# BBH Limited Duration Fund

*Quarterly Fund Update / 1Q 2022*

The first quarter was one for the bond market history books. Interest rates rose significantly and rapidly, while credit spreads widened, culminating in the worst-performing quarter for bonds in over 40 years. Inflationary pressures remain stubbornly high and yield swings reflected a Federal Reserve (Fed) pivoting to a much more aggressive stance than anticipated. Meanwhile, Russia's invasion of Ukraine led to credit market weakness and substantial impairments in credits tied to both countries.

We are pleased to report that our Fund outperformed the Bloomberg U.S. 1-3 Year Treasury Bond Index during the first quarter. Although the Fund carried higher allocations to credit than its benchmark, elevated income and favorable selection results buoyed the Fund's relative results. Durable credits with attractive valuations outperformed Treasury alternatives despite overall credit market weakness. The Fund also had less exposure to the most-troubled areas of the market, including segments we deemed to be expensively valued or carrying elevated credit risks.

Our clients' inboxes are no doubt crowded with historical comparisons of the first quarter rate changes, so we would rather focus on how the bond market has evolved in three short months and how we shifted the Fund's holdings accordingly.

### Credit selection matters

It is no longer enough to say "asset-backed securities are cheap" or "time to pour into high yield" when thinking of valuations in the credit opportunities. Credit markets today are incredibly diverse and nuanced, so investors must evaluate valuation on a bond-by-bond basis. Value opportunities can be highly idiosyncratic and can depend heavily on forces such as supply-demand technicals, investor awareness, index inclusion, ratings reception, and news headlines. Credit spreads widened during the first quarter, and credit markets are more attractive today than they were three months ago. However, valuations do not suggest that every segment of the market is a screaming buy. Selectivity matters.

One might guess that a credit-oriented portfolio without active duration or yield curve positions would underperform a Treasury portfolio when credit spreads widen. Yet we observed some actively managed, credit-oriented bond funds that outperformed in such an environment. Other actively managed, credit-oriented bond funds with heavier exposures to emerging market debt or longer-maturity corporate bonds underperformed during the quarter. As a result, we want to explain where we are finding opportunities and how that has manifested in the Fund.

**Performance**
**As of March 31, 2022**

| | Total Returns | | Average Annual Total Returns | | | | |
|---|---|---|---|---|---|---|---|
| | 3 Mo.* | YTD* | 1 Yr. | 3 Yr. | 5 Yr. | 10 Yr. | Since Inception[3] |
| **Class I[1]** | -1.20% | -1.20% | -0.54% | 1.93% | 2.23% | 1.93% | 3.67% |
| **Class N[2]** | -1.31% | -1.31% | -0.62% | 1.82% | 2.13% | 1.79% | 3.52% |
| **Benchmark** | -2.51% | -2.51% | -3.05% | 0.84% | 1.04% | 0.84% | 2.47% |
| **Reference Benchmark** | -1.25% | -1.25% | -1.23% | 1.23% | 1.58% | 1.38% | 2.30% |

Class I Inception: 12/03/2002
Class N Inception: 12/22/2000

Class I: Net/Gross Expense Ratio (%) 0.27
Class N: Net/Gross Expense Ratio (%) 0.35 / 0.49

* Returns are not annualized.

*The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses to 0.35% for Class N 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").*

The Benchmark is the Bloomberg US 1-3 Year Treasury Bond Index.

The Reference Benchmark is an unmanaged weighted index comprised as follows: 40% Bloomberg Short-Term Corporate Index; 40% Bloomberg US Aggregate ABS Index; and 20% Bloomberg US Treasury Bills Index.

