

BROWN 
BROTHERS
HARRIMAN

Annual Report

OCTOBER 31, 2018

BBH INCOME FUND

BBH INCOME FUND

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE

October 31, 2018

| Performance | | | | | | | | | |
|---|---------------|--------|------|------------------------------|-------|-------|--------|---|-----------------|
| As of 10/31/2018 | Total Returns | | | Average Annual Total Returns | | | | | Since Inception |
| | 1 Mo.* | 3 Mo.* | YTD* | 1 Yr. | 3 Yr. | 5 Yr. | 10 Yr. | | |
| BBH Income Fund (Class I) | -0.44% | -0.29% | N/A | N/A | N/A | N/A | N/A | N/A | -0.75% |
| Bloomberg Barclays US Aggregate Index | -0.79% | -0.79% | N/A | N/A | N/A | N/A | N/A | N/A | -0.83% |
| As of 09/30/2018 | 1 Mo.* | 3 Mo.* | YTD* | 1 Yr. | 3 Yr. | 5 Yr. | 10 Yr. | Since Inception | |
| BBH Income Fund (Class I) | -0.79% | -0.12% | N/A | N/A | N/A | N/A | N/A | N/A | -0.31% |
| Bloomberg Barclays US Aggregate Index | -0.64% | 0.02% | N/A | N/A | N/A | N/A | N/A | N/A | -0.04% |
| Class I: Net/Gross Expense Ratio (%) 0.50 / 0.69 | | | | | | | | All performance is net of fees Sources: BBH & Co. and Bloomberg | |

* Returns are not annualized.

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 1-800-625-5753.

The investment adviser has contractually agreed to limit the Total Annual Fund Operating Expenses for Class I Shares to 0.50%, through June 30, 2019. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees (the "Board").

Bloomberg Barclays U.S. Aggregate Bond Index: covers the USD-denominated, investment-grade (rated Baa3 or above by Moody's), fixed-rate, and taxable areas of the bond market. This is the broadest measure of the taxable U.S. bond market, including most Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with maturities of 1 year or more. The index is not available for direct investment.

This material is not authorized for distributed unless accompanied or preceded by a current [Fund prospectus](#).

We are very pleased with the BBH Income (the "Fund") performance in the four months since it opened on June 26, 2018. The Fund's I-shares finished the partial fiscal year ended October 31, 2018 down -0.75%, ahead of the Bloomberg Barclays U.S. Aggregate Index return of -0.83%. While rising interest rates drove negative returns across fixed income assets, security selection and sector exposure arising from security selection contributed positively to returns (+0.37%).

Our investment process is focused on finding individual issues that both meet our credit criteria and have the potential, according to our valuation methodology, to outperform similar duration U.S. Treasuries by the largest margin. This security selection not only drives our sector exposure, but often makes the most difference to performance over time. We view these dimensions as the indicators of skill for a fundamental manager. While four months of history is too short to generate meaningful performance attribution, we are pleased that security selection has contributed positively to our performance thus far.

BBH INCOME FUND

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE (continued)

October 31, 2018

The largest individual additions to performance came mostly from a variety of longer duration corporate issuers, including a jet-leasing company (Avolon), two sleeves of a diversified commercial mortgage-backed securitization (CGCC 2014), an independent generation company (Exelon), a PC manufacturer (Dell), and an insurance company (Aegon NV). Detractors included two more generation companies (Vistra and Helix), an insurance company (Sirius), a utility (Electricite de France), and a food products company (Bunge). Performance contribution is presented in basis points (a basis point is 0.01%):

All of these holdings are among the longer and lower-rated positions in the portfolio — a handful of higher-yielding, deeper value opportunities that we were able to identify in an environment where we view good opportunities as few and far between.

Over the course of the last 12 months, the Federal Reserve ("Fed") raised rates four times. These hikes, which were widely telegraphed beforehand, have nonetheless begun to shake up fixed income markets. Going into the year we felt that pricing of credit, and corporate credit in particular, was too expensive. As the year progressed, a number of factors conspired to drive credit spreads wider: Fed hikes made risk-free alternatives more attractive to fixed income investors; hedging costs for Euro-based and Yen-based investors increased; central banks reversed their quantitative easing programs in both Europe and the United States; and investors began to focus on the rapidly expanding Treasury and corporate issuance calendars for 2019. The spread on the Bloomberg Barclays U.S. Aggregate Corporate Index ended the year at 1.19% in excess of Treasuries, about 0.24% higher than the end of October 2017. As we write this letter in early December, this spread index is now up to 1.45%.

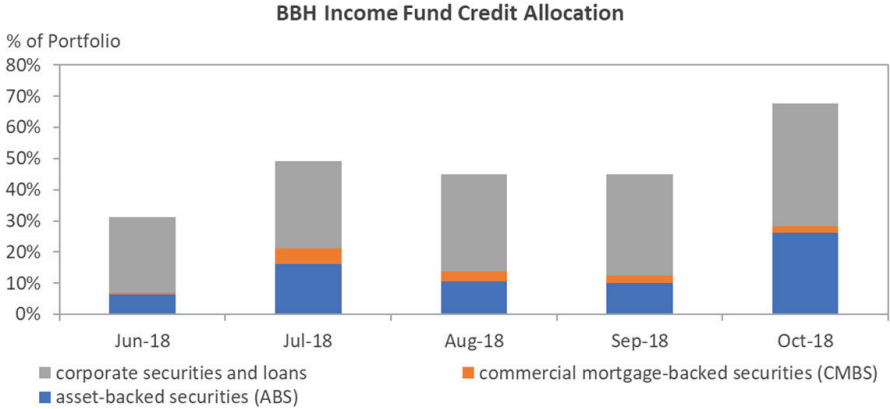
| Top Contributing Issuers | Contribution to Performance In Excess of Comparable Treasury Instrument (bps) |
|---------------------------|---|
| Avolon Holdings Ltd. | 6 |
| CGCC 2014-FL2 | 5 |
| Exelon Generation Co. LLC | 4 |
| Dell Inc. | 4 |
| Aegon NV | 4 |

| Lowest Contributing Issuers | Contribution to Performance In Excess of Comparable Treasury Instrument (bps) |
|-------------------------------|---|
| Helix Generation Funding LLC | -3 |
| Electricite de France | -2 |
| Sirius International Group | -1 |
| Vistra Operations Company LLC | -1 |
| Bunge Ltd. Finance | -1 |

BBH INCOME FUND

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE (continued)

October 31, 2018



Sources: Bloomberg and BBH Analysis

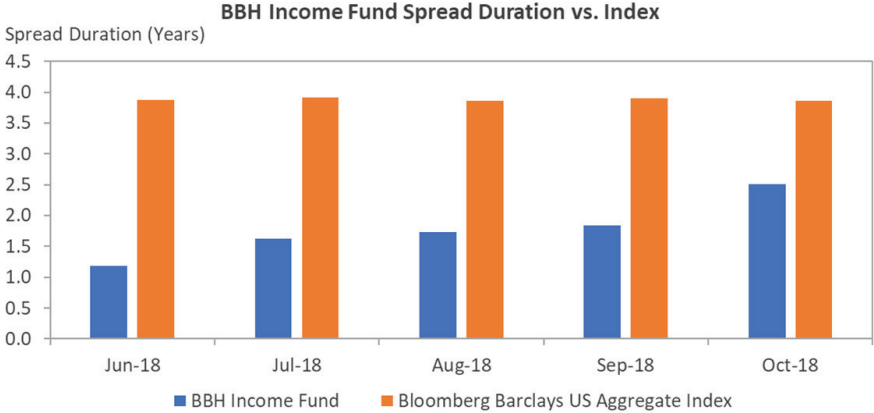
Narrowing index spreads generally indicate fewer valuation opportunities, and widening spreads mean greater opportunities. Our process, which is based on investing *only when valuations are attractive*, will cause us to assume incrementally more risk when there are more opportunities — to take risk only if we are well compensated. For these reasons, the Fund started out positioned conservatively, adding credit exposure as the available compensation became more attractive.

The rising spread duration (a measure of return sensitivity to changing credit pricing) of the Fund, shown below, reflects the exposure added since inception. Our most active month in this regard was October, when market volatility picked up dramatically. Although spreads have widened, and we are seeing more attractive valuations today than in the past 18 months, we still view credit markets as expensive in longer historical context. For that reason, the credit price exposure in the Fund, while increasing, remains well below its benchmark's credit price exposure, as shown below.

BBH INCOME FUND

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE (continued)

October 31, 2018



Sources: Bloomberg and BBH Analysis

The conservative positioning of the Fund may not change rapidly. It is possible that the appetite for credit may increase again after this fall's uncertainty, but the market tone might also turn negative for some period of time. Our process of investing one opportunity at a time results in gradual adjustment as the valuation environment changes.

In our first few months, we are pleased to have generated extra performance through security and sector selection; we view the fixed income environment with caution; and we believe that this process of value-driven investing should produce the best returns for our shareholders over time.

Thank you very much indeed for investing alongside us in the BBH Income Fund, and we wish you a happy and prosperous New Year.

Sincerely yours,

Andrew P. Hofer

Neil Hohmann

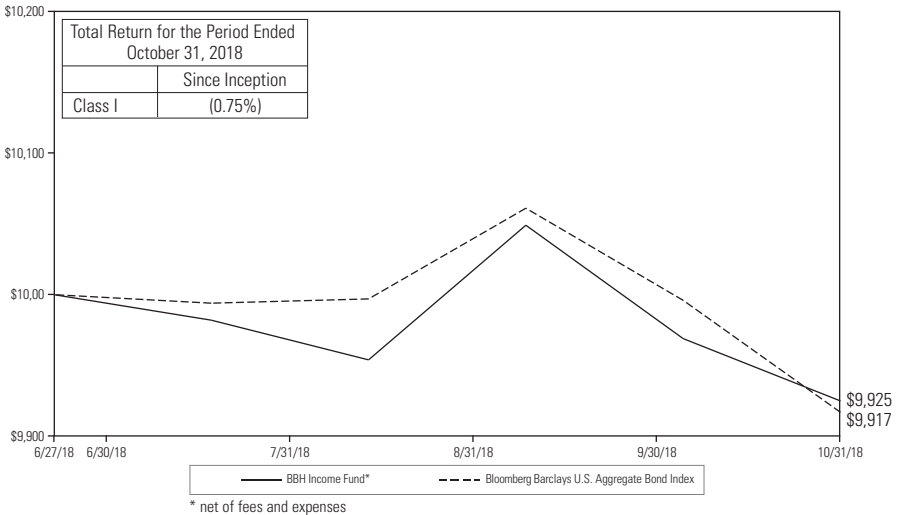
BBH INCOME FUND

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE (continued)

October 31, 2018

Growth of \$10,000 Invested in BBH Income

The graph below illustrates the hypothetical investment of \$10,000¹ in the Class I shares of the Fund since inception (June 27, 2018) to October 31, 2018 as compared to the Bloomberg Barclays U.S. Aggregate Bond Index.



