

CAPITAL PARTNERS

BBH Select Series - Mid Cap Fund

Quarterly Update | 3Q 2025

Highlights

- The BBH Select Series – Mid Cap Fund (the Fund) decreased -0.9% in third quarter 2025 on a total return basis, while the Russell Midcap Index (the Index) increased 5.3%.
- Several of our technology and healthcare companies continue to be impacted by tariffs and academic and life science funding cuts, leading us to reduce exposure to some affected companies for now.
- While quality has underperformed year-to-date, our portfolio companies have exhibited superior growth and profitability over the long-term.

The BBH Select Series – Mid Cap Fund (the Fund) decreased -0.9% in third quarter 2025 on a total return basis while the Russell Midcap Index (the Index) increased 5.3%. Year-to-date (YTD) 2025, the Fund has decreased by a total return of -1.8% compared to an increase of 10.4% for the Index.

The third quarter saw an acceleration in the low-quality rally that began late last year and accelerated throughout 2025. 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, notwithstanding continued robust economic expansion. Within the Index, unprofitable companies have dramatically outperformed and are up 16.8% in the third quarter and 38.5% YTD¹. Similarly, the quintile with the highest beta to the Index is up 13.6% in the third quarter and 29.0% YTD². This is a difficult market backdrop for our strategy, which focuses on high quality, profitable companies.

¹ Source: Jefferies

² Ibid.

PERFORMANCE (AS OF SEPTEMBER 30, 2025)

	Total returns		Average annual total returns			
	3 mo.	YTD	1 yr.	3 yr.	5 yr.	Since inception
Class I	-0.93%	-1.84%	-3.24%	11.76%	N/A	3.81%
Benchmark	5.33%	10.42%	11.11%	17.69%	N/A	6.83%

Class I inception date: 05/24/2021

Class I net/gross expense ratio (%) 0.84 / 0.84

Returns of less than one year are not annualized.

The Investment Advisor has contractually agreed to limit the Total Annual Fund Operating Expenses for Class I of the BBH Select Series – Mid Cap Fund after excluding certain expenses to 0.90% through March 1, 2026. 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

In the third quarter, communication services and information technology (IT) were again the top-performing sectors, up 9.2% and 8.5%, respectively. Utilities also did well, up 8.1% and driven by AI demand for energy. On the flipside, consumer staples continued to be weak and was the only down sector at -3.1%. Real estate also underperformed and increased only 3.1%. This sector performance is very consistent with what we observed in the prior quarter and reflects strong enthusiasm for AI, aerospace and defense, and more speculative business models. Software and life sciences instruments and services remained out of favor. Several of our technology holdings continue to be impacted by volatile tariff policy, which has led some end markets to pause investment and capital spending programs. Likewise, our healthcare companies have experienced reduced demand following academic and life science funding cuts alongside the threat of sector specific tariffs.

Portfolio contribution

For the quarter, the Fund's largest positive contributors were **Arista Networks Inc.** (Arista) and **Advanced Drainage Systems Inc.** (Advanced Drainage).

Arista returned 42.4% during the quarter, ending as our fifth-largest position with a weight of 4.9%. Arista is the leading provider of data center switches to cloud network and AI customers. Arista is executing extremely well and reported strong second quarter results, with revenue, margins, earnings per share (EPS), and qualitative commentary, all above expectations. In addition, Arista raised revenue guidance for all of 2025 to 25%, up from 17% previously, and provided initial conservative guidance of 14% growth in 2026. Arista also announced they will exceed targets for both their AI and Campus product solutions in 2025. At the recent investor day, CEO Jayshree Ullal was not shy about noting advantages vs. rivals and future opportunities ahead. AI revenue, targeted at \$1.5 billion this year, is expected to be \$2.75 billion next year, growing 60% to 70%, which means AI will be about 25% of revenue. Looking beyond 2026, Arista gave a target of "mid-teen" growth through 2029. This is similar to their long-term guidance three years ago, which they significantly exceeded at a 27% CAGR.

