BBH Intermediate Municipal Bond Fund

Quarterly Fund Update / 1Q 2022

Don't Go with the Flow

BBH Intermediate Municipal Bond Fund Class I ("the Fund") had a total return of -5.35% during the first quarter of 2022, compared to a return of -5.33 % for the benchmark Bloomberg 1-15 Year Municipal Index.

The first quarter marked the beginning of a transition for fixed income. Investors faced significant uncertainties with a pivot away from unprecedented stimulus measures, the challenges of multi-decade inflation highs, and the consequences of the Russian invasion of Ukraine. For the first time in several years, markets will have to find a new, more natural, equilibrium without Fed rate suppression. The municipal market has a history of large unpredictable swings in sentiment, leading to market volatility that is often difficult to justify relative to underlying fundamentals. These episodes most often provide us with our best active management opportunities.

Sentiment has fluctuated widely over the last few years. At the end of 2018, many municipal investors were fearful that the Fed had tightened too much, leading to large redemptions. This negative sentiment swung to bullishness, large-scale inflows, and record-tight credit spreads by the end of 2019. In the Spring of 2020, pandemic-induced fear consumed investors as we all experienced unprecedented disruptions of work and life. But, by the end of 2021, municipal credit had not only recovered, but hit new record-tight spreads. This year, that positive sentiment quickly reversed, and we are in the early days of a new Fed tightening cycle. The good news is that yields are higher and attractive purchase opportunities are becoming much more prevalent.

Performance
As of March 31, 2022

	Total Returns		Average Annual Total Returns			
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	Since Inception
Class I	-5.35%	-5.35%	-4.51%	1.23%	2.53%	2.83%
Class N	-5.39%	-5.39%	-4.70%	1.05%	2.35%	2.68%
Benchmark	-5.33%	-5.33%	-4.21%	1.26%	2.12%	2.38%

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

Class I: Net/Gross Expense Ratio (%) 0.45 / 0.45
Class N: Net/Gross Expense Ratio (%) 0.65 / 0.69

* Returns 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, 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 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%.*

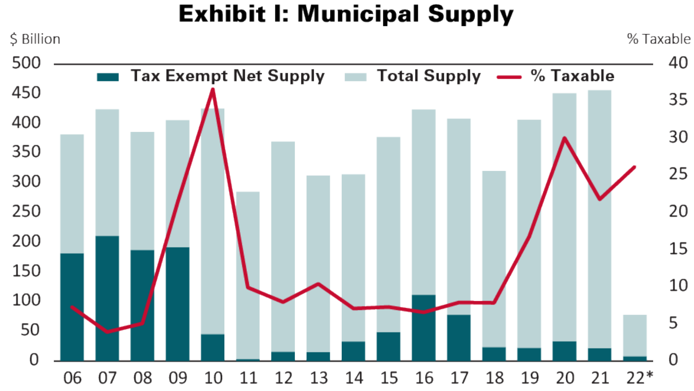
Sources: BBH & Co. and Bloomberg

Shifts in market sentiment are mighty important, as they bring real shifts in capital flows, especially in mutual fund flows. Since the Global Financial Crisis (2008-09), the municipal market has become increasingly susceptible to flow-driven volatility. This has occurred as a result of:

1. Mutual funds and ETF growth relative to the overall size of the market
2. A decline in traditional tax-exempt issuance following 2017's Tax Cuts and Jobs Act
3. Broker-dealer consolidation and tougher regulations

Over the last ten-to-fifteen years, the share of municipal bonds owned within mutual funds, closed end funds, and exchange-traded funds (ETFs) has grown significantly. Today, these vehicles own about 30% of all outstanding municipals and offer investors much greater liquidity than owning individual bonds. In the past, many municipal bonds were simply purchased and held to maturity. The proliferation of funds has promoted greater trading activity and allowed periods of heavy subscription and redemption activity to have a greater influence on valuations, both for the better and the worse.

Exhibit I: Municipal Supply



* YTD as of March 31, 2022
Data reported yearly from December 31, 2006 to March 31, 2022
Sources: Siebert, Brandford, Shank & Co. and BBH Analysis

