BBH Select Series - Large Cap Fund

Quarterly Fund Update / 2Q 2023

2Q Highlights

- The S&P 500 added a third consecutive strong quarter ending the second quarter 21% above the October '22 lows.
- The BBH Select Series – Large Cap Fund ("the Fund") gained 8.76% for the second quarter, compared to 8.74% for the benchmark S&P 500.
- It was a historically narrow market with approximately three quarters of the benchmark's returns being generated by just seven securities.

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	8.76%	14.96%	16.83%	12.17%	N/A	N/A	8.38%
Benchmark	8.74%	16.89%	19.59%	14.60%	N/A	N/A	12.99%
Retail Class	8.68%	14.73%	16.36%	11.76%	N/A	N/A	7.94%
Benchmark	8.74%	16.89%	19.59%	14.60%	N/A	N/A	12.99%

Class I Inception: 09/09/2019
Retail Class Inception: 09/09/2019

Class I: Net/Gross Expense Ratio (%) 0.71 / 0.71
Retail Class: Net/Gross Expense Ratio (%) 1.05 / 3.39

Returns of less than one year are not annualized.

The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses for Retail Class shares to 0.80% until 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.

Sources: BBH & Co. and S&P

Market Overview

The S&P 500 added a third consecutive strong quarter ending the period 21% above the October '22 lows, just 7% shy of the January '22 high. Primary drivers included a slow but steady path of moderating inflation, a pause in rate hikes by the Federal Reserve, troughing earnings revisions, and investor enthusiasm about Artificial Intelligence (AI). It was a historically narrow market with approximately three quarters of the benchmark's returns being generated by just seven securities, newly dubbed "the magnificent seven." On a year-to-date basis, the equal-weighted S&P 500 returned just one-third of the benchmark's returns. While returns were broadly positive, diversification was a clear headwind for investors playing the relative performance game.

Portfolio Commentary

The BBH Select Series – Large Cap Fund ("the Fund") gained 8.76% for the second quarter, compared to 8.74% for the benchmark S&P 500. At the sector level, portfolio gains were led by strong performance in Information Technology, Financials, and Industrials. Consumer Staples was the sole sector that posted a modest decline. Security selection for the Fund was positive, led by Industrials and Financials. Allocation was negative, primarily due to the Fund being underweight in Information Technology. Top contributors for the quarter included Oracle (ORCL), Alphabet (GOOG), and Microsoft (MSFT). Top detractors included Dollar General (DG), Thermo Fisher Scientific (TMO), and NIKE (NKE). At quarter end, the Fund held 28 positions, 48% in the top 10, 4% in cash, and traded at 90% of our estimate of intrinsic value.[1] There were no new purchases or complete sales during the quarter.

With market performance in the second quarter heavily influenced by large cap technology, it is no surprise the top performers for the Fund were Oracle, Adobe, Amazon, and KLA. Interest in companies positioned to offer products that integrate AI or enable the creation of these products drove a significant portion of the best performing companies in the S&P 500. Our top performers are each critically important enablers or integrators of AI technology.

[1] BBH's estimate of the present value of the cash that a business can generate over its remaining life.

BBH Fund Information Service: **(800) 625-5759**

Oracle's recent financial performance demonstrated the strong position the Oracle Cloud Infrastructure (OCI) platform is in to be a top vendor for building AI tools in software applications. OCI's pricing is favorable for the types of high volume, compute-intensive workloads necessary for both training and running AI models. Consequentially, OCI's growth relative to the broader cloud infrastructure market suggests it is gaining market share. Oracle's management specifically cited Generative AI workloads as a significant contributor to OCI's impressive 77% year-over-year growth reported in the most recent quarter. Beyond OCI, Oracle has long integrated AI capabilities into both its Fusion suite of back-office application software and the Oracle Autonomous Database which leverages AI technology to increase database availability and reduce human intervention in database maintenance.

