

CAPITAL PARTNERS

BBH Intermediate Municipal Bond Fund

Quarterly Update | 3Q 2026

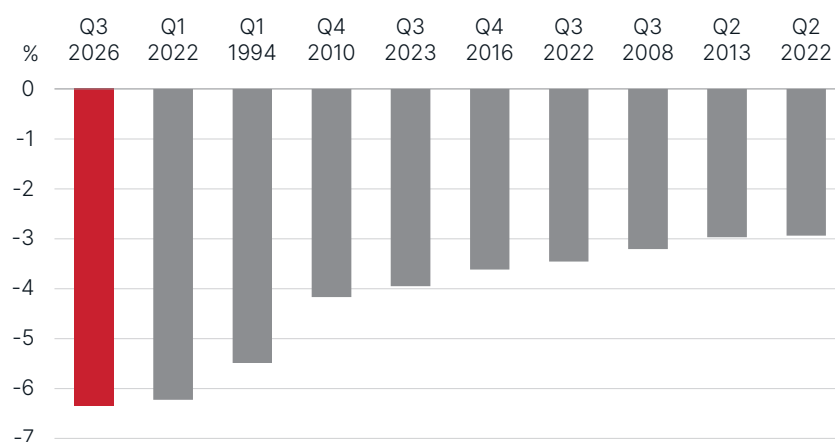
Highlights

- The municipal bond market has experienced a series of highs and lows year to date, declining sharply during third quarter 2026. However, the fund outperformed the benchmark by 50 basis points (bps)¹ for the quarter and 102 bps for the year, and our conservative method of valuing callable bonds helped protect the fund.
- Macro factors such as heavy borrowing to fund AI infrastructure and war- and tariff-driven inflation weighed on the bond market during the quarter. Despite the volatility, credit spreads remained surprisingly stable even as downgrades outpaced upgrades by nearly a 2:1 margin. During the quarter, we added a wide range of opportunities across sectors and bond structures.
- While we are not thrilled about the steep drop in returns, we have successfully managed through many highly volatile periods before. Our playbook remains the same: ensure that our credits are durable, manage fund liquidity, and lean into the growing number of opportunities.

Roller Coaster

Breathtaking, heart-pounding, even a little scary. A roller coaster? No, this year's municipal bond market. But just like those coasters, the municipal market started 2026 on a steady incline, earning 2% through February, before turning into a wild ride. The twists and turns of the Iran war, inflation, tariffs and historically high federal deficits drove significant volatility and, ultimately, a sharp and abrupt decline in third quarter 2026. Indices experienced a veritable freefall, with the full market declining over 6% – its worst quarter in the last 35 years. What is scary to some can be exciting to others, and while returns may be down, the yields that are available today are the best they have been in 20 years. That's something we will always line up for!

TEN WORST QUARTERS FOR THE MUNICIPAL MARKET SINCE 1990 – INDEX QUARTERLY RETURN



Source: Bloomberg Municipal Bond Index
 Past performance does not guarantee future results.

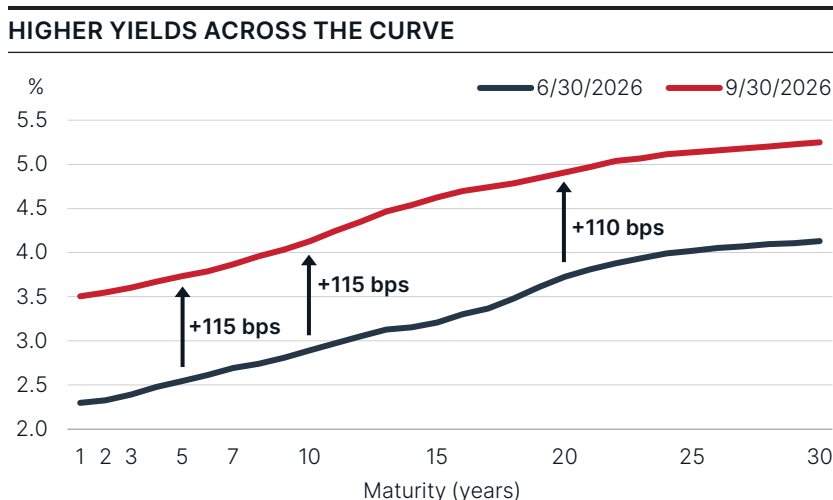
¹ One basis point or bp is 1/100th of a percent (0.01% or 0.0001).