The annualized gross expense ratio as shown in the June 25, 2018 prospectus for Class I shares was 0.69%. Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fund performance changes over time and current performance may be lower or higher than what is stated. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. For performance current to the most recent month-end please call 1-800-575-1265.

Hypothetical performance results are calculated on a total return basis and include all portfolio income, unrealized and realized capital gains, losses and reinvestment of dividends and other earnings. No one shareholder has actually achieved these results and no representation is being made that any actual shareholder achieved, or is likely to achieve, similar results to those shown. Hypothetical performance does not represent actual trading and may not reflect the impact of material economic and market factors. Undue reliance should not be placed on hypothetical performance results in making an investment decision.

¹ The Fund's performance assumes the reinvestment of all dividends and distributions. The Bloomberg Barclays U.S. Aggregate Bond Index has been adjusted to reflect reinvestment of dividends on securities in the index. The Bloomberg Barclays U.S. Aggregate Bond Index is not adjusted to reflect sales charges, expenses or other fees that the Securities and Exchange Commission requires to be reflected in the Fund's performance. The index is unmanaged. Investments cannot be made in the index.

BBH INCOME FUND

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees of the BBH Trust and Shareholders of BBH Income Fund:

Opinion on the Financial Statements and Financial Highlights

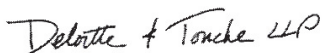
We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of BBH Income Fund (the "Fund"), one of the funds within BBH Trust, as of October 31, 2018, and the related statement of operations, statement of changes in net assets, and financial highlights from June 27, 2018 (commencement of operations) to October 31, 2018, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of October 31, 2018, and the results of its operations, the changes in its net assets, and the financial highlights from June 27, 2018 (commencement of operations) to October 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the BBH Trust's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the BBH Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The BBH Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the BBH Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of October 31, 2018, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.



Boston, Massachusetts
December 21, 2018

We have served as the auditor of one or more Brown Brothers Harriman investment companies since 1991.

BBH INCOME FUND

PORTFOLIO ALLOCATION

October 31, 2018

BREAKDOWN BY SECURITY TYPE

| | <u>U.S. \$ Value</u> | <u>Percent of Net Assets</u> |
|---|-----------------------------|----------------------------------|
| Asset Backed Securities | \$ 37,425,142 | 25.5% |
| Commercial Mortgage Backed Securities | 3,250,087 | 2.2 |
| Corporate Bonds | 29,554,403 | 20.2 |
| Loan Participations and Assignments | 26,596,679 | 18.1 |
| U.S. Government Agency Obligations | 8,000,000 | 5.5 |
| U.S. Treasury Bonds and Notes | 46,778,427 | 31.9 |
| Liabilities in Excess of Other Assets | <u>(5,024,554)</u> | <u>(3.4)</u> |
| NET ASSETS | <u>\$146,580,184</u> | <u>100.0%</u> |

All data as of October 31, 2018. The Fund's sector diversification is expressed as a percentage of net assets and may vary over time.

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS

October 31, 2018

| Principal Amount | | Maturity Date | Interest Rate | Value |
|--|---|---------------|---------------|--------------|
| ASSET BACKED SECURITIES (25.5%) | | | | |
| \$ 1,380,000 | Adams Outdoor Advertising LP 2018-1 ¹ . . . | 11/15/48 | 4.810% | \$ 1,376,527 |
| 1,450,000 | ARI Fleet Lease Trust 2018-B ¹ | 08/16/27 | 3.220 | 1,447,247 |
| 1,350,000 | AXIS Equipment Finance Receivables VI LLC 2018-2A ¹ | 07/20/22 | 3.890 | 1,350,114 |
| 1,360,000 | Capital Auto Receivables Asset Trust 2018-2 ¹ | 02/22/21 | 3.020 | 1,359,674 |
| 1,252,648 | Cazenovia Creek Funding II LLC 2018-1A ¹ | 07/15/30 | 3.561 | 1,247,081 |
| 750,000 | CCG Receivables Trust 2018-2 ¹ | 12/15/25 | 3.090 | 747,132 |
| 550,000 | Drive Auto Receivables Trust 2018-3 | 10/15/20 | 2.750 | 549,588 |
| 1,200,000 | Elm Trust 2018-2A ¹ | 10/20/27 | 4.605 | 1,200,880 |
| 190,000 | Elm Trust 2018-2A ¹ | 10/20/27 | 5.584 | 190,130 |
| 600,000 | Enterprise Fleet Financing LLC 2017-2 ¹ . . . | 01/20/23 | 2.220 | 586,487 |
| 1,360,000 | Enterprise Fleet Financing LLC 2018-3 ¹ . . . | 05/20/24 | 3.380 | 1,359,835 |
| 454,980 | Exeter Automobile Receivables Trust 2018-3A ¹ | 01/18/22 | 2.900 | 454,305 |
| 1,350,000 | Finance of America Structured Securities Trust 2018-HB1 ^{1,2,3} | 09/25/28 | 3.774 | 1,348,825 |
| 1,400,000 | Foursight Capital Automobile Receivables Trust 2018-2 ¹ | 04/15/22 | 3.320 | 1,399,971 |
| 2,700,000 | FREED ABS TRUST 2018-2 ¹ | 10/20/25 | 4.610 | 2,695,913 |
| 1,353,081 | FRS I LLC 2013-1A ¹ | 04/15/43 | 3.080 | 1,350,091 |
| 1,000,000 | GM Financial Consumer Automobile Receivables Trust 2017-2A ¹ | 11/16/22 | 2.070 | 974,540 |
| 1,390,000 | Hercules Capital Funding Trust 2018-1A ¹ . . . | 11/22/27 | 4.605 | 1,392,606 |
| 600,000 | Hertz Vehicle Financing II LP 2016-3A ¹ . . . | 07/25/20 | 2.270 | 595,926 |
| 300,000 | Lendmark Funding Trust 2017-2A ¹ | 05/20/26 | 2.800 | 295,380 |
| 596,641 | LIAS Administration Fee Issuer LLC 2018-1A | 07/25/48 | 5.956 | 596,641 |
| 205,000 | Mariner Finance Issuance Trust 2017-BA ¹ | 12/20/29 | 2.920 | 201,815 |
| 300,000 | Nationstar HECM Loan Trust 2018-2A ^{1,2,3} . . | 07/25/28 | 3.552 | 299,040 |
| 300,000 | NextGear Floorplan Master Owner Trust 2017-1A ¹ | 04/18/22 | 2.540 | 296,684 |
| 1,370,000 | NextGear Floorplan Master Owner Trust 2018-2A ¹ | 10/16/23 | 3.690 | 1,373,744 |

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

| Principal Amount | | Maturity Date | Interest Rate | Value |
|---|--|---------------|---------------|-------------------|
| ASSET BACKED SECURITIES (continued) | | | | |
| \$ 600,000 | Ocwen Master Advance Receivables Trust Series 2018-T1 ¹ | 08/15/49 | 3.301% | \$ 599,328 |
| 300,000 | Oportun Funding IX LLC 2018-B ¹ | 07/08/24 | 3.910 | 298,518 |
| 2,660,000 | Oportun Funding X LLC 2018-C ¹ | 10/08/24 | 4.590 | 2,659,354 |
| 550,000 | OSCAR US Funding Trust IX LLC 2018-2A ¹ | 09/12/22 | 3.390 | 547,098 |
| 1,500,000 | PFS Financing Corp. 2018-F ¹ | 10/16/23 | 3.520 | 1,497,754 |
| 720,000 | SPS Servicer Advance Receivables Trust Advance Receivables Backed Notes 2018-T1 ¹ | 10/17/50 | 3.620 | 719,965 |
| 600,000 | SWC Funding LLC 2018-1A ^{1,4} | 08/15/33 | 4.750 | 592,470 |
| 1,400,000 | Synchrony Card Issuance Trust 2018-A1 .. | 09/15/24 | 3.380 | 1,398,877 |
| 1,400,000 | Trafigura Securitisation Finance, Plc. 2018-1A ¹ | 03/15/22 | 3.730 | 1,398,788 |
| 268,238 | United Auto Credit Securitization Trust 2018-2 ¹ | 03/10/21 | 2.890 | 267,970 |
| 1,360,000 | Veros Automobile Receivables Trust 2018-1 ¹ | 05/15/23 | 3.630 | 1,357,892 |
| 1,400,000 | World Financial Network Credit Card Master Trust 2018-B | 07/15/25 | 3.460 | 1,396,952 |
| Total Asset Backed Securities | | | | |
| (Identified cost \$37,465,228) | | | | 37,425,142 |
| COMMERCIAL MORTGAGE BACKED SECURITIES (2.2%) | | | | |
| 149,500 | CG-CCRE Commercial Mortgage Trust 2014-FL2 (1-Month USD-LIBOR + 4.000%) ^{1,2} | 11/15/31 | 6.280 | 147,225 |
| 786,000 | CG-CCRE Commercial Mortgage Trust 2014-FL2 (1-Month USD-LIBOR + 4.000%) ^{1,2} | 11/15/31 | 6.280 | 777,354 |
| 600,000 | CGMS Commercial Mortgage Trust 2017-MDRB (1-Month USD-LIBOR + 1.750%) ^{1,2} | 07/15/30 | 4.030 | 599,173 |

