BROWN BROTHERS HARRIMAN

CAPITAL PARTNERS

BBH Select Series - Mid Cap Fund

Quarterly Update | 4Q 2024

Highlights

- The BBH Select Series – Mid Cap Fund decreased -1.4% in the fourth quarter of 2024 on a total return basis, while the Russell Midcap Index increased 0.6%.
- Quality companies were decidedly out of favor in the fourth quarter, and some portfolio companies with strong fundamental results still saw weaker relative performance.
- With an uncertain market outlook in 2025, we believe that mid caps have the potential to enhance risk-adjusted returns through greater diversification and the opportunity for alpha generation.

The BBH Select Series – Mid Cap Fund (the Fund) decreased -1.4% in the fourth quarter of 2024 on a total return basis, while the Russell Midcap Index (the Index) increased 0.6%. For the year 2024, the Fund increased by 11.4% on a total return basis, while the Index increased 15.3%. Since its inception on May 24, 2021, the Fund has increased by an average annual total return of 5.2% compared to an increase of 5.4% for the Index.

During the fourth quarter, the election of Donald Trump on a platform of deregulation and tax cuts catalyzed a broad rotation into the riskiest segments of the market. Companies with the highest beta by quintile dramatically outperformed the rest of the Index. Similarly, lossmaking companies significantly outperformed. Among profitable companies, those in the highest price-to-earnings (P/E) quintile were the top performing. Companies with high leverage also outperformed those with little to no leverage. Quality companies, such as the ones we aspire to own, were decidedly out of favor this quarter. Against this backdrop, even some portfolio companies that announced strong fundamental earnings results in

PERFORMANCE (AS OF DECEMBER 31, 2024)

	Total returns		Average annual total returns			
	3 mo.	YTD	1 yr.	3 yr.	5 yr.	Since inception
Class I	-1.43%	11.41%	11.41%	1.84%	N/A	5.2%
Benchmark	0.62%	15.34%	15.34%	3.79%	N/A	5.4%

Class I inception date: 05/24/2021

Class I net/gross expense ratio (%) 0.46 / 0.46

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, 2025. 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

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line or ahead of consensus expectations experienced adverse market performance.

In the fourth quarter, information technology and energy were the top performing sectors, both up 10.4%. Financials, which along with energy is seen as a beneficiary of deregulation, also did well, up 7.0%. Materials saw the weakest performance, down -10.5%, due to concerns of a slowing global economy (particularly in China), falling commodity prices, inventory destocking, and potentially higher-for-longer interest rates. Healthcare and real estate were also weak, down -7.6% and -6.8%, respectively, on concern for government funding cuts and higher interest rates. The Fund benefitted from its overweight in information technology, but this was offset by our overweight in materials and underweights in energy and financials.

In the end, our underperformance this quarter was a function of adverse selection effect, with our portfolio of higher quality companies lagging in a risk-on environment.

Portfolio contribution

For the quarter, the Fund's largest positive contributors were **LPL Financial Holdings Inc.** (LPL) and **Wyndham Hotels & Resorts Inc.** (Wyndham).

LPL returned +40.5% during the quarter, ending with a weight of 4.0%. LPL is the nation's largest independent broker dealer and a leader in the retail investor financial advice market. LPL announced strong third quarter results ahead of consensus, driven by higher client cash, higher sales-based commissions and advisory revenue, and lower than expected core expenses. Recruiting of net new assets continued to be strong, retention remained resilient, and cash balances returned to growth in the quarter.

LPL is perceived as a beneficiary of a less stringent regulatory environment for financial institutions, and sweep rates also look likely to remain higher for longer based on the latest Federal Reserve outlook. The company performed well despite the termination in October of CEO Dan Arnold by the Board for violating LPL's commitment to a respectful workplace. Chief Growth Officer Rich Steinmeier, whom we view positively, is the new permanent CEO and is well-liked by the market.

Wyndham returned 29.5% during the quarter, ending with a weight of 4.1%. Wyndham is the largest global hotel franchisor worldwide, with approximately 893,000 rooms across 9,200 hotels. Wyndham delivered a solid quarter with clear signs of increasing momentum in the pipeline and revenue per available room (RevPar). Infrastructure spending is providing a tangible boost to occupancy, and developer enthusiasm for Wyndham brands is evident in yet another record pipeline, with new franchisee deals up 10% year over year.

