BBH Intermediate Municipal Bond Fund

Quarterly Fund Update / 2Q 2020

Keep Your Guard Up

BBH Intermediate Municipal Bond Fund Class I ("the Fund") had a total return of 2.61% during the second quarter of 2020, compared to a return of 2.69% for the benchmark Bloomberg Barclays 1-15 Year Municipal Index

Financial markets recovered dramatically during the second quarter with riskier assets leading the way, as winners and losers from the first quarter switched places. We found this juxtaposition ironic given the rising trajectory of U.S. coronavirus infections and the economic uncertainties it is creating. While the official response of "throwing money at it" has strengthened markets and offset some lost incomes in the short-term, what happens next is anyone's guess. Along with more expensive valuations comes a thinner margin for error. Our natural response when facing rising risks and declining compensation is to remain defensive and keep our guard up.

While many investors may be rejoicing their short-term returns, we know all too well how rapidly conditions and sentiment can change. Most recently in March, 60 consecutive weeks of inflows into Municipal mutual funds turned into turmoil and record outflows in just two weeks. Only with time and the benefit of hindsight will we be able to judge the reopening of the American economy and the sustainability of its recovery. We know that reopening does not equal the resumption of normal economic activity, and we suspect that our service-based economy will struggle with social-distancing.

With a return of over 20%, the S&P 500 almost recovered its first quarter losses while Investment-Grade Corporates generated nearly 10%. Following their stellar 9% performance during the first quarter, U.S. Treasuries returned a mere 20 basis points[1] during the second quarter. Municipals fared better than Treasuries but were slower to recover as well with net mutual fund flows not turning positive until May. Amid stable Treasuries, Municipal yields fell 60 to 80 basis points in 2- to 5-year maturities and about 40 basis points for 10-year and longer maturities. For the quarter, intermediate-maturity Municipals generated a return of 2.7%, bringing the year-to-date total to 2.1%. Even with the late-quarter rally in credit-sensitive bonds, lower-rated securities continue to lag significantly year-to-date.

As Municipals recovered, so did their yield ratios versus Treasuries. The first quarter witnessed the largest disconnect ever between Municipals and Treasuries. During the second quarter, the 2-year ratio declined from 420% to 180%, while the 10-year ratio fell from 200% to 140%. Despite the large decline, these ratios are still historically high and likely to

Performance By Credit Grade (%)

	2020		
	June	2Q	YTD
AAA	0.03	2.86	3.42
AA	0.38	2.69	2.73
A	1.49	2.70	1.36
BBB	3.28	2.79	-2.05
Lower than BBB	3.96	4.55	-2.64

The returns above illustrate performance for components of the Bloomberg Barclays Municipal Bond Index by credit rating as of June 30, 2020. The credit rating of a security is a key classification in the fixed income market, with a clear distinction between investment grade (BBB or higher) and high yield (lower than BBB). Bloomberg uses the middle rating of Moody's, S&P and Fitch to determine a security's credit rating.
Sources: Bloomberg and BBH Analysis

Performance
As of June 30, 2020

	Total Returns		Average Annual Total Returns			
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	Since Inception
Class I	2.61%	2.44%	4.56%	4.39%	4.24%	4.08%
Class N	2.56%	2.35%	4.39%	4.23%	4.08%	3.94%
Benchmark	2.69%	2.18%	4.18%	3.75%	3.42%	3.42%

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

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

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

Sources: BBH & Co. and Bloomberg

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

compress further. However, we do not expect ratios to fully mean-revert to their long-term averages for the simple reason that the lower the yield, the lower the tax value of municipal income. Said differently, at very low yield levels, the better liquidity and quality of Treasuries become a bigger part of the equation.

