BBH Intermediate Municipal Bond Fund

Quarterly Fund Update / 2Q 2024

Abracadabra

2Q Highlights

- The first half of 2024 provided plenty of investment opportunities. Strong issuance was driven by several factors including tighter credit spreads, the increased cost of construction after multiple years of high inflation, and a desire to tap markets before the election.
- We expect market volatility to remain elevated as we progress on an uncertain path to an eventual easing of monetary policy.
- We are proud of our first half performance, generating a return of 0.73%, outperforming the index by 136 bps. Generating a positive return in the face of an interest rate sell-off is a testament to the strong portfolio income and security selection results.

Performance
As of June 30, 2024

	Total Returns		Average Annual Total Returns			
	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
Class I	0.41%	0.73%	4.51%	0.14%	1.55%	2.79%
Class N	0.36%	0.53%	4.29%	-0.06%	1.36%	2.63%
Benchmark	-0.34%	-0.63%	2.69%	-0.45%	1.16%	2.24%

Class I Inception: 04/01/2014
Class N Inception: 04/01/2014

Class I: Net/Gross Expense Ratio (%) 0.46 / 0.46
Class N: Net/Gross Expense Ratio (%) 0.65 / 0.72

Returns of less than one year are not annualized.

The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses to 0.65% for Class N shares and 0.50% for Class I shares through March 1, 2025. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees (the "Board").

Performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance data quoted. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance current to the most recent month-end please call 1-800-625-5759. *Fund shares redeemed within 30 days of purchase are subject to a redemption fee of 1.00%.*

Sources: BBH & Co. and Bloomberg

BBH Intermediate Municipal Bond Fund Class I ("the Fund") had a total return of 0.41% during the second quarter of 2024, compared to a return of -0.34% for the benchmark Bloomberg 1-15 Year Municipal Index.

Inflation dominated the landscape again in Q2 2024 as investors fixated on every macroeconomic indicator and every word from the Federal Reserve (Fed). Once again, interest rates bounced around with the ebbs and flows of the data and rhetoric. Breaking the spell of inflation has remained much more difficult than the Fed initially hoped. We expect market volatility to remain elevated as we progress on an uncertain path to an eventual easing of monetary policy. Investor sentiment reflected this uncertainty as early-quarter pessimism abruptly swung to optimism by quarter-end. We stayed focused and took advantage of market volatility by steadily adding new opportunities, many of which featured non-standard bond structures.

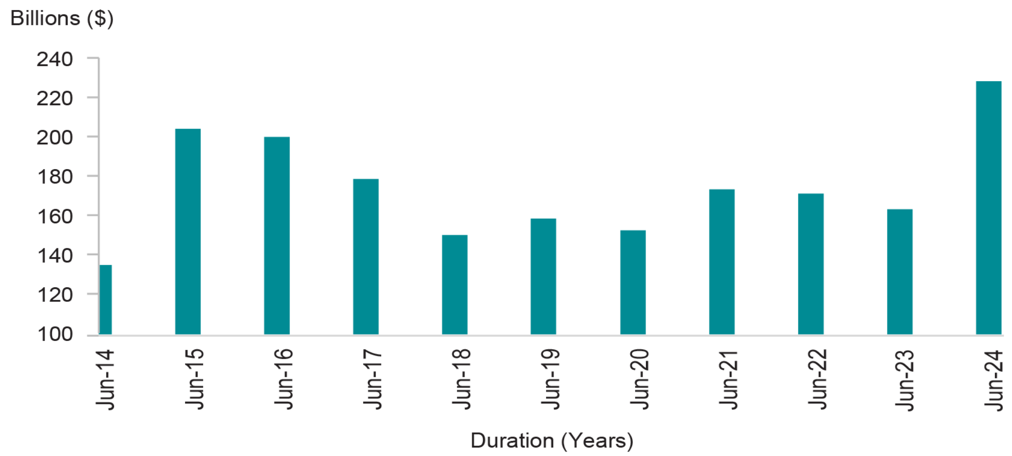
Market volatility was again driven by changing Fed policy expectations. After looking for six to seven rate cuts at the beginning of the year, investors now only see two cuts, one before the presidential election and one after. Strong labor and housing markets, accommodative financial conditions, and large federal fiscal deficits have benefited the economy, but present strong resistance to the Fed's inflation fight. Core inflation has risen an annualized 3% to 4% for the last six months. Super-core inflation, which measures price changes in core services excluding housing, was up more than 5% over the same period. These are not the typical preconditions for a pivot to easier monetary policy, but the Fed can always pull a rabbit out of its hat. Tighter monetary policy has not had the bite that policy makers expected, and many are now questioning the restrictiveness of the Fed's stance.