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Chair Kevin Warsh inherited a divided Federal Reserve (Fed) and a series of difficult challenges when he took office in May. Once rare, dissents within the Federal Open Market Committee (FOMC) have become more common. As recently as July, the FOMC voted 9-3 to keep policy on hold. These dissents, along with public criticism of the Fed, have raised questions about its independence. However, despite pressure from the federal administration to cut rates, in September the Fed unanimously voted to hike rates by 25 bps to 3.75%, ending its two-year easing cycle. At quarter end, fed funds futures implied 100 bps of rate hikes over the next 12 months.

Chair Warsh has vowed to contain inflation, but monetary policy has limited power over inflation driven by war-related oil constraints and tariffs. Persistent inflation is compounding existing affordability pressures. Even if the Fed brings inflation down to its 2% target, the country's price levels and financial burdens on households will remain elevated. We appreciate that the Fed asserted its independence while recognizing the economic and political difficulties ahead.

During third quarter 2026, other macro factors, such as heavy borrowing to fund artificial intelligence (AI) infrastructure, also weighed on the U.S. bond market. As hopes for a near-term resolution to the Iran conflict faded and were replaced with expectations of tighter monetary policy, the municipal market experienced one of the largest selloffs in recent decades. Tax-loss selling further strained the market. As a result, municipal yields surged across all maturities and ended September at levels not seen since before the global financial crisis (GFC). For the quarter, the five-year yield increased 115 bps to 3.75%; the 10-year yield increased 115 bps to 4.10%; and the 20-year yield increased 110 bps to 4.85%. Combining their yield and roll-down, 10- to 15-year maturities now offer the best risk-adjusted return potential across the municipal yield curve.



Source: Bloomberg

Rising yields bring falling returns, and for third quarter 2026, our intermediate benchmark returned -5.09%, resulting in a -3.77% return year to date. We are pleased the fund outperformed the benchmark by 50 bps for the quarter and 102 bps for the year. Our holdings of bonds in niche sectors and nonstandard structures continue to provide a yield advantage. In addition, our conservative method of valuing callable bonds helped protect the fund. Callable securities often offer tempting yields but lack real value, and their downside risks become particularly evident during bear markets. As in 2022, outsized yield increases raised the effective duration of callable securities, which magnified their price declines.

On the supply side, municipal issuance remains strong, reaching \$491 billion year to date, with school districts, hospitals, water/sewer, and prepaid energy transactions leading the way. Although the market remains on pace to set a new supply record this year, cracks are emerging as several large deals were recently postponed. Thus far, the supply has been well received, and elevated yields, higher municipal/Treasury ratios, and a steep curve should help support demand. There remains the risk that, despite attractive valuations, household investor sentiment becomes negative given the extent of this quarter's losses. As we have highlighted in the past, sentiment and value can, and often do, diverge.

Despite this year's volatility, credit spreads remained surprisingly stable even as downgrades outpaced upgrades by nearly a 2:1 margin. We remain focused on the impacts of changes in federal government spending on

healthcare, higher education, and transportation infrastructure. Most recently, the expansion of AI infrastructure has added another twist. Concerns around data centers are broad, spanning rising utility costs, electric and water capacity, and growing unpopularity among nearby residents. Many people want to use AI as long as the data center is far from home!

We do not invest in bonds directly related to data centers. However, we do monitor exposure to large end-users in our utility and prepaid energy bonds. The fund typically holds about 5% to 10% in utility bonds and 15% to 20% in prepaid energy bonds. Utilities that serve data centers will need to address demand growth and related infrastructure costs (such as for new generation capacity), as well as how to recover those costs. In evaluating utility systems, we assess a variety of factors, including capacity as well as their legal ability and economic flexibility to recover costs. Prepaid energy transactions fund discounts for electricity and gas purchases by various end-users, so while customers may include data centers, the discounts achieved could help offset the potential upward pressure on rates. The credit risk of a prepaid energy bond primarily depends on the credit profile of the ultimate borrower – typically a bank or insurance company – known as the funding recipient. Our analysis centers on the structure of the underlying transaction, and we collaborate with our corporate analysts to assess the durability of the borrower.

