BBH Intermediate Municipal Bond Fund

Quarterly Fund Update / 4Q 2023

Don't Worry, Be Happy

4Q Highlights

- Municipals enter 2024 on a strong footing as 2023's strong finish brought some much-needed holiday cheer.
- The BBH Intermediate Municipal Bond Fund Class I outperformed its benchmark 6.44% vs 6.38% for the quarter, bringing full-year results to 6.10% vs 5.26%.
- During the year, we reacted to wildly swinging markets with patience, leaning in during times of weakness and maintaining high credit quality throughout.

BBH Intermediate Municipal Bond Fund Class I ("the Fund") had a total return of 6.44% during the fourth quarter of 2023, compared to a return of 6.38% for the benchmark Bloomberg 1-15 Year Municipal Index.

We often get strange looks when we smile during periods of elevated market volatility, and grimace when sentiment is positive. The fourth quarter of 2023 had something for everyone – great opportunity hunting during the first part of the quarter, and strong returns thereafter as rates cascaded lower. We can all be happy about that, but we doubt the roller coaster ride is over. The dominant worry now is missing out on the historic bond rally. This is quite a transition from fears about persistent inflation, the federal policy rate remaining higher for longer, and a possible recession. The sudden reversal of investor sentiment and subsequent rally in bonds reminds us why we rely on our security-level research, not rate forecasts, to drive our investments. Whether the Federal Reserve (Fed) eases policy as much as investors expect, or at all, remains to be seen.

We enter 2024 with the Fed now having made demonstrable progress on the inflation front. The Core Personal Consumption Expenditures (PCE) deflator fell from around 4% (annualized) in the first half of the year to the Fed's 2% target in the second half. Core Consumer Price Index (CPI) has been more stubborn, but declined from around 4.5% to an annualized 3% over the same periods. Along with continued strength in the labor and residential real estate markets this Goldilocks scenario has made both the Fed and investors happy. Six 25-basis point[1] cuts beginning at the end of the first quarter are now priced into the fed funds futures market. This is not the first time this cycle that market expectations of easier policy have run ahead of the Fed. The dispersion of views among Fed officials is noteworthy: two Fed officials do not see any cuts next year, while one Fed official sees six. This uncertainty will likely drive volatility into the new year (see Exhibit I).

Performance
As of December 31, 2023

	Total Returns		Average Annual Total Returns			
	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception
Class I	6.44%	6.10%	6.10%	-0.03%	2.29%	2.86%
Class N	6.38%	5.99%	5.99%	-0.19%	2.14%	2.71%
Benchmark	6.38%	5.26%	5.26%	-0.05%	2.17%	2.42%

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

Class I: Net/Gross Expense Ratio (%) 0.46 / 0.46
Class N: Net/Gross Expense Ratio (%) 0.65 / 0.70

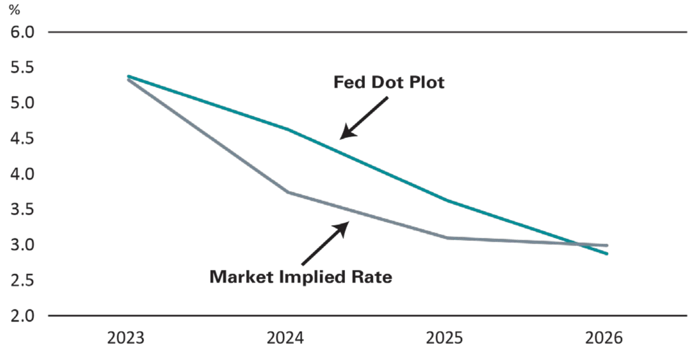
Returns of less than one year are not annualized.

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, 2024. 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

Exhibit I: Market Expectations Remain Aggressive



Projected data reported yearly from December 31, 2023 to December 31, 2026
The Federal Reserve's dot plot is a chart updated quarterly that records each Fed official's projection for the central bank's key short-term interest rate, the federal funds rate. The dots reflect what each U.S. central banker thinks will be the appropriate midpoint of the fed funds rate at the end of each calendar year.
Sources: Federal Reserve, Bloomberg, and BBH Analysis

[1] Basis points (bps) is a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

We often scratch our heads at the vagaries of investor sentiment, and the fourth quarter was no exception. From mid-year until the end of October, the generic triple-A rated 10-year municipal yield increased 110 basis points, from 2.55% to 3.65%. Then in a rapid about-face, the 10-year declined a whopping 135 basis points to 2.30%, which drove the strongest quarter of municipal bond returns in the last 30 years. Once again, rate volatility tested our strategy, process, and mettle, but our team delivered. Most of this outperformance was driven by yield advantage, which was steadily built through the volatility wrought by the tightening cycle. We enter 2024 with an undiminished 100 basis point yield advantage over the index. While we are happy about this performance, we are happier how we earned it. We reacted to wildly swinging markets with patience, leaning in during times of weakness and maintaining high credit quality throughout.