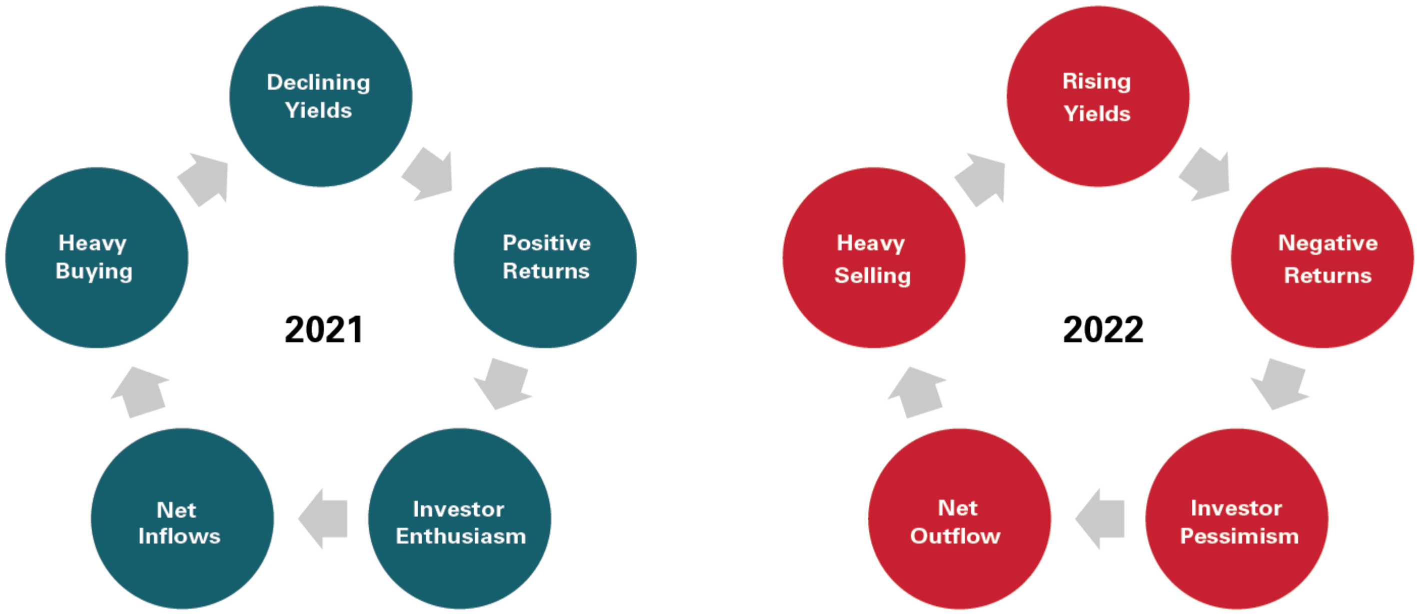
Unlike the other major fixed income sectors, the size of the municipal market has remained steady. For most of the past decade, there has been approximately $4 trillion of outstanding municipal debt. At current supply levels, reinvestment demand almost absorbs all of the new issuance. The

BBH Fund Information Service: (800) 625-5759

red line in Exhibit I indicates the portion of total municipal issuance that is taxable, which has grown in recent years. In fact, since 2017's tax reform legislation, taxable municipal issuance has displaced about $100 billion of traditional tax-exempt issuance each year. The legislation restricted municipal issuers from refinancing old, higher cost tax-exempt debt, with new tax-exempt bonds in advance of a maturity or call date. A few issuers have used a loophole called delayed delivery bonds, but the vast majority of advance refundings are now executed with taxable bonds. During periods of heavy inflows, such as in 2021, the dearth of tax-exempt supply helps create an exaggerated positive impact to valuations.

In an over-the-counter market like fixed income, traders and broker-dealers carefully monitor market liquidity and customer flows. Anecdotally, dealers will look to build positions on their balance sheet when they sense growing demand and vice versa. The primary pattern that we have observed during periods of heavy investor selling is that dealer bids are much weaker when they are bidding for their own balance sheets, as opposed to when they have customer orders in hand. During periods of heavy outflows, such as during the spring of 2020 and the first quarter of this year, this creates an exaggerated negative impact (see Exhibit II). Transaction costs rise, liquidity sinks, and price movements can be violent. The upside is that this volatility often provides generous opportunities.

Exhibit II: Virtuous & Vicious Cycles



Source: BBH Analysis

There is this odd phenomenon in municipals that inflow and outflow cycles tend to feed on themselves and valuations have little to do with it. For example, positive returns, declining yields, and narrowing credit spreads tend to make investors more enthusiastic even though the value is disappearing, and the opposite holds true. Negative returns, higher yields, and wider credit spreads tend to make investors pessimistic even though there are better values! We have never understood why investors get more excited about less attractive values, and they get pessimistic when opportunities arise. This is perhaps the most important reason we do not go with the flow.

As the first quarter progressed, domestic inflation concerns became even more entrenched. On top of strong wage gains of over 5%, we have record home price gains of nearly 20%, and ongoing supply chain difficulties. The growing emphasis on renewable sources of energy will likely require a long and expensive transition. Declining investment in fossil fuel extraction will also create ongoing vulnerability to higher energy prices, which the Russian invasion of Ukraine has only exacerbated.

Recognizing that inflation was more persistent and less transitory than previously perceived, the Fed's stance on monetary policy toughened, with their pandemic-driven quantitative easing program ending in mid-March. Along with this change in Fed sentiment, investor expectations for Fed tightening moved up rapidly as well. Currently, investors have priced in 275 basis points[1] of additional tightening over the next two years, split between 200 additional basis points this year and another 75 basis points in 2023. For context, the Fed tightened a total of 250 basis points from 2015 through 2018. Not only do investors expect more tightening than the last cycle, but they also anticipate a much more rapid pace including several 50-basis point hikes this year.

