BBH Select Series - Mid Cap Fund

Quarterly Fund Update / 3Q 2023

3Q Highlights

- The BBH Select Series - Mid Cap Fund ("the Fund") decreased -4.81% in the third quarter of 2023 on a total return basis, while the Russell Midcap Index ("the Index") decreased -4.68%.
- Our portfolio companies largely outperformed expectations despite higher bond yields and oil prices.
- The difficult backdrop this quarter highlights the importance of our four-pillar investment framework that seeks to identify companies at the intersection of quality, growth, and value.

Performance
As of September 30, 2023

	Total Returns		Average Annual Total Returns				
	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Class I	-4.81%	11.24%	12.69%	N/A	N/A	N/A	-2.16%
Benchmark	-4.68%	3.91%	13.45%	N/A	N/A	N/A	-3.13%

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") decreased -4.81% in the third quarter of 2023 on a total return basis, while the Russell Midcap Index ("the Index") decreased -4.68%. Year to date, the Fund has increased by 11.24% on a total return basis, while the Index has increased 3.91%. Since its inception on May 24, 2021, the Fund has declined by an average annual total return of -2.16% compared to a decline of -3.13% for the Index.

During the third quarter, the Federal Reserve (Fed) indicated interest rates may not come down as quickly as the market anticipated, sending bond yields higher alongside rising oil prices and a potential federal government shutdown. The Fed dot plot released on September 20th suggests one additional rate increase this year with a median federal funds rate of 5.1% for year-end 2024, up from 4.6%. The price of Brent crude increased 27% during the quarter to $95, as Russia and Saudi Arabia extended production cuts through the end of the year. The average rate on a 30-year fixed mortgage increased to 7.3%, the highest since 2000. Against this backdrop, our portfolio companies continued to outperform market expectations, with 21 of 26 portfolio companies exceeding market consensus earnings estimates during the most recent set of results.

Reflecting the higher oil price, Energy[1] was the top performing sector during the quarter up 13.2%. The only other sector with positive performance was Financials, up 1.3%, led by a recovery in the share price of many regional banks. Healthcare and Communication Services were the worst performing sectors, down -11.4% and -9.5%, respectively. The Fund is underweight both Energy and Healthcare, and the net impact was a modest headwind to performance, partially offset by individual stock security selection.

Portfolio Attribution

For the quarter, our largest positive contributors were **Guidewire Software Inc.** ("Guidewire") and **Arista Networks Inc.** ("Arista").

Guidewire returned 18.3% and ended the quarter with a weight of 5.8%. Guidewire is the leading provider of core systems software to the property and casualty insurance industry, and it reported strong fourth quarter and fiscal 2023 results. Management struck a positive tone, citing growing acceptance of Guidewire Cloud as the logical next generation platform for customers, and describing Guidewire as "very clearly now the leading cloud

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

platform." This sentiment was validated by strong sales performance that included 11 large insurer deals in the quarter. In addition to the sales momentum, Guidewire is exceeding prior margin targets. With its fiscal 2025 target reaffirmed, Guidewire is progressing well on its long-term model.

Arista returned 13.5% and ended the quarter with a weight of 3.8%. Arista is the leading provider of high-speed data center networking switches for large cloud providers, such as Meta Platforms Inc and Microsoft Corp. Arista reported very strong second quarter results, with forward guidance significantly ahead of expectations. The rapid increase in interest for generative artificial intelligence (generative AI) applications led many investors to worry that Arista's customers would reprioritize their spending to invest in NVIDIA Corp GPUs, potentially accelerating a slowdown for Arista in 2023 and 2024. Despite this headwind, Arista increased its full year growth expectations from last quarter, highlighting the breadth of end market demand. In addition, generative AI applications are emerging as a new growth opportunity for Arista in the back end of the data center network, likely to contribute much more meaningfully in 2024 and 2025.

The Fund's largest detractors to performance in the quarter were **AMN Healthcare Services Inc.** ("AMN") and **Entegris Inc.** ("Entegris").

AMN declined -21.9% during the quarter, ending with a weight of 4.3%. AMN is the market leader for temporary staffing to the healthcare industry, including nurses, doctors, technicians, and therapists. The company issued weaker than expected guidance as post-COVID demand from hospital customers deteriorated more than previously forecast. Following the typical seasonal patterns, AMN's customers began to place more orders in April, but those orders slowed in June which pressured volumes in the third quarter. AMN expects an increase in normal seasonal winter volumes in the fourth quarter, and nurses are acclimating to reduced bill rates which should lead to a stabilization in volumes. AMN's physician staffing and language services businesses also continue to deliver growth as the nursing landscape normalizes.

Entegris declined -15.2% during the quarter, ending with a weight of 6.1%. 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. It was the Fund's largest contributor last quarter, which was only partially offset by this quarter's performance. We attribute Entegris' decline to the broader technology sell-off during the quarter, alongside rising bond yields and following a strong first half of the year for the sector. In fact, Entegris reported solid Q2 results and maintained or raised all elements of their full year guidance despite multiple customers and peers reducing guidance for the year with their respective earnings results. Entegris continues to outgrow their end markets by more than 6% and invest in future growth opportunities, while remaining focused on driving profitability. Although the ongoing asset sales and internal capacity additions creates some variability in quarter-to-quarter financials, Entegris is positioning the business for faster growth, higher margins, and stronger free cash flow[2] in 2024 and beyond.

