

CAPITAL PARTNERS

BBH Intermediate Municipal Bond Fund

Quarterly Update | 3Q 2025

Highlights

- The municipal market stormed back this quarter as yields fell and the curve steepened; these declines fueled a 2.3% return for our 1- to 10-year intermediate benchmarks. Year-to-date returns now stand at 4.1%.
- Our accounts were flat-to-moderately ahead of their benchmarks, bringing relative year-to-date returns to roughly 50 bps ahead.
- Record-paced new issuance has kept our opportunity set broad, even in the face of strong demand driven by positive investor sentiment during the quarter. The municipal market remains attractive with elevated long-term yields, a steep yield curve, and record supply.

Patience

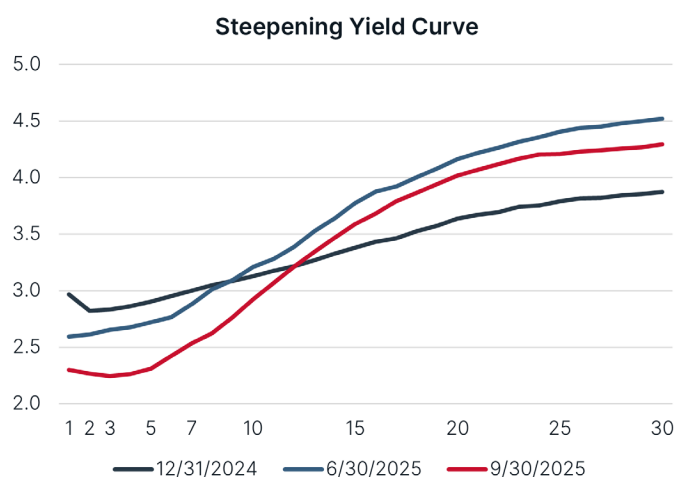
The first half of the year tested investors' patience. The municipal market struggled from a threat to the tax-exempt treatment of its income, a deluge of new issuance, and concerns about large-scale federal fiscal deficits. Although returns were subdued, opportunities flourished. Since June, the municipal market has stormed back, rewarding those who stayed the course and took advantage of the historically attractive valuations. In early July, the passing of the One Big Beautiful Bill Act (OBBBA) removed a big threat, leaving municipal bonds tax-free. While we are grateful that municipals emerged unscathed from the OBBBA, new uncertainties have now emerged that may weaken the credit footing of healthcare providers, higher education, and states.

The Fed has been no stranger to managing through challenging times. At its September FOMC meeting, after holding firm and patiently balancing the risks of its dual mandate, the Fed eased its policy rate by 25 basis points (bps).¹ The Fed has faced intense pressure and public scrutiny, as it manages an increasingly challenging landscape. Inflation remains elevated; the labor market has weakened; massive federal fiscal deficits have now become the new normal; and unknown tariff impacts linger. As we begin the final quarter of 2025, the government entered a shut-down, bringing new uncertainties. No one said it would be easy, but Chair Powell has found himself in an unenviable position. Market expectations currently reflect 100 bps of easing by the end of 2026, but the path ahead is unlikely to be smooth.

¹ Basis point (bp) is a unit that is equal to 1/100th of 1% and is used to denote the change in price or yield of a financial instrument.

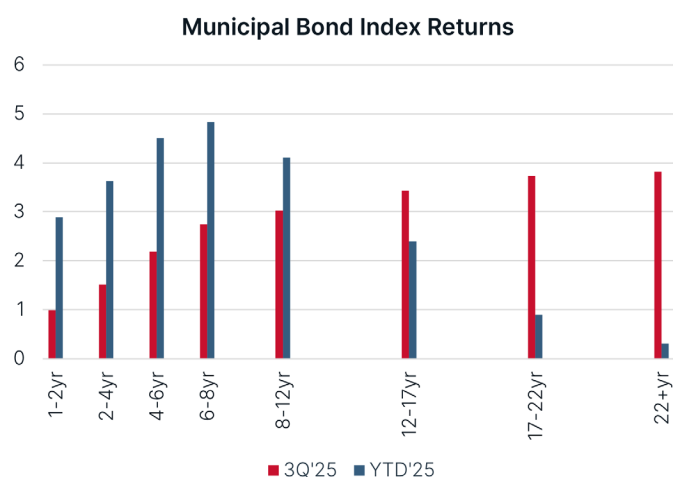
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EXHIBIT I



