

BBH U.S. Large Cap Equity

Strategy Fact Sheet / 2Q 2022

PRINCIPAL STRATEGY AND OBJECTIVES¹

Our flagship US Large Cap Equity Strategy has employed a disciplined investment approach focused on a concentrated portfolio of durable, well-managed, high-quality, competitively-advantaged businesses that we aim to own at attractive prices. Our success will be defined by generating strong absolute returns and outperforming in down markets, which together we believe position us to deliver excellent performance relative to large cap indexes over full economic cycles.

INVESTMENT CRITERIA

In our bottom-up investment process, the first priority is to identify eligible companies based on their qualitative attributes. We believe companies that meet our demanding investment criteria are better positioned to withstand periods of economic or financial market weakness and compound capital at attractive rates over time.

Business Attributes:

- Loyal customers
- Essential products and services you “Have to Have”
- Leadership in attractive markets
- Sustainable competitive advantages

Management Attributes:

- Strong operators with integrity
- Disciplined capital allocation

Financial Attributes:

- High returns on capital
- Strong balance sheet and cash flow

We evaluate environmental, social and governance (ESG⁴) factors as part of our investment research process to help us effectively assess the long-term sustainability and durability of our companies.

The Strategy will generally hold investments in 25-35 companies with market capitalizations greater than \$5 billion that are headquartered in North America, as well as in certain global firms located in other developed regions. The targeted holding period is three to five years. Investments are typically sold if they appreciate to levels near BBH’s estimate of intrinsic value².

PORTFOLIO MANAGERS



Nicholas Haffenreffer*

Nicholas Haffenreffer is a Managing Director in our Investment Management business and a Portfolio Manager of the U.S. Large Cap Equity strategy. He joined BBH in 2021 from Torray LLC, where he was a Principal, Chief Investment Officer and Portfolio Manager for the Torray/Resolute Concentrated Large Growth strategy and the Torray/Resolute Small/Mid Cap Growth strategy. He began his investment career in 1991, founded Resolute Capital Management in 1998 and merged the company with Torray LLC in 2010. Prior to founding

Resolute, Nicholas was the Director of Research for Washington, DC-based Farr Miller & Washington, an equity analyst with T. Rowe Price Associates, Inc., and an equity analyst for Select Equity Group, Inc. Nicholas received a B.A. from Brown University.

* As of 10/4/2021, Nicholas Haffenreffer joined BBH as Portfolio Manager of BBH U.S. Large Cap Equity strategy.

PRINCIPLES OF EQUITY INVESTING

Active Management

- Concentrated holdings; portfolio construction is sector and benchmark agnostic
- Primary due diligence incorporating deep fundamental analysis
- Investment team organized by sector; subject matter expertise is critical

Value-based

- Purchase businesses at a discount to their intrinsic values
- Use a valuation approach based on long-term forecasts
- Apply a trim/sell discipline that is valuation sensitive

Long-term Perspective

- Seek to invest in outstanding businesses that can grow their intrinsic value materially over time
- Willing to own companies for many years, through all parts of an economic cycle
- Ongoing company engagement deepens our insights over time

Durability and Opportunity

- Focus on cash-generative businesses that provide essential products and services, and can prosper in varying economic conditions
- Identify and analyze material ESG-related considerations
- Demand a dual-faceted margin of safety³ that seeks to mitigate both business risks and price risks

Discipline and Patience

- Adhere to strict investment criteria
- Seek to avoid low probability, high severity risks
- Exploit divergences between market prices and underlying intrinsic values

¹ There can be no assurance that the Strategy will achieve its investment objectives.

² BBH’s estimate of the present value of the cash that a business can generate and distribute to shareholders over its remaining life.

³ A margin of safety exists when we believe there is a significant discount to intrinsic value at the time of purchase.

⁴ A less favorable ESG profile may not preclude the Adviser from investing in a credit, as the consideration of ESG factors is not more influential than the consideration of other investment criteria.



Michael R. Keller, CFA

Michael Keller is a Partner and has served as Portfolio Manager of the BBH Select Series-Large Cap Fund since its inception in September 2019. Previously, Michael had overseen the BBH U.S. Large Cap Equity Strategy; first as Co-Manager from 2008-2018, and later as Portfolio Manager starting in 2018. Michael and his colleagues apply an equity investment approach that focuses on business quality, valuation sensitivity and a long-term ownership perspective. Michael joined BBH in 2005 as an equity analyst responsible for the technology and business services sectors. Prior to joining BBH, he held a similar research role at a brokerage firm. Michael earned a BSE from Princeton University and is a CFA Charterholder.