Although elevated, municipal yield volatility declined to well-below 2022 and 2023 levels, which were the most volatile back-to-back years in decades. Just like the dynamic in taxable corporate bonds, credit-sensitive municipals strongly outperformed. Whereas Aaa-rated General Obligation (GO) bond yields fluctuated widely, premiums for lower-rated paper consistently narrowed. Simply put, the weaker the credit, the better the performance. We have experienced market conditions like this before and they are typically challenging for us. Indiscriminate buying tends to reward the less deserving and drives strong competition for new issues. Broad credit fundamentals remain healthy, with most states and local governments still sitting atop large, post-pandemic reserves. Revenue bonds have also performed well, buoyed by the strong economic growth. This sound foundation has helped low-rated credit spreads to approach their record tight levels. We will never buy a bond without a sufficient margin of safety,[1] and today's credit spreads provide slimmer margins than they had for the past couple of years.

We are proud of our first half performance, generating a return of 0.73%, outperforming the index by 136 bps.[2] Generating a positive return in the face of an interest rate sell-off is a testament to the strong portfolio income and security selection results. We are also proud we beat the index despite such a small exposure to BBB credit, which tightened by roughly 45 bps since the start of the year. We continue to scratch our heads as other investors continue to pile into risky credits. We prefer alternatives to traditional credit to achieve similar yields with less risk.

The first half of 2024 provided plenty of investment opportunities, assisted by record supply. Strong issuance was driven by several factors including tighter credit spreads, the increased cost of construction after multiple years of high inflation, and a desire to tap markets before the election. Lastly, several large issuers invoked "extraordinary redemption provisions" (ERP) on their outstanding taxable Build America Bonds (BABs). ERPs give the bond issuer the right to call back the bonds at par if certain "extraordinary" conditions are met. Keep in mind, the word "extraordinary" is open to interpretation, making them difficult to analyze. Upon calling their BABs, these municipalities issued new tax-exempt bonds. Los Angeles Unified School District was the largest deal at $2.6 billion. From an investment perspective, we try to avoid premium bonds with par-priced ERPs. While we are grateful for the rebound in supply, we note that issuance was very concentrated, with a record number of billion-dollar new deals. We frequently source opportunities from the niche corners of the municipal market, rather than from larger, more generic GO bonds.

Exhibit I: Record First Half Tax-Exempt Issuance



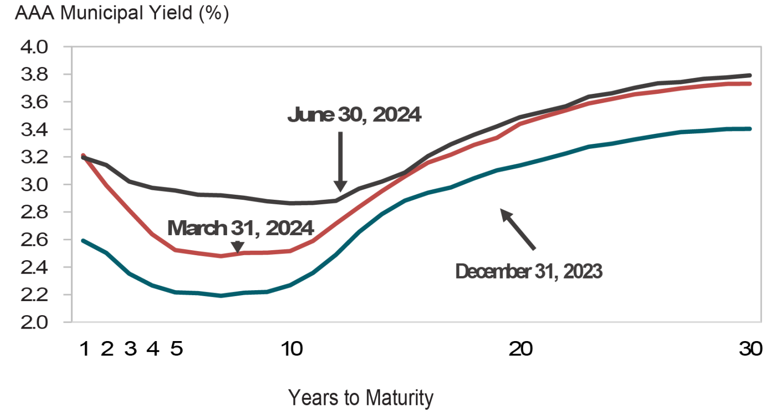
Data reported annualy from June 30, 2014 to June 30, 2024
Sources: Bloomberg and BBH

Over the past years, strong technical factors, underpinned by low supply, have helped support valuations in the municipal market. During May, outsized issuance volume in the second quarter helped to drive the municipal market's worst two-week period of performance since the onset of COVID-19. The change was most notable in the intermediate portion of the curve, which has been inverted for 18 months due to heavy retail demand. By quarter end, intermediate maturity yields increased by 20 bps to 45 bps, while the rest of the curve experienced more muted increases. We have consciously de-emphasized the area of the deepest inversion and expect to maintain this positioning. The sell-off quickly reversed as the continued pace of strong fund flows helped to absorb much of the new issuance, driving a rally in June. We strive to avoid being influenced by the Presto Chango of investor sentiment. This year, like in the past, periods of volatility are often accompanied by attractive opportunities.

