

# BBH Intermediate Municipal Bond Fund

Monthly Fund Update / February 2020

BBH Intermediate Municipal Bond Fund Class I ("the Fund") had a total return of 0.98% in February, compared to the return of 0.95% for the benchmark Bloomberg Barclays 1-15 Year Municipal Index.

Concern over the potential spread of the Coronavirus in the U.S. dominated fixed income trading in February. Municipal bonds posted positive returns for the month, although they did lag the Treasury rally in a "flight to safety" environment. Technical factors continued to support the Municipal sector, as Municipal mutual funds experienced their 60<sup>th</sup> consecutive week of inflows which was sufficient to absorb a relatively heavy month of supply.

Trading activity was relatively light in the Fund during February and consisted primarily of investing net inflows. Purchase activity included an Oregon zero-coupon school district issue and a low-coupon, callable school district bond in New Jersey. We also added a Tennessee housing finance authority bond and a new issue of District of Columbia dedicated income-tax bonds. There was no material selling activity during the month.

The interest rate rally in February pushed municipal yields further into record low territory. Nonetheless, we are pleased that we have continued to identify attractive individual securities. These opportunities have predominantly been in high quality issuers with non-standard coupon structures, such as zero-coupon bonds, floating-rate notes, and lower-coupon callable debt.

As we enter March, financial market conditions have become turbulent. We would not be surprised if the Coronavirus triggers the first recession in the U.S. in a decade, including significant fundamental stresses. We developed our credit criteria to allow us to safely navigate difficult periods like this. We remain confident in our holdings and are carefully evaluating new opportunities.

**Overall Morningstar Rating™**  
**As of February 29, 2020**

Class I: ★★★★★ Class N: ★★★

Star ratings are based on risk-adjusted return. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year Morningstar Rating metrics. There are 241 funds in the Muni National Interm category Overall Rating as of 2/29/2020.

**Performance**

**Total Returns**

**Average Annual Total Returns**

As of 02/29/2020	Total Returns			Average Annual Total Returns			Since Inception
	1 Mo.*	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	
<b>BBH Intermediate Municipal Bond Fund (Class I)</b>	0.98%	2.92%	2.56%	7.78%	5.38%	4.12%	4.34%
<b>BBH Intermediate Municipal Bond Fund (Class N)</b>	0.97%	2.88%	2.53%	7.62%	5.22%	3.97%	4.20%
<b>Bloomberg Barclays Munipal Bond 1-15 Year Bond Index</b>	0.95%	2.82%	2.49%	7.65%	4.48%	3.39%	3.66%

  

As of 12/31/2019	Total Returns			Average Annual Total Returns			Since Inception
	1 Mo.*	3 Mo.*	YTD	1 Yr.	3 yr.	5 Yr.	
<b>BBH Intermediate Municipal Bond Fund (Class I)</b>	0.35%	0.69%	6.59%	6.59%	4.84%	3.68%	4.00%
<b>BBH Intermediate Municipal Bond Fund (Class N)</b>	0.34%	0.66%	6.53%	6.53%	4.68%	3.52%	3.87%
<b>Bloomberg Barclays Municipal Bond 1-15 Year Bond Index</b>	0.32%	0.81%	6.44%	6.44%	4.10%	3.01%	3.33%

**Class I: Net/Gross Expense Ratio (%) 0.50 / 0.50**  
**Class N: Net/Gross Expense Ratio (%) 0.65 / 0.77**

**All performance is net of fees**  
Sources: BBH & Co. and Bloomberg

\* Returns are not annualized.

The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses to 0.65% for Class N shares and 0.50% for Class I shares through March 1, 2021. The Expense Limitation Agreement may only be terminated during its term with approval of the Fund's Board of Trustees (the "Board").

**Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than the original cost. For performance current to the most recent month-end please call 1-800-625-5759. Fund shares redeemed within 30 days of purchase are subject to a redemption fee of 1.00%.**

The Bloomberg Barclays 1-15 Year Blend (1-17) Muni Index is a component of the Barclays Municipal Bond index, including bonds with maturity dates between one and 17 years. The Bloomberg Barclays Municipal Bond Index is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year. The index is not available for direct investment.

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

**BBH Fund Information Service: (800) 625-5759**

Share Class Overview  
As of February 29, 2020

	Ticker	CUSIP	Inception Date	Total Net Assets (mil)	NAV	30-Day SEC Yield* (Subsidized)	30-Day SEC Yield* (Unsubsidized)
<b>Class I</b>	BBIX	05528C824	04/01/2014	\$383.6	\$10.96	1.14%	1.19%
<b>Class N</b>	BBINX	05528C816	04/01/2014	\$61.0	\$10.97	0.99%	0.99%

\* SEC yield is a calculation based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the reported period.