The good times keep rolling for state and local government credit. Strong revenue collections, particularly for property taxes and sales taxes, helped offset inflationary cost pressures. One weak spot has been capital gains tax collections, which are down after 2022's poor market performance. Fortunately, this tax is not a major revenue source for most of our holdings, and large reserve balances can help mitigate declines. While we likely saw the highwater mark for reserves in 2022, rainy day funds remain well above historical norms. On the expense side, inflation has taken a bite out of budgets, but most governments managed costs efficiently. In fact, as of last month, there are still fewer state and local government employees than before the pandemic, indicating that many have opted to spend conservatively. The run up in rates has also helped pension costs and has allowed states to de-risk pension plans with larger fixed income allocations.

Apart from healthcare, the revenue bond sectors are also performing well. Airports, which represent one of our largest sector holdings, are no longer in recovery. This year broke 2019's record for the most enplanements[2] ever recorded in a single year. Other transportation credits such as toll roads and mass transit have seen large increases in volume, bolstering credit support. While healthcare has shown improvement, profitability continues to suffer from wage inflation and supply costs. Higher reimbursement rates in 2024 should help offset some of this pressure. We remain selective in the sector, focusing on strong healthcare systems with the resources to ride out the storm.

After an active first half of the quarter, our purchases slowed sharply after mid-November. The municipal market has never been renown for late-year issuance and liquidity. The rate rally only added to these challenges. Strong overall credit fundamentals once again helped drive the outperformance of low-quality bonds. Triple-B rated bonds bested double-A rated bonds by 300 basis points for the year, nearly half of which occurred during the fourth quarter.

Another headwind was the ongoing dearth of supply. This year's issuance activity was little changed from 2022, which in turn lagged the prior year by 20%. We understand that many governments have paused or slowed their borrowing plans because of higher rates, but this cannot last forever. Metal rusts, concrete crumbles, and politicians want to win elections. We are overdue for a bounce-back and the fourth quarter rally has helped fuel our optimism that supply will normalize. In the meantime, the new issue market has become even more competitive, with well-priced deals enjoying heavy demand. We traditionally favor sourcing opportunities in the secondary market, where we can be nimble and take advantage of volatility and of redemption-driven forced selling. We have been fortunate that the last couple of years have been among the deepest in secondary-market opportunities that we have experienced.

Structure-driven opportunities form a strong foundation as they allow us to enhance portfolio yields without sacrificing our high-quality credit posture. The highlights of the quarter include the addition of two convertible coupon California school districts, Mount San Antonio and Allan Hancock. Both start with zero coupons that switch to 5+% coupons at their conversion dates. As their conversion dates approach, the bonds should outperform as their yields converge to generic high-quality school district general obligation (GO) bonds. Since conversion dates are more than 5 years away, patience and a long-term investment horizon are required. We also purchased a delayed-delivery bond backed by Washington, D.C. income tax collections. As with our past delayed-delivery bond purchases, when the bonds approach their settlement, their discount-to-fair-value[3] disappears. Still-elevated cash yields further enhance the economics of this type of bond.

In addition, we also found several opportunities to add more airport debt, which has served as a reliable source of opportunities. Most municipal airport bonds are subject to the Alternative Minimum Tax (AMT). The number of households subject to the AMT declined more than 90% because of the 2017 tax reform. Despite the AMT's much smaller footprint, spreads for bonds subject to it have remained elevated. We are grateful for this municipal market inefficiency, which has allowed us to add strong airport credits at attractive levels. Examples for the quarter include Metropolitan D.C. Airports, Allegheny County (Pittsburgh), and San Diego, CA Airports. Finally, we continued to add housing Planned Amortization Class tranches (PACs) and school district zero-coupon bonds, which have remained a core source of value for us over the last few years.

