

CAPITAL PARTNERS

BBH Select Mid Cap ETF

Quarterly Update | 3Q 2026

Highlights

- The BBH Select Mid Cap ETF decreased -5.8% in third quarter 2026 on a total return basis while the Russell Midcap Index decreased -3.0%.
- Semiconductors experienced a selloff on concerns over slowing development momentum, while software stocks recovered from their lows.
- The portfolio’s valuation today presents what we believe is one of the more compelling opportunities we have seen in several years.

PERFORMANCE (AS OF SEPTEMBER 30, 2026)

	Total returns		Average annual total returns				Performance inception
	3 mo.	YTD	1 yr.	3 yr.	5 yr.	Since inception	
BBH Select Mid Cap ETF NAV	-5.78%	1.17%	-2.74%	6.41%	2.57%	2.55%	05/24/2021
Russell Midcap	-3.00%	11.84%	12.02%	17.20%	8.04%	7.78%	
BBH Select Mid Cap ETF Market Price	-5.73%	0.98%	–	–	–	1.88%	11/17/2025
Russell Midcap	-3.00%	11.84%	–	–	–	14.29%	

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) decreased -5.8% in the third quarter 2026 on a total return basis while the Russell Midcap Index (the Index) decreased -3.0%.

The third quarter was shaped by geopolitical risk and monetary policy tightening, punctuated by a rotation out of the artificial intelligence (AI) trade. The Iran War kept oil prices elevated — WTI rose from below \$70 to above \$105 at its peak in mid-September — sustaining inflationary pressure and prompting the Federal Reserve (the Fed) to deliver a rate hike in September, while signaling further tightening may follow. The AI trade remains volatile: after peaking in June, semiconductors experienced a sharp selloff on concerns over slowing development momentum, while software stocks recovered from their lows. AI infrastructure beneficiaries experienced renewed momentum following the launch of Meta's Muse agent in mid-September. Mid-cap equities, which had proven resilient through much of the year, gave back ground in the third quarter as Treasury yields rose to multiyear highs.

Against this backdrop, more defensive healthcare and energy were the best performing sectors, up 11.6% and 11.4%, respectively. Conversely, utilities and industrials were the worst performing sectors, down -13.7% and -12.9%, respectively, as these were perceived to be the most impacted by higher interest rates. Our portfolio benefitted from its underweight to utilities but this was more than offset by our overweight to industrials and underweight to healthcare.

Portfolio contribution

For the quarter, the Fund's largest positive contributors were **Arista Networks Inc.** (Arista) and **Guidewire Software Inc.** (Guidewire).

Arista returned 19.8% during the quarter, ending with a weight of 4.8%. Arista is the leading provider of data center switches to cloud network customers.

Arista reported strong second quarter results with record revenue, continued margin resilience, and guidance that exceeded expectations. Revenue grew 38% year over year to \$3.0 billion, driven by broad-based demand across AI, cloud, enterprise, and campus networking markets. We were particularly encouraged by management's improving outlook for supply chain availability, which should allow the company to convert a growing deferred revenue

HOLDINGS (AS OF SEPTEMBER 30, 2026)

Entegris Inc	5.8%
Keysight Technologies Inc	4.8%
Arista Networks Inc	4.8%
ITT Inc	4.7%
West Pharmaceutical Services Inc	4.4%
CBRE Group Inc	4.2%
Advanced Drainage Systems Inc	4.2%
Darling Ingredients Inc	4.2%
Watsco Inc	4.2%
Wyndham Hotels & Resorts Inc	4.0%
HEICO Corp	3.8%
Guidewire Software Inc	3.5%
Element Solutions Inc	3.4%
Broadridge Financial Solutions	3.3%
GXO Logistics Inc	3.3%
Tradeweb Markets Inc	3.3%
Take-Two Interactive Software Inc	3.2%
Hubbell Inc	3.2%
AptarGroup Inc	3.1%
Vulcan Materials Co	3.1%
LPL Financial Holdings Inc	3.1%
GFL Environmental Inc	3.1%
BJ's Wholesale Club Holdings Inc	3.0%
Brown & Brown Inc	2.6%
Solv Energy Inc	2.2%
UL Solutions Inc	2.0%
WillScot Holdings Corp	1.7%
Zebra Technologies Corp	1.5%
Shift4 Payments Inc	1.3%
Cash & cash equivalents	0.8%

Holdings are subject to change.

balance into reported sales and support accelerating growth through the second half of the year. Product deferred revenue increased by another \$600 million during the quarter, highlighting shipments are growing even faster than reported revenue growth.

