BBH Select Series - Mid Cap Fund

Quarterly Fund Update / 2Q 2023

2Q Highlights

- The BBH Select Series - Mid Cap Fund ("the Fund") increased 8.83% in the second quarter of 2023 on a total return basis, while the Russell Midcap Index ("the Index") increased 4.76%.
- Our portfolio companies collectively outperformed, with only one portfolio company missing market consensus earnings estimates during the most recent set of results.
- Investors who feel they are over allocated to a small number of ultra large cap companies should consider mid cap as an asset class to diversify their portfolio.

Performance
As of June 30, 2023

	Total Returns		Average Annual Total Returns				
	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Class I	8.83%	16.86%	18.67%	N/A	N/A	N/A	-0.10%
Benchmark	4.76%	9.01%	14.92%	N/A	N/A	N/A	-1.27%

Class I Inception: 05/24/2021
Class I: Net/Gross Expense Ratio (%) 0.90 / 2.29

Returns of less than one year are not annualized.

The Brown Brothers Harriman & Co., through a separately identifiable department ("Investment Advisor") has contractually agreed to limit the Total Annual Fund Operating Expenses excluding certain expenses to 0.90% through March 1, 2024. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees.

Performance data quotes 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 redeemed, 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. *Shares redeemed within 30 days of purchase are subject to a redemption fee of 2%.*

The Russell Midcap Index, the Fund's benchmark, is a market capitalization-weighted index comprised of approximately 800 publicly traded U.S. companies with market caps of between $1 and $66 billion. The index is not available for direct investment. The composition of the index is materially different than the Fund's holdings.

Sources: BBH & Co. and Russell

The BBH Select Series - Mid Cap Fund ("the Fund") increased 8.83% in the second quarter of 2023 on a total return basis, while the Russell Midcap Index ("the Index") increased 4.76%. Since its inception on May 24, 2021, the Fund has declined by an average annual total return of -0.10% compared to a decline of -1.27% for the Index.

During the second quarter, equity markets shook off a barrage of potential bad news as the economy continued to demonstrate unexpected resilience, the Federal Reserve paused rate increases, and volatility declined to pre-pandemic levels. The Index declined -3.3% across April and May, before it became clear that broader bank contagion had been contained and a successful resolution to the debt ceiling debate catalyzed a June rally with the Index subsequently up 8.3% in June. Against this backdrop, our portfolio companies collectively outperformed, with only one portfolio company missing market consensus earnings estimates during the most recent set of results. It remains to be seen how the market will react to the expected resumption of interest rate increases during the third quarter.

Reflecting the more optimistic market outlook, Industrials,[1] Consumer Discretionary, and Information Technology were the Index's best performing sectors, up 11%, 7%, and 7%, respectively. Utilities, Consumer Staples, and Health Care were the worst performing sectors down -2%, up 1%, and up 1%, respectively. The Fund is overweight Information Technology and Industrials, and underweight Utilities and Health Care, which benefitted performance during the quarter. That said, most of our outperformance during the quarter was related to individual security selection.

Portfolio Attribution

For the quarter, our largest positive contributors were our two largest holdings, **Entegris Inc.** ("Entegris") and **Watsco Inc.** ("Watsco").

Entegris returned 35.3% and ended the quarter with a weight of 6.8%. Entegris is a key supplier to the semiconductor industry of essential filtration products, materials, and related equipment that enable the high precision fabrication of chips. Entegris benefits from increasing demands for material purity in the semiconductor manufacturing process, as leading-edge transistor sizes shrink, as well as increasing volumes of semiconductor wafers produced. Despite challenging semiconductor conditions, with key customers announcing production cuts, Entegris demonstrated the resilience of its business model by maintaining its full year guidance as it now expects to outgrow the industry by 6%-7% this year, up from a projected 3%-6% at the

[1] The Fund uses GICS sector classifications for evaluating sector weights and performance.

beginning of the year. Entegris would naturally be a beneficiary of increased compute and memory demand from artificial intelligence, although we believe the tangible benefits from this will take time to materialize.

Watsco returned 20.8% and ended the quarter as our largest holding with a weight of 7.2%. Watsco is the largest national independent distributor of residential heating, ventilation, and air conditioning ("HVAC") products to local installers, primarily in the Southeast. Regular replacement of HVAC units is the main demand driver, with a gradually growing installed base and consistent manufacturer price increases translating to consistent growth. Watsco reported another strong quarter with continued year-over-year revenue growth of 2%, despite a tough comparison with Q1 2022, and even more impressive margin performance well ahead of expectations on strong cost control. Overall, Watsco has been weathering the normalization of HVAC unit volume growth well and benefits from tailwinds including price increases, refrigerant changes, and mix-shift to higher margin products such as heat pumps and other ductless products.

