

# BBH Income Fund

## Monthly Fund Update / April 2023

The BBH Income Fund Class I ("the Fund") returned 0.99% in April, and the Bloomberg U.S. Aggregate Index returned 0.61%.

U.S. Treasury rates were little changed across tenors in April. Despite not meeting during the month, the Federal Reserve (Fed) increased the federal funds rate by 0.25% to a range of 5.00%-5.25% on May 3<sup>rd</sup>. The Fed's next announcement is scheduled for June 14<sup>th</sup>. In addition, the Fed continues its campaign of shrinking its portfolio of assets acquired through open market operations by a maximum of \$95 billion.

Mainstream fixed income benchmarks gained in April. Investment-grade corporate bonds slightly outperformed Treasuries, and agency mortgage-backed securities (MBS) slightly underperformed Treasuries. Other credit benchmarks posted stronger results, as bank loans, high yield corporate bonds, and commercial mortgage-backed securities (CMBS) outperformed Treasuries more substantially.

Sector allocation drove relative results during the month, as the Fund was overweight to credit and underweight to Treasuries and MBS. Security selection detracted slightly, but results were mixed by sector. Selection results of investment-grade corporate bonds were negative, while bank loans and CMBS slightly outperformed.

We continue to find attractive opportunities amid general market uncertainties. During the month, we added positions in corporate bonds issued by real estate investment trusts, a bank, a healthcare company, and a construction machinery company. We also invested in bonds of a data center asset-backed security (ABS) deal and a personal consumer loan ABS deal.

Volatile market conditions necessitate sharper credit risk assessments and create opportunities for well-positioned investors. We remain prepared, selective, diligent, and patient as we evaluate credits coming to market.

**Overall Morningstar Rating™**  
**As of April 30, 2023**

Class I:



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 552 funds in the Intermediate Core-Plus Bond category as of 04/30/2023. **Past performance is not indicative of future results.**

### Performance As of April 30, 2023

	Total Returns			Average Annual Total Returns				Since Inception
	1 Mo.	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
<b>As of 04/30/2023</b>								
<b>BBH Income Fund (Class I)</b>	0.99%	0.71%	4.76%	-1.28%	0.21%	N/A	N/A	2.64%
<b>Bloomberg US Aggregate Index</b>	0.61%	0.49%	3.59%	-0.43%	-3.15%	N/A	N/A	1.08%
<b>As of 3/31/2023</b>								
<b>BBH Income Fund (Class I)</b>	1.71%	3.73%	3.73%	-5.35%	0.86%	N/A	N/A	2.47%
<b>Bloomberg US Aggregate Index</b>	2.54%	2.96%	2.96%	-4.78%	-2.77%	N/A	N/A	0.97%

Class I: Net/Gross Expense Ratio (%) 0.47 / 0.47

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

Returns of less than a year are not annualized.

**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.**

The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses for Class I Shares to 0.50% through March 1, 2024. The contractual expense limitations may only be terminated during its term with approval of the Fund's Board of Trustees (the "Board").

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

Share Class Overview  
As of April 30, 2023

Class I	Overall Morningstar Rating™**	Ticker	CUSIP	Inception Date	Total Net Assets (mil)	NAV	30-Day SEC Yield** (Subsidized)	30-Day SEC Yield** (Unsubsidized)
	★★★★★	BBNIX	05528C766	06/27/2018	\$745.0	\$8.92	5.75%	5.75%

\* 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 552 funds in the Intermediate Core-Plus Bond category as of 04/30/2023.

\*\* 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 April 30, 2023	
Cash and Cash Equivalents	0.1%
U.S. Treasuries	9.1%
AAA	8.3%
AA	8.3%
A	27.5%
BBB	28.7%
BB	11.0%
B or Lower	6.8%
Not Rated	0.1%
<b>Total</b>	<b>100.0%</b>

Top 10 Credits As of April 30, 2023	
NextGear Floorplan Master Owner Trust	1.2%
HSBC Holdings PLC	1.1%
FS Investment Corp	0.9%
Realty Income Corp	0.9%
Apollo Global Management LLC	0.9%
Fifth Third Bancorp	0.9%
Duke Energy Corp	0.9%
Bankers Healthcare Group Securitizator	0.9%
Ellington Financial	0.8%
Blackstone / GSO CLO	0.8%
<b>Total</b>	<b>9.4%</b>

Reported as a percentage of total portfolio.

Sector Distribution As of April 30, 2023	
Corporate Securities	50.5%
Asset-Backed Securities	20.3%
Loans	13.6%
U.S. Treasuries	9.1%
Commercial Mortgage-Backed Securities	5.4%
Municipal Securities	0.8%
Residential Mortgage-Backed Securities	0.2%
Cash and Cash Equivalents	0.1%
<b>Total</b>	<b>100.0%</b>

Duration Distribution As of April 30, 2023		
	BBH Income Fund	Bloomberg US Aggregate Index
<1 Yr.	23.2%	0.3%
1 - 3 Yrs.	25.7%	23.8%
3 - 5 Yrs.	21.8%	22.7%
5 - 7 Yrs.	9.0%	21.1%
7 - 10 Yrs.	8.9%	16.1%
10 - 20 Yrs.	11.5%	15.6%
20+ Yrs.	0.0%	0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Fund Facts As of April 30, 2023	
Number of Holdings	305
Effective Duration (years)	6.36
Weighted Average Life (years)	6.94
Yield to Maturity	6.83%

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 rating exposure and composition are subject to change. 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.

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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.

## 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.

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 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. The index is not available for direct investment.

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**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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**Not FDIC Insured**

**No Bank Guarantee**

**May Lose Money**

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

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