Advanced Drainage returned 20.9% during the quarter, ending with a weight of 4.0%. Advanced Drainage is the leading manufacturer of thermoplastic pipe and allied products for stormwater and wastewater management applications. Despite difficult end markets, Advanced Drainage has executed well and delivered better than expected sales and earnings and reiterated fiscal 2026 guidance. Although organic growth was down slightly in the quarter due to wet weather and continued interest rate headwinds, the company outgrew most of its end markets. Aside from infrastructure, the company's sales grew in all end markets. Its higher margin leach field, stormwater, and wastewater categories grew faster than its core pipe products. For example, Advanced Drainage saw double-digit organic growth in sales of on-site waste-

HOLDINGS (AS OF SEPTEMBER 30, 2025)

Guidewire Software Inc	6.0%
CBRE Group Inc	5.5%
GFL Environmental Inc	5.1%
Take-Two Interactive Software Inc	5.1%
Arista Networks Inc	4.9%
Shift4 Payments Inc	4.4%
GXO Logistics Inc	4.4%
Watsco Inc	4.4%
Entegris Inc	4.0%
Advanced Drainage Systems Inc	4.0%
Brown & Brown Inc	4.0%
Vulcan Materials Co	3.8%
West Pharmaceutical Services Inc	3.7%
LPL Financial Holdings Inc	3.7%
ICON PLC	3.6%
HEICO Corp	3.5%
AptarGroup Inc	3.3%
Wyndham Hotels & Resorts Inc	3.3%
UL Solutions Inc	2.9%
Darling Ingredients Inc	2.8%
Keysight Technologies Inc	2.8%
ITT Inc	2.6%
Zebra Technologies Corp	2.2%
WillScot Holdings Corp	2.1%
BJ's Wholesale Club Holdings Inc	1.9%
NVR Inc	1.5%
Mister Car Wash Inc	1.0%
Cash & Cash Equivalents	3.5%

Holdings are subject to change.

water tanks driven by material conversion to plastic. Demand was also supported by strength in the multifamily residential market, where the company saw double-digit growth of key products like retention/detention chambers, water quality products, and stormwater capture structures. Water quality remains a key growth area for the company and this category has grown at high-teens CAGR over the last three years.

The Fund's largest detractors to performance in the quarter were **Shift4 Payments Inc.** (Shift4), **Globant S.A.** (Globant), and **Bruker Corp.** (Bruker).

Shift4 declined -21.9% during the quarter, ending with a weight of 4.4%. Shift4 is an integrated payments processor, specializing in the hospitality vertical, including restaurants, lodging, and leisure. In the quarter, the company slightly missed consensus estimates on volumes, EBITDA³, and EPS while slightly beating consensus on net revenue and free cash flow. Excluding the recent acquisition of tax-free shopping solutions provider Global Blue, annual guidance for net revenue was raised while the rest of the standalone guidance was reaffirmed. Guidance, including the acquisition of Global Blue, was below consensus estimates for volumes. Global Blue was accounted for under IFRS, and we believe this made it difficult for some sell-side analysts to update their models and led to confusion about the underlying performance of Shift4. However, we note that Shift4 continues to expect over 20% organic net revenue growth this year, and management believes the company is tracking toward the high-end of its intermediate term guidance issued in January.

We exited both Globant and Bruker during the quarter following sustained underperformance and to opportunistically harvest tax losses. These two companies have been our most impacted by tariffs and life science and academic funding cuts, and any re-entry would be predicated on a stabilization in performance.

