BBH Global Core Select Fund

Quarterly Fund Update / 1Q 2018

After a strong start in January, global equity markets fell sharply in both February and March to end the first quarter down modestly. Among the factors pressuring markets in the quarter were rising short term interest rates, fears about a potential trade war between the U.S. and China, and news that Facebook had inappropriately shared user data with a political consulting firm, prompting calls for increased regulation of social media companies and Internet companies generally. Market valuations are also quite high by historical standards, making share prices especially vulnerable to any negative developments and/or the absence of incremental positive news. The resulting increase in market volatility enabled us to add two new businesses to Global Core Select during the first quarter and to add significantly to several existing holdings. With these purchases, our cash position fell from 12.2% at the beginning of the quarter to 8.3% at the end of the quarter.

For the first quarter, Global Core Select Class N ("Global Core Select" or "the Fund") declined -3.48% while the MSCI World Index declined -1.28%. While our portfolios have generally outperformed in down markets, we would note that three months is a very short time period, especially for a concentrated portfolio of 31 investments. We would also note that "growth stocks" significantly outperformed "value stocks" in the quarter, continuing a trend that has been quite pronounced since 2013. Over time, however, equity prices should mirror fundamental operating and financial performance and we continue to feel very good about the recent and prospective performance of most of our companies. Since Global Core Select's inception in March 2013, the Fund has compounded at 6.87% per year versus 9.69% for the MSCI World Index.

Performance
As of March 31, 2018

	Total Returns		Average Annual Total Returns			
	3 Mo.*	**YTD***	**1 Yr.**	**3 Yr.**	**5 Yr.**	**Since Inception**
Class N	-3.48%	-3.48%	11.98%	6.47%	6.88%	6.87%
MSCI World Index	-1.28%	-1.28%	13.59%	7.97%	9.70%	9.69%
Retail Class	-3.57%	-3.57%	11.70%	6.21%	N/A	6.62%
MSCI World Index	-1.28%	-1.28%	13.59%	7.97%	N/A	9.81%

Class N Inception: 03/28/2013
Retail Class Inception: 04/01/2013

Class N: Net/Gross Expense Ratio (%) 1.25 / 1.34
Retail Class: Net/Gross Expense Ratio (%) 1.50 / 2.43

* Returns are not annualized.

The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses to 1.25% for Class N shares and 1.50% for Retail Class shares through March 1, 2019. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees (the "Board").

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. *Fund shares redeemed within 30 days of purchase are subject to a redemption fee of 2.00%.*

The MSCI World Index is an unmanaged, free float-adjusted, market capitalization weighted index of approximately 1,600 stocks that is designed to provide an indication of the equity market performance of developed markets. The index is not available for direct investment.

Sources: BBH & Co. and MSCI

Positive Contributors

Our largest positive contributor in the first quarter was animal health company Zoetis, which appreciated by 16% in the first quarter after reporting strong 2017 results. The company generated strong revenue growth in both its livestock and companion animal segments, including double-digit growth in key international markets such as Brazil, China, and Japan. Operational and working capital efficiencies – key areas of focus by management since the company spun out from Pfizer – have led to significant margin expansion and the near doubling of operating cash flow in 2017. In our view, animal health remains one of the most attractive areas within healthcare due to strong demographics and a lack of government reimbursement pressure on prices. Zoetis is the global leader in this attractive sector with a broad and diversified product portfolio, a robust research and development (R&D) pipeline, and opportunities to expand into adjacent segments such as diagnostics. However, the market has increasingly recognized Zoetis' many positive attributes and its shares are now trading within our intrinsic value[1] range. Accordingly, we modestly trimmed our position during the quarter.

Deutsche Boerse, a new investment that we initiated in January, was a strong contributor to performance in the quarter, appreciating nearly 13% since our purchase as shares responded positively to a solid earnings report and outlook. Rising market volatility and higher interest rates are also positive for Deutsche Boerse's business and profits. We discuss this investment in more detail later in the letter. FleetCor Technologies was our third-largest contributor in the quarter gaining more than 5%. The company reported solid operating results and guided for healthy growth of revenues and cash flows in 2018. FleetCor also expects a meaningful reduction in its effective tax rate due to the recent U.S. tax legislation.

