BBH Intermediate Municipal Bond Fund

Quarterly Fund Update / 1Q 2018

Cloudy With a Chance of Volatility

BBH Intermediate Municipal Bond Fund Class I ("the Fund") had a total return of -0.92% for the first quarter of 2018, as compared to a return of -0.91% for the benchmark Bloomberg Barclays 1-15 Year Municipal Index. Consistent with the proverb, March came in like a lion for the New York area. By the time the fourth Nor'easter hit in less than a month, our arms and backs were weary from all the shoveling. Fortunately, the month went out like a lamb, quietly and with clear skies. Throughout this winter's storms, we were grateful for accurate and timely weather forecasts. Meteorologists are consistently more accurate than their counterparts forecasting the economy and the financial markets. If we could reliably forecast macro developments, our lives would be much simpler. Unfortunately, we can't and that is why we focus our investment work on security-level research and valuation.

We entered 2018 facing significant uncertainties from the largest tax reform legislation since the 1980s and also the flattest tax-exempt yield curve since October 2007. December's record new issuance and the end of tax-exempt advance refundings drove down this year's median supply forecast to $300 billion, down from nearly $450 billion in 2018. Historically, the municipal market suffers a supply and demand imbalance early in the new year. Investors are flush with cash from coupon and principal payments while the new issue market takes a few weeks to heat up. This dynamic helps to explain the municipal market's typical January strength. Prior to this year, January muni returns were positive in 32 out of the last 38 years. One story in particular caught our eye — "How strong will the January rally be?" No good forecast goes unpunished. At negative 1.16%, the municipal market had its worst January on record.

Following a difficult start to the year, the market failed to recover during the rest of the quarter, ending down 1.2% for the full maturity index. Intermediate maturities fared better and fell 0.7%. Rates increased 10 to

Performance
As of March 31, 2018

	Total Returns		Average Annual Total Returns		
	3 Mo.*	YTD*	1 Yr.	3 Yr.	Since Inception
Class I	-0.92%	-0.92%	3.66%	2.80%	3.42%
Class N	-1.05%	-1.05%	3.50%	2.65%	3.29%
Benchmark	-0.91%	-0.91%	1.81%	1.78%	2.56%

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

Class I: Net/Gross Expense Ratio (%) 0.50 / 0.69
Class N: Net/Gross Expense Ratio (%) 0.65 / 1.05

* Returns are not annualized.

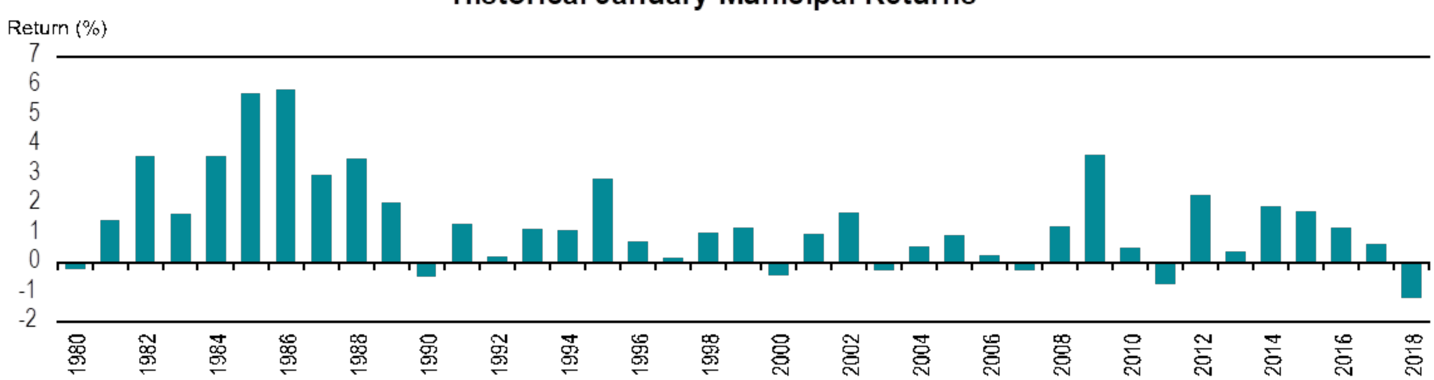
The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses to 0.65% for Class N shares and 0.50% for Class N shares through March 1, 2019. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees (the "Board").