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

| Principal Amount | | Maturity Date | Interest Rate | Value |
|--|---|---------------|---------------|------------------|
| COMMERCIAL MORTGAGE BACKED SECURITIES (continued) | | | | |
| \$ 300,000 | Hospitality Mortgage Trust 2017-HIT (1-Month USD-LIBOR + 0.850%) ^{1,2} | 05/08/30 | 3.131% | \$ 300,002 |
| 1,000,000 | Hudsons Bay Simon JV Trust 2015-HB10 ^{1,2,3} | 08/05/34 | 5.629 | 923,032 |
| 240,000 | JPMBB Commercial Mortgage Securities Trust 2014-C24 ^{1,2,3} | 11/15/47 | 3.890 | 206,117 |
| 300,000 | UBS-BAMLL Trust 2012-WRM ¹ | 06/10/30 | 3.663 | 297,184 |
| Total Commercial Mortgage Backed Securities (Identified cost \$3,216,112) | | | | 3,250,087 |
| CORPORATE BONDS (20.2%) | | | | |
| AGRICULTURE (1.2%) | | | | |
| 1,800,000 | Bunge Ltd. Finance Corp. | 03/15/24 | 4.350 | 1,766,526 |
| BANKS (5.0%) | | | | |
| 1,600,000 | ANZ New Zealand Int'l Ltd., London Branch ¹ | 01/25/22 | 2.875 | 1,559,712 |
| 1,600,000 | ASB Bank, Ltd. ¹ | 06/14/23 | 3.750 | 1,581,390 |
| 1,441,000 | BNZ International Funding, Ltd., London Branch ¹ | 03/01/23 | 3.375 | 1,405,908 |
| 600,000 | Skandinaviska Enskilda Banken AB | 03/15/21 | 2.625 | 586,674 |
| 750,000 | Svenska Handelsbanken AB | 05/24/21 | 3.350 | 745,660 |
| 1,500,000 | Wells Fargo Bank NA (3-Month USD-LIBOR + 0.490%) ² | 07/23/21 | 3.325 | 1,494,822 |
| | | | | 7,374,166 |
| BEVERAGES (1.0%) | | | | |
| 1,500,000 | Anheuser-Busch InBev Finance, Inc. . . . | 02/01/23 | 3.300 | 1,462,560 |
| BIOTECHNOLOGY (0.9%) | | | | |
| 740,000 | Amgen, Inc. | 05/11/22 | 2.650 | 713,961 |
| 600,000 | Celgene Corp. | 02/20/23 | 3.250 | 581,689 |
| | | | | 1,295,650 |

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

| Principal Amount | | Maturity Date | Interest Rate | Value |
|--|--|---------------|---------------|------------------|
| CORPORATE BONDS (continued) | | | | |
| COMMERCIAL SERVICES (0.4%) | | | | |
| \$ 600,000 | United Rentals North America, Inc. | 07/15/23 | 4.625% | \$ 594,750 |
| DIVERSIFIED FINANCIAL SERVICES (2.4%) | | | | |
| 1,800,000 | Credit Acceptance Corp. | 02/15/21 | 6.125 | 1,804,140 |
| 1,650,000 | Drawbridge Special Opportunities Fund ¹ | 08/01/21 | 5.000 | 1,650,117 |
| | | | | <u>3,454,257</u> |
| ELECTRIC (2.4%) | | | | |
| 1,800,000 | Electricite de France SA ¹ | 09/21/28 | 4.500 | 1,740,319 |
| 1,705,000 | Exelon Generation Co. LLC | 10/01/39 | 6.250 | 1,802,679 |
| | | | | <u>3,542,998</u> |
| HEALTHCARE-SERVICES (0.5%) | | | | |
| 750,000 | Roche Holdings, Inc. ¹ | 01/28/22 | 1.750 | 713,023 |
| INSURANCE (4.5%) | | | | |
| 1,045,000 | Aegon NV (6-Month USD-LIBOR + 3.540%) ² | 04/11/48 | 5.500 | 993,403 |
| 1,212,000 | Athene Global Funding ¹ | 01/25/22 | 4.000 | 1,216,193 |
| 1,500,000 | Enstar Group, Ltd. | 03/10/22 | 4.500 | 1,499,044 |
| 540,000 | New York Life Global Funding ¹ | 08/06/21 | 3.250 | 538,439 |
| 890,000 | Sirius International Group, Ltd. ¹ | 11/01/26 | 4.600 | 807,319 |
| 1,500,000 | United Insurance Holdings Corp. | 12/15/27 | 6.250 | 1,530,360 |
| | | | | <u>6,584,758</u> |
| INVESTMENT COMPANIES (0.1%) | | | | |
| 200,000 | Business Development Corp. of America ¹ | 12/30/22 | 4.750 | 196,456 |
| PHARMACEUTICALS (1.1%) | | | | |
| 1,600,000 | AbbVie, Inc. | 05/14/25 | 3.600 | 1,528,259 |

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

| Principal Amount | | Maturity Date | Interest Rate | Value |
|--|--|---------------|---------------|-------------------|
| CORPORATE BONDS (continued) | | | | |
| TELECOMMUNICATIONS (0.3%) | | | | |
| \$ 450,000 | Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC ¹ | 03/20/23 | 3.360% | \$ 445,500 |
| TRUCKING & LEASING (0.4%) | | | | |
| 600,000 | Park Aerospace Holdings, Ltd. ¹ | 08/15/22 | 5.250 | 595,500 |
| Total Corporate Bonds | | | | |
| (Identified cost \$29,881,404) | | | | 29,554,403 |
| LOAN PARTICIPATIONS AND ASSIGNMENTS (18.1%) | | | | |
| 997,500 | Avolon TLB Borrower 1 (US) LLC Term B3 (1-Month USD-LIBOR + 2.000%) ² | 01/15/25 | 4.280 | 994,338 |
| 1,995,000 | BCP Renaissance Parent LLC (3-Month USD-LIBOR + 3.500%) ² | 10/31/24 | 6.027 | 1,999,987 |
| 1,994,975 | Charter Communications Operating LLC (CCO Safari LLC) Term B (1-Month USD-LIBOR + 2.000%) ² | 04/30/25 | 4.310 | 1,994,735 |
| 1,994,962 | Dell International LLC Term B (1-Month USD-LIBOR + 2.000%) ² | 09/07/23 | 4.310 | 1,991,970 |
| 2,000,000 | Eastern Power LLC (TPF II LC LLC) (1-Month USD-LIBOR + 3.750%) ² | 10/02/23 | 6.052 | 1,994,680 |
| 2,000,000 | Frontera Generation Holdings LLC (3-Month USD-LIBOR + 4.250%) ² | 05/02/25 | 6.524 | 2,005,000 |
| 1,970,588 | HCA, Inc. Term A5 (1-Month USD-LIBOR + 1.500%) ² | 06/10/20 | 3.802 | 1,973,051 |
| 895,696 | Helix Gen Funding LLC (1-Month USD-LIBOR + 3.750%) ² | 06/03/24 | 6.052 | 836,356 |
| 1,140,000 | NorthRiver Midstream Finance LP Term B (3-Month USD-LIBOR + 3.250%) ² | 10/01/25 | 5.809 | 1,144,754 |
| 991,703 | RPI Finance Trust Term B6 (3-Month USD-LIBOR + 2.000%) ² | 03/27/23 | 4.386 | 991,882 |
| 997,468 | Sprint Communications, Inc. (1-Month USD-LIBOR + 2.500%) ² | 02/02/24 | 4.813 | 996,531 |

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

| Principal Amount | | Maturity Date | Interest Rate | Value |
|---|--|------------------|------------------|--------------------------|
| LOAN PARTICIPATIONS AND ASSIGNMENTS (continued) | | | | |
| \$ 1,409,334 | SS&C Technologies Holdings, Inc. Term B3 (1-Month USD-LIBOR + 2.250%) ² . . . | 04/16/25 | 4.552% | \$ 1,401,498 |
| 546,258 | SS&C Technologies Holdings, Inc. Term B4 (1-Month USD-LIBOR + 2.250%) ² . . . | 04/16/25 | 4.552 | 543,221 |
| 740,000 | SS&C Technologies Holdings, Inc. Term B5 (1-Month USD-LIBOR + 2.250%) ² . . . | 04/16/25 | 4.552 | 735,508 |
| 2,000,000 | United Rentals, Inc. (3-Month USD-LIBOR + 1.750%) ² | 10/31/25 | 4.309 | 2,006,260 |
| 1,000,000 | Universal Health Services, Inc. (3-Month USD-LIBOR + 1.750%) ² | 10/31/25 | 4.309 | 1,001,250 |
| 1,995,000 | Vistra Operations Co. LLC (Tex Operations Company LLC) (1-Month USD-LIBOR + 2.000%) ² | 12/31/25 | 4.293 | 1,987,738 |
| 2,000,000 | Wyndham Hotels & Resorts, Inc. Term B (1-Month USD-LIBOR + 1.750%) ² | 05/30/25 | 4.052 | <u>1,997,920</u> |
| Total Loan Participations and Assignments (Identified cost \$26,670,675) | | | | <u>26,596,679</u> |
| U.S. GOVERNMENT AGENCY OBLIGATIONS (5.5%) | | | | |
| 8,000,000 | Federal Home Loan Bank Discount Notes ⁵ | 11/01/18 | 0.000 | <u>8,000,000</u> |
| Total U.S. Government Agency Obligations (Identified cost \$8,000,000) | | | | <u>8,000,000</u> |

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

| Principal Amount | | Maturity Date | Interest Rate | Value |
|---|---------------------------------------|------------------|------------------|-----------------------------|
| U.S. TREASURY BONDS AND NOTES (31.9%) | | | | |
| \$ 8,940,000 | U.S. Treasury Bond | 08/15/40 | 3.875% | \$ 9,651,359 |
| 5,725,000 | U.S. Treasury Bond | 05/15/48 | 3.125 | 5,429,357 |
| 7,225,000 | U.S. Treasury Note ⁶ | 10/31/24 | 2.250 | 6,911,728 |
| 19,800,000 | U.S. Treasury Note | 08/15/26 | 1.500 | 17,607,305 |
| 3,600,000 | U.S. Treasury Note | 05/15/28 | 2.875 | 3,517,594 |
| 3,750,000 | U.S. Treasury Note | 08/15/28 | 2.875 | <u>3,661,084</u> |
| Total U.S. Treasury Bonds and Notes (Identified cost \$48,089,750) | | | | <u>46,778,427</u> |
| TOTAL INVESTMENTS (Identified cost \$153,323,169)⁷ | | | 103.4% | \$151,604,738 |
| LIABILITIES IN EXCESS OF OTHER ASSETS | | | (3.4)% | <u>(5,024,554)</u> |
| NET ASSETS | | | 100.0% | <u>\$146,580,184</u> |

¹ Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. Total market value of Rule 144A securities owned at October 31, 2018 was \$ 49,183,047 or 33.6% of net assets. Unless otherwise noted, these securities are not considered illiquid.

² Variable rate instrument. Interest rates change on specific dates (such as coupon or interest payment date). The yield shown represents the October 31, 2018 coupon or interest rate.

³ This variable rate security is based on a predetermined schedule and the rate at period end also represents the reference rate at period end.

⁴ Security that used significant unobservable inputs to determine fair value.

⁵ Security issued with zero coupon. Income is recognized through accretion of discount.

