

BBH Luxembourg Funds - BBH Core Select

Quarterly Fund Update / 4Q 2022

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in the UK, Germany and Luxembourg

4Q Highlights

- BBH Luxembourg Funds - Core Select Class I ("Core Select," or "the Fund") gained 8.84% in the fourth quarter compared to 7.56% for the benchmark S&P 500 Index.
- Activity during the period was modest with additions to Booking Holdings (BKNG), Celanese (CE), Texas Instruments (TXN), and Signature Bank (SBNY). Shares of Pool Corp (POOL) were fully redeemed.
- Without a clear sense of the ultimate impact of the Federal Reserve's historic actions, uncertainty remains high, raising the likelihood of continuing volatility.

Market Overview

The S&P 500 staged a strong fourth quarter rally in response to moderating inflation, resilient consumer spending, stable interest rates, a declining Dollar, and a reversal of China's zero-COVID policy. Market breadth was positive with nine of the 11 S&P 500 sectors advancing, led by the Energy, Industrials, and Materials sectors. Consumer Discretionary and Communication Services sectors were areas of relative weakness, reflecting continuing inventory imbalances, uncertainty around evolving consumer behavior, and moderating advertising spending. The market's focus has turned to earnings durability in the context of moderating economic conditions, elevated inflation, restrictive monetary policy, lingering supply chain imbalances, and tight labor markets. Without a clear sense of the ultimate impact of the Federal Reserve's historic actions, uncertainty remains high, raising the likelihood of continuing volatility.

Portfolio Commentary

The BBH Luxembourg Funds - Core Select Class I ("Core Select," or "the Fund") gained 8.84% in the fourth quarter compared to 7.56% for the benchmark S&P 500 Index. At the portfolio level, outperformance was driven by positive security selection in the Information Technology and Consumer Discretionary sectors, as well as an overweight allocation to the Financial Services sector. At the security level, top contributors included Mastercard (MA), NIKE (NKE), and Linde (LIN). On the other hand, primary detractors were Amazon.com (AMZN), Alphabet (GOOG), and Signature Bank (SBNY). At quarter-end, the portfolio held 29 securities, 47% in the top 10, 2% in cash, and traded at 77% of our estimate of intrinsic value.¹ Activity during the period was modest with additions to Booking Holdings (BKNG), Celanese (CE), Texas Instruments (TXN), and Signature Bank (SBNY). Shares of Pool Corp (POOL) were fully redeemed.

We sold our investment in industrial distributor POOL for several reasons despite being an excellent fit with our fundamental investment criteria. First, we wanted to reduce exposure to the U.S. residential and commercial real estate markets given current and potential changes to monetary policy. U.S. real estate fundamentals have only just begun to deteriorate, and the risk of further weakening is significant. Second, while the quality

Holdings As of 31 December 2022	
Berkshire Hathaway Inc (Class A)	6.6%
Mastercard Inc	6.1%
Alphabet Inc (Class C)	5.5%
Linde PLC	5.0%
Arthur J Gallagher & Co	4.7%
Microsoft Corp	4.2%
Progressive Corp	4.2%
Alcon Inc	4.1%
Waste Management Inc	3.6%
Thermo Fisher Scientific Inc	3.6%
Zoetis Inc	3.5%
KLA Corp	3.5%
Costco Wholesale Corp	3.3%
NIKE Inc (Class B)	3.2%
Dollar General Corp	3.0%
Oracle Corp	2.9%
Copart Inc	2.8%
Booking Holdings Inc	2.8%
Celanese Corp	2.8%
Abbott Laboratories	2.7%
Graco Inc	2.7%
Texas Instruments Inc	2.6%
S&P Global Inc	2.5%
Adobe Inc	2.3%
A. O. Smith Corp	2.3%
Diageo PLC ADR	2.1%
Amazon.com Inc	2.0%
Nestle SA ADR	1.7%
Signature Bank	1.7%
Cash & Cash Equivalents	2.3%
Liabilities in Excess of Other Assets	-0.1%

Holdings are subject to change.

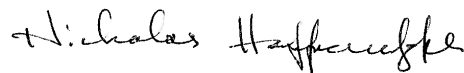
¹ BBH's estimate of the present value of the cash that a business can generate over its remaining life.

and resiliency of the company's business has improved over the past 15 years, we believe management's outlook in a recessionary environment is overly optimistic. During the last real estate-led recession, POOL's revenues and profits declined 20% and 45%, respectively. While we do not believe such a level of operating degradation would be repeated, the company's suggestion seems optimistic that top line and profit declines would range in the low-to-high single-digit range should a normal recessionary environment develop in 2023. In short, the near-to-medium term operating environment appears challenging, and we believe it is prudent to move to the sidelines.

Outlook

While we are encouraged to see equities and the Fund recover from mid-October lows, we recognize 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 businesses characterized by durable cash flow and earnings growth, healthy balance sheets, and attractive valuations. From this perspective, we believe the Fund is well-positioned to generate attractive returns and preserve capital through the business cycle.