Management also demonstrated strong execution despite rising component costs. Gross margin of 63.4% exceeded guidance and improved sequentially, while operating margin approached 50% as the company continued to generate exceptional operating leverage. Arista raised full-year revenue guidance to \$12.6 billion, nearly 40% growth, while maintaining gross margin guidance of 62% to 64% and increasing operating margin expectations. Management further expressed confidence in long-term demand, noting the potential for one or two additional 10%+ customers beyond Microsoft and Meta as AI data center deployments continue to expand globally.

Guidewire increased 15.9% during the quarter, ending with a weight of 3.5%. Guidewire is the leading provider of core systems software to the property and casualty (P&C) insurance industry.

Guidewire delivered a solid fiscal fourth quarter highlighted by strong recurring revenue growth, record cloud deal activity, and continued momentum in its cloud transition strategy. Annual recurring revenue (ARR) increased 19% year over year and exceeded expectations, while fully ramped ARR grew 22%, providing additional visibility into future growth. The company closed a record 26 cloud deals during the quarter, including a significant agreement with Nationwide to migrate its existing insurance platform to Guidewire Cloud. New products also gained traction, with strong adoption of both ProNavigator and Pricing Center, reinforcing management's view that customer demand remains robust.

Although initial fiscal 2027 guidance was only modestly above expectations, more than half of next year's expected ARR growth is already under contract, and management noted there is "more upside potential than downside anxiety" embedded in the forecast. The business continues to benefit from attractive cloud economics, with subscription revenue growing 36% and incremental subscription gross margins reaching 93%. Strong free cash flow generation also enabled substantial share repurchases, while the company finished the year with a strong balance sheet and flexibility to continue returning capital.

The Fund's largest detractors to performance in the quarter were **Watsco Inc.** (Watsco) and **UL Solutions Inc.** (ULS).

Watsco returned -26.8% during the quarter, ending with a weight of 4.2%. Watsco is the largest independent distributor of residential heating, ventilation, and air conditioning (HVAC) equipment and related products in North America.

Watsco shares declined during the quarter following second quarter results that fell short of investor expectations, particularly around margins. While revenue increased 2% year over year and HVAC equipment volumes returned to growth for the first time since late 2024, the company faced a difficult comparison against last year's unusually strong pricing environment. Gross margin declined 180 basis points (bps)¹ year over year to 27.5%, below expectations, as supplier price increases were substantially more modest than the tariff-driven increases experienced in 2025. Operating margin and earnings similarly came under pressure, with EPS of \$4.00 falling below consensus expectations.

Despite the near-term disappointment, several underlying business trends remain constructive. Management highlighted improving unit volumes across residential HVAC markets, continued gains in e-commerce adoption, and the successful acquisition of Jackson Supply, which expands Watsco's presence in attractive Sunbelt markets.

¹ One basis point (bp) is equal to 1/100th of 1%, or 0.01%.

Organic sales in July increased 4% to 5%, including positive unit growth, and management expects demand to benefit from easier comparisons in the second half of the year. We continue to believe Watsco's industry-leading scale, technology investments, and long history of market share gains position the company well as HVAC demand normalizes.

ULS returned -35.5% during the quarter, ending with a weight of 2.0%. ULS is a leading provider of testing, inspection, certification, and compliance services that help customers verify the safety and performance of products worldwide.