Data reported as of September 30, 2025
Sources: Municipal Market Data (MMD), Bloomberg and BBH

EXHIBIT II



Data reported as of September 30, 2025
Sources: Municipal Market Data (MMD), Bloomberg and BBH

With the tax treatment of municipals resolved and the Fed back on an easing path, yields fell during the quarter, and the curve steepened. Inside of 5 years, yields declined roughly 40 bps – almost twice the drop for 10- to 20-year bonds. These declines fueled a 2.3% return for our 1- to 10-year intermediate benchmarks, their seventh-best quarter in 15 years. Year-to-date returns now stand at 4.1%. Despite the strong quarterly results, a substantial disparity remains in performance across maturities, with 5-year maturities generating a 400 bp advantage over long maturity bonds.

In terms of portfolio performance, our accounts were flat-to-moderately ahead of their benchmarks, bringing relative year-to-date returns to roughly 50 bps ahead. Most of this benefit stems from our portfolios' yield advantages which are driven by their housing, prepaid gas and energy, and airport exposures, as well as their holdings of bonds with non-standard coupon structures. Valuations in these areas are much more interesting, and we prefer them over seeking yield by simply moving down in credit quality.

For years, we have owned strategic allocations of floating-rate notes and zero-coupon bonds. Traditional municipal investors value stable cash flow from their bonds. In this regard, floating-rate notes and zero-coupon bonds lack the appeal of 5% coupon general obligation bonds, narrowing their buyer base. As a result, both floaters and zeros offer more yield than they should, often upward of 50 to 75 bps. Owning this combination of securities also allows us to bridge over short maturities which usually offer the lowest yields and tightest credit spreads across the curve. Our portfolios typically benefit from this positioning, but in quarters like 3Q 2025, when yields drop and the curve steepens in anticipation of easier monetary policy, this position can lag.

Record-paced new issuance has kept our opportunity set broad, even in the face of strong demand driven by positive investor sentiment during the quarter. Year-to-date supply is running 15% to 20% ahead of last year. In several of the subsectors in which we focus, the year-over-year change is even greater. As a result, we remained active during the quarter, adding opportunities in the housing, prepaid gas and energy, and airport sectors, which offer various advantages. For example, while our portfolios' floaters and zeros may not produce the regular cash flows many investors seek, our housing bonds more than compensate for the gap. With spreads of 115 to 120 bps over generic Triple-A rated municipals, they continue to provide very attractive income relative to their quasi-government agency credit risk.

We also find attractive valuations in the prepaid gas and energy sector. Historically, this sector has been dominated by large banks as funding recipients, but increased sector diversification has brought in high-quality insurance companies. When municipal opportunities arise with embedded corporate risk, such as in this sector, we collaborate with our taxable fixed income colleagues. In the third quarter, we added a bond backed by New York Life at a spread of 100 bps.

The OBBBA made permanent certain provisions of the Tax Cuts and Jobs Act (TCJA) of 2017 with respect to the alternative minimum tax (AMT) which were due to sunset. Many municipal investors view the AMT with dread, but we often see income opportunities, like we did during the third quarter. The AMT represents a tax that can be applied to “private activity bonds,” which benefit private entities in addition to the public. Bonds that fund airports represent the largest sector of municipal bonds subject to the AMT. Today, the most common triggers for the AMT arise from exercising incentive stock options or recognizing extremely large capital gains. The TCJA reduced the footprint of the AMT down from 5 million taxpayers to 200,000, and the OBBBA permanently extended the AMT provisions of the TCJA. Still, despite the reduced footprint of the AMT, airport bonds subject to it continue to offer historically wide spreads relative to those that are not subject to it. During the quarter, we purchased a range of airport bonds, including Seattle, Orlando, and Houston, at spreads from 80 to 100 bps. While many investors may shun AMT bonds, we currently hold a meaningful exposure, benefiting from their attractive income and the extra return potential should the AMT spread decline over time.