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. *Fund shares redeemed within 30 days of purchase are subject to a redemption fee of 1.00%.*

The Bloomberg Barclays 1-15 Year Blend (1-17) Muni Index is a component of the Barclays Municipal Bond index, including bonds with maturity dates between one and 17 years. The Bloomberg Barclays 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.

Sources: BBH & Co. and Bloomberg Barclays

Historical January Municipal Returns



Past performance is no guarantee of future results
Data reported monthly from January 31, 1980 to January 31, 2018
Sources: Bloomberg and BBH Analysis

BBH Fund Information Service: (800) 625-5759

50 basis points[1] across the yield curve, with the most pronounced movement in intermediate and long maturities. Two-, 10-, and 30-year yields ended the quarter at 1.65%, 2.45%, and 2.95%, respectively. Atypical of a quarter with negative fixed income returns, municipals underperformed U.S. Treasuries, with long maturities trailing the most. Credit-sensitive municipals continued to perform well, continuing their trend from last year and in contrast to taxable corporate bonds.

The first quarter featured a transition in Federal Reserve (Fed) leadership from Janet Yellen to Jerome Powell. From a policy standpoint, this transition was effectively seamless. As expected, the Fed tightened its monetary policy by 25 basis points during its March meeting and continued to project another two rate hikes through the remainder of the year. The Fed did raise its expectations for the funds rate over the next couple of years. We believe that the stimulus from the tax cut and continued deficit spending on top of a healthy economy have influenced the Fed's views.

Yield curves tend to flatten during Fed tightening cycles. Had we known at year-end that the Fed would tighten in March and raise their tightening expectations in 2019 and 2020, we would have forecast a flatter yield curve. We would have been wrong, but fortunately we don't invest that way. Market valuations guide us, not our predictions about the future. In fact, the yield curve steepened, with two-year maturity yields increasing 10 basis points, while 10-year maturity yields increased 45 basis points. This move erased a majority of last year's flattening. As we have previously highlighted, we continue to de-emphasize short-maturity municipal bonds in favor of floating-rate securities and longer-maturity bonds, including zero-coupon bonds. The yield curve's surprising movement during the first quarter presented a headwind to performance.

A Mighty Wind

One of our largest positions, New Jersey tobacco settlement bonds, also detracted from performance as the State moved to refund all of its current outstanding tobacco debt. As you will recall, the New Jersey tobacco bonds held in the Fund are zero-coupon but make scheduled sinking fund payments. New Jersey's refunding decision was predicated more on cash flow savings for budgetary reasons than on actual interest savings. In a traditional "scoop and toss" maneuver, the State is planning to extend maturities to free up cash. New Jersey's new governor, Phil Murphy, has expressed a desire for broad spending increases and is looking for additional revenues from a new millionaire's tax, a sales tax increase, and through marijuana legalization. The tobacco bond refunding offered the governor a one-time cash infusion. As a result, bond prices fell roughly 1%, given the impending call. However, our New Jersey tobacco bond position has added significantly to performance since we first purchased it during the spring of 2014. This year's give-back did not alter our otherwise positive ownership experience.

Despite these two headwinds, the Fund performed essentially in line with its benchmark for the quarter. Positive factors included the performance of our zero-coupon California school district and appropriation-backed tobacco positions. Post-tax reform, the Fund's California positions have benefited from strong in-state demand. Philadelphia School district bonds held in the Fund also performed well. Late in the quarter, the district issued general obligation bonds which were oversubscribed by nearly fifteen times and which helped re-price their existing debt higher. The Fund continued to benefit from its floating-rate bond positions. Our holdings in Auction-Rate Securities (ARS) backed by Westar Energy (a regulated utility) in Kansas, Sisters of Mercy Healthcare in Missouri, and the Commonwealth of Massachusetts all appreciated roughly 5%. Although the prices of positions in Niagara Mohawk-backed ARS remained unchanged, their elevated yields also benefited returns. Lastly, the positions in high-quality state housing finance authorities also generated positive excess returns for the Fund.

