BBH Select Series - Mid Cap Fund

Quarterly Fund Update / 2Q 2024

2Q Highlights

- The BBH Select Series - Mid Cap Fund ("the Fund") decreased -1.6% in the second quarter of 2024 on a total return basis, while the Russell Midcap Index ("the Index") decreased -3.4%.
- Our portfolio companies' most recent set of earnings results demonstrated increasing momentum after a slow start earlier this year.
- This last quarter marked the third anniversary of our fund launch on May 21, 2021. We are exceptionally pleased to be ranked a top quartile fund by Morningstar relative to our category over our first three years.

Past performance is no guarantee of future results.

The BBH Select Series – Mid Cap Fund (Class I) ranked 206 out of 531 funds (second quartile) for the one year period and 53 out of 510 funds (top quartile) for the three year period in the US Fund Mid-Cap Growth category for the period ending 6/30/2024. Morningstar rankings are based on total return.

Performance
As of June 30, 2024

	Total Returns		Average Annual Total Returns				
	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Class I	-1.58%	4.56%	12.74%	3.22%	N/A	N/A	3.88%
Benchmark	-3.35%	4.96%	12.88%	2.37%	N/A	N/A	3.09%

Class I Inception: 05/24/2021
Class I: Net/Gross Expense Ratio (%) 0.90 / 2.29

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

The BBH Select Series - Mid Cap Fund ("the Fund") decreased -1.6% in the second quarter of 2024 on a total return basis, while the Russell Midcap Index ("the Index") decreased -3.4%. For the year-to-date 2024 (YTD), the Fund increased by 4.6% on a total return basis, while the Index increased 5.0%. Since its inception on May 24, 2021, the Fund has increased by an average annual total return of 3.9% compared to an increase of 3.1% for the Index.

During the first half, the market has become increasingly defensive in its positioning against a backdrop of slowing economic growth, with the notable exception of anything related to artificial intelligence (AI). This was most evident in the continued strong performance of the Magnificent Seven in the S&P 500 Index, which was up 15.3% YTD compared to the S&P 500 Equal Weighted Index up 5.1%, and more in-line with the Russell Midcap Index. It was also notable that the three best performing sectors YTD for the Russell Midcap Index were Energy (+11.7%), Utilities (+10.7%), and Financials (+9.0%), all traditionally more defensive sectors.[2] This is also consistent with rising interest rates and the 10-year U.S. Treasury note climbing to 4.40% from 3.88% at year-end 2023. Against this backdrop, our portfolio companies' most recent set of earnings results demonstrated increasing momentum after a slow start earlier this year.

In the second quarter, Utilities was the top performing sector up 3.8%. Utilities stocks benefit from being defensive in uncertain economic times but also more recently from increased energy required to power AI development. Communication Services and Information Technology (IT) were the next strongest sectors, up 2.7% and 1.2%, respectively. Consumer Staples saw the weakest performance, down -9.1%, as retail prices peak and buying patterns change in response to inflation. Health Care and Materials were also weak, down -8.5% and -8.1%, respectively. The fund has no current allocation to Utilities and this was the biggest sector headwind, while we benefitted from our overweight in Information Technology. The net impact was a modest headwind to performance, with the Fund's outperformance in the quarter driven by individual stock performance.

[1] The Fund uses GICS sector classifications for evaluating sector weights and performance.

Portfolio Contribution

For the quarter, the Fund's largest positive contributors were **Guidewire Software Inc.** ("Guidewire") and **Arista Networks Inc.** ("Arista").

Guidewire returned 18.2% and ended the quarter as our largest holding with a weight of 6.4%. Guidewire is the leading provider of core systems software to the property and casualty (P&C) insurance industry. Guidewire reported strong fiscal third quarter results and raised full-year guidance, which is particularly impressive in an environment when many other software companies are struggling to achieve sales targets and blaming a reallocation of customer resources to AI. CEO Mike Rosenbaum pointed to two reasons for Guidewire's unique success. The first is continued industry recognition of their market leadership, giving customers more confidence in committing to Guidewire. The second related reason is that customers are looking to Guidewire to be their core system provider for the next decade or more, and that decision making process is more important than any other IT project. In addition to strong deal wins and financial results, the long-term deal values are growing even faster, providing good visibility for continued robust growth in the next few years.

Arista returned 20.9% and ended the quarter with a weight of 3.5%. Arista is the leading provider of high-speed data center networking switches for large cloud providers, such as Meta Platforms Inc. and Microsoft Corp. Arista reported strong Q1 results and unexpectedly raised their full year 2024 revenue growth guidance, which is a rare decision for Arista so early in the year and reinforces both their visibility and confidence in upcoming growth as they are historically conservative with guidance. Management previously described four key trial wins for their AI switching solutions and confirmed in the quarter that all four are moving to pilot stage with substantial deployments in 2025. In addition, contrary to competitors' claims of a subdued IT spending environment, Arista continues to deliver strong growth with their Enterprise customers and is taking market share.

