BROWN BROTHERS HARRIMAN

CAPITAL PARTNERS

BBH Select Mid Cap ETF

Quarterly Update | 2Q 2026

Highlights

– The BBH Select Mid Cap ETF (the Fund) increased 9.7% in second quarter 2026 on a total return basis while the Russell Midcap Index (the Index) increased 13.8%.

– Artificial intelligence continues to be the dominant theme driving market performance and the highest valuation and highest beta companies have continued to outperform.

– We own a wide variety of companies across a range of valuations, with a focus on long-term durability of performance and where we have a differentiated view relative to the market.

PERFORMANCE (AS OF JUNE 30, 2026)

	Total returns		Average annual total returns				
	3 mo.	YTD	1 yr.	3 yr.	5 yr.	Since inception	Performance inception
BBH Select Mid Cap ETF NAV	9.69%	7.37%	2.26%	6.77%	3.50%	3.89%	05/24/2021
Russell Mid Cap	13.83%	15.30%	21.63%	16.51%	8.50%	8.83%	
BBH Select Mid Cap ETF Market Price	9.65%	7.12%	–	–	–	8.07%	11/17/2025
Russell Mid Cap	13.83%	15.30%	–	–	–	17.82%	

Total Annual Fund Operating Expenses (%): 0.81.

Returns of less than one year are not annualized.

All performance is net of fees.

Sources: BBH & Co. and Russell

Prior to the close of business on 11/14/25, the ETF operated as an open-end mutual fund (the "Predecessor Fund"). The ETF has the same investment objective, strategies and policies as the Predecessor Fund. The NAV returns prior to 11/17/2025 include the returns of the Predecessor Fund. The Market Price performance does not include Predecessor Fund's NAV performance and instead reflects the ETF's Market Price beginning with the ETF's listing on the exchange. Had the Predecessor Fund been structured as an exchange-traded fund, the performance may have differed. The inception date of the Predecessor Fund was 05/24/2021. The inception date of the ETF is 11/17/2025.

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 performance current to the most recent month-end, please call 1-800-625-5759.

The BBH Select Mid Cap ETF (the Fund) increased 9.7% in second quarter 2026 on a total return basis while the Russell Midcap Index (the Index) increased 13.8%.

The second quarter was defined by two competing forces: the ongoing Iran War and its inflationary consequences, and a powerful resurgence in the artificial intelligence (AI) trade. Elevated oil prices due to the conflict weighed on consumer spending and pushed inflation to its highest level since 2023, keeping the Federal Reserve (the Fed) on hold and raising the prospect of future rate hikes. Energy companies were initially beneficiaries but faded through the quarter, while many companies faced persistent cost pressures. Meanwhile, the AI capital expenditure boom accelerated, benefiting semiconductor and power infrastructure companies. Software and other high-margin intermediaries (e.g., business and information services) remained under pressure from AI disruption concerns, though sentiment showed signs of stabilizing late in the quarter. Mid-cap equities proved broadly resilient, delivering strong returns despite the volatile macro backdrop.

Against this backdrop, information technology was by far the best performing sector, up 54.4%, led by the technology hardware industry, up 135.7% driven by the AI infrastructure buildout and a shortage in the commodity market for memory chips. Conversely, energy was the worst performing and only negative sector, down -7.2%, as the late-quarter peace deal drove a sharp reversal in oil prices. Lower energy prices alongside the opening of the Strait of Hormuz supported a late rally in industrials, up 16.0% and the second-best performing sector. Our portfolio benefited from its overweight in information technology and industrials but did not fully participate given our underweight to the most cyclical and momentum driven constituents in these sectors.

Portfolio contribution

For the quarter, the Fund's largest positive contributors were **Entegris Inc.** (Entegris) and **Arista Networks Inc.** (Arista), both clear beneficiaries of the AI infrastructure buildout.

