

CAPITAL PARTNERS

BBH Intermediate Municipal Bond Fund

Quarterly Update | 1Q 2026

Highlights

- While the two-year yield ended first quarter 2026 virtually unchanged, yields increased 25 bps to 35 bps for the rest of the municipal curve. The 30-year yield ended the quarter at 4.50%.
- The Fund's Class I shares generated positive returns, outperforming its benchmarks by almost 50 bps, and our team had a busy first quarter, adding opportunities in bonds with a variety of structures.
- We see a range of potential credit impacts from the Middle East conflict. While downturns cannot be predicted, what is predictable is our approach to them when they occur. As in the past, we will carefully manage liquidity and lean in, and staying nimble and disciplined will remain our focus.

Shadow of the Day

Like many other bond investors, we enjoy periods of quiet boredom as our portfolios steadily provide their income — as long as the stillness does not last too long. Opportunities often flourish during periods of dislocation, and it is then that managers can better distinguish themselves from one another. When market storm clouds cast their dark shadows, investor sentiment suffers, volatility rises, and selling often follows. Some say tough times build character. We prefer to think that tough times reveal character — or, for bond managers, the strength of their strategies and investment processes. The COVID-19 pandemic catalyzed the most volatile investment environment since the 2008 global financial crisis. Last spring, Liberation Day tariff announcements sent markets reeling. Now, after the municipal market began 2026 with historically strong results, it turned decisively negative following the onset of hostilities in Iran. Only time will tell where we go from here.

After storming out of the gates with a 2% return in January and February, the municipal market abruptly reversed course in March. This was the third-worst March in the last 30 years, trailing only 2020, which suffered under the onset of the pandemic, and 2022, which fell under the weight of aggressive tightening by the Federal Reserve (Fed). This year's problem stems from the conflict in Iran and its adverse consequences for inflation and the federal budget. Since military operations began, crude oil has spiked 50%. The Strait of Hormuz, a pinch-point for 20% of the world's crude oil, remains virtually closed, halting fertilizer and helium exports from the region as well.

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Throughout the years, we have observed that sentiment swings in municipals tend to exceed those in other areas of the bond market, likely due to the household-dominated ownership of municipals. Periods of negative returns harm sentiment, which leads to industry fund redemptions, which further hurt returns, and so on. Often lost in these negative flow cycles are the attractive investment opportunities that emerge, which is why we preach, “Don’t go with the flow.” Leaning into such periods tests your mettle and requires stable client capital. In this regard, we consider ourselves fortunate as most of our clients share our constructive view of volatility. A stable capital base provides large benefits during times like this.

The Fed finds itself in a difficult position as it seeks to achieve its dual mandate of full employment and stable prices. As inflation declined over the past couple years, the Fed eased policy 175 basis points (bps)¹ to support the labor market. We entered 2026 with investor expectations of two rate cuts, with the first around midyear and the second near year end. That expectation has since disappeared, with stable policy priced in for the rest of the year. Some investors are beginning to worry that rate hikes may be required to combat rising inflation risks. However, there is little that tighter policy can do to offset supply-induced inflation without also introducing major economic and financial system risks. Unfortunately, the Middle East conflict has cast a long shadow that will magnify affordability issues already plaguing the country. In the absence of a recession, Kevin Warsh, if confirmed as new Fed Chair, will have an even more difficult time convincing the Federal Open Market Committee (FOMC) to ease policy.

While the two-year yield ended first quarter 2026 virtually unchanged, yields increased 25 bps to 35 bps for the rest of the municipal curve. The 30-year yield ended the quarter at 4.50%, within 20 bps of its post-pandemic high. These moves, however, belied their intra-quarter volatility as you can see from the chart below. March’s unusually high volatility stands out historically.