⁶ All or a portion of this security is held at the broker as collateral for open futures contracts.

⁷ The aggregate cost for federal income tax purposes is \$153,788,834, the aggregate gross unrealized appreciation is \$149,020 and the aggregate gross unrealized depreciation is \$2,386,006, resulting in net unrealized depreciation of \$2,236,986.

Abbreviation:

LIBOR – London Interbank Offered Rate.

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

FINANCIAL FUTURES CONTRACTS

The following futures contracts were open at October 31, 2018:

| Description | Number of Contracts | Expiration Date | Notional Amount | Market Value | Unrealized Gain / (Loss) |
|--------------------------------------|---------------------|-----------------|-----------------|--------------|--------------------------|
| Contracts to Buy: | | | | | |
| U.S. Treasury 5-Year Notes | 300 | December 2018 | \$33,767,734 | \$33,714,844 | \$(52,890) |

FAIR VALUE MEASUREMENTS

The Fund is required to disclose information regarding the fair value measurements of the Fund's assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosure requirement established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including, for example, the risk inherent in a particular valuation technique used to measure fair value, including the model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Fund's own considerations about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Authoritative guidance establishes three levels of the fair value hierarchy as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2 – significant other observable inputs (including quoted prices for similar assets and liabilities, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of assets and liabilities).

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires judgment by the investment adviser. The investment adviser considers observable data to be that

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the investment adviser's perceived risk of that instrument.

Financial assets within Level 1 are based on quoted market prices in active markets. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment-grade corporate bonds, U.S. Treasury notes and bonds, and certain non-U.S. sovereign obligations and over-the-counter derivatives. As Level 2 financial assets include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Financial assets classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 financial assets include private equity and certain corporate debt securities.

Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon the actual sale of those investments.

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of October 31, 2018.

| | Unadjusted Quoted Prices in Active Markets for Identical Investments (Level 1)* | Significant Other Observable Inputs (Level 2)* | Significant Unobservable Inputs (Level 3)* | Balance as of October 31, 2018 |
|--|--|--|---|-----------------------------------|
| <u>Investments, at value</u> | | | | |
| Asset Backed Securities | \$ — | \$ 36,832,672 | \$592,470 | \$ 37,425,142 |
| Commercial Mortgage Backed Securities | — | 3,250,087 | — | 3,250,087 |
| Corporate Bonds | — | 29,554,403 | — | 29,554,403 |
| Loan Participations and Assignments | — | 26,596,679 | — | 26,596,679 |
| U.S. Government Agency Obligations | — | 8,000,000 | — | 8,000,000 |
| U.S. Treasury Bonds and Notes ... | — | 46,778,427 | — | 46,778,427 |
| Total Investments, at value ... | \$ — | \$151,012,268 | \$592,470 | \$151,604,738 |
| <u>Other Financial Instruments, at value</u> | | | | |
| Financial Futures Contracts | \$(52,890) | \$ — | \$ — | \$ (52,890) |
| Other Financial Instruments, at value | \$(52,890) | \$ — | \$ — | \$ (52,890) |

* The Fund's policy is to disclose transfers between levels based on valuations at the end of the reporting period. There were no transfers between Levels 1, 2 or 3 during the period ended October 31, 2018.

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

PORTFOLIO OF INVESTMENTS (continued)

October 31, 2018

The following is a reconciliation of assets for which significant unobservable inputs (Level 3) were used in determining fair value during the period ended October 31, 2018:

| | <u>Asset Backed Securities</u> |
|---|------------------------------------|
| Balance as of June 27, 2018..... | \$ — |
| Purchases | 595,776 |
| Sales / Paydowns | — |
| Realized gains (losses) | — |
| Change in unrealized appreciation (depreciation)..... | (3,641) |
| Amortization..... | 335 |
| Transfers from Level 3 | — |
| Transfers to Level 3 | — |
| Balance as of October 31, 2018..... | <u>\$592,470</u> |

The Fund's investments classified as Level 3 were valued using a model approach, including the Fund's assumptions in determining their fair value.

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

STATEMENT OF ASSETS AND LIABILITIES

October 31, 2018

ASSETS:

| | |
|---|---------------------------|
| Investments in securities, at value (Identified cost \$153,323,169) | \$151,604,738 |
| Cash | 2,040,240 |
| Receivables for: | |
| Investments sold | 8,145,880 |
| Interest | 662,163 |
| Investment advisory and administrative fee waiver reimbursement | 24,414 |
| Shares sold | 2,200 |
| Total Assets | <u>162,479,635</u> |

LIABILITIES:

| | |
|---|--------------------------|
| Payables for: | |
| Investments purchased | 15,648,885 |
| Professional fees | 56,992 |
| Futures variation margin on open contracts | 52,072 |
| Dividends declared | 50,582 |
| Investment advisory and administrative fees | 49,032 |
| Shares redeemed | 16,916 |
| Custody and fund accounting fees | 8,090 |
| Transfer agent fees | 2,561 |
| Board of Trustees' fees | 440 |
| Accrued expenses and other liabilities | 13,881 |
| Total Liabilities | <u>15,899,451</u> |

NET ASSETS

\$146,580,184

Net Assets Consist of:

| | |
|---------------------------|--------------------|
| Paid-in capital | \$148,960,822 |
| Accumulated deficit | <u>(2,380,638)</u> |

Net Assets

\$146,580,184

NET ASSET VALUE AND OFFERING PRICE PER SHARE**CLASS I SHARES**

| | |
|---|----------------------|
| (\$146,580,184 ÷ 14,915,733 shares outstanding) | <u>\$9.83</u> |
|---|----------------------|

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

STATEMENT OF OPERATIONS

For the period from June 27, 2018 (commencement of operations) to October 31, 2018

NET INVESTMENT INCOME:

Income:

| | |
|---|----------------|
| Interest income (net of foreign withholding taxes of \$1,015) | \$ 976,748 |
| Other income | 21,460 |
| Total Income | 998,208 |

Expenses:

| | |
|---|----------------|
| Investment advisory and administrative fees | 114,838 |
| Professional fees | 56,992 |
| Shareholder report fees | 18,775 |
| Board of Trustees' fees | 12,959 |
| Registration fees | 12,000 |
| Transfer agent fees | 10,937 |
| Custody and fund accounting fees | 8,662 |
| Miscellaneous expenses | 2,877 |
| Total Expenses | 238,040 |
| Investment advisory and administrative fee waiver | (94,185) |
| Net Expenses | 143,855 |

| | |
|------------------------------------|----------------|
| Net Investment Income | 854,353 |
|------------------------------------|----------------|

NET REALIZED AND UNREALIZED LOSS:

| | |
|--|--------------------|
| Net realized loss on investments in securities | (614,739) |
| Net realized loss on futures contracts | (738) |
| Net realized loss on investments in securities and futures contracts | (615,477) |
| Net change in unrealized appreciation/(depreciation) on investments in securities | (1,718,431) |
| Net change in unrealized appreciation/(depreciation) on futures contracts | (52,890) |
| Net change in unrealized appreciation/(depreciation) on investments in securities and futures contracts | (1,771,321) |
| Net Realized and Unrealized Loss | (2,386,798) |

| | |
|---|----------------------|
| Net Decrease in Net Assets Resulting from Operations | \$(1,532,445) |
|---|----------------------|

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND**STATEMENT OF CHANGES IN NET ASSETS**

| | For the period from June 27, 2018 (commencement of operations) to October 31, 2018 |
|--|--|
| INCREASE IN NET ASSETS: | |
| Operations: | |
| Net investment income | \$ 854,353 |
| Net realized loss on investments in securities and futures contracts | (615,477) |
| Net change in unrealized appreciation/(depreciation) on investments in securities and futures contracts | (1,771,321) |
| Net decrease in net assets resulting from operations | <u>(1,532,445)</u> |
| Dividends and distributions declared: | |
| Class I | <u>(848,193)</u> |
| Share transactions: | |
| Proceeds from sales of shares | 148,989,868 |
| Net asset value of shares issued to shareholders for reinvestment of dividends and distributions | 36,328 |
| Cost of shares redeemed | <u>(65,374)</u> |
| Net increase in net assets resulting from share transactions . . . | <u>148,960,822</u> |
| Total increase in net assets | 146,580,184 |
| NET ASSETS: | |
| Beginning of period | <u>—</u> |
| End of period | <u><u>\$146,580,184</u></u> |

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

FINANCIAL HIGHLIGHTS

Selected per share data and ratios for a Class I share outstanding through the period.

| | For the period from June 27, 2018 (commencement of operations) to October 31, 2018 |
|---|--|
| Net asset value, beginning of period | <u>\$10.00</u> |
| Income from investment operations: | |
| Net investment income ¹ | 0.10 |
| Net realized and unrealized loss | <u>(0.17)</u> |
| Total income from investment operations | <u>(0.07)</u> |
| Less dividends and distributions: | |
| From net investment income | <u>(0.10)</u> |
| Net asset value, end of period | <u>\$ 9.83</u> |
| Total return | (0.75)% ² |
| Ratios/Supplemental data: | |
| Net assets, end of period (in millions) | \$ 147 |
| Ratio of expenses to average net assets before reductions | 0.67% ³ |
| Fee waiver | 0.17% ^{3,4} |
| Ratio of expenses to average net assets after reductions | 0.50% ³ |
| Ratio of net investment income to average net assets | 3.12% ³ |
| Portfolio turnover rate | 94% ² |

¹ Calculated using average shares outstanding for the period.

² Not Annualized.

³ Annualized with the exception of audit fees, legal fees and registration fees.

⁴ The ratio of expenses to average net assets for the period ended October 31, 2018 reflect fees reduced as result of a contractual operating expense limitation of the Fund to 0.50%. The agreement is effective through June 30, 2019 and may only be terminated during its term with approval of the Fund's Board of Trustees. For the period from June 27, 2018 to October 31, 2018 the waived fee was \$94,185.

The accompanying notes are an integral part of these financial statements.