***The 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 redeemed, 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.***

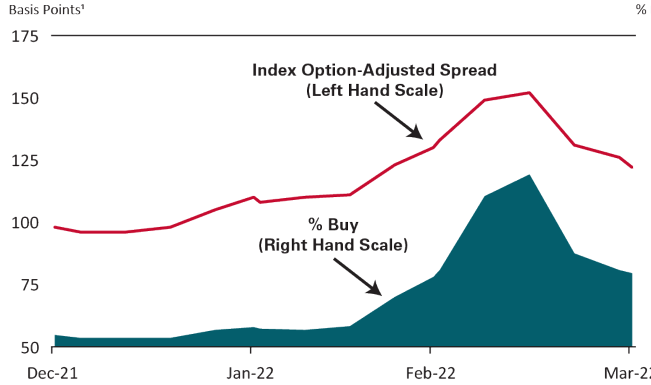
[1] The Class I shares commenced operations on December 3, 2002. Prior to December 3, 2002, performance reflects performance of the Class N shares adjusted to assume that all charges, expenses and fees were deducted. Performance prior to December 22, 2000 is that of the BBH Broad Market Fixed Income Portfolio adjusted to assume that all charges, expenses and fees of the Fund and the Portfolio which are presently in effect were deducted during such periods, as permitted by applicable SEC staff interpretations. [2] The Class N shares commenced operations on December 22, 2000. Performance prior to December 22, 2000 is that of the BBH Broad Market Fixed Income Portfolio adjusted to assume that all charges, expenses and fees of the Fund and the Portfolio which are presently in effect were deducted during such periods, as permitted by applicable SEC staff interpretations. [3] "Inception Date" (7/20/2000) is the inception date of the BBH Broad Market Fixed Income Portfolio.

Sources: BBH & Co. and Bloomberg

**Valuations**

Heading into the quarter, we found valuations of "on-the-run" corporate bonds (defined as corporate bonds represented in market indexes) wholly unattractive. Our Fund held credit positions in niche and non-benchmark segments of the market alongside reserves or Treasuries, depending on interest rate risk objectives. As the quarter progressed, credit spreads widened, valuations improved, and opportunities emerged – but it was hardly a buyer's market in corporate bonds. As Exhibit I shows, the percentage of investment-grade corporate bonds that screened as a "buy" candidate increased to only 12% at quarter-end from 2%. However, credit spreads peaked in the middle of March before compressing, and the percentage of the universe that screened as a "buy" candidate reached 28%. We participated actively in "on-the-run" corporate, niche corporate, and structured credit opportunities during this episode, as clients will notice through an uptick in their portfolios' credit exposures versus last quarter.

**Exhibit I: IG Corporate Bond Index Spreads vs. Valuations: Q1 2022**




Data reported weekly from December 31, 2021 to March 31, 2022
IG = Investment Grade as represented by the BofA ML U.S. Corporate Bond Index
Sources: Bloomberg and BBH Analysis

Valuations are only the first step in assessing a credit for purchase. Additional elements include passing a rigorous credit screen for durability through a wide variety of economic circumstances and the ability to source the credits in the marketplace. The past quarter underlined why appropriate credit criteria remain a critical component of a successful investment process.

**The conflict in Ukraine is a somber reminder why credit durability matters**

We put aside our personal sentiments for a speedy and peaceful resolution in Ukraine to briefly discuss credit implications from the conflict and from the resulting sanctions imposed on Russia.

First, debt issued by Ukrainian- and Russian-domiciled institutions has been removed from indices and written down to negligible values. We are only an outside observer to these debt issues as the Fund had no exposure to these instruments. There is over $400 billion of dollar-denominated debt outstanding from Russian and Ukrainian issuers, but we could never satisfy ourselves that these were countries with enforceable debtor's rights, let alone the type of transparency and governance that we require in our holdings.

Some indirect credit exposure emerged during the quarter as adverse price moves were observed for companies or collateral exposed to Russia or Ukraine. The Fund had small exposure to credits in these impacted industries, that include select energy, aviation, financial companies, and asset-backed securities (ABS). Spreads widened marginally in these credits, but price declines were moderate. It was helpful to have a deep understanding of, and strong transparency into, these credits, as we were able to identify the magnitude of exposures quickly and test ongoing durability. We continue to hold these credits and did not sell exposures in any meaningful manner. Underlying fundamentals remain strong and suggest their durability will allow them to manage through any uncertainty involving such exposures.