[1] With respect to fixed income investments, a margin of safety exists when the additional yield offers, in BBH's view, compensation for the potential credit, liquidity and inherent price volatility of that type of security and it is therefore more likely to outperform an equivalent maturity credit risk-free instrument over a 3-5 year horizon.
[2] Basis point (bps) is a unit that is equal to 1/100th of 1% and is used to denote the change in price or yield of a financial instrument.

During the quarter we purchased a wide array of opportunities across a range of sectors and structures, most of which fall out of the scope of retail investor preferences. We added two prepaid gas transactions, a floater backed by J.P. Morgan and a put bond backed by RBC with yield spreads of about 100 bps. Prepaid gas deals typically contain two elements retail investors seek to avoid: non-standard coupon structures, and corporate credit risk. Prepaid deals also contain several ERPs which must be thoroughly assessed. Other corporate-backed bond purchases for the quarter include puts from Intel and Duke Energy. We are grateful for the assistance we receive from our corporate analysts. This is a nice benefit of us all sitting together.

Exhibit II: Yield Curve Flattened Over the Quarter



Range represents the 5th to 95th percentiles
Data reported as of December 31, 2023, and March 31, 2024, and June 30, 2024 and yearly from December 31, 2014 to June 30, 2024
Sources: MMD (Municipal Market Data), Bloomberg and BBH

We also added bonds from two toll systems, a floater from E-470 in Colorado, and a zero-coupon bond from the Pennsylvania Turnpike Commission (PTC). The pandemic reinforced our assessment of toll road bond durability. That period presented a stress test that none of us fathomed before 2020. Both toll systems were able to offset lower traffic volume by reducing expenditures, delaying capital spending, or raising toll rates. Finally, housing planned amortization class (PACs) bonds continue to offer the best risk-adjusted value in the municipal market and played a large role in our activity. We purchased housing PACs across several states at spreads around 140 bps.

In good times and bad, we try to stay steady. We do not bet on what we do not know. We have a lot of tools and analytics at our disposal, but not a crystal ball to see the future movements of interest rates, economic releases, election outcomes, or Fed utterances. We stick with what we can analyze – credit, valuation, and portfolio construction. In other words, we spend our time evaluating rather than predicting. This approach helps us stay focused in the face of the noise and distractions of swings in investor sentiment. It is anyone's guess what the future holds, but we will be prepared. Not magic, but good old-fashioned analysis.

Thank you for your ongoing trust and confidence.

Sincerely,

Gregory S. Steier
Fund Manager

ENVESTNET
2023
ASSET MANAGER
AWARD

Brown Brothers Harriman is thrilled to announce that our Municipal Bond team has won the 2023 Envestnet Asset Management Award, in the Fixed Income category, for its Intermediate Municipal Bond Fund.

Out of 100 funds for the year ending 12/31/2022.

Ranking Entity is Envestnet | PMC Research.

Envestnet's systematic, proprietary, and multi-factor methodology for this awards program harnesses a variety of qualitative and quantitative criteria to identify award finalists from among the thousands of managers on the Envestnet platform. Envestnet reviews investment process and style, customer service, tax efficiency, performance, composite, and firm profile, among many other aspects of a manager's strategy and business. To be eligible for an award, managers must be broadly available on the Envestnet platform, have at least $100 million in assets under management, and a three-year track record.

Past performance is no guarantee of future results.

BBH Fund Information Service: (800) 625-5759

Share Class Overview
As of June 30, 2024

	Overall Morningstar Rating ™ *	Ticker	CUSIP	Inception Date	Total Net Assets (mil)	NAV	30-Day SEC Yield** (Subsidized)	30-Day SEC Yield** (Unsubsidized)
Class I	★★★★	BBIIX	05528C824	04/01/2014	$999.7	$10.25	3.50%	3.50%
Class N	★★★	BBINX	05528C816	04/01/2014	$51.9	$10.26	3.29%	3.25%

* The Overall Morningstar Rating is based on risk adjusted return out 266 Funds in the Muni National Interm category as of 06/30/2024.