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

Negative Contributors

Our biggest negative contributor for the quarter was Wells Fargo whose share price fell sharply following the announcement that it had entered into a Consent Order with the U.S. Federal Reserve (Fed) relating to several previously disclosed issues, most notably the account-opening scandal at its consumer bank. A key element of the Consent Order is an asset cap which prohibits Wells Fargo from growing its balance sheet beyond the year-end 2017 total of approximately $2 trillion. While the Order acknowledges that Wells has made significant progress in improving its risk management, governance, and controls, it appears the Fed was nonetheless keen to make an additional, high-profile corrective action. As part of the Order, Wells Fargo must submit a comprehensive plan to remediate any remaining deficiencies. Once that plan is approved by the Fed, the company will engage a third party to monitor and verify the implementation and efficacy of the remediation plan. Until third-party verification is submitted to and accepted by the Fed, the asset cap will remain in place.

The temporary limitation on Wells Fargo's balance sheet was an unprecedented regulatory penalty from the Fed, but we believe the consent order is unlikely to have a huge impact on Wells Fargo's long-term prospects. First, the Consent Order is governed by a clearly defined timeline which may mean the company can fully satisfy the Fed's conditions and be relieved of the asset cap by year-end 2018. Second, Wells can still accommodate growth in its core retail and commercial lending franchises by running off certain low-margin wholesale deposits. We are also encouraged that, despite its recent regulatory challenges, Wells Fargo has still been able to add net new retail and commercial customers and grow core deposits. In addition, the company remains very well capitalized, enjoys a liquid balance sheet, and has excellent credit quality. Accordingly, we continue to believe Wells Fargo is very well positioned to both increase capital returns (dividends and share repurchases) and fund future asset growth once the balance sheet freeze is removed. Wells Fargo is currently trading at approximately 10x expected 2019 earnings per share – among the lowest multiples in its peer group and at a large discount to our estimate of intrinsic value.

Wendel, the publicly traded French holding company and investment firm, was another significant detractor from performance in the first quarter with a price decline of 10% following its 2017 earnings report. The underlying operating performance of Wendel's listed and unlisted assets continues to be generally strong, however the market reacted negatively to a 7.7% sequential decline in its net asset value (NAV) per share from November to March, as well as concerns that an expected initial public offering (IPO) of HIS – an unlisted telecommunications infrastructure provider in Africa of which Wendel is a major shareholder – may be hindered by a regulatory inquiry that has resulted in some of IHS' Nigerian bank accounts being blocked. The decline in NAV was largely a function of i) market movements of listed assets Bureau Veritas and Saint-Gobain, ii) the downward valuation of some unlisted assets, such as IHS which was hurt by a decline in the Nigerian naira, and iii) a change in methodology that more conservatively values unlisted assets. Nonetheless, NAV has grown at a healthy rate on a year-over-year basis and for the full year 2017 grew 14.6%. Wendel's shares ended the quarter at €126.70, meaningfully less than its NAV estimate of €167 per share.

Holdings As of March 31, 2018	
Oracle Corp (United States)	6.6%
Alphabet (Class C) (United States)	5.5%
Wells Fargo & Co (United States)	4.7%
Diageo PLC ADR (United Kingdom)	4.4%
Wendel SE (France)	4.4%
FleetCor Technologies Inc (United States)	4.3%
Novartis AG (Switzerland)	4.3%
Lloyds Banking Group PLC (United Kingdom)	4.2%
Reckitt Benckiser Group Plc (United Kingdom)	3.9%
Zoetis Inc (United States)	3.6%
Perrigo Co Plc (Ireland)	3.5%
Davide Campari-Milano SpA (Italy)	3.0%
Nielsen Holdings Plc (United Kingdom)	3.0%
Deutsche Boerse AG (Germany)	2.8%
Praxair Inc (United States)	2.7%
Celanese Corp (United States)	2.6%
Liberty Global Plc (Class C) (United Kingdom)	2.6%
PayPal Holdings Inc (United States)	2.6%
Qualcomm Inc (United States)	2.5%
Discovery Communications Inc (Class C) (United States)	2.5%
JCDecaux SA (France)	2.5%
Sanofi (France)	2.4%
Unilever NV (Netherlands)	2.2%
QVC Group (Class A) (United States)	2.2%
Heineken Holding NV (Netherlands)	1.8%
Nestle SA (Switzerland)	1.7%
Fuchs Petrolub SE (Germany)	1.6%
Brenntag AG (Germany)	1.4%
Intact Financial Corp (Canada)	1.3%
Alimentation Couche-Tard Inc (Canada)	0.5%
Microsoft Corp (United States)	0.5%
Cash and Cash Equivalents	8.3%