The ultimate impact to exposed credits remains uncertain. It will depend on the management of Russian and Ukrainian operations and will only become known over a longer horizon. Well-capitalized and well-managed global companies will likely weather the storm, although asset write-downs may result in some credit rating downgrades.

The challenging events of the last few months underscore two cornerstones of our approach. First, research a credit's durability, leverage, management, and transparency. These facets are essential to identifying strong companies and asset pools that are well positioned to weather the environment ahead. Second, invest with a margin of safety. This means commanding a higher spread as compensation for unavoidable volatility and cushion against severe economic stress.

## Credit issuance was mixed in Q1

It may seem that Q1 was a ripe environment for an active manager to identify and invest in many new opportunities. Maintaining selectivity on valuation and credit criteria has been crucial, and it metered our pace of purchase. An additional limitation was issuance which was a mixed bag for the credit markets during the quarter. Corporate credit issuance slowed in February when rising rates combined with uncertainties from the onset of the Russian/Ukrainian conflict. Issuance rebounded strongly in March, but first quarter new issue volumes remained below trend, particularly for loans and high yield bonds. Asset-backed security issuance was strong, and it continued to be carried by issuances of non-traditional collateral. Commercial mortgage-backed securities (CMBS) experienced another quarter of robust issuance that saw newer structures, such as single-asset single-borrower (SASB) and commercial real estate collateralized loan obligations (CRE CLO's), outpace issuance of traditional conduit structures. We remained prepared to exploit credit opportunities in traditional and non-traditional segments of the market, and we were active buyers of durable credits at attractive valuations in these higher issuance market segments.

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

### What did we do?

As attractively valued opportunities emerged during the quarter, we were ready to deploy capital. The Fund generally experienced declining balances of cash and Treasuries that were used to purchase both "niche" and "on-the-run" credits. We believe that "niche" opportunities can emerge in almost every market, while "on-the-run" credits tend to be mainstream, liquid deals that dominate indexes and present good value opportunities only episodically. More of our purchases were concentrated among "niche" segments of the credit markets, as only a few "on-the-run" credits presented attractive valuations. Overall, we took advantage of these higher spread opportunities to increase spread duration (sensitivity to credit spreads) by 20-30% over last fall's levels.

In the first quarter, we found improved valuations in several types of non-traditional ABS that offer unusually attractive compensation, including collateralized loan obligations (CLO's), recurring revenue ABS, small business loan ABS, personal consumer loan ABS, servicer advance ABS, and venture debt ABS. In the commercial mortgage-backed securities (CMBS) market, we purchased fixed- and floating-rate, single-borrower securitizations that offered compelling valuations.

We also identified several attractively valued "on-the-run" corporate debt opportunities due to issuance that coincided with wider spread levels, and "niche" opportunities of less-familiar issuers or smaller sized issues. Our corporate debt purchases included bonds and loans issued by banks, business development companies (BDC's), health care companies, media entertainment companies, and property and casualty insurers.

#### Extra credit: The "G" in "ESG" and sovereign credit

ESG risk analysis is a necessary component of a strong credit research process. ESG risks that are material to a credit can impact its durability, change its leverage, and create impairments. The "G" in ESG – governance – seems to get the least airtime when people discuss ESG, and even then, the focus is often on board composition and company structure as opposed to the legal environment of the credit. This past quarter provided a reminder of why strong corporate and sovereign governance must receive equal importance to environmental and social considerations.

Governance is addressed in several ways during our research process. Two of our credit research pillars that analysts assess are "strong management" and "transparency" to help ensure a credit's management has strategies in place to mitigate material ESG risks. We also seek credits with sound corporate structures and adequately supportive domiciles. The conflict in Ukraine served as a somber reminder that a credit's durability can be impacted adversely by weak corporate and legal structures, as instruments issued under Russian rule of law were written down to zero and removed from debt and equity indexes. Creditors face very uncertain prospects of recovery.