We added several attractively-priced positions during the quarter, highlighted by a Connecticut dedicated tax bond and Oglethorpe Power. The Connecticut Transportation Infrastructure Special Tax Obligation Bonds serve as an excellent example of a strong credit with a resilient structure, free from Connecticut's challenges. The revenues supporting our bonds consist of motor fuel taxes, the petroleum products gross earnings tax, a half-cent of the statewide sales and use tax as well as various registration and licensing fees. These revenues are credited daily to bond-specific accounts held by the state and swept to a third-party trustee monthly. Our bonds are protected from budget delays by a combination of a continuing appropriation and a debt service reserve fund. Fiscal 2017 revenues of $1.3 billion provided coverage of over 2 times. The largest historical single-year decline in our pledged revenues was 8% in 2009. Our longest securities can withstand 10% annual declines in the underlying revenues and still mature intact and on time. Our short and intermediate maturity holdings are even stronger. With spreads in the 60 to 80 basis point range, we view these securities as attractive values.

We also added to Oglethorpe Power Corporation Revenue Bonds (OPC). OPC is the nation's largest power cooperative and benefits from long-term "take-or-pay" contracts. In this type of contract, OPC gets paid regardless of whether it delivers power. Our bonds are backed by revenues derived from power sales to the various local distribution cooperatives throughout Georgia and benefit from a first mortgage pledge on OPC's generation assets. Along with Georgia Power (owned by Southern Company) and Municipal Electric Authority of Georgia (MEAG), OPC drew attention approximately a year ago when Westinghouse, designer and project manager of two new reactors at the Vogtle Nuclear Plant, declared bankruptcy. Recently, courts have approved Toshiba's sale of Westinghouse to Brookfield Business Partners LP. Since Southern Company took over as project manager and lead, the Vogtle Plant expansion appears to be running much more smoothly with two-thirds of the total project complete as of January 2018. Reactors 3 and 4 are scheduled to enter commercial service in November 2021 and 2022, respectively. Once online, these two

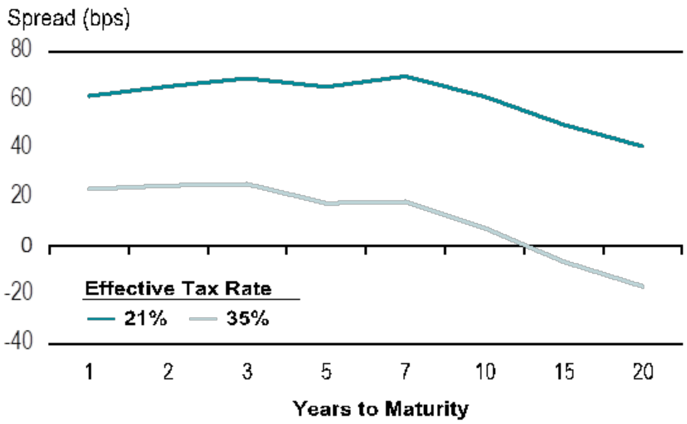
[1] A unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

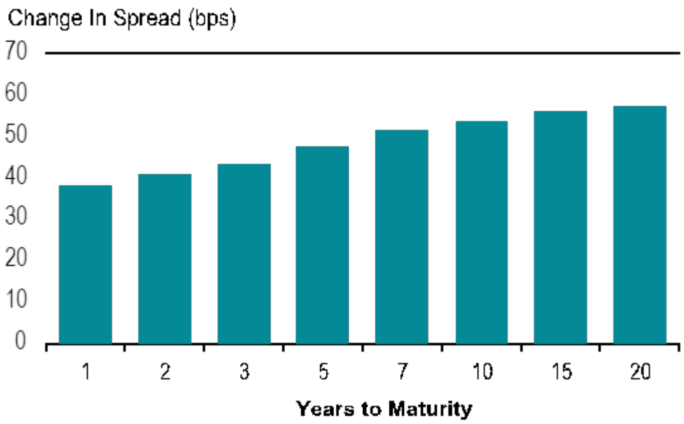
reactors will contribute roughly 10% of OPC's total power generation. Despite improvements to the construction work and the OPC's moderate exposure to Vogtle, market valuations reflect far weaker fundamentals than OPC actually enjoys.