Respectfully,



Nicholas Haffenreffer
Fund Manager



Performance

Past performance does not predict future results

Annual Returns

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Class I	-21.33%	26.19%	12.17%	28.81%	-7.75%	18.76%	7.65%	-3.24%	7.51%	25.84%
Class R[i]	-21.33%	26.24%	12.18%	28.80%	-7.75%	18.73%	7.65%	-3.24%	7.51%	25.84%
Class RN[i]**	N/A	26.23%	12.18%	28.79%	-7.77%	18.74%	7.66%	-3.23%	N/A	N/A
Class X	-21.76%	25.54%	11.56%	28.09%	-8.25%	18.11%	7.06%	-3.77%	6.91%	25.17%
Class R[i](GBP)	-12.18%	27.91%	8.66%	23.93%	-2.28%	8.31%	28.69%	2.31%	14.42%	N/A
Class RN[i](GBP)***	N/A	27.90%	8.66%	23.95%	-2.28%	8.35%	28.76%	2.31%	N/A	N/A
S&P 500	-18.11%	28.71%	18.40%	31.49%	-4.38%	21.83%	11.96%	1.38%	13.69%	32.39%

As of 31/12/2022

Average Annual Total Returns

	3 Mo.*	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Class I	8.84%	-21.33%	-21.33%	3.65%	5.76%	8.28%	10.47%
Class R[i]	8.84%	-21.33%	-21.33%	3.66%	5.77%	8.28%	8.93%
Class X	8.69%	-21.76%	-21.76%	3.09%	5.19%	7.68%	8.12%
Class R[i](GBP)	0.53%	-12.18%	-12.18%	6.87%	8.13%	N/A	9.85%
S&P 500	7.56%	-18.11%	-18.11%	7.66%	9.42%	12.56%	13.39%

Class I Inception: 28/01/2009

Class R[i] Inception: 21/10/2011

Class RN[i] Inception: 02/05/2014

Class X Inception: 10/07/2012

Class R[i](GBP) Inception: 28/03/2013

Class RN[i](GBP) Inception: 02/05/2014

Class I, Class R[i], Class RN[i], Class R[i](GBP), Ongoing Charges: 1.15%

Class X Ongoing Charges: 1.70%

* Returns are not annualized. ** Class RN[i] redeemed 20 April 2022. *** Class RN[i](GBP) redeemed 16 November 2022.

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.

Classes RA, I, R[i], X, and R[i](GBP) Shares are accumulating Classes of Shares and, as such, have no distributions. Any income will automatically be included in the value of your investment.

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.

Sources: BBH & Co. and S&P

Share Class Overview
As of 31 December 2022

	ISIN	Inception Date	Total Net Assets (mil)	NAV	Upside/Downside Capture ¹
Class I	LU0407242659	28/01/2009	\$233.4	\$40.29	86.5% / 99.8%
Class R[i]	LU0527403801	21/10/2011	\$18.9	\$26.18	86.5% / 99.8%
Class X	LU0643341406	10/07/2012	\$3.4	\$22.70	
Class R[i](GBP)	LU0861823945	28/03/2013	£0.3	£25.19	

¹ Upside / Downside Capture Ratio is an annualized 5-year rate, net of fees. Both compare an investment's performance against its benchmark during periods when the benchmark's performance is positive or negative.

Equity Weighting As of 31 December 2022	
Common Stock	97.8%
Cash and Cash Equivalents	2.3%
Liabilities in Excess of Other Assets	-0.1%
Total	100.0%

Sector Weighting As of 31 December 2022	
Communication Services	5.7%
Consumer Discretionary	11.3%
Consumer Staples	7.3%
Energy	0.0%
Financials	20.1%
Health Care	14.1%
Industrials	11.6%
Information Technology	22.0%
Materials	7.9%
Real Estate	0.0%
Utilities	0.0%
Total	100.0%

Reported as a percentage of portfolio securities, excluding Cash and Cash Equivalents.

Top 10 Companies As of 31 December 2022	
Berkshire Hathaway Inc	6.6%
Mastercard Inc	6.1%
Alphabet Inc	5.5%
Linde PLC	5.0%
Arthur J Gallagher & Co	4.7%
Microsoft Corp	4.2%
Progressive Corp	4.2%
Alcon Inc	4.1%
Waste Management Inc	3.6%
Thermo Fisher Scientific Inc	3.6%
Total	47.4%

Reported as a percentage of total portfolio.

Fund Facts As of 31 December 2022	
Total Net Assets (mil)	\$256.0
Number of Securities Held	29
Average P/E	26.5
Average Market Cap (bil)	\$240.9
Excludes 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.

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.

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.

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.

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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.

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.

This document is directed only at persons/entities who are professional clients or eligible counterparties in the UK and Luxembourg pursuant to the Markets in Financial Instruments (MiFID) Directive 2004/39/EC and must not be relied upon by any other 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. The representative agent of the Fund in the UK is BBH ISL Tel: +44-207-614-2113.

For Prospective Investors Domiciled in Germany:

The Fund is duly registered with the German Federal Financial Supervisory Authority, the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). The representative agent of the Fund in Germany is Société Générale (Dejan Djurdjevi - Tel.: +49 (0) 69 7174 497).

The views expressed in this material are those of the presenters as of the date of this webinar and may or may not be consistent with the views of Brown Brothers Harriman & Co. and its subsidiaries and affiliates ("BBH") and are intended for informational purposes only.

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