BROWN BROTHERS HARRIMAN

CAPITAL PARTNERS

BBH Select Mid Cap ETF

Quarterly Update | 4Q 2025

Highlights

- The BBH Select Mid Cap ETF (the Fund) decreased -3.9% in fourth quarter 2025 on a total return basis while the Russell Midcap Index (the Index) increased 0.2%.
- Unprofitable and highly volatile (i.e., high beta) companies dramatically outperformed in 2025.
- We are confident that the market will inevitably turn its attention back to financial fundamentals, including cash flow and profitability.

PERFORMANCE (AS OF DECEMBER 31, 2025)

	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	-3.86%	-5.64%	-5.64%	9.83%	–	2.72%	05/24/2021
Russell Mid Cap	0.16%	10.60%	10.60%	14.36%	–	6.48%	
BBH Select Mid Cap ETF Market Price	–	–	–	–	–	0.88%	11/17/2025
Russell Mid Cap	–	–	–	–	–	2.19%	

Total Annual Fund Operating Expenses (%): 0.84.

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 -3.9% in fourth quarter 2025 on a total return NAV basis while the Russell Midcap Index (the Index) increased 0.2%. For 2025, the Fund decreased by a total return of -5.6% on a NAV basis compared to an increase of 10.6% for the Index.

The fourth quarter saw a continuation of the low-quality rally that accelerated following the April market low. Catalysts include the enthusiasm for artificial intelligence (AI) driving enormous capital expenditures in associated infrastructure; a more permissive regulatory regime; and monetary and fiscal stimulus. Within the Index, unprofitable companies have dramatically outperformed and were up 42.9% in 2025.[1] Similarly, the quintile with the highest beta to the Index was up 31.9% in 2025.[2] This is a difficult market backdrop for our strategy, which focuses on high-quality, profitable companies and avoids speculative ventures.

In the fourth quarter, healthcare and materials were the top-performing sectors, up 6.4% and 3.4%, respectively. Conversely, communication services and real estate were both down -4.8%. Healthcare rebounded on increased regulatory clarity regarding drug pricing as several large pharmaceutical companies reached most-favored nation-style agreements with the administration, creating a clearing event given depressed valuations. Communication services saw weakness on a combination of weaker earnings and higher leverage and credit-spread sensitivity. Our portfolio benefitted from our overweight in technology and industrials, as well as our underweight in utilities and energy. This benefit was partially offset by our underweight in healthcare.

Portfolio contribution

For the quarter, the Fund's largest positive contributors were **Darling Ingredients Inc.** (Darling) and **Keysight Technologies Inc.** (Keysight).

Darling returned 16.6% during the quarter, ending with a weight of 3.4%. 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. Darling experienced strong third quarter results with sales up about 10%, beating revenue and EBITDA consensus. The core feed and food ingredients segments were particularly improved, aided by stronger fat prices and with the company managing well despite tariff volatility. Free cash flow was $134m in the quarter and expected to improve further in fourth quarter 2025 following the sale of producer tax credits. Darling also remains optimistic on the finalization of the renewable fuel standards policies forthcoming from the Environmental Protection Agency (EPA) that will drive feedstock demand and support renewable diesel margins. Lastly, Darling announced a combination of collagen and gelatin businesses into a new joint venture with Tessenderlo, highlighting the value of its food ingredients business.

Keysight returned 16.2% during the quarter, also ending with a weight of 3.4%. Keysight is the market leader for test and measurement equipment, facilitating precise measurement of electrical and radio wave signals for use in communications, electronics, and aerospace and defense (A&D) industries. Keysight reported solid fourth quarter fiscal year results, with revenue and earnings

[1] Source: Jefferies

[2] *Ibid.*

Portfolio contribution is on a NAV basis.

HOLDINGS (AS OF DECEMBER 31, 2025)	
CBRE Group Inc (Class A)	5.8%
Guidewire Software Inc	5.5%
Take-Two Interactive Software Inc	5.2%
GFL Environmental Inc	4.9%
Watsco Inc	4.7%
Arista Networks Inc	4.6%
GXO Logistics Inc	4.5%
Advanced Drainage Systems Inc	4.3%
LPL Financial Holdings Inc	4.1%
West Pharmaceutical Services Inc	4.1%
Entegris Inc	3.8%
Wyndham Hotels & Resorts Inc	3.8%
Shift4 Payments Inc (Class A)	3.8%
Vulcan Materials Co	3.6%
HEICO Corp (Class A)	3.6%
Brown & Brown Inc	3.5%
UL Solutions Inc (Class A)	3.4%
Darling Ingredients Inc	3.4%
ICON PLC	3.4%
Keysight Technologies Inc	3.4%
ITT Inc	3.2%
AptarGroup Inc	3.1%
BJ's Wholesale Club Holdings Inc	3.0%
Tradeweb Markets Inc (Class A)	2.1%
WillScot Holdings Corp	1.9%
Zebra Technologies Corp (Class A)	1.9%
Mister Car Wash Inc	1.1%
Cash & Cash Equivalents	0.2%

