BBH Partner Fund – International Equity

Quarterly Fund Update / 2Q 2024

For the second quarter ended June 30, 2024, the BBH Partner Fund – International Equity (the "Fund") returned -1.5%. Over the same period, the MSCI EAFE Index[1] (the "Index") returned -0.4%.

Performance As of June 30, 2024	Total Returns		Average Annual Total Returns			
	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
BBHLX Class I	-1.5%	5.8%	8.3%	-4.3%	4.0%	4.3%
MSCI EAFE Index	-0.4%	5.3%	11.5%	2.9%	6.5%	4.3%

Class I: Total Expense Ratio (%): 0.63

Returns of less than one year are not annualized.

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 the most recent month-end performance, call 1 (800) 625-5769. *Fund shares redeemed within 30 days of purchase are subject to a redemption fee of 2.00%.*

Sources: BBH & Co. and MSCI EAFE

Philosophy

The Fund aims to provide investors with long-term maximization of total return, primarily through capital appreciation. Under normal circumstances, at least 80% of the net assets of the Fund are invested in equity securities of companies in the developed and emerging markets of the world, excluding the United States.

Portions of the Fund are allocated to different investment sub-advisers who employ investment styles broadly aligned with the investment adviser's principles of equity investing. The Fund's investment adviser monitors the sub-advisers by reviewing their portfolio performance and characteristics as well as organizational activity and departures of key personnel.

Performance Review

Top 10 Companies As of June 30, 2024	
Taiwan Semiconductor	4.9%
CRH	3.8%
London Stock Exchange	3.8%
Safran	3.2%
Brookfield Corporation	3.1%
BAE Systems	3.1%
SAP	2.8%
OBIC	2.6%
Thales	2.6%
Experian	2.5%
Total	**32.5%**

Reported as a percentage of total portfolio. Holdings are subject to change.

The top contributor in the period was **Taiwan Semiconductor** (TSM US), a Taiwan-domiciled semiconductor foundry that was one of the Fund's largest positions at the beginning of the quarter. Taiwan Semiconductor earns over 60% of its revenue and profitability from leading-edge technologies for which it holds over 80% market share. The Company has steadily gained share over the last 15 years, benefiting from leadership on leading-edge technologies, economies of scale and its independent foundry model (Taiwan Semiconductor does not compete with its customers). The semiconductor business is a cyclical industry that benefits from strong secular growth through the cycle; we expect mid-teens growth over a multiyear period, supported by the proliferation of electronic devices, as well as increased semiconductor content per device. We believe Taiwan Semiconductor is one of the highest-quality companies in the industry with an operating margin in excess of 40%, very high returns on invested capital and strong free-cash-flow[2] generation throughout the cycle. Over the last 10 years, Taiwan Semiconductor has grown its revenue, operating profit and cash earnings at compound annual rates of 14%, 19% and 19%, respectively.

We made Taiwan Semiconductor one of the Fund's larger positions in late 2022 during a cyclical downturn in the industry at a moment when the stock was trading at a valuation of just 10x forward earnings with those earnings projected to modestly decline year over year. Today, the cycle has turned sharply upwards, and Taiwan Semiconductor's growth is strongly accelerating; we (and management) expect its revenue to grow approximately 30% in the second half of 2024. The explosion in demand for data-center processing chips fueled by the artificial intelligence gold rush among large technology companies has contributed to Taiwan Semiconductor significantly exceeding our healthy forecast at the time of our original investment just over 18 months ago. The Company's US-listed ADRs (the security we own) returned +67% (in USD) in the first half of 2024, including a +28% (in USD) gain in the second quarter that contributed approximately +130 bps in the period. With the shares now having rerated to a valuation of 23x forward

[1] The MSCI EAFE Index is designed to represent the performance of large and mid cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, and excluding the U.S. and Canada. The Index is available for a number of regions and market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries. The Index is not available for direct investment.

[2] 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.

earnings, its discount to our estimate of intrinsic value has narrowed, and, accordingly, we trimmed our Taiwan Semiconductor position into strength during the first few weeks of the third quarter.

The largest detractor during the second quarter was **Sartorius Stedim Biotech** (DIM FP), a France-domiciled maker of consumables (70%-75% of sales) and equipment used to manufacture biotech drugs, which we have studied for more than 15 years. Sartorius Stedim is a key player in a highly attractive oligopolistic industry that enjoys one of the highest structural growth rates and widest competitive moats in our investible universe. The bioprocessing market grows at a high-single-digit to low-double-digit rate annually, as biotech drugs gain share of the broader biopharmaceutical market, and single-use manufacturing technologies gain share from conventional multi-use stainless steel equipment. Sartorius Stedim has outgrown the industry, steadily gaining market share thanks to a product mix skewed to faster-growing categories and a growing presence in North America (in which it was historically underrepresented). The Company and its two main rivals benefit from durable competitive advantages: Customers care more about innovation, quality and consistency than cost, while regulatory barriers make it expensive and unusual for a customer to switch suppliers once it has received manufacturing approval. Over the last 10 years, Sartorius Stedim has compounded revenue by 17% annually, while growing operating profits by 19% per year and enjoying operating margins in excess of 16%.