The OBBBA also enacted tax and policy changes that will impact municipal credit across multiple sectors. States and localities will continue to face headwinds related to higher state and local tax (SALT) caps, reducing their effective flexibility to increase taxes. Hospitals and continuing care facilities will bear the brunt of cuts to Medicaid, as the OBBBA will implement work requirements for receiving Medicaid, cap increases on provider taxes, and cut funding by about \$1 trillion over the next decade. In conjunction with tight labor markets for healthcare professionals and the recent \$100,000 fee for new H-1B visa petitions, the healthcare sector will face significant challenges. Smaller rural and safety net systems face more acute risks. Higher education institutions will also be impacted, although to a lesser extent than previously expected. Higher education received a modest increase in the endowment tax, which depends on asset levels, and a significant curtailment to federal student loan programs, which could limit accessibility to higher education for low- to moderate-income students. We expect smaller, liberal arts-focused institutions to continue to struggle from secular headwinds.

Patience is a virtue and a necessity for effective long-term investing. Patience is key to managing through periods of market turmoil, to saying “no” a lot during periods of exuberance, and to staying selective when evaluating market opportunities. This year has thrown its share of curveballs, testing our mettle, strategy, and team. The municipal market remains attractive with elevated long-term yields, a steep yield curve, and record supply. Although investor sentiment has improved and yields have fallen since the spring, good values are out there; we just need to look a little harder. A volatile future is shaping up, and we will need more than just a little patience.

Sincerely,



Gregory S. Steier
Fund Manager

A handwritten signature in dark ink, appearing to read "Gregory Steier", written in a cursive style.

PERFORMANCE AS OF SEPTEMBER 30, 2025

Fund/benchmark	Total returns		Average annual total returns				
	3 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since inception
Class I	2.51%	3.88%	2.92%	5.50%	1.45%	2.88%	2.97%
Class N	2.55%	3.72%	2.81%	5.32%	1.29%	2.70%	2.81%
Bloomberg 1-15 Year Blend (1-17) Muni Index	2.59%	3.71%	2.61%	4.49%	1.15%	2.24%	2.45%

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 / 0.70

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, 2026. 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 SEPTEMBER 30, 2025)

	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	\$1,860.1	10.34	3.50	3.50
Class N	★★★★	BBINX	05528C816	4/1/2024	\$52.7	10.36	3.27	3.18

* The Overall Morningstar Rating is based on risk adjusted return out 262 Funds in the Muni National Interim category as of 09/30/2025.

** 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 September 30, 2025	
Number of holdings	426
Number of obligors held	149
Effective duration (years)	5.08
Yield to maturity	3.89%
Yield to worst	3.78%

Credit quality As of September 30, 2025	
Cash and cash equivalents	7.7%
AAA	19.1%
AA	52.8%
A	20.2%
BBB	0.0%
BB	0.0%
B or lower	0.0%
Not rated	0.1%
Total	100.0%

Sector distribution As of September 30, 2025	
Revenue	78.8%
General obligations	12.7%
Pre-refunded	0.9%
Cash and cash equivalents	7.7%
Total	100.0%
Reported as a percentage of total portfolio.	

Top 10 companies As of September 30, 2025	
State of New Jersey	2.8%
Oregon School Bond Guarantee Program	2.8%
Texas School Bond Guarantee Program	2.3%
North Carolina Housing Finance Authority - Home Ownership Revenue Bonds	2.3%
New York City Transitional Finance Authority	2.1%
Freddie Mac Tax Exempt Bond Securitization	2.1%
Port of Seattle - GARBS and PFCS	2.1%
University of North Carolina Chapel Hill	2.0%
Ohio Housing Finance Agency	2.0%
Illinois Housing Development Authority	1.9%
Total	22.4%

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.

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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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