Holdings are subject to change.

both above the guided range, and forecasted sustained strong growth in fiscal year 2026. AI-related demand is driving the fastest growth in Keysight's wireline business and represented approximately 10% of Keysight total revenue in 2025; however, the growth is broad-based, with all segments growing high-single digits or better, and fourth quarter orders grew 14%. Supported by a robust pipeline, management forecasts fiscal year 2026 organic revenue growth of at least 7% and EPS growth of at least 10%. Overall, Keysight is extremely well positioned to benefit from ongoing technology innovation across the wireless, networking, and semiconductor markets.

The Fund's largest detractors to performance in the quarter were **Shift4 Payments Inc.** (Shift4), and **Guidewire Software Inc.** (Guidewire). Both had strong fundamental performance but declined on increased negative sentiment for payments and software sectors, respectively.

Shift4 declined -18.6% during the quarter, ending with a weight of 3.8%. Shift4 is an integrated payments processor specializing in the hospitality vertical, including restaurants, lodging, and leisure. Shift4 reported a strong quarter with beats on the top and bottom line combined with a reiteration of the midpoint of its annual guidance with a narrower range, although it modestly lowered the midpoint of its volume guidance. Modestly worse same-store sales at its restaurant and hotel customers and foreign exchange (FX) headwinds for Global Blue were offset by continued new business wins. The company continues to rapidly sign new business in its core restaurant, hospitality, and sports and entertainment verticals, as well as in newer verticals such as non-profits, retail, and crypto. The company also announced a $1B share buyback authorization. Notwithstanding these strong fundamentals, in late October payments bellwether Fiserv missed earnings, cut guidance again, and changed leadership. Fiserv's troubles raised concerns about weaker consumer outlook and merchant volumes leading to slower growth and accelerating a rotation away from the payments sector more broadly. However, we see the read across as limited and continue to believe that Shift4's outlook is sustainable.

Guidewire declined -12.6% during the quarter, ending with a weight of 5.5%. Guidewire is the leading provider of core systems software to the property and casualty (P&C) insurance industry. Guidewire reported another strong quarter with annual recurring revenue (ARR), revenue, and operating income all above guidance and expectations. ARR growth accelerated to +21% in constant currency, the company's fastest growth since starting to report the metric in 2020, highlighting the sustained drivers of demand. Subscription revenue growth of +36% delivered 82% incremental margins as Guidewire continues to demonstrate excellent cost efficiency as well. Full-year guidance was raised for all metrics, while Guidewire also introduced two new modules in PricingCenter and UnderwritingCenter, which will further increase the opportunity set for customers. The company's Investor Day and User Conference mid-fourth quarter reinforced Guidewire's industry leadership and attractive opportunity in the years ahead. Notwithstanding these strong fundamentals, the software sector was broadly out of favor on concerns that AI will commoditize software coding and lower barriers to entry for enterprise software. This is difficult to disprove in the short term, but our view is that, as a market-leading incumbent with deep vertical domain expertise, Guidewire will be a beneficiary of AI as it drives increased adoption of its cloud-based core systems software, lowers internal development costs, and facilitates faster incremental product introductions.

Portfolio changes

We initiated one new position in the fourth quarter in **Tradeweb Markets Inc.** (Tradeweb) and exited one position in **NVR Inc.** (NVR).

Tradeweb is an electronic marketplace and trading platform for rates, credit, equities, and money markets. Instead of negotiating over the phone or by chat, electronic trading occurs on a centralized digital platform that facilitates price discovery and automates execution and post-trade processing. Tradeweb pioneered electronic trading in U.S. Treasuries and has since expanded into multiple asset classes, connecting over 2,500 clients across institutional, dealer, and retail networks. U.S. Treasuries are now approximately 70% electronic vs. approximately 40% a decade ago, and most asset classes including credit and swaps are moving in a similar direction.

The company primarily generates revenue through transaction fees linked to trading volumes, subscription-like platform access fees, and fees from distribution of its market data. Tradeweb's competitive positioning is strongest in rates, including government bonds, interest rate swaps, and mortgages – where it holds leading market share – while continuing to grow in corporate credit through adoption of newer protocols like portfolio trading. The platform integrates across the full trade lifecycle with self-reinforcing network effects that drive liquidity concentration and make the platform difficult to displace.

