

BBH Luxembourg Funds - BBH Core Select

Monthly Fund Update / January 2023

For Retail Use

Equities continued an impressive recovery from the mid-October 2022 lows through January 2023. The S&P 500 gained 6.28% for the month after benefiting from moderating inflation, a pause in interest rates, and a stable U.S. Dollar. The BBH Luxembourg Funds - Core Select Class X ("Core Select," or "the Fund") modestly outperformed the benchmark with a gain of 6.84%. At the sector level, the Information Technology and Consumer Discretionary sectors were the Fund's strongest contributors while the Consumer Staples and Materials sectors lagged but were also positive. At the security level, the portfolio exhibited broad-based strength with top contributors including Alphabet (GOOG), Booking Holdings (BKNG), and Celanese (CE). The sole detractors were comprised of more defensive holdings such as Dollar General (DG), Waste Management (WM), and Diageo (DEO). At the portfolio level, both allocation (+23 basis points¹) and security selection (+57 basis points) were positive. It was an active month where we added to positions in Waste Management (WM) and Oracle (ORCL), while reducing positions in Progressive (PGR), A. J. Gallagher (AJG), Mastercard (MA), KLA Corp. (KLAC), and Alphabet (GOOG). The portfolio concluded the month with 29 holdings, 4% cash, and a price to our estimate of intrinsic value² of 81%.

While it is fair to attribute some of Alphabet's January share recovery to the broad-based reflex rally in the prior year's hard-hit Information Technology and Communication Services sectors, it is also important to recognize the company's increasing cost discipline, strong operating performance, and compelling valuation. Notwithstanding the prior year's 39% stock decline, Alphabet delivered 2022 revenues of \$283 billion, up 10% year-over-year, or 14% on a constant currency basis. The company generated free cash flow of \$60 billion and repurchased a total of \$59 billion of shares. Despite near-term challenges in the macro environment, we continue to have high conviction in Alphabet's ability to deliver durable growth through its dominance in search, mobile operating systems, strong positioning in the fast-growing public cloud market, and a broad portfolio of under monetized assets.

Following strong performance in 2022, Dollar General's share price declined approximately 5% in January due to various factors we believe will not alter the long-term investment opportunity. A mixed shift towards lower margin consumables, unfavorable weather, and supply chain headwinds continue to weigh on near-term fundamentals. Additionally, Dollar General's defensive credentials as a retailer of food and other consumables has contributed to some derating as market sentiment shifts. We continue to believe Dollar General remains well positioned to serve its customers through a unique combination of value and convenience. This is especially true in a more challenging economic environment with the right assortment, price points, and initiatives to drive growth for the long-term.

We welcome the strong start to the year, but acknowledge it has been, and will likely continue to be, a challenging investment environment characterized by persistent inflation, higher interest rates, elevated geopolitical tensions, and slowing economies around the globe. Our focus remains on investing in businesses characterized by durable cash flow and earnings growth, healthy balance sheets, and attractive valuations. We believe the Fund continues to represent compelling value and is well-positioned to generate attractive returns through the business cycle.

¹ One "basis point" or "bp" is 1/100th of a percent (0.01% or 0.0001).

² BBH's estimate of the present value of the cash that a business can generate over its remaining life.

This is a marketing communication. Please refer to the prospectus of the fund and to the KIID before making any final investment decisions.

Performance										
Past performance does not predict future results										
Annual Returns										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
BBH Core Select (Class X)	-21.76%	25.54%	11.56%	28.09%	-8.25%	18.11%	7.06%	-3.77%	6.91%	25.17%
S&P 500	-18.11%	28.71%	18.40%	31.49%	-4.38%	21.83%	11.96%	1.38%	13.69%	32.39%
Average Annual Returns										
As of 31/01/2023	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr.	Since Inception				
BBH Core Select (Class X)	-9.53%	4.89%	5.23%	8.98%	5.31%	8.73%				
S&P 500	-8.22%	6.38%	9.88%	12.72%	9.54%	13.25%				
As of 31/12/2022	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr.	Since Inception				
BBH Core Select (Class X)	-21.76%	-0.89%	3.09%	8.84%	5.19%	8.12%				
S&P 500	-18.11%	2.66%	7.66%	13.18%	9.42%	12.70%				

Class X Ongoing Charges: 1.70%

Annual Returns are for the current and prior 12-month periods

All performance is net of fees
Sources: BBH & Co. and S&P

The past performance excludes the entry and exit charges. The ongoing charges figure is based on actual expenses for the year ending December 2021. This figure may vary from year to year. It excludes portfolio transaction costs. The entry charge is 5% of the initial price or subscription price. Fund shares redeemed within 30 days of purchase may be subject to an exit charge of 2%. The entry and exit charges shown are maximum figures. In some cases you may pay less. Past Performance has been calculated in USD. Performance can be increased or reduced as a result of currency fluctuations.

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 Fund's holdings. The index is not available for direct investment. The fund is actively managed and does not attempt to mirror any benchmark or index.