ULS declined during the quarter despite reporting another quarter of solid operational performance. Revenue, EBITDA, and EPS all exceeded expectations, with organic revenue growth of 6.6% supported by strength across certification testing in industrial automation, consumer technology, energy, and materials end markets. However, the market appeared disappointed by the pace of margin expansion, increased capital spending commitments, and management's decision to maintain rather than raise full-year profitability guidance. EBITDA margin improved 150 bps year over year but fell short of elevated investor expectations following several recent quarters of stronger margin progression.

Management noted that margins were temporarily impacted by performance-based employee incentives tied to the company's strong results and that increased capital expenditures reflect investments in laboratory capacity to meet growing customer demand. Importantly, ULS maintained its outlook for continued mid-single-digit organic growth and roughly 100 bps of EBITDA margin expansion for the full year. The company also continues to make strategic investments to expand its global testing and certification footprint, including the pending acquisition of Eurofins' Electrical and Electronics business, which should strengthen its competitive position in attractive certification markets.

Portfolio changes

We initiated two new positions in the third quarter in **Element Solutions Inc.** (Element) and **SOLV Energy Inc.** (SOLV).

Element Solutions is a leading global provider of critical, consumable specialty chemistries for the electronics and industrial end markets. The company is a formulator — buying raw materials such as base metals and acids and designing proprietary solutions that are specifically qualified into customer processes for the life of the manufacturing line. This model produces a sticky, recurring revenue stream with high margins (~42% gross margin, ~52% excluding metal pass-throughs), low capital intensity (~2% of revenue), and strong free cash flow. The electronics segment generates approximately 70% of total revenue and EBITDA, primarily addressing back-end semiconductor production and electronic device manufacturing, with circuitry solutions as the largest and highest-margin business line, providing products for circuit metallization and metal etching at PCB manufacturers. Data center applications represent ~30% of electronics revenue, ~24% of auto electronics, and ~19% of industrial/medical, with 75% of segment revenue directed to enterprise applications. The remainder of the business is the industrial specialties segment, which sells anti-corrosion, metal finishing, and wear resistance coatings to automotive and industrial customers.

Element solutions is well positioned to benefit from the secular trend toward advanced packaging, where companies like Nvidia and AMD integrate multiple chiplets onto a single substrate, driving greater volume of Element solutions per chip. PCBs utilized in AI servers and racks also require higher material layer counts and increased use of Element's thermal management products, with the electronics segment delivering 20% organic growth in second quarter 2026 and semiconductors up 31%. Element developed leading materials for electric vehicle (EV) electronic systems at customers including Tesla and BYD, and the same power semiconductors are

now being adopted for 800 volts of direct current electricity in data centers, opening a new growth vector. The company is differentiated by its breadth of solutions from packaging through assembly, with customers co-innovating with Element on next-generation products. Management, led by CEO Ben Gliklich, has demonstrated consistent execution — optimizing the portfolio through divestitures, supplementing organic growth with bolt-on acquisitions, and compounding earnings through disciplined capital allocation.

SOLV Energy is a leading U.S. infrastructure services contractor specializing in the design, engineering, procurement, and construction (EPC) of utility-scale solar and battery energy storage systems (BESS), along with related transmission and distribution (T&D) infrastructure. Founded in 2008, SOLV has constructed over 500 power plants representing more than 22 gigawatts (GW) of generating capacity and provides operations and maintenance (O&M) services for over 23 GW. The company operates across two segments: new construction (~94% of revenue) and existing infrastructure (O&M), with O&M increasing total revenue opportunity by approximately 45% over the life of a project. SOLV holds a #2 position in both solar EPC and BESS EPC, and is uniquely the only top-five EPC provider that also offers O&M at scale — reducing coordination risk for customers and creating a smoother construction-to-operations transition. As of second quarter 2026, backlog stood at \$8.9 billion (44% year-over-year growth), with \$2.5 billion attributable to storage projects, providing strong visibility into 2027–2028. The company maintains a debt-free balance sheet with \$364 million in cash and an asset-light model that generates strong free cash flow.