Our process addressed such sovereign governance nearly a decade ago when we created a framework for determining if a credit's country of domicile had adequate legal structures for debt investors. Our proprietary sovereign assessment incorporates many variables, including measures of political risk, perceived corruption, institutional quality, property rights, judicial system independence, legal system efficiency, and strength of investor protection for each country. This framework helped us avoid investments in credits with substantial operations in Russia or Ukraine as well as several other domiciles that issue in U.S. dollars.

We believe that strong governance, coupled with proactive strategies for mitigating material environmental and social risks, is not just "ESG" investing – it is an integral component of a robust credit research process.

### Looking forward, we are cautiously optimistic for bond investors

Given the boost in rate and spread compensation, we are proceeding with a mix of optimism and caution. Higher bond yields provide a tailwind to forward-looking returns. However, credit valuations still command a selective approach as the majority of the investment grade and high yield corporate markets are still too richly valued to purchase based on our time-tested valuation criteria. We remain confident that our disciplined investment process will continue to serve our investors well as we navigate what is likely to be a more volatile period ahead.

### Portfolio changes over the last 15 months

The Limited Duration Fund returned -1.20% during the first quarter, outperforming the Bloomberg 1-3 Year Treasury Index's return of -2.51%. The quarter was one for the bond market history books. Interest rates rose significantly and rapidly while credit spreads widened, culminating in the worst-performing quarter for bonds in over 40 years. Inflationary pressures remain stubbornly high and yield swings reflected a Fed acting more aggressively than anticipated, while the conflict in Russia and Ukraine led to credit market weakness and substantial impairments in credits tied to those countries.

Various elements of our investment process helped us navigate this turbulent market environment – and why investors need to be selective when allocating to credit. Our valuation discipline helped us avoid unattractively valued segments of the credit markets entering the quarter. As the quarter progressed, the framework helped us identify when to actively add credit exposures on a bond-by-bond basis that met our credit criteria after risk spreads widened. Our credit criteria include a sovereign governance framework developed almost a decade ago that helped us avoid direct exposures to issuers with significant stakes in Russia and Ukraine by allowing us to determine whether the countries offered adequate legal structures for debt investors. The credit criteria were further validated by our requirements for durability and transparency, two facets that were valuable as the Russia/Ukraine conflict in Eastern Europe, and market perceptions of exposures, weighed on markets.

The Fund's performance was driven almost entirely by its interest rate risk profile. The Fund has been managed with a duration slightly less than 1.0 year for several years, and the Fund's duration was maintained close to 0.9 year throughout the first quarter. The rapid and substantial rise in shorter-term interest rates (off a low base) was too much for the Fund to overcome in such a small time horizon. We wrote an Insight piece during the quarter titled "All It Takes Is Time: Higher Rates are Good for Short-Term Investors" that illustrated how investors may expect to recoup the Fund's recent decline due to the Fund's investments earning higher interest rates that are prevailing in the marketplace. The Fund's credit positioning had a slightly negative impact on performance during the first quarter and can be explained by general changes in the level of credit spreads.

While risks remain that command a cautious and selective approach, we believe that the bond market has become more attractive for investors given the increases in interest rates and credit spreads. The market expects ten Fed rate hikes to occur by February 2023, up from an expected three rate hikes at the start of the quarter. While credit spreads are higher, most of the corporate credit universe remain unattractive for new purchases according to our valuation framework. Finally, the awful events occurring in Ukraine will have impacts on the market that will unfold over a longer-term horizon, making two cornerstones of our approach imperative to credit investments. First, research a credit's durability, leverage, management, and transparency. These facets are essential to identifying companies and asset pools that are well positioned to weather the environment ahead. Second, invest with a margin of safety. This means commanding a higher spread as compensation for unavoidable volatility.