The Fund's largest detractors to performance in the quarter were were **Bruker Corp.** ("Bruker") and **Darling Ingredients Inc.** ("Bruker").

Bruker declined -32.0% during the quarter, ending with a weight of 3.7%. Bruker produces high performance instruments that enable the exploration of life and materials at a microscopic, molecular, and cellular level. Bruker, which only last quarter was our top contributor, experienced an air pocket in demand during the first quarter that was worse than expected. Management had previously noted that there was a pull forward of demand into Q4 2023, no large scale Nuclear Magnetic Resonance instrument sales in the quarter, and tough year-over-year comparisons. In the end, Bruker missed even these lowered expectations as $15 million of revenue was delayed to next quarter due to a customer logistics issue. It is not unusual for quarterly results to be lumpy, and notwithstanding the top line setback, Bruker beat consensus for Q1 2024 earnings per share (EPS) on better than expected operating margins. Importantly, management also reiterated its organic growth guidance for 2024.

Holdings As of June 30, 2024	
Guidewire Software Inc	6.4%
Entegris Inc	6.2%
Watsco Inc	5.7%
Brown & Brown Inc	5.5%
Advanced Drainage Systems Inc	4.2%
Bruker Corp	3.7%
AptarGroup Inc	3.7%
Take-Two Interactive Software Inc	3.6%
Shift4 Payments Inc	3.5%
Arista Networks Inc	3.5%
LPL Financial Holdings Inc	3.5%
Zebra Technologies Corp	3.5%
HEICO Corp	3.4%
Globant SA	3.3%
Crown Holdings Inc	3.2%
Wyndham Hotels & Resorts Inc	3.2%
Vulcan Materials Co	3.2%
Aspen Technology Inc	3.0%
GXO Logistics Inc	3.0%
Darling Ingredients Inc	2.9%
Bright Horizons Family Solutions Inc	2.8%
Toro Co	2.5%
GFL Environmental Inc	2.5%
CBRE Group Inc	2.4%
ICON PLC	2.3%
NVR Inc	2.3%
AMN Healthcare Services Inc	2.0%
Mister Car Wash Inc	1.7%
Cash & Cash Equivalents	3.5%

Holdings are subject to change.

In April, Bruker also announced the acquisition of Nanostring out of bankruptcy for $393 million. Nanostring is a leader in spatial biology instruments focused on single-cell imaging. While the investment in spatial biology is consistent with Bruker's long-term strategy, it is clear this acquisition has not been well received by the market due to ongoing litigation surrounding the intellectual property and high level of dilution in the current year. However, we note that Bruker has a long track record of successful mergers and acquisitions (M&A) and operational improvement. Management has highlighted Nanostring as a highly strategic and unique opportunity to bring forward their development efforts in the space by a decade. But for investors focused on the next 12 months, it is being viewed as a headwind.

Darling declined -21.0% during the quarter, ending with a weight of 2.9%. Darling is the global leader in the processing of animal by-products into their basic components of fats and proteins, with 15% of all animals raised for meat globally passing through a Darling facility. Darling also produces renewable diesel from fat by-products in partnership with Valero through its Diamond Green Diesel ("DGD") joint venture. Darling reported mixed results for the quarter, and their admittedly conservative 2024 guidance was below expectations. Revenue and earnings before interest, taxes, depreciation, and amortization (EBITDA) have been pressured by weaker fats and proteins prices, as bountiful agriculture production this year is depressing prices that can serve as alternatives in Darling's end markets. Its renewable diesel joint venture will be a beneficiary of these lower feedstock prices, and DGD delivered better sequential profitability as they work through the lag effect of higher prices from two to three months ago. Profitability is anticipated to improve again next quarter. Despite the pricing headwind, Darling is working to improve margins as they look forward to 2025, when they will receive a substantial tailwind from the start of their sustainable aviation fuel facility, as well as the implementation of regulatory policy that encourages greater utilization of their feed products.

Portfolio Changes

We initiated one new position during the second quarter in **CBRE Group** ("CBRE"). CBRE is the leading commercial real estate services firm, with a commanding presence across both transaction activity and ongoing property management operations. Under the excellent leadership and capital allocation of CEO Bob Sulentic for the past 11 years, CBRE has diversified the business into more consistent service offerings while still gaining share in its core business. Bob was previously CFO during the Great Financial Crisis, and that experience taught him and the rest of the very capable management team to build CBRE to prosper in downturns. CBRE's resilient businesses, including facilities, property and project management, as well as loan servicing and investment management fees, represent 60% of company operating profit and consist of recurring revenues largely under multi-year contracts providing strong stability for the overall business. Leasing, transaction brokerage, and development represent the rest of CBRE's revenues and generate fees on the normal turnover of real estate assets and rent agreements over time.