The Fund's largest detractors to performance in the second quarter were **Mercury Systems Inc.** ("Mercury") and **Aspen Technology Inc.** ("Aspen").

We exited our position in Mercury following the unexpected departure of the CEO and resulting uncertainty about the future strategic direction of the business. The share price declined -38.4% during the quarter through our exit of the position. On January 31, 2023, following pressure from activist investors, the Board announced they initiated a review of strategic alternatives to enhance shareholder value. Subsequently, a competitor publicly voiced its interest in a potential acquisition of Mercury. However, the strategic review concluded on June 23rd with the Board's decision not to proceed with the bids it received. While we were prepared to back the company under the current management team in the event of a sale, President and CEO Mark Aslett announced his resignation effective immediately upon the conclusion of the strategic review, along with the announcement that Chairman William O'Brien will retire when his term expires in October. Activist representative and board member Bill Ballhaus will assume the role of CEO on an interim basis until a new permanent CEO is selected. A new permanent CFO announcement is also pending. Management quality is one of the four pillars of our investment strategy, and with an unknown and unfamiliar leadership, Mercury no longer met our investment criteria.

Holdings As of June 30, 2023	
Watsco Inc	7.2%
Entegris Inc	6.8%
Brown & Brown Inc	5.6%
NVR Inc	5.3%
AMN Healthcare Services Inc	5.3%
Crown Holdings Inc	5.0%
Take-Two Interactive Software Inc	4.8%
Guidewire Software Inc	4.7%
Advanced Drainage Systems Inc	4.7%
Vulcan Materials Co	4.3%
Shift4 Payments Inc (Class A)	3.7%
Arista Networks Inc	3.6%
Darling Ingredients Inc	3.6%
HEICO Corp (Class A)	3.5%
Wyndham Hotels & Resorts Inc	3.4%
LPL Financial Holdings Inc	3.3%
Zebra Technologies Corp (Class A)	3.2%
AptarGroup Inc	2.9%
Globant SA	2.7%
Bright Horizons Family Solutions Inc	2.6%
Bruker Corp	2.0%
Aspen Technology Inc	1.9%
Mister Car Wash Inc	1.8%
Toro Co	1.8%
First Advantage Corp	1.5%
Cash & Cash Equivalents	4.8%

Holdings are subject to change.

Aspen declined -26.7% during the quarter, ending with a weight of 1.9%. Aspen is the leading provider of asset optimization software specifically for capital intensive industries like refining and chemicals. Aspen reported disappointing fiscal Q3 2023 results and consequently lowered its guidance expectations. Sales expectations were only modestly reduced, with Annual Contract Volume growth guidance narrowed to 11%-12% annual growth compared to the prior 10.5%-13.5%. Most of this weakness stems from challenging conditions that negatively impact chemical industry customers. Aspen lowered fiscal 2023 free cash flow expectations as elongated customer project implementations and conversion to term licenses will delay revenues in the Digital Grid Management ("DGM") business serving utilities. These issues appear controllable and temporary, and opportunities for the DGM business remains bright.

Portfolio Changes

We initiated two new positions during the second quarter in **Globant SA** ("Globant") and **Mister Car Wash Inc.** ("MCW").

Globant is a leading digital software engineering company with over 25,000 Information Technology (IT) delivery professionals across 25 countries. Founded in 2003 by CEO Martin Migoya and three friends, Globant is now the second largest pure-play digital software engineering vendor by headcount and revenues. As an outsourced vendor, Globant builds bespoke software solutions that are mission critical to its customers, with a focus on front-end engineering applications that generate revenue. This effectively embeds Globant's software developers in the operations of its customers and creates large switching costs for existing customers in the form of serious disruption risks from vendor switching. It also provides Globant with relatively high revenue visibility, recurring revenues, and pricing power. Its high-quality Latin American labor force meets customer needs at lower costs. Its extensive client list across a diverse array of industries including digital native leaders, provides it with a portfolio of successful technology projects to win new business and gives it a front seat for new technology development. While its labor force is concentrated in Latin America (73%), its revenue is primarily collected in U.S. dollars (80%) and sourced from developed markets (64% North America and 11% Europe). Globant has a strong balance sheet, no net debt, consistent free cash flow generation, robust profitability and returns on capital, and has historically grown faster than the digital software engineering market.