Entegris returned 53.5% during the quarter, ending with a weight of 6.4%. Entegris is a key supplier to the semiconductor industry of essential filtration products, materials, and related delivery equipment that enables the high precision fabrication of semiconductor chips. Entegris reported strong first quarter 2026 results and provided second quarter guidance above consensus with accelerating growth in second and third quarter 2026. This matches an upgraded view of industry end

HOLDINGS (AS OF JUNE 30, 2026)	
Entegris Inc	6.4%
Watsco Inc	5.4%
Arista Networks Inc	5.1%
West Pharmaceutical Services Inc	4.9%
Keysight Technologies Inc	4.9%
Wyndham Hotels & Resorts Inc	4.4%
Advanced Drainage Systems Inc	4.4%
ITT Inc	4.3%
CBRE Group Inc	4.2%
HEICO Corp	4.1%
GXO Logistics Inc	4.1%
Darling Ingredients Inc	4.0%
GFL Environmental Inc	3.9%
Vulcan Materials Co	3.8%
Take-Two Interactive Software Inc	3.7%
UL Solutions Inc	3.5%
Hubbell Inc	3.5%
Guidewire Software Inc	3.1%
Tradeweb Markets Inc	3.1%
AptarGroup Inc	3.0%
WillScot Holdings Corp	2.7%
BJ's Wholesale Club Holdings Inc	2.7%
LPL Financial Holdings Inc	2.7%
Broadridge Financial Solutions	2.3%
Brown & Brown Inc	2.1%
Shift4 Payments Inc	1.7%
Zebra Technologies Corp	1.3%
Cash & cash equivalents	0.8%

Holdings are subject to change.

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markets, with wafer volumes now expected to grow mid- to-high-single digits for 2026 and fab construction to grow high-single digits, both of which were low-single digits expectations just last quarter. Relatively new CEO Dave Reeder indicated a focus on gross margins when he started, and that is evident from the substantial improvement in first quarter 2026 that is expected to continue over the year. Gross margin of 46.9% was significantly above guidance of 44.5-45.5% and increased 310 basis points (bps)[1] from fourth quarter 2025. Lastly, Entegris now aims to bring net leverage to 3.0x by year end, driven by robust free cash flow of at least $450m.

Arista returned 38.4% during the quarter, ending with a weight of 5.1%. Arista is the leading provider of data center switches to cloud network customers. Arista reported strong first quarter results with record revenue and free cash flow ahead of expectations, but guidance fell short of high expectations due to increasing supply chain shortages. In addition, extended customer acceptance cycles on new AI products have pushed a growing volume of contracted demand into deferred revenue ahead of recognition, temporarily understating reported revenue growth and creating some investor confusion. However, management subsequently clarified this dynamic, clearly delineating 54% growth inclusive of deferred product revenue. Management also expressed confidence in the outlook for 2026 along with a constructive demand backdrop for 2027. Finally, rising component costs are an industry-wide challenge, but Arista's multiyear supply commitments and execution track record leave us confident in their ability to execute throughout the next several years. Gross margin guidance of 62% to 64% was maintained despite the rising input cost pressures. Management also continues to expect one or possibly two new 10%+ customers in 2026 beyond Microsoft and Meta as Arista meets the needs of multiple companies building out data centers for AI.

The Fund's largest detractors to performance in the quarter were **Guidewire Software Inc.** (Guidewire) and **Darling Ingredients Inc.** (Darling).

Guidewire declined -17.7% during the quarter, ending with a weight of 3.1%. Guidewire is the leading provider of core systems software to the property and casualty (P&C) insurance industry. Guidewire reported strong fiscal third quarter results (its fiscal year ends in July), with revenue growth of 27% and profitability well ahead of guidance, and management raised full-year guidance for both. The shares nevertheless declined because annual recurring revenue (ARR) growth of 19% finished at the midpoint of guidance, the first quarter since 2022 that ARR did not meet or exceed the high end of its guidance, as a couple of deals slipped past quarter end. We believe the slippage reflects timing rather than demand. The pipeline remains healthy, and management noted the fiscal fourth quarter is off to a good start and could be a record quarter. Fully ramped ARR continues to grow faster than reported ARR, and management expects it to grow above the 22% achieved in fiscal year 25, which supports continued growth into future years. While AI is perceived as a risk by the market, a modern core system is a prerequisite for insurers to deploy AI, and early customer pilots using AI tooling have reduced cloud migration costs by approximately 35%, lowering the largest cost barrier to modernization. We believe this migration will drive Guidewire's growth for the next decade, as the Company currently wins more than 80% of competitive requests for proposals (RFPs) but only 25% of industry premiums are running on its systems. In addition, Guidewire's pricing is tied to direct written premiums rather than employee headcount, which makes it a beneficiary of rising insurance premiums and insulates it from potential AI-driven seat reductions.