Globant declined -37.5% during the quarter through the date of our exit. Globant is the second-largest pure-play digital software engineering vendor with a focus on front-end, custom-designed software engineering applications that are mission critical to its customers. Globant has been a strong outperformer in recent years, with double-digit revenue growth throughout 2023 and 2024. Revenue growth was well ahead of peers during this period, supported by industry-leading AI studios that help large enterprises implement and leverage AI capabilities. However, Globant has been significantly impacted by tariffs, especially among its Latin American customers, who have reduced or paused IT spending against a weak macroeconomic backdrop in the region. North American customers have also experienced a deceleration. While Globant's AI studios continue to grow at a double-digit rate, this has not been enough to offset slowing growth elsewhere, and market sentiment has also soured out of concern that AI could compress revenues due to efficiency gains and the prevalence of new AI coding tools. The overwhelming consensus of our channel checks is that the slowdown in the industry is macroeconomic and not AI driven. The geographic locus of the slowdown in Globant's revenues also seems consistent with a macroeconomic-driven decline, as revenue growth in Europe, Asia-Pacific, and the Middle East has not decelerated. Despite our frustration with the repeated cuts to guidance this year, we believe the preponderance of evidence is that Globant's business model is not permanently impaired. While its growth has slowed to low single digits for 2025, Globant's margins and cash flows have held up and the balance sheet remains strong with a net leverage ratio of 0.5x. However, given the decline in the share price and lack of near-term catalysts, we believe it was opportune to exit our position to harvest the tax loss for the Fund.

Bruker declined -18.4% during the quarter through the date of our exit. Bruker is a leading provider of high-performance scientific instruments, analytical and diagnostic solutions, and related services. BBH Mid Cap has long admired Bruker's innovative track record that has allowed the company to consistently grow its revenue alongside operational excellence that has facilitated strong margin expansion and earnings growth. Bruker is diversified across a wide variety of end markets including academic, government, biopharma, industrial, and semiconductor.

³ EBITDA, or earnings before interest, tax, depreciation, and amortization.

Bruker is also geographically diversified with about a third of its revenues each in North America, Europe, and Asia. However, this diversification has provided no safe harbor from academic and government life science funding cuts and prolonged tariff uncertainty. These include restrictions on federal research funding to colleges and universities; efforts to cut the National Institutes of Health (NIH) and National Science Foundation (NSF) budgets and limit the pace of grant disbursements; tariffs on China, the EU, and Switzerland; and policy to re-shape the biopharma industry via sector-specific pharmaceutical tariffs and most-favored-nation drug pricing. While the impact was initially contained to direct funding cuts among academic customers in the US (approximately 10% of revenues), more recently we have seen a sharp slowdown in activity across Europe and China, and in industrial and biopharma end markets. Given continued policy uncertainty, both at the country and healthcare sector level, we have chosen to step aside at this time while we await a stabilization of the policy landscape and to redeploy proceeds to readily available opportunities.

Portfolio changes

We initiated two new positions in the third quarter in **ITT Inc.** (ITT) and **BJ's Wholesale Club Holdings Inc.** (BJ's). In addition to exiting Globant and Bruker, we exited **Bright Horizons Family Solutions Inc.** (Bright Horizons).

ITT is a diversified industrial company with three segments, led by Motion Technologies, which contains ITT's market-leading brake pad business with margins and returns well above competitors. Motion Technologies has very high share in electric vehicles and Chinese automakers, translating to above-market growth as both categories win greater share in the global automotive market. The Industrial Process segment includes ITT's pumps and valves businesses, where ITT has also gained market share in both customized pump solutions as well as attractive aftermarket revenues. Industrial Process's growth will be further driven by a new innovative motor with patented embedded variable drive functionality that significantly increases power efficiency (an increasingly important focus area for many customers including energy and chemical companies). The Connect and Control Technologies segment includes ITT's electrical connectors and cable assemblies, primarily for the aerospace and defense end markets. Connect and Control Technologies has renegotiated decade-long supply agreements to aerospace customers at significantly higher prices starting in 2026 and has exposure to growing new aircraft builds and global defense spending. CEO Luca Savi and CFO Emmanuel Caprais have proven to be excellent operators and capital allocators, with further mergers and acquisitions building on a successful track record to supplement the CEO's "healthy paranoia for continuous improvement". Over the next five years, ITT expects to deliver double-digit annual organic earnings growth with further upside from successful capital allocation.