**Performance
As of June 30, 2022**

Composite/Benchmark	Total Returns		Average Annual Total Returns				Since Inception
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
BBH U.S. Large Cap Equity Composite (Gross of Fees)	-15.06%	-21.58%	-10.35%	7.39%	8.58%	10.57%	9.75%
BBH U.S. Large Cap Equity Composite (Net of Fees)	-15.28%	-21.98%	-11.24%	6.33%	7.51%	9.48%	8.67%

S&P 500 -16.10% -19.96% -10.62% 10.60% 11.31% 12.96% 9.13%

* Returns are not annualized. The BBH US Large Cap Equity Composite inception date is 10/01/2005. Sources: BBH & Co. and S&P

Past performance does not guarantee future results.

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 Strategy's holdings. The index is not available for direct investment.

**Representative Account
Equity Weighting
As of June 30, 2022**

Common Stock	98.2%
Cash and Cash Equivalents	1.8%
Total	100.0%

**Representative Account
Portfolio Characteristics
As of June 30, 2022**

Number of Securities Held	30
Average P/E	24.6
Average Market Cap (bil)	\$269.6
Turnover (Rolling 12-Months)	21.47%
Composite Assets(mil)	\$819.5
Excludes cash equivalents	

**Representative Account
Sector Distribution
As of June 30, 2022**

Communication Services	7.0%
Consumer Discretionary	13.2%
Consumer Staples	7.8%
Energy	0.0%
Financials	19.5%
Health Care	14.5%
Industrials	10.9%
Information Technology	18.0%
Materials	9.1%
Real Estate	0.0%
Utilities	0.0%
Total	100.0%

**Representative Account
Top 10 Companies
As of June 30, 2022**

Alphabet Inc	6.9%
Berkshire Hathaway Inc	5.8%
Mastercard Inc	5.6%
Arthur J Gallagher & Co	4.8%
Linde PLC	4.5%
Zoetis Inc	4.1%
Microsoft Corp	4.0%
Alcon Inc	3.9%
Progressive Corp	3.8%
Copart Inc	3.8%
Total	47.1%

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.

Risk

Investors 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. Each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.

The strategy 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.

Considering ESG factors as part of investment decisions may result in the Adviser forgoing otherwise attractive opportunities, which may result in lower performance when compared to advisers that do not consider ESG factors.

The Representative Account is managed with the same investment objectives and employs substantially the same investment philosophy and processes as the strategy.

Brown Brothers Harriman Investment Management ("IM"), a division of Brown Brothers Harriman & Co ("BBH"), claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive additional information regarding IM, including a GIPS Composite Report for the strategy, contact John Ackler at 212 493-8247 or via email at john.ackler@bbh.com.

Gross of fee performance results for this composite do not reflect the deduction of investment advisory fees. Actual returns will be reduced by such fees. "Net" of fees performance results reflect the deduction of the maximum investment advisory fees. Returns include all dividends and interest, other income, realized and unrealized gain, are net of all brokerage commissions and execution costs. Performance calculated in U.S. dollars.

The objective of our US Large Cap Equity Strategy is to deliver excellent after-tax returns in excess of industry benchmarks through market cycles. The Composite includes all fully discretionary, fee-paying accounts over \$5 million that invest in a portfolio of approximately 25-30 companies with market capitalizations greater than \$5 billion that are headquartered in North America, as well as in certain global firms located in other developed regions.

Brown Brothers Harriman & Co. ("BBH") may be used as a generic term to reference the company as a whole and/or its various subsidiaries generally. This material and any products or services may be issued or provided in multiple jurisdictions by duly authorized and regulated subsidiaries. This material is for general information and reference purposes only and does not constitute legal, tax or investment advice and is not intended as an offer to sell, or a solicitation to buy securities, services or investment products. Any reference to tax matters is not intended to be used, and may not be used, for purposes of avoiding penalties under the U.S. Internal Revenue Code, or other applicable tax regimes, or for promotion, marketing or recommendation to third parties. All information has been obtained from sources believed to be reliable, but accuracy is not guaranteed, and reliance should not be placed on the information presented. This material may not be reproduced, copied or transmitted, or any of the content disclosed to third parties, without the permission of BBH. All trademarks and service marks included are the property of BBH or their respective owners. © Brown Brothers Harriman & Co. 2022. All rights reserved.

Not FDIC Insured

No Bank Guarantee

May Lose Money

IM-11351-2022-07-15

Exp. Date 10/31/2022