Holdings are subject to change.

French outdoor advertising company JCDecaux was a negative contributor as well during the first quarter, with a share price decline of nearly 14%. JCDecaux's profit margins are currently pressured by the ramp-up of new contracts and difficult conditions in some markets. Cash flow was also constrained by new contract wins and investments in digital which are largely growth capex and supportive of long-term business development. On the positive side, the company reported strong revenue growth from digital initiatives and a rebound in China. China is now the company's largest market and a recent contract win, the Guangzhou Airport, further expands its transport network to include the four gateway cities in China. JCDecaux now reaches 370 million passengers per year in Chinese airports and 37 million commuters per day in China. While JCDecaux's operating results can be lumpy over short time periods, the company is the clear market leader in an attractive segment of advertising not vulnerable to disintermediation. It has a strong balance sheet which we view as a competitive advantage with which it can invest in new contracts, digital infrastructure, and acquisitions.

Portfolio Changes

We added two new investments to the Fund during the first quarter, Deutsche Boerse and Alimentation Couche-Tard. Deutsche Boerse, the largest market infrastructure provider in Europe, operates the Frankfurt Stock Exchange as well as the Eurex Exchange, the leading derivatives market in Europe. The company also provides clearing, settlement, and custody services through its Clearstream division and develops and sells indices such as the EURO STOXX 50 and DAX through its Market Data division. The company has a leading market position across its businesses, operates in structurally attractive markets in which strong network effects support pricing power and sustainable competitive advantages, and provides mission-critical services to financial institutions and buy-side counterparties. These qualitative attributes combined with high returns on invested capital, a strong balance sheet, and shareholder friendly capital allocation make Deutsche Boerse a very strong fit with our investment criteria. Cyclical factors have negatively impacted revenues in recent years as the low-volatility market environment has impacted derivative trading volumes, quantitative easing has impacted volumes of interest rate derivatives, and net interest income from settlement activities has been suppressed by low interest rates in the U.S. and Europe. As many of Deutsche Boerse's businesses are at a cyclical low, we saw an opportunity to invest at an attractive discount to our estimate of intrinsic value. As market volatility and interest rates normalize, we would expect revenue growth to improve, and as management has made strong progress in respect to its cost structure, we expect significant operating leverage as revenue growth normalizes, supporting strong earnings and cash flow growth.

Alimentation Couche-Tard, headquartered in Canada, is one of the largest global operators of convenience stores with a network of over 13,000 locations in North America and Europe, and another 1,800 licensed stores in other international markets, primarily in Asia. Fuel constitutes the majority of the company's sales. Therefore, and given its leading market position, Couche-Tard is the largest customer of several major oil companies and has significant buying and distribution power relative to smaller competitors. The company has been built largely through acquisition, with the purchase of the Circle K chain from Conoco Phillips establishing the company's presence in the U.S. and the purchase of Statoil's retail operations establishing the company in Europe. The convenience store industry remains highly fragmented, offering Couche-Tard ample opportunity to continue to consolidate the industry and gain market share. Management has demonstrated strong capital allocation discipline with respect to prices paid for acquisitions – as well as excellent integration capabilities – evidenced by attractive returns on invested capital over a sustained period. Recent softness in same-store sales and short-term volatility in fuel margins have dampened sentiment and offered us the opportunity to purchase shares at an attractive discount to our appraised value.

