

BBH Select Series - Large Cap Fund

Monthly Fund Update / January 2023

Equities continued an impressive recovery from the mid-October 2022 lows through January 2023. The S&P 500 gained 6.28% for the month after benefiting from moderating inflation, a pause in interest rates, and a stable U.S. Dollar. The BBH Select Series – Large Cap Fund (“the Fund”) modestly outperformed the benchmark with a gain of 6.95%. At the sector level, the Information Technology and Consumer Discretionary sectors were the Fund’s strongest contributors while the Consumer Staples and Materials sectors lagged but were also positive. At the security level, the portfolio exhibited broad-based strength with top contributors including Alphabet (GOOG), Booking Holdings (BKNG), and Celanese (CE). The sole detractors were comprised of more defensive holdings such as Dollar General (DG), Waste Management (WM), and Diageo (DEO). At the portfolio level, both allocation (+23 basis points¹) and security selection (+57 basis points) were positive. It was an active month where we added to positions in Waste Management (WM) and Oracle (ORCL), while reducing positions in Progressive (PGR), A.J. Gallagher (AJG), Mastercard (MA), KLA Corp. (KLAC), and Alphabet (GOOG). The portfolio concluded the month with 29 holdings, 2% cash, and a price to our estimate of intrinsic value² of 81%.

While it is fair to attribute some of Alphabet’s January share recovery to the broad-based reflex rally in the prior year’s hard-hit Information Technology and Communication Services sectors, it is also important to recognize the company’s increasing cost discipline, strong operating performance, and compelling valuation. Notwithstanding the prior year’s 39% stock decline, Alphabet delivered 2022 revenues of \$283 billion, up 10% year-over-year, or 14% on a constant currency basis. The company generated free cash flow of \$60 billion and repurchased a total of \$59 billion of shares. Despite near-term challenges in the macro environment, we continue to have high conviction in Alphabet’s ability to deliver durable growth through its dominance in search, mobile operating systems, strong positioning in the fast-growing public cloud market, and a broad portfolio of under monetized assets.

Following strong performance in 2022, Dollar General’s share price declined approximately 5% in January due to various factors we believe will not alter the long-term investment opportunity. A mixed shift towards lower margin consumables, unfavorable weather, and supply chain headwinds continue to weigh on near-term fundamentals. Additionally, Dollar General’s defensive credentials as a retailer of food and other consumables has contributed to some derating as market sentiment shifts. We continue to believe Dollar General remains well positioned to serve its customers through a unique combination of value and convenience. This is especially true in a more challenging economic environment with the right assortment, price points, and initiatives to drive growth for the long-term.

We welcome the strong start to the year, but acknowledge it has been, and will likely continue to be, a challenging investment environment characterized by persistent inflation, higher interest rates, elevated geopolitical tensions, and slowing economies around the globe. Our focus remains on investing in businesses characterized by durable cash flow and earnings growth, healthy balance sheets, and attractive valuations. We believe the Fund continues to represent compelling value and may be well-positioned to generate attractive returns through the business cycle.

¹ One “basis point” or “bp” is 1/100th of a percent (0.01% or 0.0001).

² BBH’s estimate of the present value of the cash that a business can generate over its remaining life.

Performance								
As of 01/31/2023	Total Returns			Average Annual Total Returns				Since Inception
	1 Mo.*	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
BBH Select Series - Large Cap Fund (Class I)	6.95%	9.96%	6.95%	-8.12%	6.49%	N/A	N/A	7.14%
S&P 500	6.28%	5.76%	6.28%	-8.22%	9.88%	N/A	N/A	11.50%
BBH Select Series - Large Cap Fund (Retail Class)	6.92%	9.82%	6.92%	-8.39%	6.15%	N/A	N/A	6.70%
S&P 500	6.28%	5.76%	6.28%	-8.22%	9.88%	N/A	N/A	11.50%
As of 12/31/2022	1 Mo.*	3 Mo.*	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
BBH Select Series - Large Cap Fund (Class I)	-4.59%	9.12%	-20.55%	-20.55%	4.30%	N/A	N/A	5.17%
S&P 500	-5.76%	7.56%	-18.11%	-18.11%	7.66%	N/A	N/A	9.78%
BBH Select Series - Large Cap Fund (Retail Class)	-4.59%	9.08%	-20.82%	-20.82%	3.97%	N/A	N/A	4.74%
S&P 500	-5.76%	7.56%	-18.11%	-18.11%	7.66%	N/A	N/A	9.78%

Class I: Net/Gross Expense Ratio (%) 0.70 / 0.70

Retail Class: Net/Gross Expense Ratio (%) 1.05 / 2.68

All performance is net of fees
Sources: BBH & Co. and S&P

* Returns are not annualized.

The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses for Retail Class shares to 0.80% through March 1, 2024. After exclusions, total net operating expenses for Retail Class shares will be 1.05%. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees (the "Board"). Funds redeemed within 30 days of purchase are subject to a redemption fee of 2%.

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 S&P 500 is an unmanaged weighted index of 500 stocks providing a broad indicator of stock price movements. The composition of the index is materially different than the Fund's holdings. The index is not available for direct investment.

Share Class Overview As of January 31, 2023

	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class I	BBLIX	09/09/2019	\$394.9	\$12.01
Retail Class	BBLRX	09/09/2019	\$0.9	\$11.90

Equity Weighting As of January 31, 2023

Common Stock	97.6%
Cash and Cash Equivalents	2.4%
Total	100.0%

Fund Facts As of January 31, 2023

Number of Securities Held	29
Average P/E	26.3
Average Market Cap (bil)	\$255.2
Turnover (Rolling 12-Months)	22.52%
Exclude cash equivalents	

Sector Weighting As of January 31, 2023

Communication Services	5.3%
Consumer Discretionary	11.7%
Consumer Staples	7.6%
Energy	0.0%
Financials	19.7%
Health Care	14.3%
Industrials	12.1%
Information Technology	21.4%
Materials	7.9%
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 January 31, 2023

Berkshire Hathaway Inc	6.3%
Mastercard Inc	5.6%
Alphabet Inc	5.2%
Linde PLC	4.8%
Arthur J Gallagher & Co	4.5%
Alcon Inc	4.3%
Microsoft Corp	4.1%
Progressive Corp	3.9%
Waste Management Inc	3.7%
Zoetis Inc	3.7%
Total	46.2%

Reported as a percentage of total portfolio.

BBH Fund Information Service: (800) 625-5759

Holdings 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.

The allocation effect measures a manager's ability to effectively allocate assets to specific segments, sectors, or industries.

The selection effect measures a manager's ability to select securities within a given segment relative to a benchmark.

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.

International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

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. BBH acts as the Fund Administrator and is located at 140 Broadway, New York, NY 10005.

Not FDIC Insured

No Bank Guarantee

May Lose Money

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