We identified several durable credits offered at attractive yields for the Fund during the quarter. Purchases during the quarter included corporate bonds issued by banks, real estate investment trusts (REITs), midstream energy companies, property and casualty insurers, and BDC's, to name a few. We initiated positions in senior loans to healthcare, media entertainment, natural gas pipeline, and professional services companies for the Fund during the quarter. Within structured credit, we continued to emphasize credits secured by less-traditional collateral or deal structures. We initiated positions in ABS that were secured by a multitude of different assets, including collateralized fund obligations, collateralized loan obligations (CLO's), prime and subprime auto loans, personal consumer loans, fleet leases, servicer advances, small ticket equipment loans, recurring revenue loans, and small business loans. We also purchased several single borrower, floating-rate commercial mortgage-backed securities (CMBS) deals for the Fund during the quarter, in addition to purchases of single borrower, fixed-rate CMBS and a floating-rate commercial real estate (CRE) CLO.

As a result of this investment activity, the Fund's weights to asset-backed securities increased by 8% while the Fund's weight to reserves declined by 8% to fund the purchases. The weight to corporate debt instruments stood at 61% at quarter-end and changed little since last quarter. ABS comprised 26%, CMBS comprised 4%, and reserves and government-related bonds represented 7%. The Fund continues to hold no emerging markets debt (EMD). The Fund's weight to high yield instruments declined to 9%, consists of a combination of loans and bonds, and is primarily invested in credits in the BB ratings category. The Fund's spread duration, a measure of price sensitivity to changes in credit spreads, increased by 0.2 years to 2.0 years. The Fund's duration was 0.86 years, consistent with the Fund's historical duration profile. The portfolio is structured to earn a significant yield advantage relative to Index alternatives. The Fund's average risk spread is +129 basis points, while the (much) longer-duration IG corporate index offered +116 basis points and the Bloomberg U.S. Aggregate Index's spread was +41 basis points.

We believe the current environment commands a patient and careful approach while scouring fixed income opportunities. Market conditions may feel better for bond investors, but there are uncertainties abound. We hope this look at the changing portfolio composition is useful to you and helps relate our overall comments about the investing environment in our Quarterly Update to the mechanics of the Fund's composition.

We look forward to our upcoming client meetings, and thank you for the trust placed in us.

Sincerely,

*Andrew P. Hofer*
*Fund Co-Manager*

*Neil Hohmann, PhD*
*Fund Co-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** | ★★★★★ | BBBIX | 05528X851 | 12/03/2002 | $10,789.4 | $10.13 | 1.98% | 1.98% |
| **Class N** | ★★★★★ | BBBMX | 05528X802 | 12/22/2000 | $594.1 | $10.13 | 1.92% | 1.77% |

* 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 214 funds in the Ultrashort Bond category 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 | 4.6% |
| U.S. Treasuries | 0.0% |
| AAA | 27.5% |
| AA | 11.7% |
| A | 21.3% |
| BBB | 25.5% |
| BB | 6.7% |
| B or Lower | 1.3% |
| Not Rated | 1.4% |
| **Total** | **100.0%** |

## Top 10 Credits
As of March 31, 2022

| | |
|---|---|
| Westlake Automobile Receivables Trust | 1.7% |
| Santander Drive Auto Receivables Trust | 1.6% |
| FS Investment Corp | 1.1% |
| Oracle Corp | 1.1% |
| AerCap Holdings NV | 1.1% |
| Texas Municipal Gas Corporation II | 1.0% |
| Blackstone / GSO Secured | 1.0% |
| PFS Financing Corp | 1.0% |
| Citigroup Inc | 1.0% |
| Global Atlantic Financial Corporation | 1.0% |
| **Total** | **11.5%** |

Reported as a percentage of total portfolio.

## Sector Distribution
As of March 31, 2022

| | |
|---|---|
| Corporate Securities | 49.5% |
| Asset-Backed Securities | 25.9% |
| Commercial Mortgage-Backed Securities | 4.0% |
| Municipal Securities | 1.5% |
| Agency Mortgage-Backed Securities | 0.1% |
| Trust Preferred | 0.0% |
| Loans | 11.8% |
| Government-Related | 1.9% |
| Residential Mortgage-Backed Securities | 0.6% |
| Cash and Cash Equivalents | 4.6% |
| **Total** | **100.0%** |

## Fund Facts
As of March 31, 2022

| | |
|---|---|
| Number of Holdings | 372 |
| Effective Duration (years) | 0.86 |
| Weighted Average Life (years) | 2.11 |
| Yield to Maturity | 2.63% |

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.