During the first quarter, we significantly increased our position in Reckitt Benckiser, the UK-based consumer products company, at a significant discount to our estimate of intrinsic value. Reckitt's share price has declined over the past year as operating results were negatively impacted by a confluence of events, including a cyber-attack that disrupted operations, a failed product launch in its footcare division, legacy product liability issues in South Korea, and disruption to market growth trends in India due to transitory macro dynamics, all compounded by an overall slowdown in the consumer health market – particularly in the U.S. As management has worked through these issues, we have seen sequential improvement in operating results that we believe is more representative of the underlying health of RB's businesses. Reckitt is also in the process of reorganizing its operations and creating separate structures for the faster growth Consumer Health business and the more mature Hygiene/Health business with the objective of accelerating value creation. We view the company as a strong fit with our investment criteria with industry-leading returns on invested capital and a management team that has a demonstrated track record of delivering value from strategic acquisitions while exercising strong capital allocation discipline.

In addition to making the two new investments, we continued building our existing positions in Lloyds Banking Group, Perrigo, Nielsen, and Oracle. We also trimmed several positions where share price appreciation had narrowed the discount to our intrinsic value estimates. These trims included Zoetis, Microsoft, and PayPal. Lastly, we sold our remaining shares in Aggreko for business-fit reasons, a trade which we had begun in the fourth quarter and which we discussed in our previous letter.

We ended the quarter with 31 portfolio companies and 45.7% of the portfolio in the top 10 positions, a cash position of 8.3%, and our weighted average price to intrinsic value was 81% at quarter-end.

As a final note, we wish to inform you that Edward Johnson, an analyst on the Core Select team since 2013, resigned from Brown Brothers Harriman & Co. this month to join a boutique investment firm. Ed is a very capable and principled investor and a good friend to all of us on the team. We wish him well in his new endeavor. At present, Ed's responsibilities in the Technology and Business Services sector areas are being absorbed primarily by Chris Stonerook, who joined the team last year to work alongside Ed and Michael Keller.

On behalf of our entire investment team, we would like to thank you for being an investor with us in Global Core Select. Please feel free to contact us with any questions or suggestions.

Sincerely,

Timothy E. Hartch
Fund Co-Manager

Regina Lombardi, CFA
Fund Co-Manager

Share Class Overview
As of March 31, 2018

	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class N	BBGNX	03/28/2013	$131.3	$13.04
Retail Class	BBGRX	04/01/2013	$1.8	$12.97

Country Allocation
As of March 31, 2018

United States	43.8%
United Kingdom	19.6%
France	10.1%
Switzerland	6.6%
Germany	6.3%
Netherlands	4.5%
Ireland	3.8%
Italy	3.3%
Canada	2.0%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Country designation is based on country of incorporation.

Sector Weighting
As of March 31, 2018

Consumer Discretionary	10.6%
Consumer Staples	19.3%
Energy	0.0%
Financials	18.8%
Health Care	15.0%
Industrials	4.8%
Information Technology	23.9%
Materials	7.5%
Real Estate	0.0%
Telecommunication Services	0.0%
Utilities	0.0%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Top 10 Companies
As of March 31, 2018

Oracle Corp (United States)	6.6%
Alphabet Inc (United States)	5.5%
Wells Fargo & Co (United States)	4.7%
Diageo Plc (United Kingdom)	4.4%
Wendel SE (France)	4.4%
FleetCor Technologies Inc (United States)	4.3%
Novartis AG (Switzerland)	4.3%
Lloyds Banking Group Plc (United Kingdom)	4.2%
Reckitt Benckiser Group Plc (United Kingdom)	3.9%
Zoetis Inc (United States)	3.6%
Total	**45.7%**

Reported as a percentage of total portfolio.

Country designation is based on country of incorporation.

Equity Weighting
As of March 31, 2018

Common Stock	91.7%
Cash and Cash Equivalents	8.3%
Total	**100.0%**

Fund Facts
As of March 31, 2018

Number of Securities Held	31
Average P/E	19.1
Average Market Cap (bil)	$93.2
Turnover (Rolling 12-Months)	18.46%
Active Share	95%

Excludes cash equivalents.

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

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

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 1100, Denver, CO 80203.

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