At the other end of the spectrum, Dollar General was the largest detractor for the quarter with its shares declining -19%. The company reported a challenging start to its fiscal year with lower-than-expected results and a weaker outlook for its core consumer base, prompting a reduction in full year guidance and a pause in share buybacks. As observed across pockets of retail more broadly, the tailwinds for consumers have been subsiding in recent months with elevated inflation, the reduction of supplemental benefits, higher borrowing costs, and tighter lending standards impacting lower income consumers disproportionately. After multiple years of strong growth augmented by pandemic benefit tailwinds, we anticipated some trend reversal for Dollar General. The current fiscal year is shaping up to be a catch-up investment year for the company at a time when the health of its core consumer is softening. While the near-term impact for the company is disappointing, we believe management's focus to further sharpen the unique combination of value and convenience offered to its core customers in a challenging economic environment remains a compelling strategy to drive long-term growth.

Outlook

The second quarter served as a reminder that market timing is futile. While earnings expectations moderated during the first quarter, they stabilized and improved over the course of the second quarter following a better-than-feared reporting season. Investors remain remarkably optimistic, despite risks associated with tighter credit, elevated geopolitical tensions, and the prospect of a global economic slowdown or recession. Looking at the balance of the year, corporate profits will have to do their part to sustain current market levels with gains largely resulting from multiple expansion. As we enter the second quarter earnings season, we are encouraged by our portfolio companies' strong balance sheets and ability to compound earnings and cash flow at attractive rates. While market leadership has been unusually narrow, we continue to find value in our holdings and select areas of the broader market.

Holdings As of June 30, 2023	
Berkshire Hathaway Inc (Class A)	6.4%
Alphabet Inc (Class C)	5.6%
Microsoft Corp	5.3%
Linde PLC	5.2%
Mastercard Inc	5.0%
Alcon Inc	4.3%
Arthur J Gallagher & Co	4.3%
Oracle Corp	4.1%
KLA Corp	4.0%
Waste Management Inc	4.0%
Zoetis Inc	3.6%
Costco Wholesale Corp	3.4%
Progressive Corp	3.4%
Thermo Fisher Scientific Inc	3.4%
Abbott Laboratories	3.1%
Copart Inc	3.0%
Booking Holdings Inc	2.8%
Graco Inc	2.7%
Amazon.com Inc	2.7%
Nike Inc (Class B)	2.7%
A. O. Smith Corp	2.6%
S&P Global Inc	2.6%
Texas Instruments Inc	2.6%
Adobe Inc	2.4%
Celanese Corp	2.2%
Diageo PLC ADR	2.0%
Dollar General Corp	1.9%
Nestle SA ADR	1.6%
Cash & Cash Equivalents	3.1%

Holdings are subject to change.

Respectfully,

Nicholas Haffenreffer
Fund Manager

Share Class Overview As of June 30, 2023				
	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class I	BBLIX	09/09/2019	$410.2	$12.91
Retail Class	BBLRX	09/09/2019	$0.9	$12.77

Equity Weighting As of June 30, 2023	
Common Stock	96.9%
Cash and Cash Equivalents	3.1%
Total	**100.0%**

Fund Facts As of June 30, 2023	
Number of Securities Held	28
Average P/E	26.9
Average Market Cap (bil)	$346.1
Turnover (Rolling 12-Months)	11.31%

Excludes cash equivalents

Sector Weighting As of June 30, 2023	
Communication Services	5.8%
Consumer Discretionary	8.5%
Consumer Staples	9.2%
Energy	0.0%
Financials	22.4%
Health Care	14.9%
Industrials	12.8%
Information Technology	19.0%
Materials	7.5%
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	
Berkshire Hathaway Inc	6.4%
Alphabet Inc	5.6%
Microsoft Corp	5.3%
Linde PLC	5.2%
Mastercard Inc	5.0%
Alcon Inc	4.3%
Arthur J Gallagher & Co	4.3%
Oracle Corp	4.1%
KLA Corp	4.0%
Waste Management Inc	4.0%
Total	**48.1%**

Reported as a percentage of total portfolio.

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.

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.