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 fees and expenses.

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

BofA Merrill Lynch US Corporate Index tracks the performance of U.S. dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market.

BofA ML US High Yield Corporate Index tracks the performance of U.S. dollar denominated high yield corporate debt publicly issued in the U.S. domestic market.

Bloomberg US 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.

Bloomberg US Corporate Bond Index represents the corporate bonds in the Bloomberg US Aggregate Bond Index, and are USD denominated, investment-grade (rated Baa3 or above by Moody's), fixed-rate, corporate bonds with maturities of 1 year or more.

Bloomberg US 1-3 Year Treasury Bond Index is an unmanaged index of fixed rate obligations of the U.S. Treasury with maturities ranging from 1 to 3 years.

Bloomberg US Credit Index contains publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be registered with the SEC. Each qualified issuer's exposure is then capped on a market-weighted basis at 3%, and the residual is allocated on a pro-rata basis to all remaining constituents.

Bloomberg Short-Term Corporate Index is an unmanaged index comprised of U.S. dollar denominated, investment grade, fixed rate, corporate securities with a remaining maturity from 1 day up to (but not including) 12 months and have at least $250 million par amount outstanding. Bloomberg US Aggregate ABS Index represents the ABS components of the Bloomberg U.S. Aggregate Index. Bloomberg U.S. 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 Treasury Bills Index is an unmanaged index comprised publicly-issued U.S. Treasury bills with a remaining maturity from 1 day up to (but not including) 12 months. It excludes zero coupon strips. The indexes are not available for direct investment.

Bloomberg US Corporate High Yield Index (HY Corp) is an unmanaged index that is comprised of issues that meet the following criteria: at least $150 million par value outstanding, maximum credit rating of Ba1 (including defaulted issues) and at least one year to maturity

S&P/LSTA Leveraged Loan Index (Loans) is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. Facilities are eligible for inclusion in the indexes if they are senior secured institutional term loans with a minimum initial spread of 125 and term of one year. They are retired from the indexes when there is no bid posted on the facility for at least 12 successive weeks or when the loan is repaid.

The Fund does not measure its performance success nor alter its construction in relation to any particular benchmark or index. The composition of the indexes is materially different than the Fund's holdings.

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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. Nothing contained herein is intended as a recommendation to buy or sell any security, or to invest in any particular country, sector or asset class.

## RISKS

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

Asset-Backed Securities ("ABS") are subject to risks due to defaults by the borrowers; failure of the issuer or servicer to perform; the variability in cash flows due to amortization or acceleration features; changes in interest rates which may influence the prepayments of the underlying securities; misrepresentation of asset quality, value or inadequate controls over disbursements and receipts; and the security being structured in ways that give certain investors less credit risk protection than others.

Foreign investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

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.

**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. 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.



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 BBH Limited Duration Fund Class I & Class N shares were ranked in the first quartile of the Ultrashort Bond category for the 1, 3 5- and 10-year periods ending 12/31/2021. Ranking are based on risk-adjusted return. The fund was ranked against 239 funds for the 1-year time period, 214 funds for the 3-year time period, 175 funds for the 5-year time period and 89 funds for the 10-year time period. 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 Limited Duration Fund was rated against the following numbers of U.S.-domiciled Ultrashort Bond category funds over the following time periods: 214 funds in the last three years, 176 funds in the last five years, and 87 funds in the last ten years. With respect to these Ultrashort Bond category funds, the overall BBH Limited Duration Fund (Class I & Class N), received a Morningstar Rating of 5 stars and 5 stars, respectively. Class I three-, five- and ten-year periods received ratings of 5 stars, 5 stars and 5 stars, respectively. Class N three-, five- and ten-year periods received ratings of 5 stars, 5 stars and 5 stars, respectively.