Third quarter 2026 provided a good reminder of why we view volatile markets constructively. We added a wide range of opportunities across sectors and bond structures. We purchased several floating rate prepaid energy bonds with spreads between +120 bps and +160 bps. The banks involved in these deals included RBC, Morgan Stanley, and Citigroup. We also added a 10-year fixed rate prepaid energy bond guaranteed by Bank of America at a spread of +145 bps.

We continued to find attractive risk-adjusted value in the housing sector, both in single-family, predominantly in three- to six-year planned amortization class (PAC) bonds, and in multifamily Freddie Mac-guaranteed 12- to 14-year bonds. In both subsectors, bonds are heavily backed by federal guarantees and provide spreads approaching 100 bps. We also added utilities, including a four-year put bond² for San Antonio's gas and electric system at +70 bps, and two-year put bonds for Waste Management at a spread of +100 bps. Lastly, we purchased New York City Transitional Finance Authority and State of New York personal income tax revenue bonds, with spreads of +30 bps to +70 bps. Heavy issuance has widened spreads for these two very high-quality credits.

Because there is no easy path to solve today's challenges, we expect elevated market volatility. Investing when markets are stressed can feel like riding a new roller coaster in the dark, knowing that your stomach may drop at any moment. While we are not thrilled about the steep drop in returns, we have successfully managed through many highly volatile periods before. Historically, the investments we make during times like this typically provide meaningful benefits. Our playbook remains the same: ensure that our credits are durable, manage fund liquidity, and lean into the growing number of opportunities. We try to avoid getting caught up in the optimism of good times, and we tend to be very active when sentiment is poor.

Our team remains focused, and we thank you for your continued trust and confidence.

Sincerely,



Gregory S. Steier
Fund Manager

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

² A put bond requires the issuer to repurchase the bond before its maturity date, usually at par value.

PERFORMANCE AS OF SEPTEMBER 30, 2026

Fund/benchmark	Total returns		Average annual total returns				
	3 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since inception
Class I	-4.60%	-2.75%	-1.29%	3.78%	0.98%	2.13%	2.62%
Class N	-4.64%	-2.80%	-1.50%	3.56%	0.79%	1.95%	2.46%
Bloomberg 1-15 Year Blend (1-17) Muni Index	-5.09%	-3.77%	-2.41%	2.79%	0.29%	1.56%	2.05%

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 (subsidized) / 0.73 (unsubsidized)

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 SEPTEMBER 30, 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	\$2,573.8	9.85	3.99	3.99
Class N	★★★★	BBINX	05528C816	4/1/2014	\$53.3	9.87	3.75	3.67

* The Overall Morningstar Rating is based on risk adjusted return out of 253 funds in the Muni National Interm category as of 09/30/2026.

** 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 September 30, 2026	
Number of holdings	523
Number of obligors held	164
Effective duration (years)	5.32
Yield to maturity	4.79%
Yield to worst	4.77%

Credit quality As of September 30, 2026	
Cash and cash equivalents	1.1%
AAA	15.5%
AA	60.6%
A	22.7%
BBB	0.0%
BB	0.0%
B or lower	0.0%
Not rated	0.0%
Total	100.0%

Sector distribution As of September 30, 2026	
Revenue	88.4%
General obligations	10.3%
Pre-refunded	0.1%
Cash and cash equivalents	1.1%
Total	100.0%
Reported as a percentage of total portfolio.	

Top 10 obligors As of September 30, 2026	
Freddie Mac Tax Exempt Bond Securitization	4.9%
State of New Jersey	3.2%
New York Personal Income Tax	2.9%
New York City Transitional Finance Authority	2.9%
Oregon School Bond Guarantee Program	2.4%
North Carolina Housing Finance Authority - Home Ownership Revenue Bonds	2.3%
Minnesota Housing Finance Agency	2.3%
Waste Management Inc	2.1%
Houston Airport Enterprise, TX	2.0%
Port of Seattle - GARBs and PFCs	1.9%
Total	26.9%

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.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.

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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 09/30/2026: 253 funds in the last three years, 238 funds in the last five years, and 179 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 5 stars, 5 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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