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS

As of and for the period ended October 31, 2018

- 1. Organization.** The Fund is a separate, diversified series of BBH Trust (the "Trust"), which is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Trust was originally organized under the laws of the State of Maryland on July 16, 1990 as BBH Fund, Inc. and re-organized as a Delaware statutory trust on June 12, 2007. The Fund commenced operations on June 27, 2018. The Fund offers Class N shares and Class I shares. As of October 31, 2018, Class N shares are not available for purchase by investors. The Fund may offer Class N shares for purchase in the future. Class N and Class I shares have different operating expenses. With the exception of class specific expenses, all expenses are allocated between classes based on net assets. Neither Class N shares nor Class I shares automatically convert to any other share class of the Fund. As of October 31, 2018, there were seven series of the Trust.
- 2. Significant Accounting Policies.** The Fund's financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP"). The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 946 Financial Services — Investment Companies. The following summarizes significant accounting policies of the Fund:

A. Valuation of Investments. Bonds and other fixed income securities, including restricted securities (other than short-term obligations but including listed issues) are valued at their most recent bid prices (sales price if the principal market is an exchange) in the principal market in which such securities are normally traded, on the basis of valuations furnished by a pricing service, use of which has been approved by the Board of Trustees (the "Board"). In making such valuations, the pricing service utilizes both dealer supplied valuations and electronic data processing techniques, which take into account appropriate factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data, without exclusive reliance upon quoted prices, or exchange or over-the-counter prices, since such valuations are believed to reflect more accurately the fair value of such securities. Futures contracts held by the Fund are valued daily at the official settlement price of the exchange of which it is traded.

Securities or other assets for which market quotations are not readily available are valued at fair value in accordance with procedures established by and under the general supervision and responsibility of the Board. Short-term investments, which mature in 60 days or less are valued at amortized cost if their original maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if their original maturity when acquired by the Fund was more than 60 days, unless the use of amortized cost is determined not to represent "fair value" by the Board.

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

B. Accounting for Investments and Income. Investment transactions are accounted for on the trade date. Realized gains and losses on investment transactions are determined based on the identified cost method. Interest income is accrued daily and consists of interest accrued, discount earned (including, if any, both original issue and market discount) and premium amortization on the investments of the Fund. Investment income is recorded net of any foreign taxes withheld where recovery of such tax is uncertain. Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivable when the collection of all or a portion of the interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is reasonably assured.

C. Fund Expenses. Most expenses of the Trust can be directly attributed to a specific fund. Expenses which cannot be directly attributed to a fund are apportioned amongst each fund in the Trust on a net assets basis. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

D. Financial Futures Contracts. The Fund may enter into open futures contracts in order to economically hedge against anticipated future changes in interest rates which otherwise might either adversely affect the value of securities held for the Fund or adversely affect the prices of securities that are intended to be purchased at a later date for the Fund. The contractual amount of the futures contracts represents the investment the Fund has in a particular contract and does not necessarily represent the amounts potentially subject to risk of loss. Trading in futures contracts involves, to varying degrees, risk of loss in excess of any futures variation margin reflected in the Statement of Assets and Liabilities. The measurement of risk associated with futures contracts is meaningful only when all related and offsetting transactions are considered. Gains and losses are realized upon the expiration or closing of the futures contracts.

Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in economically hedged security values and/or interest rates, and potential losses in excess of the Fund's initial investment.

Open future contracts held at October 31, 2018, are listed in the Portfolio of Investments.

For the period ended October 31, 2018, the average monthly notional amount of open futures contracts was \$33,767,734. The Fund held futures contracts only for last week of the month during the period ended October 31, 2018.

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

Fair Values of Derivative Instruments as of October 31, 2018

Derivatives not accounted for as economically hedging instruments under authoritative guidance for derivatives instruments and hedging activities:

| Risk | Asset Derivatives | | Liability Derivatives | |
|--------------------|---|-------------|---|--------------------|
| | Statement of Assets and Liabilities Location | Fair Value | Statement of Assets and Liabilities Location | Fair Value |
| Interest Rate Risk | Net unrealized appreciation/(depreciation) on investments in securities and futures contracts | \$ — | Net unrealized appreciation/(depreciation) on investments in securities and futures contracts | \$ (52,890)* |
| Total | | <u>\$ —</u> | | <u>\$ (52,890)</u> |

* Includes cumulative appreciation/(depreciation) of futures contracts as reported in the Statement of Assets and Liabilities and Notes to Financial Statements. Only the current day's variation margin is reported within the Statement of Assets and Liabilities.

Effect of Derivative Instruments on the Statement of Operations

| | Interest Rate Risk |
|---|--------------------|
| Net Realized Loss on Derivatives | |
| Futures Contracts | <u>\$ (738)</u> |
| Net Change in Unrealized Appreciation/(Depreciation) on | |
| Derivatives Futures Contracts | <u>\$ (52,890)</u> |

E. Rule 144A Securities. The Fund may purchase securities that are not registered under the Securities Act of 1933, as amended ("1933 Act") but that can be sold to "qualified institutional buyers" in accordance with the requirements stated in Rule 144A under the 1933 Act ("Rule 144A Securities"). A Rule 144A Security may be considered illiquid, under SEC Regulations for open-end investment companies, and therefore subject to the 15% limitation on the purchase of illiquid securities, unless it is determined on an ongoing basis that an adequate trading market exists for the security, which is the case for the Fund. Guidelines have been adopted and the daily function of determining and monitoring liquidity of Rule 144A Securities has been delegated to the investment adviser. All relevant factors will be considered in determining the liquidity of Rule 144A Securities and all investments in Rule 144A Securities will be carefully monitored. Information regarding Rule 144A Securities is included at the end of the Portfolio of Investments.

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

F. Loan Participations and Assignments. The Fund may invest in loan participations and assignments, which include institutionally traded floating and fixed-rate debt securities generally acquired as an assignment from another holder of, or participation interest in, loans originated by a bank or financial institution (the “Lender”) that acts as agent for all holders. Some loan participations and assignments may be purchased on a “when-issued” basis. The agent administers the terms of the loan, as specified in the loan agreement. When investing in a loan participation, the Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the Lender selling the loan agreement and only upon receipt by the Lender of payments from the borrower. The Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower.

Assignments and participations involve credit, interest rate, and liquidity risk. Interest rates on floating rate securities adjust with interest rate changes and/or issuer credit quality, and unexpected changes in such rates could result in losses to the Fund. The interest rates paid on a floating rate security in which the Fund invests generally are readjusted periodically to an increment over a designated benchmark rate, such as the one-month, three-month, six-month, or one-year London Interbank Offered Rate (“LIBOR”). LIBOR is a short-term interest rate that banks charge one another and is generally representative of the most competitive and current cash rates.

The Fund may have difficulty trading assignments and participations to third parties. There may be restrictions on transfer and only limited opportunities may exist to sell such securities in secondary markets. As a result, the Fund may be unable to sell assignments or participations at the desired time or may be able to sell only at a price less than fair market value. The Fund utilizes an independent third party to value individual loan participations and assignments on a daily basis.

G. Federal Income Taxes. It is the Trust’s policy to comply with the requirements of the Internal Revenue Code (the “Code”) applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Accordingly, no federal income tax provision is required. The Fund files a tax return annually using tax accounting methods required under provisions of the Code, which may differ from GAAP, which is the basis on which these financial statements are prepared. Accordingly, the amount of net investment income and net realized gain reported in these financial statements may differ from that reported on the Fund’s tax return, due to certain book-to-tax timing differences such as losses deferred due to “wash sale” transactions and utilization of capital loss carryforwards. These differences may result in temporary over-distributions for financial statement purposes and are classified as distributions in excess of accumulated net realized gains or net investment income. These distributions do not constitute a return of capital. Permanent differences are reclassified between paid-in capital and retained earnings/(accumulated deficit) within the Statement of Assets and Liabilities based upon their tax

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

classification. As such, the character of distributions to shareholders reported in the Financial Highlights table may differ from that reported to shareholders on Form 1099-DIV.

The Fund is subject to the provisions of Accounting Standards Codification 740 Income Taxes ("ASC 740"). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The fund did not have any unrecognized tax benefits as of October 31, 2018, nor were there any increases or decreases in unrecognized tax benefits for the year then ended. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as an income tax expense in the Statement of Operations. During the period ended October 31, 2018, the Fund did not incur any such interest or penalties. The Fund is subject to examination by U.S. federal and state tax authorities for returns filed for all open tax years. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

H. Dividends and Distributions to Shareholders. Dividends and distributions from net investment income to shareholders are declared daily and paid monthly to shareholders. Distributions from net capital gains, if any, are generally declared and paid annually and are recorded on the ex-dividend date. The Fund declared dividends in the amount of \$848,193 to Class I shareholders during the period ended October 31, 2018.

The tax character of distributions paid during the period ended October 31, 2018 were as follows:

| | Distributions paid from: | | | | |
|-------|--------------------------|----------------------------------|-----------------------------------|--------------------------|--------------------------------|
| | Ordinary income | Net long-term capital gain | Total taxable distributions | Tax return of capital | Total distributions paid |
| 2018: | \$848,193 | \$ — | \$848,193 | \$ — | \$848,193 |

As of October 31, 2018 the components of retained earnings/(accumulated deficit) on a tax basis were as follows:

| | Components of retained earnings/(accumulated deficit) | | | | | | |
|-------|---|--|---|--|---|---|---|
| | Undistributed ordinary income | Undistributed long-term capital gain | Retained earnings/ accumulated deficit | Accumulated capital and other losses | Other book/tax temporary differences | Book unrealized appreciation/ (depreciation) | Total retained earnings/ accumulated deficit |
| 2018: | \$3,766 | \$ — | \$3,766 | \$(147,418) | \$(465,665) | \$(1,771,321) | \$(2,380,638) |

The Fund had \$147,418 of post-December 22, 2010 net capital loss carryforwards as of October 31, 2018, of which \$115,241 and \$32,177, is attributable to short-term and long-term capital losses, respectively.

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

The Fund is permitted to carryforward capital losses for an unlimited period and they will retain their character as either short-term or long-term capital losses rather than being considered all short-term capital losses.

Total distributions paid may differ from amounts reported in the Statements of Changes in Net Assets because, for tax purposes, dividends are recognized when actually paid.

The differences between book-basis and tax-basis unrealized appreciation/(depreciation) is attributable primarily to the tax deferral of losses on wash sales and paydowns on fixed income securities.

To the extent future capital gains are offset by capital loss carryforwards, if any, such gains will not be distributed.

- I. Use of Estimates.* The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increase and decrease in net assets from operations during the reporting period. Actual results could differ from these estimates.

3. Fees and Other Transactions with Affiliates.

A. Investment Advisory and Administrative Fees. Effective June 27, 2018 (commencement of operations), under a combined Investment Advisory and Administrative Services Agreement ("Agreement") with the Trust, Brown Brothers Harriman & Co. ("BBH") through a separately identifiable department ("SID" or "Investment Adviser") provides investment advisory, portfolio management and administrative services to the Fund. The Fund pays a combined fee for investment advisory and administrative services calculated daily and paid monthly at an annual rate equivalent to 0.40% per annum. For the period ended October 31, 2018, the Fund incurred \$114,838 for services under the Agreement.