** SEC yield is a calculation based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the reported period.

Credit Quality
As of June 30, 2024

Cash and Cash Equivalents	3.5%
AAA	20.3%
AA	45.7%
A	29.1%
BBB	1.1%
BB	0.0%
B or Lower	0.0%
Not Rated	0.3%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Top 10 Credits
As of June 30, 2024

State of New Jersey	3.4%
Oregon School Bond Guarantee Program	2.9%
Texas Municipal Gas Corporation II	2.7%
Minnesota Housing Finance Agency	2.7%
Port Authority of New York & New Jersey	2.2%
North Carolina Housing Finance Authority - Home Ownership Revenue Bonds	2.2%
Salt Verde Financial Corporation	2.1%
Illinois Housing Development Authority	2.0%
Metropolitan Transportation Authority	1.8%
Northshore University Healthy System, IL	1.8%
Total	**24.0%**

Reported as a percentage of total portfolio.

Sector Distribution
As of June 30, 2024

Revenue	78.1%
General Obligations	17.1%
Pre-Refunded	1.3%
Cash and Cash Equivalents	3.5%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Fund Facts
As of June 30, 2024

Number of Holdings	315
Number of Issuers Held	128
Effective Duration (years)	4.61
Yield to Maturity	4.24%
Yield to Worst	4.14%

Holdings are subject to change. Totals may not sum due to rounding.

Credit Quality letter ratings are provided by Standard and Poor's, Moody's and Fitch and are presented as the higher of the three ratings. When a security is not rated by Standard & Poor's, Moody's or Fitch, the highest credit ratings from DBRS and Kroll may be used. Absent a rating from these agencies, we may display Private Credit Ratings, if permitted by the issuer, which could include ratings from Egan-Jones Ratings Co. Credit ratings reflect the credit quality of the underlying issues in the portfolio and not of the portfolio itself. Issues with credit ratings of BBB or better are considered to be investment grade, with adequate capacity to meet financial commitments. Issues with credit ratings below BBB are considered speculative in nature and are vulnerable to the possibility of issuer failure or business interruption.

Effective duration is a measure of the portfolio's return sensitivity to changes in interest rates.

Yield to Maturity is the rate of return the portfolio would achieve if all purchased bonds and derivatives were held to maturity, assuming all coupon and principal payments are received as scheduled and reinvested at the same yield to maturity. This figure is subject to change and is not meant to represent the yield earned by any particular security. Yield to Maturity is before fees and expenses.

Yield to Worst is the lowest yield an investor can expect when there is optionality on the bond (i.e., call or put, etc.). Yield to Maturity and Yield to Worst are before fees and expenses.

This material is not authorized for distribution unless accompanied or preceded by a current Fund prospectus.

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

There is no assurance that this investment objective will be achieved.

Diversification does not eliminate the risk of experiencing investment losses.

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

Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, maturity, call and inflation risk; investments may be worth more or less than the original cost when redeemed.

Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax.

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.

As the Fund's exposure in any one municipal revenue sector backed by revenues from similar types of projects increases, the Fund will also become more sensitive to adverse economic, business or political developments relevant to these projects.

Asset allocation decisions, particularly large redemptions, made by an investment adviser whose discretionary clients make up a large percentage of the Fund's shareholders may adversely impact remaining Fund shareholders.

Bloomberg 1-10 Year Municipal Bond Index is a component of the Bloomberg Municipal Bond index, including bonds with maturity dates between one and 17 years. The Bloomberg Municipal Bond Index is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year. One cannot invest directly in an index.

Bloomberg US Aggregate Bond Index is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least $300 million par amount outstanding and with at least one year to final maturity.

Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The Index is a component of the US Credit and US Aggregate Indices.

The Bloomberg 1-15 Year Blend (1-17) Muni Index is a component of the Bloomberg Municipal Bond index, including bonds with maturity dates between one and 17 years. The Bloomberg Municipal Bond Index is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year. The index is not available for direct investment.

"Bloomberg®" and the Bloomberg 1-15 Year Blend (1-17) Muni Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Brown Brothers Harriman & Co (BBH). Bloomberg is not affiliated with BBH, and Bloomberg does not approve, endorse, review, or recommend the BBH Intermediate Municipal Bond Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the fund.

For more complete information, visit www.bbhfunds.com for a current Fund 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.

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