

# BBH Income Fund

*Fund Fact Sheet / 3Q 2022*

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

The BBH Income Fund ("the Fund") seeks to provide maximum total return, consistent with preservation of capital and prudent investment management. The Fund aims to deliver excellent returns through market cycles for investors seeking broad exposure to the U.S. fixed income markets.

Our active management approach seeks to build taxable bond portfolios bottom-up, allowing valuation and security selection to drive our portfolio construction. Portfolios include durable, well-managed, appropriately structured credits<sup>2</sup> that can be thoroughly researched and understood.

## INVESTMENT CRITERIA

Our independent research serves as the foundation of our bottom-up investment process. We also apply a proprietary quantitative framework to assess each security's long-term return potential. We will hold reserves when available opportunities do not meet our credit and valuation criteria.

Investment opportunities must meet four essential criteria: durability, transparency, excellent management, and appropriate structure.

- **Durability:** Able to withstand a wide variety of economic conditions.
- **Transparency:** Can be thoroughly researched and understood.
- **Excellent Management:** Debt-conscious leaders focused on long-term viability and access to capital markets.
- **Appropriate Structure:** Appropriate leverage and available resources.

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.

## PRINCIPLES OF 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:** Many investment strategies are built around short-term expectations, momentum following and frequent trading. We believe that longer-term view of both companies and investments leads to stronger results and risk control over market cycles.

<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.

## FUND CO-MANAGERS



### Andrew P. Hofer

Andrew Hofer is Head of Taxable Fixed Income for Investment Management. Since joining BBH in 1988, Andrew has held a variety of roles within Investment Management, including the Head of Insurance Asset Management, Chief Operating Officer, and Head of Risk Management. Andrew holds a B.A. degree in East Asian studies from Yale, and an MIA (Master of International Affairs) from Columbia University.



### Neil Hohmann, PhD

Neil Hohmann is Head of Structured Products and a portfolio manager for Investment Management. In his role, he supervises security selection in asset-backed securities, commercial and agency mortgage-backed securities, and financial institution credit. He is an active member of BBH's Market Risk Oversight Committee. Neil received a Bachelor of Economics with Distinction from Yale University where he graduated magna cum laude. He also earned a PhD in Economics from the University of Chicago.



### Paul Kunz, CFA

As the Head of Corporate Credit and a portfolio manager, Paul Kunz is responsible for the oversight of corporate fixed income portfolios encompassing both investment grade and high yield credit, including managing the research efforts of the credit analyst team. He has been a member of the portfolio management team since joining BBH in 2013. Paul received a B.S. in finance from Villanova University, a J.D. from St. John's University School of Law, an LLM in corporate law from New York University School of Law. He is also a CFA Charterholder.

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

BBH Fund Information Service: (800) 625-5759

**Performance**  
As of September 30, 2022

**Total Returns**

**Average Annual Total Returns**

Fund/Benchmark	Total Returns		Average Annual Total Returns				Since Inception
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
<b>BBH Income Fund (Class I)</b>	-4.00%	-14.90%	-14.57%	-1.19%	N/A	N/A	1.55%
<b>Bloomberg U.S. Aggregate Index</b>	-4.75%	-14.61%	-14.60%	-3.26%	N/A	N/A	-0.04%

Class I: Net/Gross Expense Ratio (%) 0.47 / 0.47; Inception Date - 6/27/2018

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

\* Returns are not annualized.

**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.**

The investment adviser has contractually agreed to limit the Total Annual Fund Operating Expenses for Class I Shares to 0.50%, 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").

**Share Class Overview**  
As of September 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>	BBNIX	05528C766	06/27/2018	\$549.5	\$8.65	5.24%	5.24%

\* 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. The Income Fund was rated against 568 funds in the Intermediate Core-Plus Bond category as of 09/30/2022.

\*\* 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 September 30, 2022

Cash and Cash Equivalents	0.4%
U.S. Treasuries	4.0%
AAA	6.8%
AA	10.0%
A	21.9%
BBB	34.5%
BB	14.1%
B or Lower	8.1%
Not Rated	0.2%
<b>Total</b>	<b>100.0%</b>

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

FS Investment Corp	1.2%
Blackstone / GSO CLO	1.1%
Boeing Co	1.0%
MTN 2022-LPFL	1.0%
SVB Capital (WestRiver Group)	1.0%
Universal Insurance	1.0%
Trinity Capital Inc	1.0%
System One	1.0%
Fairfax India	1.0%
Gladstone Capital Corp	1.0%
<b>Total</b>	<b>10.4%</b>

Reported as a percentage of total portfolio.

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

Corporate Securities	48.0%
Asset-Backed Securities	20.7%
Loans	18.6%
Commercial Mortgage-Backed Securities	7.0%
U.S. Treasuries	4.0%
Municipal Securities	1.0%
Residential Mortgage-Backed Securities	0.3%
Cash and Cash Equivalents	0.4%
<b>Total</b>	<b>100.0%</b>

**Duration Distribution**  
As of September 30, 2022

	<b>BBH Income Fund</b>	<b>Bloomberg U.S. Aggregate Index</b>
< 1 Yr	32.9%	0.2%
1 - 3 Yrs.	24.0%	23.0%
3 - 5 Yrs.	25.4%	24.1%
5 - 7 Yrs.	8.0%	26.0%
7 - 10 Yrs.	5.5%	11.5%
10 - 20 Yrs.	4.3%	14.1%
20+ Yrs.	0.0%	1.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

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

Number of Holdings	258
Effective Duration (years)	6.12
Weighted Average Life (years)	5.39
Yield to Maturity	7.68%

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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.

Weighted Average Life of securities excludes US Treasury futures positions.

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.

## RISKS

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.

The value of some bonds including asset-backed and mortgage-backed securities may be sensitive to changes in prevailing interest rates that can cause a decline in their prices. Mortgage related securities are subject to prepayment and extension risk. 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.

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

Foreign investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards. Prices of emerging market securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

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.

Below investment grade bonds, commonly known as junk bonds, are subject to a high level of credit and market risks and are considered speculative.

To the extent that the Fund experiences a large purchase or redemption on any business day, the Fund's performance may be adversely affected.

Bloomberg U.S. Aggregate Bond Index: covers the USD-denominated, investment-grade (rated Baa3 or above by Moody's), fixed-rate, and taxable areas of the bond market. This is the broadest measure of the taxable U.S. bond market, including most Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with maturities of 1 year or more. The index is not available for direct investment.

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**For more complete information, visit [www.bbhfunds.com](http://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. Other products are offered by Brown Brothers Harriman.

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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**Not FDIC Insured**

**No Bank Guarantee**

**May Lose Money**

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Exp. Date 01/31/2023

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