B. Investment Advisory and Administrative Fee Waivers. Effective June 27, 2018 (commencement of operations), the Investment Adviser has contractually agreed to waive fees and/or reimburse expenses in order to limit the total annual fund operating expenses (excluding interests, taxes, brokerage commissions, other expenditures that are capitalized in accordance with generally accepted accounting principles, and other extraordinary expenses not incurred in the ordinary course of the Fund's business) for Class I shares to 0.50%. The agreement will terminate on June 30, 2019,

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

unless it is renewed by all parties to the agreement. The agreement may only be terminated during its term with approval of the Fund's Board of Trustees. For the period ended October 31, 2018, the Investment Adviser waived fees in the amount of \$94,185 for Class I.

C. Custody and Fund Accounting Fees. BBH acts as a custodian and fund accountant and receives custody and fund accounting fees from the Fund calculated daily and incurred monthly. BBH holds all of the Fund's cash and investments and calculates the Fund's daily net asset value. The custody fee is an asset and transaction-based fee. The fund accounting fee is an asset-based fee calculated at 0.004% of the Fund's net asset value. For the period ended October 31, 2018, the Fund incurred \$8,662 in custody and fund accounting fees. In the event that the Fund is overdrawn, under the custody agreement with BBH, BBH will make overnight loans to the Fund to cover overdrafts. Pursuant to their agreement, the Fund will pay the Federal Funds overnight investment rate on the day of the overdraft. The total interest incurred by the Fund for the period ended October 31, 2018, was \$307. This amount is included under line item "Custody and fund accounting fees" in the Statement of Operations.

D. Board of Trustees' Fees. Each Trustee who is not an "interested person" as defined under the 1940 Act receives an annual fee as well as reimbursement for reasonable out-of-pocket expenses from the Fund. For the period ended October 31, 2018, the Fund incurred \$12,959 in independent Trustee compensation and reimbursements.

E. Officers of the Trust. Certain officers of the Trust are also employees of BBH. Such officers are paid no fees by the Trust for their services to the Trust.

4. Investment Transactions. For the period ended October 31, 2018, the cost of purchases and the proceeds of sales of investment securities, other than short-term investments, were \$228,135,435 and \$82,294,897, respectively.

5. Shares of Beneficial Interest. The Trust is permitted to issue an unlimited number of Class I shares of beneficial interest, at no par value. Transactions in Class I shares were as follows:

| Class I | For the period ended October 31, 2018* | |
|--|---|----------------------|
| | Shares | Dollars |
| Shares sold | 14,918,693 | \$148,989,868 |
| Shares issued in connection with reinvestments of dividends | 3,682 | 36,328 |
| Shares redeemed | (6,642) | (65,374) |
| Net increase | <u>14,915,733</u> | <u>\$148,960,822</u> |

* The period represented is from June 27, 2018 (commencement of operations) to October 31, 2018.

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

6. Principal Risk Factors and Indemnifications.

A. Principal Risk Factors. Investing in the Fund may involve certain risks, as discussed in the Fund's prospectus, including but not limited to, those described below:

A shareholder may lose money by investing in the Fund (investment risk). The Fund is actively managed and the decisions by the Investment Adviser may cause the Fund to incur losses or miss profit opportunities (management risk). In the normal course of business, the Fund invests in securities and enters into transactions where risks exist due to failure of a counterparty to a transaction to perform (credit risk), changes in interest rates (interest rate risk), higher volatility for securities with longer maturities (maturity risk), financial performance or leverage of the issuer (issuer risk), difficulty in being able to purchase or sell a security (liquidity risk), or certain risks associated with investing in foreign securities not present in domestic investments, including, but not limited to, recovery of tax withheld by foreign jurisdictions (foreign investment risk). Investments in other investment companies are subject to market and selection risk, as well as the specific risks associated with the investment companies' portfolio securities (investment in other investment companies risk), and risks from investing in securities of issuers based in developing countries (emerging markets risk). The Fund's use of derivatives creates risks that are different from, or possibly greater than, the risks associated with investing directly in securities as the Fund could lose more than the principal amount invested (derivatives risk). Political, legislative and economic events may affect a municipal security's value, interest payments, repayments of principal and the Fund's ability to sell it (municipal issuer risk). Due to uncertainty regarding the ability of the issuer to pay principal and interest, securities that are rated below investment grade (i.e., Ba1/BB+ or lower) (junk bond risk), and their unrated equivalents, may be subject to greater risks than securities which have higher credit ratings, including a high risk of default. The issuer of the securities in which the Fund invests redeems them before maturity the Fund may have to reinvest the proceeds in securities that pay a lower interest rate (call risk). The Fund invests in asset-backed (asset-backed securities risk) and mortgage-backed securities (mortgage-backed securities risk) which are subject to the risk that borrowers may default on the obligations that underlie these securities. In addition, these securities may be paid off sooner (prepayment risk) or later than expected which may increase the volatility of securities during periods of fluctuating interest rates. The Fund may invest in bonds issued by foreign governments which may be unable or unwilling to make interest payments and/or repay the principal owed (sovereign debt risk). The Fund's use of borrowing, in reverse repurchase agreements and investment in some derivatives, involves leverage. Leverage tends to exaggerate the effect of any increase or decrease in the value of the Fund's securities and may cause the Fund to be more volatile (leverage risk). Loan participations, delayed funding loans and revolving credit facilities may have the effect of requiring the Fund to increase its investments in a company at a time when it might not otherwise decide to

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

do so (loan risk). The value of securities held by the Fund may decline in response to certain events, including: those directly involving the companies or issuers whose securities are held by the Fund; conditions affecting the general economy; overall market changes; local, regional or political, social or economic instability; and currency and interest rate and price fluctuations (market risk). A significant investment of Fund assets within one or more sectors, industries, securities and/or durations may increase the Fund's sensitivity to adverse economic, business, political, or other, risks associated with such sector, industry, security or duration (sector risk). The Fund's shareholders may be adversely impacted by asset allocation decisions made by an investment adviser whose discretionary clients make up a large percentage of the Fund's shareholders (shareholder concentration risk). Even though the Fund's investments in repurchase agreements are collateralized at all times, there is some risk to the Fund if the other party to the agreement should default on its obligations (repurchase agreement risk). While the U.S. Government has historically provided financial support to U.S. government-sponsored agencies or instrumentalities during times of financial stress, such as the various actions taken to stabilize the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation during the credit crisis of 2008, no assurance can be given that it will do so in the future. Such securities are neither issued nor guaranteed by the U.S. Treasury (U.S. Government Agency Securities Risk). The extent of the Fund's exposure to these risks in respect to these financial assets is included in their value as recorded in the Fund's Statement of Assets and Liabilities.

Please refer to the Fund's prospectus for a complete description of the principal risks of investing in the Fund.

B. Indemnifications. Under the Trust's organizational documents, its officers and Trustees may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the Fund, and shareholders are indemnified against personal liability for the obligations of the Trust. Additionally, in the normal course of business, the Fund enters into agreements with service providers that may contain indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss from such claims is considered remote.

7. Recent Pronouncements.

A. ASU 2017-08. In March 2017, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2017-08, Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities (the "ASU 2017-08") which amends the amortization period for certain purchased callable debt securities held at a premium, shortening such period to the earliest call date. The ASU 2017-08 does not require any accounting

BBH INCOME FUND

NOTES TO FINANCIAL STATEMENTS (continued)

As of and for the period ended October 31, 2018

change for debt securities held at a discount; the discount continues to be amortized to maturity. The ASU 2017-08 is effective for years, and interim periods within those years, beginning after December 15, 2018. Management is currently evaluating the application of ASU 2017-08 and its impact, if any, on the Fund's financial statements.

B. ASU 2018-13. On August 28, 2018, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement (the "ASU 2018-13"). ASU 2018-13 modifies the disclosure objective paragraphs of Accounting Standards Codification 820 to eliminate (1) "at a minimum" from the phrase "an entity shall disclose at a minimum" and (2) other similar "open ended" disclosure requirements to promote the appropriate exercise of discretion by entities. ASU 2018-13 also eliminates and modifies other requirements under ASU 2018-13. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early application is permitted and Management is currently evaluating the application of ASU 2018-13 and its impact, if any, on the Fund's financial statements.

C. Regulation S-X. In October 2018, the U.S. Securities and Exchange Commission adopted amendments to certain disclosure requirements that had become "redundant, duplicative, overlapping, outdated or superseded, in light of the other Commission disclosure requirements, U.S. GAAP or changes in the information environment". The compliance date for the amendments to Regulation S-X is November 5, 2018 (for reporting period end dates of September 30, 2018 and after).

The Fund's financial statements were prepared in compliance with the new amendments to Regulation S-X.

8. Subsequent Events. Management has evaluated events and transactions that have occurred since October 31, 2018 through the date the financial statements were issued and determined that there were none that would require recognition or additional disclosure in the financial statements.

BBH INCOME FUND

DISCLOSURE OF FUND EXPENSES

October 31, 2018 (unaudited)

EXAMPLE

As a shareholder of the Fund, you may incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, reinvested distributions, or other distributions; redemption fees; and exchange fees; and (2) ongoing costs, including management fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (June 27, 2018 to October 31, 2018).

ACTUAL EXPENSES

The first line of the table provides information about actual account values and actual expenses. You may use information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during the period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line of the table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid during the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% Hypothetical Example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

BBH INCOME FUND

DISCLOSURE OF FUND EXPENSES (continued)

October 31, 2018 (unaudited)

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

| | <u>Beginning Account Value June 27, 2018</u> | <u>Ending Account Value October 31, 2018</u> | <u>Expenses Paid During Period June 27, 2018 to October 31, 2018¹</u> |
|---------------------------------|--|--|--|
| Class I | | | |
| Actual | \$1,000 | \$ 993 | \$1.72 |
| Hypothetical ² | \$1,000 | \$1,016 | \$1.74 |

¹ Expenses are equal to the Fund's annualized expense ratio of 0.50% for Class I shares, multiplied by the average account value over the period and multiplied by 126/365.

² Assumes a return of 5% before expenses. For the purposes of the calculation, the applicable annualized expenses ratio for each class of shares is subtracted from the assumed return before expenses.