The ECHO Suites Extended Stay brand continues to resonate, and Wyndham's pipeline is also accretive to RevPar, royalties, and fees, with 70% geared towards midscale or higher brands. This is evident in improving retention, higher royalty rates, record loyalty members, and accelerating ancillary fee growth. We have long been impressed with

HOLDINGS (AS OF DECEMBER 31, 2024)

Guidewire Software Inc	5.1%
GFL Environmental Inc	4.8%
Shift4 Payments Inc (Class A)	4.7%
Watsco Inc	4.6%
CBRE Group Inc (Class A)	4.5%
Brown & Brown Inc	4.3%
Globant SA	4.3%
Entegris Inc	4.3%
Wyndham Hotels & Resorts Inc	4.1%
Zebra Technologies Corp (Class A)	4.1%
LPL Financial Holdings Inc	4.0%
AptarGroup Inc	3.8%
Arista Networks Inc	3.7%
Bruker Corp	3.7%
Take-Two Interactive Software Inc	3.6%
ICON plc	3.5%
GXO Logistics Inc	3.3%
Advanced Drainage Systems Inc	3.3%
Vulcan Materials Co	3.1%
Darling Ingredients Inc	3.0%
HEICO Corp (Class A)	2.9%
Aspen Technology Inc	2.4%
Crown Holdings Inc	2.3%
West Pharmaceutical Services Inc	2.3%
Bright Horizons Family Solutions Inc	2.2%
Toro Co	2.0%
WillScot Holdings Corp	2.0%
NVR Inc	1.7%
Mister Car Wash Inc	1.6%
Cash and cash equivalents	0.9%

Holdings are subject to change.

Wyndham's strong execution, and it is nice to see this being recognized by the market.

The Fund's largest detractors to performance in the quarter were **Advanced Drainage Systems Inc.** (Advanced Drainage) and **ICON plc** (ICON).

Advanced Drainage declined -26.4% during the quarter, ending with a weight of 3.3%. Advanced Drainage is the leading manufacturer of thermoplastic pipe and allied products for stormwater and wastewater management applications. The company reported quarterly results that were below consensus on the top and bottom lines, and cut its annual guidance for revenue and earnings before interest, taxes, depreciation, and amortization (EBITDA). Continued weakness in non-residential construction, negative revenue impact from recent hurricanes, and greater-than-anticipated increases in raw material costs all contributed to the miss in the quarter and the reduced outlook.

While residential and infrastructure construction growth has continued, management now believes that the company's non-residential construction business will be flat this year, down from the original guidance of low-single-digit growth. Management still expects mid-single-digit growth in residential construction and high-single-digit growth in infrastructure construction demand.

ICON declined -27.0% during the quarter, ending with a weight of 3.5%. ICON is a global Contract Research Organization (CRO) that provides outsourced services to the pharmaceutical and biotechnology industries. ICON reported disappointing quarterly results with weaker than expected revenue and adjusted EBITDA. The company lowered its 2024 revenue and adjusted earnings guidance, provided preliminary 2025 revenue guidance below consensus, and raised doubt about hitting the top end of 2027 long-term targets.

The revenue shortfall in the quarter was due to material headwinds from two large customers (Pfizer and J&J) that are undergoing budget cuts and changes in their development model, lower-than-anticipated vaccine-related activity, and ongoing cautiousness from biotech customers resulting in award and study delays. ICON could also be impacted if there are significant cuts to federal budgets for life science research and development. However, ICON's competitive position appears to be improving, with three new strategic partnerships among the top 30 pharma customers in the last twelve months. The company also successfully renewed all large strategic partnerships up for renewal this year, and is seeing strong performance in cardio and metabolic disease research, including GLP-1 research and development.

Portfolio changes

We initiated two new positions in the fourth quarter in **West Pharmaceutical Services** (West) and **WillScot Holdings Corp.** (WillScot).

West is the leading global manufacturer of elastomeric packaging components and devices for injectable drugs. Its end markets include biologics, brand-name pharmaceuticals, generics, and contract manufacturing. West operates across two segments: proprietary products (81% of revenue) and contract-manufactured products (19% of revenue). The proprietary products segment produces stoppers, seals, and plungers for injectable drugs, drug delivery systems, and analytical lab services. Contract-manufactured products designs, manufactures, and assembles complex pharmaceutical, diagnostic, and medical devices on behalf of customers.

With an estimated market share of 70%, West's leading market position is protected by high regulatory barriers to entry and high switching costs, as well as superior technology and customer service. While West's products are a small portion of the cost of a drug, its products are an integral part of the drug approval process. Changing suppliers triggers expensive regulatory reviews and trials, which makes pharma customers very reluctant to switch suppliers. There are also significant technological barriers to entry, given West has over 1,400 active patents and extensive know-how in high-speed, high-precision manufacturing. In our view, West's services to its customers in drug development, regulatory approval advisory, and lab analytics are unmatched in its industry. West is exposed to several long-term growth drivers, including the growing market for injectable drugs and biologics, higher regulatory standards for pharma packaging, a positive mix shift to high-value products, and growing demand for GLP-1 drugs. West has high returns on invested capital, consistent free cash flow generation, and a net cash position on its balance sheet. CEO Eric Green has a good track record of improving margins and returns on capital while delivering strong shareholder returns.