Darling returned -11.7% during the quarter, ending with a weight of 4.0% after trimming the position early in the quarter on strength. Darling is the global leader in rendering animal byproducts and used cooking oil into fats and proteins for a variety of end uses, including animal feed, specialty health products, and renewable diesel through a joint venture with Valero called Diamond Green Diesel (DGD). Darling reported stronger than expected first quarter 2026 results, driven by better performance in the core Feed and Food segments, as well as stronger margins at DGD. Notwithstanding lower oil prices at quarter- end, Darling is extremely well-positioned for significantly im-

[1] One basis point is equal to 1/100th of 1%, or 0.01%.

proved profitability, with long-awaited certainty on government mandates finalized at the end of first quarter 2026, which will support both margins at DGD and higher Feed prices. These end markets are further benefiting from higher prices as a result of the recent conflict in the Middle East. The full benefit of recent development will start to be apparent in second quarter 2026.

Portfolio changes

There were no new positions, nor did we exit any positions in second quarter 2026.

We opportunistically trimmed a number of our top performing holdings to better align with our target weight. These include Arista, Darling, Entegris, and **Keysight Technologies Inc**. We also executed a partial tax loss harvest on **Brown & Brown Inc.**, **Shift4 Payments Inc.**, and **Zebra Technologies Corp.** We added primarily to **Hubbell Inc.** and **Broadridge Financial Solutions**, to continue to build those positions after introducing them to the portfolio last quarter. We also added to our positions in **Tradeweb Markets Inc.**, **Heico Corp**, and **ITT Inc.**

Our turnover[2] during the quarter and last twelve months was 7.6% and 27.8%, respectively.

Conclusion

At the end of second quarter 2026, we held positions in 27 companies with 48% of assets in the 10 largest holdings. As of June 30, 2026, the Fund was trading at 90% of our underlying intrinsic value[3] estimates on a weighted-average basis. We ended the quarter with a cash position of 0.8%.

The most expensive companies, specifically the top quintile by price/earnings, were the best performing segment of the Index, up 26.4% in the second quarter. We believe that valuations over short periods of time are not particularly predictive but become more meaningful over our investment horizon of three to five years. The current market environment is bullish, volatile, and highly sentiment driven, which creates an environment where valuations can become detached both on the upside and downside. While our investment holdings include both low- and high-valued companies, and many quality companies deserve a premium to the market more broadly, we are certainly not concentrated in the top quintile by valuation. Valuation is also core to establishing a margin of safety, which we seek to achieve when investing in new companies at a significant discount to our estimate of intrinsic value. Therefore, our focus is not whether a valuation is high or low, as both can be justified depending on the outlook, but where we have a differentiated view relative to the market based on our estimate of discounted cash flows.

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

Sincerely,

Timothy F. Harris
Fund Manager

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[2] Turnover is defined as the lesser of purchases or sales divided by the average total portfolio market value for that time period.

[3] 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 JUNE 30, 2026)

	Ticker	Inception date	Total net assets (mil)	NAV
BBH Select Mid Cap ETF	BBHM	5/24/2021	$475.4	12.10

Equity weighting As of June 30, 2026	
Common stock	99.2%
Cash and cash equivalents	0.8%
Other assets in excess of liabilities	0.0%
Total	**100.0%**

Fund facts As of June 30, 2026	
Number of securities held	27
Price / intrinsic value (P/IV)	90%
Average market cap (bil)	$29.7
Turnover (rolling 12-months)	27.8%

Excludes cash equivalents.

Sector weighting As of June 30, 2026	
Industrials	38.5%
Information technology	21.0%
Financials	9.7%
Materials	6.8%
Consumer staples	6.7%
Health care	5.0%
Consumer discretionary	4.5%
Real estate	4.2%
Communication services	3.7%
Energy	0.0%
Utilities	0.0%
Total	**100.0%**

Reported as a percentage of portfolio securities, excluding cash and cash equivalents.

Top ten companies As of June 30, 2026	
Entegris Inc	6.4%
Watsco Inc	5.4%
Arista Networks Inc	5.1%
West Pharmaceutical Services Inc	4.9%
Keysight Technologies Inc	4.9%
Wyndham Hotels & Resorts Inc	4.4%
Advanced Drainage Systems Inc	4.4%
ITT Inc	4.3%
CBRE Group Inc	4.2%
HEICO Corp	4.1%
Total	**48.1%**

Reported as a percentage of total portfolio.

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.

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Beta is a measure of the volatility—or systematic risk—of a security or portfolio compared to the market as a whole.

BBH

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