After the third worst quarter on record, we did not expect a record finish to 2023, demonstrating again that sentiment swings are unpredictable. While we are always happier to invest when the market is worried, this year's strong finish brought some much-needed holiday cheer. Municipals enter 2024 on a strong footing. Yields have normalized, credit is strong, but many uncertainties remain, and safety margins have become thinner. Rather than worry about geopolitics, recession risk, and the path of interest rates, we prefer to carefully evaluate the opportunities in front of us and keep dry powder for the future.

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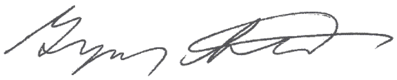
[2] All originating and connecting passengers boarded at an airport, but excluding Through Passengers and Non-Revenue Passengers.

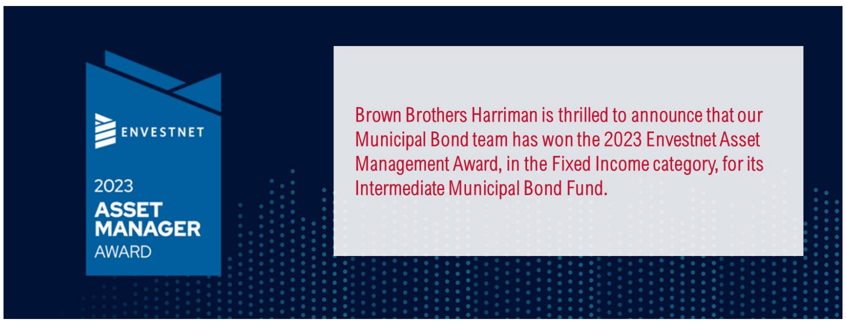
[3] Fair value is the estimated price at which an asset is bought or sold when both the buyer and seller freely agree on a price.

Thank you for your ongoing trust and confidence. Best wishes for a healthy, happy, and peaceful 2024!

Sincerely,



Gregory S. Steier
Fund Manager



Out of 100 funds for the year ending 12/31/2022.

Ranking Entity is Envestnet | PMC Research.

Envestnet's systematic, proprietary, and multi-factor methodology for this awards program harnesses a variety of qualitative and quantitative criteria to identify award finalists from among the thousands of managers on the Envestnet platform. Envestnet reviews investment process and style, customer service, tax efficiency, performance, composite, and firm profile, among many other aspects of a manager's strategy and business. To be eligible for an award, managers must be broadly available on the Envestnet platform, have at least $100 million in assets under management, and a three-year track record. Past performance is no guarantee of future results.

Share Class Overview
As of December 31, 2023

	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	$766.7	$10.36	3.37%	3.37%
Class N	★★★	BBINX	05528C816	04/01/2014	$51.1	$10.38	3.17%	3.10%

* The Overall Morningstar Rating is based on risk adjusted return out 259 Funds in the Muni National Interm category as of 12/31/23.

** 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 December 31, 2023

Cash and Cash Equivalents	8.2%
AAA	18.4%
AA	38.9%
A	33.2%
BBB	1.4%
BB	0.0%
B or Lower	0.0%
Not Rated	0.0%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Top 10 Credits
As of December 31, 2023

California School District General Obligations	5.5%
Oregon School Bond Guarantee Program	4.0%
State of New Jersey	3.7%
Illinois Housing Development Authority	2.8%
Texas Municipal Gas Corporation II	2.8%
Minnesota Housing Finance Agency	2.4%
Texas Municipal Gas Acquisition and Supply Corporation I Series 2008D	2.3%
North Carolina Housing Finance Authority - Home Ownership Revenue Bonds	2.2%
Port Authority of New York & New Jersey	2.2%
Waste Management Inc	2.2%
Total	**30.0%**

Reported as a percentage of total portfolio.

Sector Distribution
As of December 31, 2023

Revenue	78.4%
General Obligations	13.5%
Pre-Refunded	0.0%
Cash and Cash Equivalents	8.2%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Fund Facts
As of December 31, 2023

Number of Holdings	255
Number of Issuers Held	99
Effective Duration (years)	4.53
Yield to Maturity	4.02%
Yield to Worst	3.88%

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.

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

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.

Bloomberg 1-10 Year Municipal Bond 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. One cannot invest directly in an index.

Bloomberg US 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 Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The Index is a component of the US Credit and US Aggregate Indices.

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.

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Not FDIC Insured **No Bank Guarantee** **May Lose Money**