WillScot is the leading provider of modular space solutions and portable storage solutions in North America. The company primarily serves construction, infrastructure, commercial, and industrial markets. WillScot's modular segment solutions are turnkey mobile spaces that arrive fully equipped with HVAC, filtration, electrical and internet ports, plumbing and utility hookups, and proprietary furnishing and appliances. The storage segment's solutions include portable storage containers, ground-level offices, and cold storage containers and trailers.

With an estimated market share of 50% in modular space solutions and 30% in portable storage solutions, WillScot has a leading position in a highly fragmented industry. The company's scale provides key competitive advantages over smaller local and regional players. With the largest branch network and fleet in the industry, WillScot is within 50 miles of virtually all major metropolitan areas in the U.S. and has a fleet available to service projects of all sizes and in all industries. It has its own internal logistics, servicing, and remanufacturing operations that enable it to deliver, repair, and refurbish units at a lower cost than competitors.

WillScot has several potential growth opportunities, including increasing penetration of value-added products and services, lease rate optimization, logistics optimization, increased market penetration, and synergies from recent mergers and acquisitions. It is expanding into adjacent markets in cold storage and ClearSpan structures, and should also benefit from increased infrastructure spending. When non-residential construction recovers, WillScot should also see its fleet utilization improve. WillScot has high margins, consistent free cash flow generation, and a strong balance sheet. CEO Brad Soultz has a good long-term track record of improving margins and returns on capital while delivering strong shareholder returns.

During the quarter we trimmed holdings in **Brown & Brown Inc.**, **Guidewire Software Inc.**, **Aspen Technology Inc.**, and **HEICO Corp.** based on strong performance and to manage the weight in the portfolio. We also continued to trim **Crown Holdings Inc.** on share price strength following improved performance alongside growing beverage can volumes. We exited our remaining small position in **AMN Healthcare Services Inc.** due to poor management execution against a backdrop of waning demand for temporary healthcare staffing and increased competitive intensity.

In addition to West and WillScot, we used existing cash and proceeds from the above trims to add to several companies that experienced share price weakness in the quarter where we continue to have a high degree of confidence in the long-term outlook. These include **Advanced Drainage**, **ICON**, **Globant SA**, **Bruker Corp.**, **GFL Environmental Inc.,** and **Darling Ingredients Inc.**

Our turnover[1] during the quarter was 2.7%. Again, we were able to proactively reduce the portfolio weight of certain holdings by not purchasing shares alongside Fund inflows. The Fund's turnover for the year 2024 was 6.4%.

Concluding remarks

At the end of fourth quarter 2024, we held positions in 29 companies with 45% of assets in the 10 largest holdings. As of December 31st, the Fund was trading at 86% of our underlying intrinsic value[2] estimates on a weighted-average basis. We ended the quarter with a cash position of 0.9%.

[1] Turnover is defined as the lesser of purchases or sales divided by the average total portfolio market value for that time period.
[2] 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 shar

We believe mid caps have the potential to enhance risk-adjusted returns through greater diversification and the opportunity for alpha generation. Mid caps have often outperformed large caps over extended periods, including for many years following the dot-com crash and the great financial crisis, during COVID, and most recently during 2022.

As an asset class, mid caps have differentiated and less-concentrated sector and single-company exposures vs. large caps, where the top 10 companies account for 37% of the S&P 500. Moreover, we love mid caps as a hunting ground to discover early-stage, long-term compounders. Mid caps have more limited institutional research and institutional following vs. large caps, and present a wide variety of company profiles (e.g., leverage and profitability) that is ideal for active management. While very few companies meet our investment criteria, those that do have the potential to compound returns over many years.

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

SHARE CLASS OVERVIEW (AS OF DECEMBER 31, 2024)

	Ticker	Inception date	Total net assets (mil)	NAV
Class I	BBMIX	5/4/2021	$490.8	$11.94

Equity weighting As of December 31, 2024	
Common stock	99.1%
Cash and cash equivalents	0.9%
Other assets in excess of liabilities	0.0%
Total	**100.0%**

Fund facts As of December 31, 2024	
Number of securities held	29
Average P/E	30.9
Average market cap (bil)	$20.8
Turnover (rolling 12-months)	6.4%

Excludes cash equivalents.

Sector weighting As of December 31, 2024	
Communication services	3.6%
Consumer discretionary	9.6%
Consumer staples	3.0%
Energy	0.0%
Financials	13.1%
Health care	9.6%
Industrials	23.1%
Information technology	24.0%
Materials	9.3%
Real estate	4.5%
Utilities	0.0%
Total	**100.0%**

Reported as a percentage of portfolio securities, excluding cash and cash equivalents.

Top ten companies As of December 31, 2024	
Guidewire Software Inc	5.1%
GFL Environmental Inc	4.8%
Shift4 Payments Inc	4.7%
Watsco Inc	4.6%
CBRE Group Inc	4.5%
Brown & Brown Inc	4.3%
Globant SA	4.3%
Entegris Inc	4.3%
Wyndham Hotels & Resorts Inc	4.1%
Zebra Technologies Corp	4.1%
Total	**44.7%**

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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