BBH INCOME FUND

CONFLICTS OF INTEREST

October 31, 2018 (unaudited)

Conflicts of Interest

BBH, including the Investment Adviser, provides discretionary and non-discretionary investment management services and products to corporations, institutions and individual investors throughout the world. As a result, in the ordinary course of its businesses, BBH, including the Investment Adviser, may engage in activities in which its interests or the interests of its clients may conflict with or be adverse to the interests of the Fund.

BBH, including the Investment Adviser, seeks to meet its fiduciary obligation with respect to all investment management clients, including the Fund. BBH, including the Investment Adviser, has adopted and implemented policies and procedures that seek to manage conflicts of interest. Pursuant to such policies and procedures, BBH, including the Investment Adviser, monitors a variety of areas, including compliance with fund investment guidelines, review of allocation decisions and compliance with the Investment Adviser's Code of Ethics. With respect to the allocation of investment opportunities, BBH, including the Investment Adviser, has adopted and implemented policies designed to achieve fair and equitable allocation of investment opportunities among its clients over time. The Investment Adviser has structured the portfolio managers' compensation in a manner it believes is reasonably designed to safeguard the Fund from being negatively affected as a result of any such potential conflicts.

The Trust also manages these conflicts of interest. For example, the Trust has designated a chief compliance officer and has adopted and implemented policies and procedures designed to manage the conflicts identified below and other conflicts that may arise in the course of the Fund's operations in such a way as to safeguard the Fund from being negatively affected as a result of any such potential conflicts. From time to time, the Trustees receive reports from the Investment Adviser and the Trust's chief compliance officer on areas of potential conflict.

Investors should carefully review the following, which describes potential and actual conflicts of interest that BBH and the Investment Adviser can face in the operation of its investment management services. This section is not, and is not intended to be, a complete enumeration or explanation of all of the potential conflicts of interest that may arise. The Investment Adviser and the Fund have adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate the conflicts of interest described below. Additional information about potential conflicts of interest regarding the Investment Adviser is set forth in the Investment Adviser's Form ADV. A copy of Part 1 and Part 2A of the Investment Adviser's Form ADV is available on the SEC's website (www.adviserinfo.sec.gov). In addition, many of the activities that create these conflicts of interest are limited and/or prohibited by law, unless an exception is available.

BBH INCOME FUND

CONFLICTS OF INTEREST (continued)

October 31, 2018 (unaudited)

Other Clients and Allocation of Investment Opportunities. BBH, including the Investment Adviser, manages funds and accounts of clients other than the Fund ("Other Clients"). In general, BBH, including the Investment Adviser, faces conflicts of interest when it renders investment advisory services to different clients and, from time to time, provides dissimilar investment advice to different clients. Investment decisions will not necessarily be made in parallel among the Fund and BBH's Other Clients. Investments made by the Fund do not, and are not intended to, replicate the investments, or the investment methods and strategies, of Other Clients managed by BBH. Accordingly, such Other Clients managed by BBH may produce results that are materially different from those experienced by the Fund. Certain other conflicts of interest may arise in connection with a portfolio manager's management of the Fund's investments, on the one hand, and the investments of other funds or accounts for which the portfolio manager is responsible, on the other. For example, it is possible that the various funds or accounts managed by BBH could have different investment strategies that, at times, might conflict with one another to the possible detriment of the Fund. Alternatively, the investment methods and strategies that the Investment Adviser utilizes in managing the Fund are utilized by BBH, including the Investment Adviser, in managing investments for Other Clients. From time to time, BBH, including the Investment Adviser, establishes, sponsors and is affiliated with other investment pools and accounts which engage in the same or similar businesses as the Fund using the same or similar investment strategies. To the extent that the same investment opportunities might be desirable for more than one account or fund, possible conflicts could arise in determining how to allocate them because BBH may have an incentive to allocate investment opportunities to certain accounts or funds. For example, BBH may act as adviser to private funds with investment strategies similar to the Fund. Those private funds may pay BBH a performance fee in addition to the stated investment advisory fee. In such cases, BBH may have an incentive to allocate certain investment opportunities to the private fund rather than the Fund in order to increase the private fund's performance and thus improve BBH's chances of receiving the performance fee. However, BBH has implemented policies and procedures designed to ensure that information relevant to investment decisions is disseminated promptly within its portfolio management teams and investment opportunities are allocated equitably among different clients. The policies and procedures require, among other things, objective allocation for limited investment opportunities, and documentation and review of justifications for any decisions to make investments only for select accounts or in a manner disproportionate to the size of the account. Nevertheless, access to investment opportunities may be allocated differently among accounts due to the particular characteristics of an account, such as size of the account, cash position, tax status, risk tolerance and investment restrictions or for other reasons.

The policies and procedures require, among other things, objective allocation for limited investment opportunities, and documentation and review of justifications for any decisions to make investments only for select accounts or in a manner disproportionate to the size of the account. Nevertheless, access to

BBH INCOME FUND

CONFLICTS OF INTEREST (continued)

October 31, 2018 (unaudited)

investment opportunities may be allocated differently among accounts due to the particular characteristics of an account, such as size of the account, cash position, tax status, risk tolerance and investment restrictions or for other reasons.

Actual or potential conflicts of interest may also arise when a portfolio manager has management responsibilities to multiple accounts or funds, resulting in unequal commitment of time and attention to the portfolio management of the funds or accounts.

Affiliated Service Providers. Other potential conflicts might include conflicts between the Fund and its affiliated and unaffiliated service providers (e.g. conflicting duties of loyalty). In addition to providing investment management services through the SID, BBH provides administrative, custody, shareholder servicing and fund accounting services to the Fund. BBH may have conflicting duties of loyalty while servicing the Fund and/or opportunities to further its own interest to the detriment of the Fund. For example, in negotiating fee arrangements with affiliated service providers, BBH may have an incentive to agree to higher fees than it would in the case of unaffiliated providers. BBH acting in its capacity as the Fund's administrator is the primary valuation agent of the Fund. BBH values securities and assets in the Fund according to the Fund's valuation policies. Because the Investment Adviser's advisory and administrative fees are calculated by reference to the Fund's net assets, BBH and its affiliates may have an incentive to seek to overvalue certain assets.

Aggregation. Potential conflicts of interest also arise with the aggregation of trade orders. Purchases and sales of securities for the Fund may be aggregated with orders for other BBH client accounts. BBH, however, is not required to aggregate orders if portfolio management decisions for different accounts are made separately, or if it is determined that aggregating is not practicable, or in cases involving client direction. Prevailing trading activity frequently may make impossible the receipt of the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may be averaged, and the Fund will be charged or credited with the average price. Thus, the effect of the aggregation may operate on some occasions to the disadvantage of the Fund. In addition, under certain circumstances, the Fund will not be charged the same commission or commission equivalent rates in connection with an aggregated order. Allocations of aggregated trades, particularly trade orders that were only partially filled due to limited availability, raise a potential conflict of interest because BBH has an incentive to allocate trades to certain accounts or funds.

Cross Trades. Under certain circumstances, the Investment Adviser, on behalf of the Fund, may seek to buy from or sell securities to another fund or account advised by BBH or the Investment Adviser. Subject to applicable law and regulation, BBH or the Investment Adviser may (but is not required to) effect purchases and sales between BBH or the Investment Adviser's clients ("cross trades"), including the Fund, if BBH or the Investment Adviser believe such transactions are appropriate based on each party's

BBH INCOME FUND

CONFLICTS OF INTEREST (continued)

October 31, 2018 (unaudited)

investment objectives and guidelines. There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit the Investment Adviser's decision to engage in these transactions for the Fund. BBH or the Investment Adviser may have a potentially conflicting division of loyalties and responsibilities to the parties in such transactions.

Soft Dollars. The Investment Adviser may direct brokerage transactions and/or payment of a portion of client commissions ("soft dollars") to specific brokers or dealers or other providers to pay for research or other appropriate services which provide, in the Investment Adviser's view, appropriate assistance to the Investment Adviser in the investment decision-making process (including with respect to futures, fixed price offerings and over-the-counter transactions). The use of a broker that provides research and securities transaction services may result in a higher commission than that offered by a broker who does not provide such services. The Investment Adviser will determine in good faith whether the amount of commission is reasonable in relation to the value of research and services provided and whether the services provide lawful and appropriate assistance in its investment decision-making responsibilities.

Research or other services obtained in this manner may be used in servicing any or all of the Funds and other BBH client accounts, including in connection with BBH client accounts that do not pay commissions to the broker related to the research or other service arrangements. Such products and services may disproportionately benefit other BBH client accounts relative to the Fund based on the amount of brokerage commissions paid by the Fund and such other BBH client accounts. For example, research or other services that are paid for through one client's commissions may not be used in managing that client's account. In addition, other BBH client accounts may receive the benefit, including disproportionate benefits, of economies of scale or price discounts in connection with products and services that may be provided to the Fund and to such other BBH client accounts. To the extent that BBH uses soft dollars, it will not have to pay for those products and services itself.

BBH may receive research that is bundled with the trade execution, clearing, and/or settlement services provided by a particular broker-dealer. To the extent that BBH receives research on this basis, many of the same conflicts related to traditional soft dollars may exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing, and settlement services provided by the broker-dealer and will not be paid by BBH. BBH may endeavor to execute trades through brokers who, pursuant to such arrangements, provide research or other services in order to ensure the continued receipt of research or other services BBH believes are useful in its investment decision-making process. BBH may from time to time choose not to engage in the above described arrangements to varying degrees. BBH may also enter into commission sharing arrangements under which BBH may execute transactions through a broker-dealer, and request that the broker-dealer allocate

BBH INCOME FUND

CONFLICTS OF INTEREST (continued)

October 31, 2018 (unaudited)

a portion of the commissions or commission credits to another firm that provides research to BBH. To the extent that BBH engages in commission sharing arrangements, many of the same conflicts related to traditional soft dollars may exist.

Arrangements regarding compensation and delegation of responsibility may create conflicts relating to selection of brokers or dealers to execute Fund portfolio trades and/or specific uses of commissions from Fund portfolio trades, administration of investment advice and valuation of securities.

Investments in BBH Funds. From time to time BBH may invest a portion of the assets of its discretionary investment advisory clients in the Fund. That investment by BBH on behalf of its discretionary investment advisory clients in the Fund may be significant at times. Increasing the Fund's assets may enhance investment flexibility and diversification and may contribute to economies of scale that tend to reduce the Fund's expense ratio. In selecting the Fund for its discretionary investment advisory clients, BBH may limit its selection to funds managed by BBH or the Investment Adviser. BBH may not consider or canvass the universe of unaffiliated investment companies available, even though there may be unaffiliated investment companies that may be more appropriate or that have superior performance. BBH, the Investment Adviser and their affiliates providing services to the Fund benefit from additional fees when the Fund is included as an investment by a discretionary investment advisory client.