Holdings As of September 30, 2023	
Watsco Inc	6.9%
Entegris Inc	6.1%
Guidewire Software Inc	5.8%
Brown & Brown Inc	5.5%
Crown Holdings Inc	5.3%
Take-Two Interactive Software Inc	4.8%
NVR Inc	4.6%
Advanced Drainage Systems Inc	4.5%
AMN Healthcare Services Inc	4.3%
Arista Networks Inc	3.8%
LPL Financial Holdings Inc	3.7%
Wyndham Hotels & Resorts Inc	3.6%
Vulcan Materials Co	3.5%
HEICO Corp (Class A)	3.4%
AptarGroup Inc	3.3%
Zebra Technologies Corp (Class A)	3.2%
Shift4 Payments Inc (Class A)	3.2%
Globant SA	3.1%
Darling Ingredients Inc	3.1%
Bruker Corp	2.8%
Aspen Technology Inc	2.5%
Bright Horizons Family Solutions Inc	2.4%
GFL Environmental Inc	2.4%
Mister Car Wash Inc	1.6%
Toro Co	1.5%
First Advantage Corp	1.0%
Cash & Cash Equivalents	4.1%

Holdings are subject to change.

Portfolio Changes

We initiated one new position during the third quarter in **GFL Environmental Inc.** ("GFL"). Founded by CEO Patrick Dovigi in 2007, GFL is the fastest growing of the top four solid waste management firms in North America and is the fourth largest solid waste disposal company in North America,

[2] Free cash flow (FCF) is the cash a company generates after taking into consideration cash outflows that support its operations and maintain its capital assets.

operating across Canada (40% of revenue) and the U.S. (60%). Its Solid Waste segment (82% of revenue) has highly predictable, high margin revenues secured under long-term contracts. Markets in the solid waste industry are local oligopolies, protected by the high cost of hauling trash over long distances by truck and by the high cost of developing new landfill capacity. Its Environmental Services business (18% of revenue) has best-in-class margins and similar economic characteristics to its Solid Waste business.

GFL is much earlier in its life cycle than its larger competitors, providing more room to improve operations and a longer runway for growth through acquisitions, with 43% of the market still owned by small private firms or municipalities. Yet it is mature enough to generate sufficient free cash flow to simultaneously pursue accretive acquisitions while also reducing financial leverage. GFL has a straightforward path to improve its margins through increased automation of its truck fleet, increased conversion of its fleet to compressed natural gas, sales of non-core assets, implementation of fuel and environmental surcharges, and execution of renewable natural gas projects at its landfills. Lastly, Dovigi has a demonstrated track record of strong capital allocation, and we consider COO Greg Yorston to be one of the best operators in the solid waste industry.

During the quarter we trimmed holdings in Arista, **Brown & Brown Inc., First Advantage Corp., NVR Inc.,** and **Watsco Inc.** 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 GFL, proceeds from the above trims were added to existing positions in **Bruker Corp., Mister Car Wash Inc.,** and **Zebra Technologies Corp.** These additions were based largely on relative valuation and to further diversify the portfolio. We had no turnover[3] during the quarter, as we were able to proactively reduce the portfolio weight of certain holdings by not purchasing shares alongside Fund inflows. Our turnover year-to-date was 5.7%.

Conclusion

At the end of the quarter, we held positions in 26 companies with 52% of assets in the 10 largest holdings. As of September 30th, the Fund was trading at 79% of our underlying intrinsic value[4] estimates on a weighted-average basis. We ended the quarter with a cash position of 4.1%.

Our investment strategy seeks to identify companies at the intersection of quality, growth, and value. We define value as the difference between what a company is worth and how it is priced by the market. We also believe our portfolio offers substantial value, as evidenced by the significant discount to our estimate of intrinsic value, which helps to establish a margin of safety.[5] Moreover, in our view value and growth are not mutually exclusive. Growth potential is one of the pillars of our investment strategy because it is a core driver of valuation, and the ability to compound capital over many years requires opportunities to reinvest capital at value-accretive rates of return. Our approach to investing is also about recognizing quality, which is shorthand for strong management, strong financials, strong competitive advantages, and the durability of those attributes. Quality ensures that attractive returns are sustainable. We believe all three factors are pre-requisites for long-term outperformance.

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

[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] A margin of safety exists when we believe there is a significant discount to intrinsic value at the time of purchase.

Share Class Overview
As of September 30, 2023

	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class I	BBMIX	5/24/2021	$139.8	$9.50

Equity Weighting
As of September 30, 2023

Common Stock	95.9%
Cash and Cash Equivalents	4.1%
Total	**100.0%**

Fund Facts
As of September 30, 2023

Number of Securities Held	26
Average P/E	23.8
Average Market Cap (bil)	$13.7
Turnover (Rolling 12-Months)	8.2%

Exclude cash equivalents

Sector Weighting
As of September 30, 2023

Communication Services	5.0%
Consumer Discretionary	12.8%
Consumer Staples	3.2%
Energy	0.0%
Financials	12.9%
Health Care	7.4%
Industrials	20.5%
Information Technology	25.5%
Materials	12.7%
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 September 30, 2023

Watsco Inc	6.9%
Entegris Inc	6.1%
Guidewire Software Inc	5.8%
Brown & Brown Inc	5.5%
Crown Holdings Inc	5.3%
Take-Two Interactive Software Inc	4.8%
NVR Inc	4.6%
Advanced Drainage Systems Inc	4.5%
AMN Healthcare Services Inc	4.3%
Arista Networks Inc	3.8%
Total	**51.6%**

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**