Tradeweb is growing earnings at a double-digit rate with free cash flow conversion above 100% of net income and consistent margin expansion. The business model is all-weather, as trading activity in certain asset classes tends to rise in volatile or choppy macro backdrops. CEO Billy Hult is a 25-plus-year veteran of the firm with an eye for product innovation and widely regarded for his ability to cultivate deep relationships with banks and key customers. With secular adoption of electronic protocols across asset classes, ongoing share gain opportunities, and a strong management team, Tradeweb offers a rare combination of sustained earnings growth and defensibility.

NVR is a regional homebuilding company with a focused strategy of low capital intensity, high local market share, and vertical integration. NVR has been a very successful investment for the strategy over our four-year holding period. NVR grew earnings per share by over 50% between 2021 and 2024, benefiting from tight supply conditions, as existing inventory remained sidelined due to higher mortgage rates, combined with robust demand in the company's core markets of the Mid-Atlantic, Northeast, and eastern Midwest. NVR's capital-light business model enjoyed sustained margins above pre-Covid-19 levels during this period and consistent, strong free cash flow which was utilized for accretive stock buybacks. We exited as margins have begun to decline alongside slowing demand.

In addition to Tradeweb, we added to our positions in **BJ's Wholesale Club Holdings**, **ITT Inc.**, **Watsco Inc.**, and **Wyndham Hotels & Resorts Inc.** In addition to NVR, we trimmed our position in **ICON plc.**

Our turnover[3] during the quarter and last twelve months was 3.3% and 20.6%, respectively.

Conclusion

At the end of fourth quarter 2025, we held positions in 27 companies with 48% of assets in the 10 largest holdings. As of December 31, 2025, the Fund was trading at 82% of our underlying intrinsic value[4] estimates on a weighted-average basis. We ended the quarter with a cash position of 0.2%.

The market continues to be fraught with macro risk. Outside of AI and related technology investment, the U.S. economy has been close to stagnant, with manufacturing in a recession, services slowing, a softer labor market, and weakening consumer sentiment. Additional fiscal and monetary stimulus appears forthcoming but is likely to percolate through the economy in an uneven manner. Notwithstanding these largely binary risks, our focus remains on identifying companies with superior fundamentals with the potential to grow revenues, profits, and free cash flow at an above-market rate sustainably. Ultimately, that is what we believe will drive share prices.

For example, our current portfolio companies have grown revenues and EBITDA by 10% and 11% over the last twelve months, respectively.[5] That compares to 5% and 4%, respectively, for the Index. Likewise, our portfolio

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

[4] 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.

[5] Source: Factset consensus estimates for 2025.

enjoys superior operating margins and return on equity of 20% and 17%, compared to 12% and 15% for the Index, respectively. Lastly, our portfolio has a much lower leverage profile with net debt to EBITDA of 1.5x compared to 2.9x for the Index. While we are willing to pay a reasonable valuation multiple premium for quality, we always seek to invest at a discount to our intrinsic value, which helps establish a margin of safety and mitigate the potential for permanent capital loss. It may not be the current focus, but we are confident that the market will inevitably turn its attention back to cash flow and profitability.

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

Sincerely,

Timothy F. Harris
Portfolio Manager

SHARE CLASS OVERVIEW (AS OF DECEMBER 31, 2025)

	Ticker	Inception date	Total net assets (mil)	NAV
BBH Select Mid Cap ETF	BBHM	5/24/2021	$492.2	$11.27

Equity weighting As of December 31, 2025	
Common stock	99.8%
Cash and cash equivalents	0.2%
Other assets in excess of liabilities	0.0%
Total	**100.0%**

Fund facts As of December 31, 2025	
Number of securities held	27
Price / intrinsic value (P/IV)	82%
Average market cap (bil)	$25.5
Turnover (rolling 12-months)	20.6%

Excludes cash equivalents.

Sector weighting As of December 31, 2025	
Industrials	30.7%
Information technology	19.2%
Financials	13.5%
Health care	7.5%
Materials	6.8%
Consumer staples	6.4%
Real estate	5.8%
Communication services	5.2%
Consumer discretionary	4.9%
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 December 31, 2025	
CBRE Group Inc	5.8%
Guidewire Software Inc	5.5%
Take-Two Interactive Software Inc	5.2%
GFL Environmental Inc	4.9%
Watsco Inc	4.7%
Arista Networks Inc	4.6%
GXO Logistics Inc	4.5%
Advanced Drainage Systems Inc	4.3%
LPL Financial Holdings Inc	4.1%
West Pharmaceutical Services Inc	4.1%
Total	**47.8%**

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.

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.

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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