BBH reserves the right to redeem at any time some or all of the shares of the Fund acquired for its discretionary investment advisory clients' accounts. A large redemption of shares of the Fund by BBH on behalf of its discretionary investment advisory clients could significantly reduce the asset size of the Fund, which might have an adverse effect on the Fund's investment flexibility, portfolio diversification and expense ratio.

Valuation. When market quotations are not readily available, or are believed by BBH to be unreliable, the Fund's investments may be valued at fair value by BBH pursuant to procedures adopted by the Fund's Board of Trustees. When determining an asset's "fair value," BBH seeks to determine the price that a Fund might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. The price generally may not be determined based on what the Fund might reasonably expect to receive for selling an asset at a later time or if it holds the asset to maturity. While fair value determinations will be based upon all available factors that BBH deems relevant at the time of the determination, and may be based on analytical values determined by BBH using proprietary or third party valuation models, fair value represents only a good faith approximation of the value of a security. The fair value of one or more securities may not, in retrospect, be the price at which those assets could have been sold during the period in which the particular fair values were used in determining the Fund's net asset value. As a result, the Fund's sale or redemption of its shares at net asset value, at a time when a holding or holdings are

BBH INCOME FUND

CONFLICTS OF INTEREST (continued)

October 31, 2018 (unaudited)

valued by BBH (pursuant to Board-adopted procedures) at fair value, may have the effect of diluting or increasing the economic interest of existing shareholders.

Referral Arrangements. BBH may enter into advisory and/or referral arrangements with third parties. Such arrangements may include compensation paid by BBH to the third party. BBH may pay a solicitation fee for referrals and/or advisory or incentive fees. BBH may benefit from increased amounts of assets under management.

Personal Trading. BBH, including the Investment Adviser, and any of their respective partners, principals, directors, officers, employees, affiliates or agents, face conflicts of interest when transacting in securities for their own accounts because they could benefit by trading in the same securities as the Fund, which could have an adverse effect on the Fund. However, the Investment Adviser has implemented policies and procedures concerning personal trading by BBH Partners and employees. The policy and procedures are intended to prevent BBH Partners and employees from trading in the same securities as the Fund.

Gifts and Entertainment. From time to time, employees of BBH, including the Investment Adviser, and any of their respective partners, principals, directors, officers, employees, affiliates or agents, may receive gifts and/or entertainment from clients, intermediaries, or service providers to the Fund or BBH, including the Investment Adviser, which could have the appearance of affecting or may potentially affect the judgment of the employees, or the manner in which they conduct business. The Investment Adviser has implemented policies and procedures concerning gifts and entertainment to mitigate any impact on the judgment of BBH Partners and employees.

BBH INCOME FUND

ADDITIONAL FEDERAL TAX INFORMATION

October 31, 2018 (unaudited)

The qualified investment income ("QII") percentage for the period ended October 31, 2018 was 90.20%. In January 2019, shareholders will receive Form 1099-DIV, which will include their share of qualified dividends distributed during the calendar year 2018. Shareholders are advised to check with their tax advisers for information on the treatment of these amounts on their individual income tax returns.

TRUSTEES AND OFFICERS OF BBH INCOME FUND

(unaudited)

Information pertaining to the Trustees and executive officers of the Trust is set forth below. The mailing address for each Trustee is c/o BBH Trust, 140 Broadway, New York, NY 10005.

| Name and Birth Year | Position(s) Held with the Trust | Term of Office and Length of Time Served# | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee ^A | Other Public Company or Investment Company Directorships held by Trustee During Past 5 Years |
|---------------------------------------|-----------------------------------|--|---|---|--|
| Independent Trustees | | | | | |
| H. Whitney Wagner Birth Year: 1956 | Chairman of the Board and Trustee | Chairman Since 2014; Trustee Since 2007 and 2006-2007 with the Predecessor Trust | President, Clear Brook Advisors, a registered investment adviser. | 7 | None. |
| Andrew S. Frazier Birth Year: 1948 | Trustee | Since 2010 | Retired. | 7 | Director of Western World Insurance Group, Inc. |
| Mark M. Collins Birth Year: 1956 | Trustee | Since 2011 | Partner of Brown Investment Advisory Incorporated, a registered investment adviser. | 7 | Chairman of Dillon Trust Company. |
| John M. Tesoro Birth Year: 1952 | Trustee | Since 2014 | Retired. | 7 | Trustee, Bridge Builder Trust (8 Funds); Director of Teton Advisors, Inc. (a registered investment adviser). |

TRUSTEES AND OFFICERS OF BBH INCOME FUND

(unaudited)

| Name, Address and Birth Year | Position(s) Held with the Trust | Term of Office and Length of Time Served# | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee ^A | Other Public Company or Investment Company Directorships held by Trustee During Past 5 Years |
|---|---------------------------------|---|---|---|--|
| Interested Trustees | | | | | |
| Susan C. Livingston+ 50 Post Office Square Boston, MA 02110 Birth Year: 1957 | Trustee | Since 2011 | Partner (since 1998) and Senior Client Advocate (since 2010) for BBH&Co.; Director of BBH Luxembourg S.C.A. (since 1992). | 7 | None. |
| John A. Gehret+ 140 Broadway New York, NY 10005 Birth Year: 1959 | Trustee | Since 2011 | Limited Partner of BBH&Co. (2012-present); Director of BBH Luxembourg Funds (since 2012); Director of BBH Trust Company (Cayman) Ltd. (since 2012). | 7 | None. |

TRUSTEES AND OFFICERS OF BBH INCOME FUND

(unaudited)

| Name, Address and Birth Year | Position(s) Held with the Trust | Term of Office and Length of Time Served# | Principal Occupation(s) During Past 5 Years |
|--|---|---|--|
| Officers | | | |
| Jean-Pierre Paquin 140 Broadway New York, NY 10005 Birth Year: 1973 | President and Principal Executive Officer | Since 2016 | Partner of BBH&Co. since 2015; joined BBH&Co. in 1996. |
| Daniel Greifenkamp 140 Broadway New York, NY 10005 Birth Year: 1969 | Vice President | Since 2016 | Managing Director of BBH&Co. since 2014; joined BBH&Co. in 2011. |
| Charles H. Schreiber 140 Broadway New York, NY 10005 Birth Year: 1957 | Treasurer and Principal Financial Officer | Since 2007 2006-2007 with the Predecessor Trust | Senior Vice President of BBH&Co. since 2001; joined BBH&Co. in 1999. |
| Paul F. Gallagher 140 Broadway New York, NY 10005 Birth Year: 1959 | Chief Compliance Officer ("CCO") | Since 2015 | Senior Vice President of BBH&Co. since September 2015; Executive Director, Counsel, Morgan Stanley Smith Barney LLC (2009-September 2015). |
| Keith M. Kelley 50 Post Office Square Boston, MA 02110 Birth Year: 1983 | Anti-Money Laundering Officer ("AMLO") | Since 2016 | Vice President of BBH&Co. since February 2016; joined BBH&Co. in 2016; Director, Legal and Compliance, Morgan Stanley Smith Barney LLC (2014-February 2016); Compliance Manager, State Street Corporation (2013-2014). |

TRUSTEES AND OFFICERS OF BBH INCOME FUND

(unaudited)

| Name, Address and Birth Year | Position(s) Held with the Trust | Term of Office and Length of Time Served# | Principal Occupation(s) During Past 5 Years |
|---|---------------------------------|---|--|
| Suzan M. Barron 50 Post Office Square Boston, MA 02110 Birth Year: 1964 | Secretary | Since 2009 | Senior Vice President and Senior Investor Services Counsel, BBH&Co. since 2005. |
| Crystal Cheung 140 Broadway New York, NY 10005 Birth Year: 1974 | Assistant Treasurer | Since 2018 | Assistant Vice President of BBH&Co. since 2016; joined BBH&Co. in 2014; Financial Reporting Manager, BNY Mellon Corporation (2010-2014). |
| Brian J. Carroll 50 Post Office Square Boston, MA 02110 Birth Year: 1985 | Assistant Secretary | Since 2018 | Associate and Investor Services Assistant Counsel of BBH&Co. since 2017; joined BBH&Co. in 2014. |

All officers of the Trust hold office for one year and until their respective successors are chosen and qualified (subject to the ability of the Trustees to remove any officer in accordance with the Trust's By-laws). Mr. Wagner previously served on the Board of Trustees of the Predecessor Trust.

+ Ms. Livingston and Mr. Gehret are "interested persons" of the Trust as defined in the 1940 Act because of their positions as Partner and Limited Partner of BBH&Co., respectively.

^ The Fund Complex consists of the Trust, which has seven series, and each is counted as one "Portfolio" for purposes of this table.

ADMINISTRATOR
BROWN BROTHERS HARRIMAN & CO.
140 BROADWAY
NEW YORK, NY 10005

DISTRIBUTOR
ALPS DISTRIBUTORS, INC.
1290 BROADWAY, SUITE 1100
DENVER, CO 80203

SHAREHOLDER SERVICING AGENT
BROWN BROTHERS HARRIMAN & CO.
140 BROADWAY
NEW YORK, NY 10005
1-800-575-1265

INVESTMENT ADVISER
BROWN BROTHERS HARRIMAN
MUTUAL FUND ADVISORY
DEPARTMENT
140 BROADWAY
NEW YORK, NY 10005

To obtain information or make shareholder inquiries:

By telephone: Call 1-800-575-1265
By E-mail send your request to: bbhfunds@bbh.com
On the internet: www.bbhfunds.com

This report is submitted for the general information of shareholders and is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus. Nothing herein contained is to be considered an offer of sale or a solicitation of an offer to buy shares of the Fund.

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.

Opinions, forecasts, and discussions about investment strategies represent Fund management's views as of the date of this report 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.

Holdings and allocations are subject to change. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities. Current and future holdings are subject to risk.

The Fund files with the Securities and Exchange Commission ("SEC") a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its year, on "Form N-Q." Information on Form N-Q is available without charge and upon request by calling the Funds at the toll-free number listed above. A text only version can be viewed online or downloaded from the SEC's website at <http://www.sec.gov>. You may also access this information from the BBH Funds website at www.bbhfunds.com.

A summary of the Fund's Proxy Voting Policy that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio, as well as a record of how the Fund voted any such proxies during the most recent 12-month period ended June 30, is available, without charge, upon request by calling the toll-free number listed above. This information is also available on the SEC's website at www.sec.gov.

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

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