We bought shares in the Company in 2022 with the stock having strongly derated amid a sharp destocking cycle that saw customers, who had overpurchased consumables in a supply-constrained pandemic environment, begin to work those inventories down as business returned to normal. In late 2023, Sartorius Stedim and its two main competitors began to see signs that the destocking cycle had bottomed (in line with our investment thesis). In the second quarter of 2024, the Company's consumables sales grew sequentially at mid-single-digit rates for the third straight quarter and consumables orders increased at high-teens rates year over year. However, in the first half of 2024, Sartorius Stedim surprised the market by reporting weakness in orders (particularly for equipment, which comprises 25%-30% of revenue) with life sciences customers continuing to delay or defer orders while adjusting to a normalized interest rate environment. Equipment orders have always been inherently more volatile than consumables, and we have observed this soft ordering pattern from more than a dozen life sciences equipment makers that we follow around the world over the past six to 12 months. Accordingly, we are not worried that recent weakness denotes anything concerning about Sartorius Stedim's competitive position or long-term secular growth opportunity for bioprocessing equipment. Nevertheless, the order disappointment caused the Company's share price to decline by -42% (in USD) in the second quarter, detracting roughly -150 bps. While Sartorius Stedim did reduce its full-year 2024 guidance when it reported Q2 results, as of this writing on July 31st, its share price has rebounded +22% (in USD) in the third quarter, as the Company and its publicly traded competitors reassured skittish investors by reiterating expectations for a continued gradual normalization in the bioprocessing end market over the next few quarters.

Portfolio Positioning

Region and Sector Diversification
As of June 30, 2024

Region Diversification (%)

Country	Class I	MSCI EAFE	Difference
Western Europe	58.0%	65.2%	-7.2%
North America	14.1%	0.0%	14.1%
Japan	11.2%	22.6%	-11.4%
Asia Pacific (ex-Japan)	10.7%	10.8%	-0.1%
Central Asia	1.4%	0.0%	1.4%
South & Central America	-	0.1%	-0.1%
Africa / Middle East	-	0.8%	-0.8%
Cash / Equivalents	4.7%	0.5%	4.2%

Sector Diversification (%)

Sector	Class I	MSCI EAFE	Difference
Industrials	25.0%	16.8%	8.2%
Information Technology	21.3%	9.5%	11.8%
Financials	15.5%	19.9%	-4.4%
Consumer Discretionary	12.7%	11.4%	1.3%
Health Care	8.1%	13.4%	-5.3%
Materials	6.1%	6.7%	-0.6%
Not Classified	4.7%	0.5%	4.2%
Communication Services	3.6%	4.1%	-0.5%
Consumer Staples	3.1%	8.4%	-5.3%
Energy	-	4.1%	-4.1%
Real Estate	-	2.0%	-2.0%
Utilities	-	3.1%	-3.1%

Tables may not add exactly to 100% due to rounding.
Country allocation reported by Bloomberg and may differ from what is provided by sub-advisors' accounting systems; Country & region classification by country & region of incorporation.
Holdings are subject to change.
Sources: Bloomberg, iShares MSCI EAFE ETF and BBH Analysis

Sub-Advisers

SELECT EQUITY

Select Equity Group's (SEG) investment philosophy is grounded in the belief that rigorous, independent research and disciplined, long-term investing can generate attractive returns. SEG seeks to identify what it believes to be the highest-quality businesses – those with steady, predictable growth, high returns on capital and expanding barriers to competition. The sub-adviser believes these companies are both well-positioned for long-term growth and resilient in difficult economic environments.

TRINITY STREET Asset Management

The Trinity Street Asset Management (TSAM) investment philosophy centers around searching globally for companies undergoing structural change that is underappreciated by the broader market and where the TSAM investment team can see a path for a 50% return over the next 2-3 years. The team focuses their research efforts exclusively on companies experiencing periods of change because they believe this is where disruptions to normal market pricing mechanisms (i.e., attractive risk/reward opportunities and significant discounts to intrinsic value) are most likely to be found. The change factor could be a change in management, product, geopolitical environment, or in industry supply/demand dynamics that is misunderstood or underappreciated by the market.

The Fund seeks to generate attractive returns over time but does not attempt to mirror a benchmark or index. The composition of the MSCI EAFE Index is materially different than the Fund's holdings.

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 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.

INDEX DEFINITIONS

iShares MSCI EAFE ETF is an index that seeks to track the investment results of an index composed of large- and mid-capitalization developed market equities, excluding the U.S. and Canada. The index is not available for direct investment.

RISKS

Investors in the Fund should be able to withstand short-term fluctuations in the equity 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.

Foreign investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards. Prices of emerging markets securities can be significantly more volatile than the prices of securities in developed countries and currency risk and political risks are accentuated in emerging markets. 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. The Fund also invests in derivative instruments, investments whose values depend on the performance of the underlying security, assets, interest rate, index, or currency and entail potentially higher volatility and risk of loss compared to traditional stock or bond investments.

Asset allocation decisions, particularly large redemptions, made by BBH&Co., whose discretionary investment advisory clients make up a large percentage of the Fund's shareholders, 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.

The BBH International Equity Fund is sub-advised by Select Equity Group and Trinity Street Asset Management.

Effective August 18, 2023 Trinity Street Asset Management LLP was added as a sub-adviser to the Fund responsible for managing a portion of the Fund's assets alongside Select Equity Group, L.P.

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.

Not FDIC Insured **No Bank Guarantee** **May Lose Money**