SOLV is a high-quality picks-and-shovels participant in the U.S. renewable energy buildout, driven by accelerating power demand from data centers, industrial reshoring, and electrification. Solar dominates new U.S. generation additions given its economics and speed to power, while BESS adoption is accelerating as costs decline. Average project sizes have more than doubled to ~450 megawatts (MW), creating operating leverage and limiting credible competition to only 3 to 4 scaled peers. SOLV's ability to self-perform across civil, mechanical, and electrical scopes differentiates it from typical EPC competitors, and its ~50% O&M attach rate on new EPC work compounds the lifetime revenue opportunity. SOLV is debt-free and generates strong free cash flow driven by an asset-light business model with minimal fixed asset ownership. The company has been led by CEO George Hershman since the company's origin in 2008. He is an industry leader who has served as Chairman of the Solar Energy Industries Association (SEIA). Alongside experienced CFO Chad Plotkin, management has successfully supplemented organic growth through mergers and acquisitions (M&A).

In order to fund our new positions, we trimmed a wide range of holdings across technology (**Arista Networks Inc.**, **Keysight Technologies Inc.**, Guidewire, **Zebra Technologies Corp**), Healthcare (**West Pharmaceutical Services**), Consumer/Energy on strength (**Darling Ingredients Inc.**), and Industrial holdings on outlook (**GFL Environmental Inc.**, **GXO Logistics Inc.**, ULS, **Vulcan Materials Co**). We also added to our positions in **Broadridge Financial Solutions**, **Advanced Drainage Systems Inc.**, and **Brown & Brown Inc.**

Our turnover² during the quarter and last 12 months was 7.3% and 26.8% respectively.

Conclusion

At the end of third quarter 2026, we held positions in 29 companies with 45% of assets in the 10 largest holdings. As of September 30, 2026, the Fund was trading at 79% of our underlying intrinsic value³ estimates on a weighted-average basis. We ended the quarter with a cash position of 0.8%.

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.

The portfolio's valuation today presents what we believe is one of the more compelling opportunities we have seen in several years. While our mid cap holdings continue to exhibit meaningfully stronger fundamentals than the Russell Midcap Index, including faster revenue growth, higher EBITDA growth, superior margins, higher returns on equity, and lower financial leverage, the valuation investors are paying for those advantages has compressed substantially. We believe this disconnect between fundamentals and valuation creates an attractive entry point for long-term investors. Supported by a portfolio-level price-to-intrinsic value estimate of approximately 79%, we believe investors today have the opportunity to own a collection of high-quality compounders at a valuation that does not fully reflect their superior growth, profitability, and balance sheet strength.

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

A handwritten signature in black ink, appearing to read "T. F. Harris", with a long horizontal flourish extending to the right.

SHARE CLASS OVERVIEW (AS OF SEPTEMBER 30, 2026)

	Ticker	Inception date	Total net assets (mil)	NAV
BBH Select Mid Cap ETF	BBHM	5/24/2021	\$376.8	11.40

Equity weighting As of September 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 September 30, 2026	
Number of securities held	29
Price / intrinsic value (P/IV)	79%
Average market cap (bil)	\$30.5
Turnover (rolling 12-months)	26.8%
Excludes cash equivalents.	

Sector weighting As of September 30, 2026	
Industrials	36.1%
Information technology	20.5%
Financials	10.4%
Materials	9.7%
Consumer staples	7.2%
Health care	4.4%
Real estate	4.3%
Consumer discretionary	4.0%
Communication services	3.3%
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 September 30, 2026	
Entegris Inc	5.8%
Keysight Technologies Inc	4.8%
Arista Networks Inc	4.8%
ITT Inc	4.7%
West Pharmaceutical Services Inc	4.4%
CBRE Group Inc	4.2%
Advanced Drainage Systems Inc	4.2%
Darling Ingredients Inc	4.2%
Watsco Inc	4.2%
Wyndham Hotels & Resorts Inc	4.0%
Total	45.3%

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.bbhffunds.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.



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