In an environment of persistently high prices for basic essentials, value is front and center in the minds of consumers. Warehouse clubs like BJ's have a track record of market share gains, particularly from grocery stores, due to a structural per unit pricing advantage of typically 25%. Such a price gap is possible due to characteristics of the warehouse club model, which involve concentrated supplier buying power, high inventory turns, efficient in-store labor, and membership-funded margins. The model facilitates a powerful flywheel effect: Membership fees and efficient in-store operations fund consistently low prices, which drive higher volumes and create buyer leverage, further enhancing member value and fueling continued membership growth. BJ's appears to be at an inflection point with membership momentum, an accelerated new store rollout, and a proven management team. The BJ's membership base today, as measured by tenured renewal rate and higher tier membership penetration, is in a strong position. In addition, the company has refined its new store formula and plans to open 25 to 30 new clubs over the next two years, representing the fastest rate of openings in the company's history. BJ's has carefully crafted its new store playbook, and the current approach is working as new stores generate comparable club sales at two to three times the rate of the legacy footprint. Finally, BJ's CEO Bob Eddy and the management team have demonstrated skill and discipline as capital allocators, consistently balancing reinvestment in member value and store growth with debt reduction and share repurchases. Overall, membership momentum combined with high performing new store openings and proven management should drive a compelling financial picture of strong

comparable club sales, impressive free cash flow generation, and cost leverage.

Bright Horizons is the leading provider of employer-based childcare centers as well as backup care and education advisory solutions. We exited the position close to our intrinsic value following positive performance this year.

In addition to ITT and BJ's, we added to our positions in **Brown & Brown Inc.**, Shift4, **Watsco Inc.**, **West Pharmaceutical Services**, and **Willscot Holdings Corp.**

Our turnover⁴ during the quarter and last twelve months was 6.0% and 20.1%, respectively.

Conclusion

At the end of third quarter 2025, we held positions in 27 companies with 48% of assets in the 10 largest holdings. As of September 30, 2025, the Fund was trading at 85% of our underlying intrinsic value⁵ estimates on a weighted-average basis. We ended the quarter with a cash position of 3.5%.

We are enthusiastic about the potential benefits of AI and associated strong investment returns, and we have exposure through companies such as Arista, **Entegris Inc.**, and the recently added **Keysight Technologies Inc.** profiled in last quarter's letter. However, we are also cognizant that there is evidence of bubble-like behavior in certain segments of the ecosystem. Not every company will ultimately deliver a strong return on investment, and there is the risk of sharp shifts in sentiment along the way. 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 11% and 14% over the last twelve months, respectively. That compares to 3% and 4%, respectively, for the Index. Likewise, our portfolio enjoys superior operating margins and returns on equity of 20% and 18%, compared to 12% and 12% for the Index, respectively. Lastly, our portfolio has a much lower leverage profile with net debt to EBITDA of 1.3x 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 Series – Mid Cap Fund. Please reach out if you have any questions.

Sincerely,



Timothy F. Harris
Fund Manager

A handwritten signature in black ink, appearing to read 'T. Harris'.

⁴ Turnover is defined as the lesser of purchases or sales divided by the average total portfolio market value for that time period.

⁵ 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 SEPTEMBER 30, 2025)

	Ticker	Inception date	Total net assets (mil)	NAV
Class I	BBMIX	5/24/2021	\$526.3	\$11.72

Equity weighting As of September 30, 2025

Common stock	96.5%
Cash and cash equivalents	3.5%
Other assets in excess of liabilities	0.0%
Total	100.0%

Fund facts As of September 30, 2025

Number of securities held	27
Price / intrinsic value (P/IV)	85%
Average market cap (bil)	\$27.5
Turnover (rolling 12-months)	20.1%

Excludes cash equivalents.

Sector weighting As of September 30, 2025

Industrials	30.0%
Information technology	20.7%
Financials	12.5%
Health care	7.6%
Materials	7.3%
Consumer discretionary	6.1%
Real estate	5.7%
Communication services	5.2%
Consumer staples	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 September 30, 2025

Guidewire Software Inc	6.0%
CBRE Group Inc	5.5%
GFL Environmental Inc	5.1%
Take-Two Interactive Software Inc	5.1%
Arista Networks Inc	4.9%
Shift4 Payments Inc	4.4%
GXO Logistics Inc	4.4%
Watsco Inc	4.4%
Entegris Inc	4.0%
Advanced Drainage Systems Inc	4.0%
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.

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