The quarter’s higher yields led to -0.30% returns for our intermediate benchmarks. Consistent with recent history, returns across the investment grade rating spectrum were close, with lower-rated bonds enjoying a marginal benefit. We are happy to report that the Fund’s Class I shares generated positive returns, outperforming its benchmarks by almost 50 bps. In addition to our yield advantages, we benefited from our 15- to 20-year exposures along the yield curve which outperformed the 10-year sector (8 to 12 years). The proliferation of one- to 10-year separately managed account (SMA) programs has compressed generic, high-quality yields inside of 10 years due to their high demand. This has steepened the municipal yield curve, further improving roll-down opportunities, particularly in 15- to 20-year maturities.

Our team had a busy first quarter, adding a range of opportunities in bonds with a variety of structures. Single- and multi-family housing bonds continue to offer attractive valuations. We added planned amortization class bonds (PACs) and agency-backed multi-family bonds with spreads of 95 bps to 110 bps. We purchased a 10-year prepaid energy floating rate note backed by Morgan Stanley with a discount margin of 145 bps. We also participated in two delayed delivery deals for the State of Wisconsin and El Paso Independent School District in Texas. Both deals offered attractive pricing discounts relative to our fair value estimates. Lastly, on the heels of insurance company selling, we added New Jersey Transportation Trust Fund Authority zero-coupon bonds with 11- to 15-year matur-

EXHIBIT I

Highest Monthly Increases in 10-Year AAA Yields Over Past 35 Years

July 2003	0.81
November 2016	0.79
February 2008	0.76
September 2022	0.71
March 2026	0.60
March 2022	0.60
September 2008	0.60
April 2022	0.54
April 2004	0.53
September 2023	0.52
January 2022	0.52
March 1994	0.50

Source: Municipal Market Data (MMD) and BBH Analysis

¹ One basis point is equal to 1/100th of 1%, or 0.01%.

ities and spreads ranging from 65 bps to 80 bps.

From a credit standpoint, we began 2026 with uncertainties brought by 2025's One Big Beautiful Bill Act (OBBBA). This legislation, along with other federal-level tax and policy changes, has introduced funding risks, predominantly for hospitals and states. Market valuations do not reflect these risks, and now additional shadows have been cast over the municipal market.

Investor sentiment related to private credit has turned negative given recent defaults and restricted redemptions. Many would not consider the private credit market as connected to municipals, but direct exposures exist via prepaid energy bonds that are backed by insurance companies. Prepaid

energy bonds are issued to fund a specified quantity of gas or other energy, usually for a municipal utility, at a discounted price. In recent years, funding recipients have expanded beyond banks to include insurance companies. Often, these insurance companies share a parent company with alternative asset managers who have increased their exposure to private credit. We scrutinize prepaid energy transactions with care, only considering those in which we are comfortable with their guarantors, structures, and energy off-takers.

Perhaps most concerning has been the escalation of conflict in the Middle East, on top of other international tensions. We do not know how long the conflict will last or how commodity price changes will progress from here. We also see a range of potential credit impacts. On a macro level, the conflict presents risks to general economic activity and inflation as higher fuel costs leach into higher transportation costs and consumer goods prices. Many families have already been struggling with affordability issues that have now intensified. On a micro level, bonds backed by motor fuel- and vehicle-related taxes could struggle if road traffic declines. To address this risk, we stress-test such bonds using different shock scenarios both pre- and post-purchase.

After rallying strongly since last summer, the municipal market suddenly fell as hostilities in Iran began at the end of February. Downturns such as this cannot be reliably predicted; neither can their length or their severity. What is predictable, however, is our approach to downturns when they occur. As in the past, we will carefully manage liquidity and lean in. Staying nimble and disciplined will remain our focus. While shadows may loom, with solutions not so simple, we continue to adhere to our investment criteria to not only protect the Fund, but also to capitalize on opportunities. Our team and strategy are prepared for times like this.