Share Class Overview			
As of 30 November 2022			
ISIN	Inception Date	Total Net Assets (mil)	NAV
Class X	LU0643341406	10/07/2012	\$3.7
			\$24.25

Equity Weighting		Sector Weighting		Top 10 Companies	
As of 31 January 2023		As of 31 January 2023		As of 31 January 2023	
Common Stock	96.1%	Communication Services	6.0%	Berkshire Hathaway Inc	6.1%
Cash and Cash Equivalents	3.9%	Consumer Discretionary	11.7%	Alphabet Inc	5.7%
Liabilities in Excess of Other Assets	-0.1%	Consumer Staples	7.3%	Mastercard Inc	5.5%
Total	100.0%	Energy	0.0%	Linde PLC	4.7%
		Financials	19.4%	Arthur J Gallagher & Co	4.3%
		Health Care	14.2%	Alcon Inc	4.1%
		Industrials	12.0%	Microsoft Corp	4.0%
		Information Technology	21.3%	Progressive Corp	3.8%
		Materials	8.1%	Waste Management Inc	3.7%
		Real Estate	0.0%	Zoetis Inc	3.6%
		Utilities	0.0%	Total	45.7%
		Total	100.0%	Reported as a percentage of total portfolio.	
		Reported as a percentage of portfolio securities, excluding Cash and Cash Equivalents.			

Fund Facts	
As of 31 January 2023	
Total Net Assets (mil)	\$277.5
Number of Securities Held	29
Average P/E	26.3
Average Market Cap (bil)	\$257.7
Exclude cash equivalents.	

An investment is in shares of the fund and not in any underlying investment owned by the fund.

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.

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.

The allocation effect measures a manager's ability to effectively allocate assets to specific segments, sectors, or industries.

The selection effect measures a manager's ability to select securities within a given segment relative to a benchmark.

Other Important Disclosures

Brown Brothers Harriman & Co. ("BBH") is the promoter and principal distributor of the Funds. Brown Brothers Harriman Mutual Fund Advisory Department (a separately identifiable department of BBH) provides investment advice to the Funds. BBH Luxembourg Funds (the "Company") is a Luxembourg-registered Société d'Investissement à Capital Variable - undertaking for collective investment in transferrable securities (SICAV-UCITS) regulated by the Commission de Surveillance du Secteur Financier ("CSSF"), the Luxembourg financial services authority. The SICAV designated FundRock Management Company S.A. to serve as its designated management company in accordance with Chapter 15 of the Luxembourg Law of 17th December 2010; FundRock Management Company S.A. was incorporated on 10 November 2004 for an unlimited duration under the laws of Luxembourg and registered on the official list of Luxembourg management companies.

BBH has prepared this communication for use on a confidential and limited basis solely for the information of those to whom it is transmitted and is not to be reproduced or used for any other purpose. This communication, that constitutes a marketing communication, is intended to be a general update of the Fund and does not constitute an offer to sell, or a solicitation of an offer to purchase, any interest in the Fund or any other investment product in any jurisdiction where such offer or solicitation is not lawful, where marketing to the intended recipient is prohibited or where the person making such offer or solicitation is not qualified to do so.

The Fund may be promoted and sold to the general public in the UK and Luxembourg subject to compliance with applicable law and local regulations. Potential investors in these countries should be aware that most of the protections afforded by their local regulations may not apply to an investment in the Fund and that compensation may not be available under their local laws.

Subscriptions will only be received and shares issued on the basis of the current prospectus of the Company (the "Prospectus") and applicable Key Investor Information Documents of the Fund (the "KIIDs"). Investment in this Fund entails risks which are described in more detail in the Prospectus and the KIIDs. Investors should obtain and read a copy of the Prospectus and the KIIDs before investing. Exit Charges are payable to the Fund and not BBH. For a copy of the Prospectus and the KIIDs, in English, French, or German, please contact the Company's representative or its local distributor, or access the following site: www.bbhluxembourgfunds.com. The contact details of the Company's representatives in the countries where the Company is registered are provided below in the section for each country.

The Company complies with the European Directive 2009/65/EC on undertaking for collective investment in transferable securities (UCITS), dated 13 July 2009, which established a set of common rules in order to permit the cross border marketing of collective investment schemes. Unauthorized distribution, reproduction or redistribution of this document without the prior written permission of the Company is prohibited. Potential investors in the Fund should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of shares of the Fund.

Neither the Fund nor any of its shares have been registered, nor will be registered, under the U.S. Investment Company Act of 1940, as amended, or the U.S. Securities Act of 1933, as amended, and, as such, may not be offered or sold directly or indirectly in the United States or to a U.S. person.

For Prospective Investors Domiciled in Luxembourg:

The Company's address in Luxembourg is 6, route de Trève, L-2633 Senningerberg, Grand Duchy of Luxembourg (Tel.: +1-800-625-5759).

For Prospective Investors Domiciled in the UK:

The Fund is duly registered with the UK Financial Conduct Authority.

Additional information regarding the Fund including investment positions is available upon request.

RISKS

The value of the Fund fluctuates as the value of the underlying shares in which it invests fluctuate. The Fund is subject to equity risk, in that its investments in shares are subject to market risks that may cause their prices to fluctuate over time. This can affect the value of your investment. Political and economic changes as well as changes in the company in which the Fund invests may also affect the value of your investment.

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

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.

Non-U.S. investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

Complete information on the Fund's risks and expenses can be found in the prospectus.

The decision to invest in the fund should take into account all the characteristics or objectives of the fund as described in its prospectus.