

# BBH Intermediate Municipal Bond Fund

*Fund Fact Sheet / 2Q 2022*

## PRINCIPAL STRATEGY AND OBJECTIVES<sup>1</sup>

The BBH Intermediate Municipal Bond Fund (“the Fund”) seeks to protect investors’ capital and generate attractive risk-adjusted returns through market cycles by combining thorough, independent credit research and a unique valuation discipline to identify undervalued municipal securities. We invest bottom-up and seek to own a limited number of durable credits that offer attractive yields.

Our independent research serves as the foundation of our municipal investment process. We also apply a proprietary quantitative framework to help assess each security’s valuation and its long-term return potential. When opportunities to purchase securities that meet both our credit<sup>2</sup> and valuation criteria are not available, we hold high-quality liquid reserves.

## INVESTMENT CRITERIA

When constructing our municipal bond portfolios, we apply a disciplined investment selection process that focuses on durable issuers with the following critical attributes:

- Provides essential services or funds critical infrastructure
- Strong competitive position
- Financial strength
- Robust operating model with pricing flexibility
- ESG risks appropriately mitigated
- Backed by a proven revenue stream
- Strong coverage and covenant protection
- On-time financial filings

We evaluate environmental, social and governance (ESG<sup>3</sup>) factors as part of our investment research process to help us effectively assess the long-term sustainability and durability of our companies and credits.

The portfolio management team generally expects to target between 75-125 obligors in major sub-sectors of the U.S. municipal bond market including state and local general obligation bonds, revenue bonds, and pre-refunded securities. The targeted holding period for individual securities is typically four to five years.

## FUND MANAGER



### Gregory S. Steier

As the Co-head of Fixed Income, Greg Steier is the lead portfolio manager for municipal bonds and has day-to-day oversight responsibility for the TIPS investment team and Quantitative Research. Greg joined BBH in 1992, and throughout his tenure has held a range of portfolio management, trading, and research roles in both the taxable and tax-exempt sectors. Greg is an active member of BBH’s Asset Liability Committee, for which he developed a firm-wide interest rate risk framework. Greg is also a member of the Investment Management Oversight and Risk Committees and chairs the Investment Management Valuation Oversight Committee. Greg earned both his MBA in Finance and B.S. in Accounting from the New York University Stern School of

Business.

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## PRINCIPLES OF TAX-EXEMPT FIXED INCOME INVESTING

- **Active Management:** We believe in a bottom up, value-based approach to active management.
- **Durability:** We only invest in securities we believe are built to withstand a variety of economic conditions.
- **High Conviction:** We work to balance ample diversification while ensuring meaningful concentration in our highest conviction ideas.
- **Long-term Perspective:** We underwrite our investments to perform through market cycles.
- **Discipline and Patience:** We let valuation drive our investment process and will hold reserves when the opportunity set is limited.

<sup>1</sup> There can be no assurance that the Fund will achieve its investment objectives.

<sup>2</sup> Obligations such as bonds, notes, loans, leases and other forms of indebtedness, except for Cash and Cash Equivalents, issued by obligors other than the U.S. Government and its agencies, totaled at the level of the ultimate obligor or guarantor of the Obligation.

<sup>3</sup> 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.

**Performance**  
As of June 30, 2022

Fund/Benchmark	Total Returns		Average Annual Total Returns				Since Inception
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
<b>BBH Intermediate Municipal Bond Fund (Class I)</b>	-1.81%	-7.06%	-7.07%	-0.01%	1.69%	N/A	2.52%
<b>BBH Intermediate Municipal Bond Fund (Class N)</b>	-1.86%	-7.15%	-7.25%	-0.19%	1.52%	N/A	2.36%
<b>Bloomberg Municipal Bond 1-15 Year Blend Index</b>	-1.55%	-6.80%	-6.53%	0.12%	1.47%	N/A	2.11%

Class I: Net/Gross Expense Ratio (%) 0.45 / 0.45; Inception Date - 4/01/2014  
Class N: Net/Gross Expense Ratio (%) 0.65 / 0.69; Inception Date - 4/01/2014  
\* Returns are not annualized.

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

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, 2023. 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 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 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%.

**Share Class Overview**  
As of June 30, 2022

	Overall Morningstar Rating TM*	Ticker	CUSIP	Inception Date	Total Net Assets (mil)	NAV	30-Day SEC Yield* (Subsidized)	30-Day SEC Yield* (Unsubsidized)
<b>Class I</b>	★★★★	BBIX	05528C824	04/01/2014	\$676.8	\$10.09	2.00%	2.00%
<b>Class N</b>	★★★	BBINX	05528C816	04/01/2014	\$41.3	\$10.10	1.76%	1.69%

\* Star ratings are based on risk-adjusted return. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year Morningstar Rating metrics. There are 276 funds in the Muni National Interm category Overall Rating as of 6/30/2022.

\*\* 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 reporting period.

**Credit Quality**  
As of June 30, 2022

Cash and Cash Equivalents	-5.6%
AAA	27.1%
AA	44.4%
A	31.3%
BBB	2.7%
BB	0.0%
B or Lower	0.0%
Not Rated	0.0%
<b>Total</b>	<b>100.0%</b>

Reported as a percentage of portfolio securities.

**Top 10 Credits**  
As of June 30, 2022

California School District General Obligations	5.7%
State of New Jersey	4.4%
Texas Municipal Gas Corporation II	3.8%
Texas School Bond Guarantee Program	3.3%
Texas Municipal Gas Acquisition and Supply Corporation I Series 2008D	2.9%
Minnesota School District Credit Enhancement Program	2.9%
Waste Management Inc	2.5%
South Dakota Housing Development Authority	2.5%
Philadelphia School District, PA	2.4%
Michigan Qualified School Bond Loan Fund	2.1%
<b>Total</b>	<b>32.5%</b>

Reported as a percentage of total portfolio.

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

Revenue	77.5%
General Obligations	27.0%
Pre-Refunded	1.1%
Cash and Cash Equivalents	-5.6%
<b>Total</b>	<b>100.0%</b>

Reported as a percentage of portfolio securities.

**Fund Facts**  
As of June 30, 2022

Number of Holdings	320
Effective Duration (years)	4.60
Yield to Maturity	3.28%
Number of Obligors Held	106
Yield to Worst	3.23%

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.

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 fee 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.

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**BBH Fund Information Service: (800) 625-5759**

## 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.

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

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.bbhffunds.com](http://www.bbhffunds.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.

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.

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Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The BBH Intermediate Municipal Bond Fund was rated against the following numbers of Muni National Interim category funds over the following time periods: 276 funds in the last three years and 238 funds in the last five years. With respect to these Muni National Interim category funds, the BBH Intermediate Municipal Bond Fund (Class I & Class N), received an Overall Morningstar Rating of 3 stars and 4 stars, respectively. Class I three- and five years periods received ratings of 3 stars and 4 stars, respectively. Class N three- and five-year periods received ratings of 3 stars and 3 stars, respectively.

**Not FDIC Insured**

**No Bank Guarantee**

**May Lose Money**

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