Sincerely,



Gregory S. Steier
Fund Manager

EXHIBIT II



Source: Municipal Market Data (MMD) and BBH Analysis

PERFORMANCE AS OF MARCH 31, 2026

Fund/benchmark	Total returns		Average annual total returns				
	3 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since inception
Class I	0.18%	0.18%	5.09%	3.84%	1.70%	2.69%	2.99%
Class N	0.22%	0.22%	4.97%	3.66%	1.51%	2.52%	2.83%
Bloomberg 1-15 Year Blend (1-17) Muni Index	-0.27%	-0.27%	4.49%	2.88%	1.17%	2.10%	2.44%

Class I inception: 4/1/2014 Class I net/gross expense ratio (%): 0.44 / 0.44

Class N inception: 4/1/2014 Class N net/gross expense ratio (%): 0.65 / 0.73

Returns of less than one year are not annualized.

The Investment Advisor has contractually agreed to limit the Total Annual Fund Operating Expenses for the BBH Intermediate Municipal Bond Fund's Class N to 0.65% and Class I to 0.50% until March 1, 2027. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees.

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%.

Source: BBH & Co. and Bloomberg

SHARE CLASS OVERVIEW (AS OF MARCH 31, 2026)

	Overall Morningstar Rating™*	Ticker	CUSIP	Inception date	Total net assets (mil)	NAV	30-day SEC yield** (subsidized)	30-day SEC yield (unsubsidized)
Class I	★★★★★	BBIX	05528C824	4/1/2014	\$2,262.6	10.33	3.29	3.29
Class N	★★★★★	BBINX	05528C816	4/1/2014	\$56.6	10.35	3.07	2.98

* The Overall Morningstar Rating is based on risk adjusted return out of 255 funds in the Muni National Interim category as of 3/31/2026.

** 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.

Fund facts As of March 31, 2026	
Number of holdings	495
Number of obligors held	166
Effective duration (years)	5.01
Yield to maturity	3.85%
Yield to worst	3.71%

Credit quality As of March 31, 2026	
Cash and cash equivalents	4.0%
AAA	19.1%
AA	54.8%
A	21.7%
BBB	0.0%
BB	0.0%
B or lower	0.0%
Not rated	0.4%
Total	100.0%

Sector distribution As of March 31, 2026	
Revenue	81.6%
General obligations	14.2%
Pre-refunded	0.2%
Cash and cash equivalents	4.0%
Total	100.0%

Reported as a percentage of total portfolio.

Top 10 obligors As of March 31, 2026	
State of New Jersey	3.8%
Freddie Mac Tax Exempt Bond Securitization	2.9%
New York City Transitional Finance Authority	2.8%
Oregon School Bond Guarantee Program	2.7%
Illinois Housing Development Authority	2.3%
Southeast Energy Authority Energy Supply Revenue Bonds Series 2025E	2.2%
Houston Airport Enterprise, TX	2.0%
Metropolitan Transportation Authority	1.9%
Port of Seattle - GARBS and PFCS	1.9%
North Carolina Housing Finance Authority - Home Ownership Revenue Bonds	1.8%
Total	24.3%

Reported as a percentage of portfolio securities, excluding cash and cash equivalents.

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.

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.

"Bloomberg®" and the Bloomberg 1-15 Year Blend (1-17) Muni Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Brown Brothers Harriman & Co (BBH). Bloomberg is not affiliated with BBH, and Bloomberg does not approve, endorse, review, or recommend the BBH Intermediate Municipal Bond Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the fund.

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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The BBH Intermediate Municipal Bond Fund was rated against the following numbers of Muni National Interm category funds over the following time periods ending 3/31/2026: 255 funds in the last three years, 233 funds in the last five years, and 176 funds in the last ten years. With respect to these Muni National Interm category funds, the BBH Intermediate Municipal Bond Fund (Class I & Class N), received an Overall Morningstar Rating of 5 stars and 4 stars, respectively. Class I three-, five-, and ten years periods received ratings of 4 stars, 4 stars, and 5 stars, respectively. Class N three-, five-, and ten years periods received ratings of 4 stars, 4 stars, and 4 stars, respectively.

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