Credit Quality As of February 29, 2020	
Cash and Cash Equivalents	2.4%
AAA	30.7%
AA	33.6%
A	32.7%
BBB	0.5%
BB	0.0%
B or Lower	0.0%
Not Rated	0.0%
<b>Total</b>	<b>100.0%</b>
Reported as a percentage of portfolio securities.	

Top 10 Holdings / Coupon / Maturity As of February 29, 2020			
Virginia State College Building Authority	5.000%	09/01/2027	1.8%
Texas State Department of Housing and Community Affairs	2.835%	09/01/2047	1.7%
Michigan Qualified School Bond Loan Fund	6.000%	05/01/2029	1.6%
Geisinger Health System, PA	2.129%	06/01/2028	1.5%
District of Columbia Income Tax	5.000%	10/01/2028	1.5%
State of Massachusetts	5.000%	07/01/2026	1.3%
Public Energy Authority Of Kentucky (Peak) Gas Supply	4.000%	12/01/2049	1.3%
Tennessee Housing Development Agency	3.500%	07/01/2050	1.3%
Massachusetts State Water Pollution Abatement	3.900%	08/01/2023	1.2%
New York State Energy Research and Development Authority	2.375%	07/01/2026	1.1%
<b>Total</b>			<b>14.2%</b>
Reported as a percentage of total portfolio.			

Sector Distribution As of February 29, 2020	
General Obligations	28.8%
Pre-Refunded	0.9%
Revenue	70.2%
<b>Total</b>	<b>100.0%</b>
Reported as a percentage of portfolio securities.	

Fund Facts As of February 29, 2020	
Number of Holdings	232
Number of Issuers Held	124
Effective Duration (years)	4.62
Yield to Maturity	1.54%
Yield to Worst	1.37%

Holdings are subject to change. Totals may not sum due to rounding.

Credit Quality letter ratings are provided by Standard and Poor's, Moody's and Fitch and are presented as the higher of the three ratings. When a security is not rated by Standard & Poor's, Moody's or Fitch, the highest credit ratings from DBRS and Kroll may be used. Credit ratings reflect the credit quality of the underlying issues in the portfolio and not of the portfolio itself. Issues with credit ratings of BBB or better are considered to be investment grade, with adequate capacity to meet financial commitments. Issues with credit ratings below BBB are considered speculative in nature and are vulnerable to the possibility of issuer failure or business interruption.

Effective duration is a measure of the portfolio's return sensitivity to changes in interest rates.

Yield to Maturity is the rate of return the portfolio would achieve if all purchased bonds and derivatives were held to maturity, assuming all coupon and principal payments are received as scheduled and reinvested at the same yield to maturity. This figure is subject to change and is not meant to represent the yield earned by any particular security. Yield to Maturity is before fee and expenses.

Yield to Worst is the lowest yield an investor can expect when there is optionality on the bond (i.e., call or put, etc.). Yield to Maturity and Yield to Worst are before fees and expenses.

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Opinions, forecasts, and discussions about investment strategies represent the author's views as of the date of this commentary and are subject to change without notice. References to specific securities, asset classes, and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as recommendations.

Purchase and sale information provided should not be considered as a recommendation to purchase or sell a particular security and that there is no assurance, as of the date of publication, that the securities purchased remain in a fund's portfolio or that securities sold have not been repurchased.

## RISKS

There is no assurance that this investment objective will be achieved.

Diversification does not eliminate the risk of experiencing investment losses.

Investors in the Fund should be able to withstand short-term fluctuations in the fixed income markets in return for potentially higher returns over the long term. The value of portfolios changes every day and can be affected by changes in interest rates, general market conditions and other political, social and economic developments.

Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, maturity, call and inflation risk; investments may be worth more or less than the original cost when redeemed.

Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax.

The Fund also invests in derivative instruments, investments whose values depend on the performance of the underlying security, assets, interest rate, index or currency and entail potentially higher volatility and risk of loss compared to traditional stock or bond investments.

As the Fund's exposure in any one municipal revenue sector backed by revenues from similar types of projects increases, the Fund will also become more sensitive to adverse economic, business or political developments relevant to these projects.

Asset allocation decisions, particularly large redemptions, made by an investment adviser whose discretionary clients make up a large percentage of the Fund's shareholders may adversely impact remaining Fund shareholders.

**For more complete information, visit [www.bbhfund.com](http://www.bbhfund.com) for a current Fund prospectus. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.**

Shares of the Fund are distributed by ALPS Distributors, Inc. and is located at 1290 Broadway, Suite 1000, Denver, CO 80203.

Brown Brothers Harriman & Co. ("BBH"), a New York limited partnership, was founded in 1818 and provides investment advice to registered mutual funds through a separately identifiable department (the "SID"). The SID is registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. BBH acts as the Fund Administrator and is located at 140 Broadway, New York, NY 10005.

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**Not FDIC Insured**

**No Bank Guarantee**

**May Lose Money**

**BBH Fund Information Service: (800) 625-5759**

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