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

Growing expectations of an aggressive tightening cycle led to a rough start to 2022, with significant outflows leading to the municipal market's worst quarterly performance on record. In total, investors redeemed over $20 billion of capital during the first quarter. To highlight the breadth of selling, there were 28 days during the quarter in which investors, in aggregate, tried to sell over $1 billion of municipals. This quarter presented the most active selling in the last twenty years, other than the fourth quarter of 2018 which was at the end of the last Fed tightening cycle. Yields moved up dramatically, particularly for short maturities that had been anchored by the Fed. For the quarter, two- to five-year maturity yields were up about 150 basis points and long rates were up 120 basis points. The five-year municipal yield ended the quarter at 2.05%, 90 basis points above its pre-pandemic level. This has been an epic sell-off, reminiscent of 1994.

The municipal sector has historically been resilient to rising rate environments. Last year was a great example as the municipal market returned 1.5% while Treasuries were down 2.4%, an outperformance of almost 400 basis points. But this outperformance left municipals vulnerable. Remember, municipals ended the year at very expensive relative valuations, especially in short maturities. What is good for past performance is often a headwind against future performance. And this has been true thus far in 2022. Ratios moved up sharply during the quarter, doubling in maturities less than five years. With the first quarter now in the past, valuations for the highest quality bonds look far more attractive today than they have been in several years.

Despite the substantial rate move, credit spreads remained stubbornly stable and well below longer-term averages. In fact, performance for all different grades of credit was very consistent. Similar to the Spring of 2020, investor redemptions have led managers to sell significant quantities of shorter maturity, higher-quality paper to minimize the pain of raising cash. Although broad measures of fundamentals remain solid, we expect credit valuations to normalize. With AAA yields now significantly higher, investors have less reason to stretch into lower-rated credits.

Although account performance ended the quarter near our benchmarks, we added many new opportunities that should produce benefits well into the future. Consistent with our approach, we leaned into market weakness and took advantage of volatility with a wide array of purchases in both the new issue and secondary markets. Many new issues were priced with concessions. We participated in several deals including Yale University put bonds, Becker Minnesota School District zero-coupon bonds, Northside Texas School District put bonds, a prepaid gas floating-rate-note supported by Morgan Stanley, and a range of State Housing Finance Authority bonds. We also participated in delayed delivery bonds issued by Miami University in Ohio and Jacksonville Florida, backed by the city's appropriation pledge. In the secondary market, the rapid repricing and heavy selling of short-maturity bonds created a wide range of opportunities throughout the quarter in sectors that included school districts, industrial development revenue bonds, prepaid natural gas, and housing, among others. We have always said that it is better to name your price and buy from a forced seller, than to be one.

As we look ahead, policy makers will be hoping for a mythical soft landing. We expect more volatility that should continue to provide opportunities to invest in high-quality bonds with more yield than they should. Last quarter was full of such opportunities. When flows are positive and market conditions are strong, it is important to be cautious and adhere to our investment criteria and not buy into the momentum. Good values will be scarce. When sentiment is weak and outflows dominate, we stick to our process, and find good opportunities as others are fleeing. These are often the best times to go shopping for bargains. As always, we rely on our criteria to keep us steady while the market veers from fear to exuberance and back again. We are excited that more attractive purchase opportunities are emerging, but patience and selectivity remain critical. And above all, we are not inclined to go with the flow.

Sincerely,

Gregory S. Steier
Fund Manager

Share Class Overview
As of March 31, 2022

	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	$712.3	$10.32	1.40%	1.40%
Class N	★★★	BBINX	05528C816	04/01/2014	$68.9	$10.33	1.20%	1.16%

* 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 03/31/2022.

** 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 reported period.

Credit Quality
As of March 31, 2022

Cash and Cash Equivalents	-9.6%
AAA	32.6%
AA	44.6%
A	30.3%
BBB	1.7%
BB	0.0%
B or Lower	0.0%
Not Rated	0.4%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Top 10 Holdings / Coupon / Maturity
As of March 31, 2022

Texas Municipal Gas Acquisition & Supply Corp II	1.24%	9/15/2027	1.6%
Texas Municipal Gas Acquisition & Supply Corp II	1.42%	9/15/2027	1.5%
Central Plains Energy Project	5.25%	9/1/2037	1.4%
Texas Department of Housing and Community Affairs	2.84%	9/1/2047	1.4%
State of Maryland	3.00%	8/1/2027	1.3%
Texas Municipal Gas Acquisition & Supply Corp I	1.25%	12/15/2026	1.3%
Pennsylvania Economic Development Financing Authority Solid Waste Disposal	0.58%	8/1/2037	1.3%
Connecticut Health & Educational Facilities Authority	1.10%	7/1/2049	1.2%
Texas Municipal Gas Acquisition & Supply Corp I	6.25%	12/15/2026	1.2%
Northern California Gas Authority No 1 Gas Project	0.86%	7/1/2027	1.2%
Total			**13.6%**

Reported as a percentage of total portfolio.

Sector Distribution
As of March 31, 2022

General Obligations	29.4%
Pre-Refunded	2.9%
Revenue	67.7%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Fund Facts
As of March 31, 2022

Number of Holdings	353
Number of Issuers Held	116
Effective Duration (years)	4.21
Yield to Maturity	2.69%
Yield to Worst	2.57%

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.

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.

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.

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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.

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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