CBRE's resilient businesses are growing at a low-teen rate, and as the majority of CBRE's segment operating profits, it provides a solid base for sustained growth as services like outsourced facilities management are still underpenetrated. CBRE has significantly added to this business with two acquisitions over the last two years, using their strong cash flow to build an even more stable overall business. CBRE's transaction-oriented business has declined since 2022, as the rapid rise in interest rates led global real estate property sales to decline -44% in 2023 to the lowest level in a decade. Importantly, success for CBRE is not predicated on significant interest rate cuts or a sharp recovery in real estate values. Instead CBRE only needs a pickup in transaction activity as buyers and sellers find an acceptable price, whether that happens through distress or appreciation. Meanwhile, CBRE's industry-leading scale and low debt balance sheet have attracted competing brokers to join the company through the downturn, and CBRE increased market share from 20% to 24% in 2023. The company is well positioned to benefit from an eventual recovery in leasing and transaction activity. In the meantime, CBRE will still generate very strong free cash flow,[3] which will be deployed into either share buybacks or accretive M&A, and with the largest scale and strongest balance sheet, CBRE will be positioned to outperform competitors.

During the quarter we trimmed holdings in **Arista Networks Inc.**, **Crown Holdings Inc.**, **Guidewire Software Inc.**, **Heico Corp.**, **NVR Inc.**, and **Watsco Inc**. We trimmed most of these companies previously, as we continue to take measured but steady action following outsized share price appreciation. We substantially reduced our position in housebuilder NVR to fund our new position in CBRE, which we view as better value currently. We reduced Crown Holdings following weaker than expected management execution relative to their long-term targets.

In addition to CBRE, proceeds from the above trims were added to existing positions in **Globant SA,** and **Toro Co.** These additions were based largely on relative valuation. Globant in particular has sold off materially following concerns about software spending relative to AI capex, but we believe Globant is a long-term beneficiary and enabler of AI. Our turnover[4] during the quarter was 1.6%. 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 last twelve months was 3.7%.

Conclusion

At the end of the quarter, we held positions in 28 companies with 46% of assets in the 10 largest holdings. As of June 30th, the Fund was trading at 87% of our underlying intrinsic value[5] estimates on a weighted-average basis. We ended the quarter with a cash position of 3.5%.

This last quarter marked the third anniversary of our fund launch on May 21, 2021. We are exceptionally pleased to be rated a top quartile fund by Morningstar relative to our category over our first three years. Thank you to our investors and congratulations to the team on this important milestone. We believe mid caps remain an attractive opportunity for investors seeking broader diversification. Many investors are unaware that large cap equity exposure through passive exchange-traded funds (ETFs) may result in over-allocation to a small number of ultra-large cap companies. At quarter end, the top 10 constituents of the S&P 500 accounted for 35.8% of the index weight. While mid cap companies are often overlooked relative to their large cap and small cap counterparts, we believe investors can benefit from a strategy that focuses on the long-term ownership of high-quality mid cap companies underpinned by our rigorous investment criteria.

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[3] Free cash flow (FCF) is the cash a company generates after taking into consideration cash outflows that support its operations and maintain its capital assets.

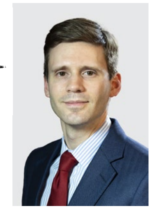
[4] Turnover is defined as the lesser of purchases or sales divided by the average total portfolio market value for that time period.

[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.

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 June 30, 2024

	Ticker	Inception Date	Total Net Assets (mil)	NAV
Class I	BBMIX	5/24/2021	$319.6	$11.24

Equity Weighting
As of June 30, 2024

Common Stock	96.5%
Cash and Cash Equivalents	3.5%
Total	100.0%

Fund Facts
As of June 30, 2024

Number of Securities Held	28
Average P/E	26.8
Average Market Cap (bil)	$18.0
Turnover (Rolling 12-Months)	3.84%

Exclude cash equivalents.

Sector Weighting
As of June 30, 2024

Communication Services	3.7%
Consumer Discretionary	10.3%
Consumer Staples	3.0%
Energy	0.0%
Financials	12.9%
Health Care	8.3%
Industrials	22.1%
Information Technology	26.9%
Materials	10.4%
Real Estate	2.5%
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, 2024

Guidewire Software Inc	6.4%
Entegris Inc	6.2%
Watsco Inc	5.7%
Brown & Brown Inc	5.5%
Advanced Drainage Systems Inc	4.2%
Bruker Corp	3.7%
AptarGroup Inc	3.7%
Take-Two Interactive Software Inc	3.6%
Shift4 Payments Inc	3.5%
Arista Networks Inc	3.5%
Total	45.9%

Reported as a percentage of total portfolio.

There is no assurance the Fund will achieve its investment objective.

Diversification does not eliminate the risk of experiencing investment losses.

Portfolio holdings and characteristics 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.

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.

Morningstar Disclaimer

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