.2% |
| Thales SA | 3.0% |
| Tokyo Electronics | 2.9% |
| Samsung Electronics Co | 2.6% |
| London Stock Exchange Group | 2.4% |
| Safran SA | 2.4% |
| Total | 31.0% |

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

Our largest detractor in the fourth quarter was **BAE Systems** (BA/ LN), a leading global supplier to the defense industry. Headquartered in the UK, BAE Systems is one of the largest defense businesses in the world listed outside the United States. The Company's operations span all military domains, including air, maritime, land/ammunition, cyber, space, and electronic subcomponents. Notably, this makes BAE Systems one of the most diversified defense businesses in the world, with exposure across these domains (predominantly in long-cycle programs) as well as multiple geographic end-markets (with the US, UK and NATO being the top customers). Under new management appointed between 2017 and 2020, the Company's operational performance has improved significantly, with rock-solid contract execution and corresponding margin discipline driving strong free cash flow growth and returns to shareholders even before any positive inflection in European or UK defense spending. Over the last ten years – amidst a relatively muted environment for global defense spending – the Company consistently compounded revenue in the mid-to-high single digits while growing earnings at 8% annually, with high-teens returns on equity and >100% conversion of earnings to free cash flow.

In early 2024, we believed we were in the early innings of a more than decade-long upswing in international defense spending, with many countries (notably all of NATO) having underspent on defense for many years. We added significantly to the position in late 2024 following the US election, as the Trump administration's well-known isolationist stance likely to accelerate the need for traditional US allies to accelerate their defense spending. BAE Systems was one of the Firm's top contributors for the full year 2025, with shares having gained +81% in GBP (+95% in USD) in the first three quarters of the year through September 30, 2025. In the fourth quarter BAE Systems did not report any financial or operating results (they are a half-year filer), though industry peer **Thales** (HO FP) – which is also a portfolio holding – did report outstanding and accelerating business momentum including 11% revenue growth (versus a historical mid-single-digit level) and 37% growth in new orders. Nevertheless, BAE Systems and the entire European defense sector traded down on short-term muted sentiment amidst a steady drumbeat of headlines during the period about a prospective "peace deal" (which as of this writing has yet to materialize) between the US, Ukraine and Russia. The Company's share price declined -17% (in USD) in the quarter, detracting 63bps from the Fund's quarterly returns. Accordingly, its valuation multiple falling to just over 20x forward earnings despite the decade-plus acceleration in growth ahead as UK and European governments ramp defense spending from a historical level of 1-2% of GDP to a future target nearer 4-5% of GDP. As we have flagged in the past, we believe even any positive development in the Russia-Ukraine conflict would have little to no impact on the trajectory of defense budgets, as European politicians increasingly view defense self-sufficiency as one of their highest and most urgent multi-year priorities.

BAE Systems' shares rebounded relatively sharply in the weeks following the quarter end, gaining more than +17% in USD in the month of January 2026. A rebound in sentiment surrounding BAE Systems and its sector peers was driven in part by the US – a key defense customer for the Company – proposing a potential \$1.5 trillion defense budget (nearly 50% above current levels). Meanwhile, US military involvement in Venezuela, an escalation in military tensions between the US and Iran, and relatively direct rhetoric about US ambitions to annex Greenland (above NATO objections) all reminded investors that defense spending will likely remain a key priority for most developed-world government budgets. We continue to think that BAE Systems offers compelling value for an accelerating revenue growth profile where we expect durable low-to-mid-teens earnings growth for years to come.

Portfolio positioning

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

| Region diversification (%) | | | | Sector diversification (%) | | | |
|----------------------------|---------|-----------|------------|----------------------------|---------|-----------|------------|
| Region | Class I | MSCI EAFE | Difference | Sector | Class I | MSCI EAFE | Difference |
| Western Europe | 56.6% | 65.3% | -8.7% | Information technology | 29.4% | 8.4% | 21.1% |
| Japan | 16.9% | 22.0% | -5.2% | Industrials | 28.4% | 19.2% | 9.2% |
| North America | 14.9% | 1.7% | 13.1% | Health care | 10.4% | 11.3% | -1.0% |
| Asia Pacific (ex. Japan) | 8.9% | 10.2% | -1.3% | Financials | 9.9% | 25.2% | -15.4% |
| Central Asia | 2.8% | 0.0% | 2.8% | Consumer discretionary | 7.9% | 9.8% | -2.0% |
| Africa / Middle East | 0.0% | 0.8% | -0.8% | Materials | 7.6% | 5.5% | 2.1% |
| | | | | Communication services | 3.8% | 4.3% | -0.5% |
| | | | | Energy | 1.5% | 3.1% | -1.7% |
| | | | | Cash / equivalents | 1.2% | 0.5% | 0.7% |
| | | | | Consumer staples | 0.0% | 7.1% | -7.1% |
| | | | | Real estate | 0.0% | 1.8% | -1.8% |
| | | | | Utilities | 0.0% | 3.7% | -3.7% |

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 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-advisor believes these companies are both well-positioned for long-term growth and resilient in difficult economic environments.



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.

Disclosure

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.bbh-funds.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-advisor to the Fund responsible for managing a portion of the Fund's assets alongside Select Equity Group, L.P.

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