MCW is the largest car wash operator in the U.S. and performs over 100 million car washes per year. The company operates 439 tunnel-based, conveyor car washes across 21 states including 365 express exterior and 74 full-service locations. It employs an efficient and repeatable proprietary wash process to quickly and consistently clean, dry, and shine customer cars with minimal labor. The company's Unlimited Wash Club monthly subscription program has over 2 million members, which provides high revenue visibility for a retail business. As the market leader in a highly fragmented and rapidly consolidating market, MCW enjoys a high-level of recurring revenues representing 70% of sales, attractive unit economics, and localized competition. MCW has historically demonstrated strong same-store sales growth and consistently high margins. Mature stores generate strong cash flows which are largely reinvested in greenfield expansion and support 70%+ gross margins and 30%+ earnings before interest, taxes, depreciation, and amortization (EBITDA) margins. In addition to funding reinvestment, leverage has declined steadily since its initial public offering (IPO) and is now within management's target range. Strategically, localized network effects help to crowd out competition in its core markets and overlap between MCW and its largest competitors remains limited. CEO John Lai is a passionate 20+ year veteran with a differentiated focus on innovation and invests heavily in employee development. As the leading scale player, the company is well positioned to benefit from increased consumer preference for "do-it-for-me" services, a large whitespace opportunity, continued same-store growth as existing locations mature, and new higher priced product tiers.

During the quarter we trimmed holdings in **Arista Networks Inc.,** Entegris, **Heico Corp, NVR Inc, Vulcan Materials Co.,** and Watsco. These were relatively small, opportunistic trims based on price performance, and allow us to better manage the size of our positions within the context of the broader portfolio after significant appreciation. In addition to exiting Mercury, we also exited our remaining small position in **Charles River Laboratories.**

In addition to Globant and MCW, proceeds from the above trims were added to existing positions in **AMN Healthcare Services Inc., Bruker Corp., Darling Ingredients Inc., Guidewire Software Inc.,** and **Wyndham Hotels & Resorts Inc.** These additions were based largely on relative valuation and to further diversify the portfolio. Our turnover for the quarter was 4.2% and year-to-date was 7.7%.

Conclusion

At the end of the quarter, we held positions in 25 companies with 54% of assets in the 10 largest holdings. As of June 30th, the Fund was trading at 84% of our underlying intrinsic value[2] estimates on a weighted-average basis. We ended the quarter with a cash position of 4.8%.

Year-to-date performance of the S&P 500 has been driven by a very small number of ultra-large cap companies. For example, Apple now represents 7.7% of the S&P 500, and the largest 10 companies together represent more than 30% of that index. As a result, many investors risk being over-allocated to a very small number of companies. We believe this illustrates the benefits of owning mid cap, which is a far more diversified asset class. The Russell Midcap Index includes approximately 800 companies, the largest of which is only 0.5% of the index, with the top 10 companies representing 4.7%. In addition, the Russell Midcap Index has outperformed the S&P 500 over the last 30 years, as mid caps are able to offer greater growth potential than large companies, while still offering longer track records and more established business franchises vs. small caps. We believe investors can benefit from a strategy that focuses on the long-term ownership of high-quality mid cap companies in a concentrated portfolio underpinned by our rigorous investment criteria.

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

Sincerely,

Timothy F. Harris
Fund Manager

[2] 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, 2023

	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class I	BBMIX	5/24/2021	$101.8	$9.98

Equity Weighting
As of June 30, 2023

Common Stock	95.2%
Cash and Cash Equivalents	4.8%
Total	**100.0%**

Fund Facts
As of June 30, 2023

Number of Securities Held	25
Average P/E	25.1
Average Market Cap (bil)	$14.1
Turnover (Rolling 12-Months)	17.63%

Exclude cash equivalents

Sector Weighting
As of June 30, 2023

Communication Services	5.0%
Consumer Discretionary	13.8%
Consumer Staples	3.7%
Energy	0.0%
Financials	13.2%
Health Care	7.7%
Industrials	19.6%
Information Technology	24.1%
Materials	12.8%
Real Estate	0.0%
Utilities	0.0%
Total	**100.0%**

Reported as a percentage of portfolio securities, excluding Cash and Cash Equivalents.

Top 10 Companies
As of June 30, 2023

Watsco Inc	7.2%
Entegris Inc	6.8%
Brown & Brown Inc	5.6%
NVR Inc	5.3%
AMN Healthcare Services Inc	5.3%
Crown Holdings Inc	5.0%
Take-Two Interactive Software Inc	4.8%
Guidewire Software Inc	4.7%
Advanced Drainage Systems Inc	4.7%
Vulcan Materials Co	4.3%
Total	**53.6%**

Reported as a percentage of total portfolio.

There is no assurance the Fund will achieve its investment objective.

Diversification does not eliminate the risk of experiencing investment losses.

Portfolio holdings and characteristics are subject to change. Totals may not sum due to rounding.

Price/Earnings (P/E) ratio is a company's current share price divided by earnings per-share. Turnover ratio is the rate of trading in a portfolio; higher values imply more frequent trading.

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.

Purchase and sale information provided should not be considered as a recommendation to purchase or sell a particular security and that there is no assurance, as of the date of publication, that the securities purchased remain in a fund's portfolio or that securities sold have not been repurchased.

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.

Not FDIC Insured **No Bank Guarantee** **May Lose Money**