We continue to view the outlook for municipals as cloudy, predominantly because of ongoing uncertainties from last year's tax reform. In early March, the Fed released its latest flow of funds report. In it, the data show that the combined ownership of municipal bonds by banks, insurance companies, and overseas investors continued its strong growth. As of year-end, these "crossover" investors owned over 30% of all U.S. municipal bonds. We use the term crossover because these investors can quickly opt for traditional taxable bonds if their tax-adjusted yields justify the switch. For the past 10 years, this group has provided strong technical support for the market.

Prior to the December tax cut, a company paying a 35% tax rate would have only needed 10 basis points of extra spread to find a 10-year maturity municipal more attractive than a similar-maturity single-A rated corporate. Such friendly math helped drive large municipal allocations. Post tax reform, the math is not as friendly. Today, the same company pays a 21% rate and would have to purchase a municipal with a spread of at least 60 basis points. In other words, municipals are now 50 basis points less attractive to banks and insurance companies than they were before the tax cut. Traditional household investors could fill the gap, but significant uncertainties remain.

Required Municipal Spread to Break Even with A-Rated Corporates





Past performance is no guarantee of future results.

Data reported quarterly from December 31, 2007 to December 31, 2017, and as of March 31, 2018

Sources: Bond Buyer, SIFMA, and BBH Analysis

On our team, we all enjoy expressing our views on how the market will eventually reflect lower crossover demand amid constrained supply. Rest assured, we will not make investment decisions based on these opinions. We have invested together for a long time. As a team, we believe strongly that forecasting makes for better TV than investment results. For us, valuations are our best guide. Armed with our credit criteria and valuation framework, we stand ready to capitalize on market volatility whether it occurs in individual credits or more broadly. We are glad to put away our shovels until next year, but we look forward to some stormy market conditions to help us find more good values for the Fund.

Sincerely,

Gregory S. Steier
Fund Manager

Share Class Overview
As of March 31, 2018

	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	$96.4	$10.21	2.24%	2.12%
Class N	BBINX	05528C816	04/01/2014	$17.9	$10.22	2.09%	1.70%

* 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 March 31, 2018

Cash and Cash Equivalents	5.4%
AAA	27.3%
AA	29.3%
A	37.6%
BBB	0.5%
BB	0.0%
B or Lower	0.0%
Not Rated	0.0%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Top 10 Holdings / Coupon / Maturity
As of March 31, 2018

Tobacco Settlement Financiang Corp N	0.000%	06/01/2041	3.4%
Frisco TX Independent School District	5.000%	08/15/2026	2.4%
New Jersey State Turnpike Authority	1.915%	01/01/2030	2.2%
Arlington County, VA	5.000%	08/15/2025	2.1%
Virginia State Housing Development Authority Commonwealth	2.740%	01/01/2023	2.1%
State of Texas	5.000%	04/01/2025	2.1%
Virginia Beach, VA	5.000%	04/01/2025	1.8%
New York State Energy Research and Development Authority	2.215%	05/01/2034	1.7%
Cuero, TX Independent School District	5.000%	08/15/2027	1.7%
Wisconsin, WI	5.000%	05/01/2025	1.7%
Total			**21.0%**

Reported as a percentage of total portfolio.

Sector Distribution
As of March 31, 2018

General Obligations	40.7%
Pre-Refunded	0.8%
Revenue	58.5%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Fund Facts
As of March 31, 2018

Number of Holdings	125
Number of Issuers Held	67
Effective Duration (years)	4.59

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. 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.

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.

Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, 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.

For more complete information, visit www.bbhfunds.com for a 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 1100, 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. BBH acts as the Fund Administrator and is located at 140 Broadway, New York, NY 10005.

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