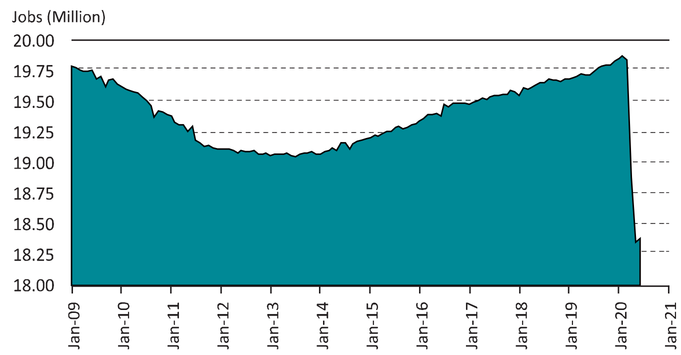
Municipal and Investment-Grade Corporate bonds suffered their worst month of relative performance versus Treasuries in March. During April, Corporates recovered about half their losses and continued to perform well for the rest of the quarter. In contrast, Municipals continued their underperformance in April before bouncing back in May. We attribute this delayed response in Municipals to the extreme divisiveness in Washington and much-less-robust Federal Reserve (Fed) support measures than those implemented in the major taxable bond sectors.

Early in the quarter, Senate majority leader McConnell stoked fear in the household-dominated Municipal market by suggesting that states should be enabled to file for bankruptcy. The last time the concept of state bankruptcy was floated was following the Great Financial Crisis (GFC). Lawmakers quickly shutdown the idea. Today, as then, enabling states to file for bankruptcy would entail enormous hurdles, likely including a constitutional amendment which would require supermajority votes in the House and Senate along with ratification of three-quarters of states. Unfortunately, the ongoing politicization of a future aid package for states is all too real.

States have been on the front line in fighting the virus, incurring billions in non-budgeted expenses. Additionally, states are facing significant revenue shortfalls from the rapid and deep decline in economic activity. In total, states are estimated to have an aggregate $500 billion budget shortfall, or roughly 25% of total budgets. If federal aid is ultimately withheld, the likely results would include cuts to healthcare, education, infrastructure projects, and massive layoffs – all of which would work directly against federal stimulus measures. These cuts and layoffs have already begun.

In facing the current pandemic, the Fed has re-opened its GFC-playbook and then went beyond it. In addition to bringing its target rate down to near zero, the Fed jump-started a new open-ended quantitative easing program – growing its balance sheet from $4 trillion to $7 trillion since Mid-March. The Fed has also introduced a host of other facilities.

State and Local Government Payrolls



Data reported monthly from January 31, 2009 to June 30, 2020
Sources: Bureau of Labor Statistics and BBH Analysis

Federal Reserve Facilities: Loans Outstanding

	Maximum Amount Authorized ($ Bil)	Total Loans Outstanding ($ Bil)
Commercial Paper Funding Facility	-	4.3
Main Street Lending Program	600	0.0
Money Market Mutual Fund Liquidity Facility	-	23.5
Municipal Liquidity Facility	500	1.2
Paycheck Protection Program Liquidity Facility	659	59.4
Primary Dealer Credit Facility	-	4.0
Corporate Credit Facility	750	8.7
Term Asset-Backed Securities Loan Facility	100	0.0

Data as of June 30, 2020
Sources: Federal Reserve and BBH Analysis

In the Money Market Mutual Fund Liquidity Facility (MMFLF), the Fed lends to banks supporting their money market funds, accepting a range of collateral including Treasuries, commercial paper, and municipal variable-rate demand notes. During March, liquidity problems in prime and Municipal mutual money market funds led to a spike in ultrashort-term tax-exempt yields. As evidence of the stress, top-rated 1-week Municipal paper started the second quarter with a yield of 4.7%. Once enacted, the MMFLF quickly stabilized the money markets with ultrashort-term Municipal rates falling to below 0.25%.

Investors had high hopes when the Fed formulated its Municipal Liquidity Facility (MLF). At a maximum authorized amount of $500 billion, the size of the program appeared to offer an effective bridge for lost revenues during the crisis. Investor hope broadly waned as use of the program entailed meaningful penalty rates. We view this program as consistent with the Fed mandate as lender of last resort. When compared with the Fed's support for Corporate bonds, which is 50% larger and conducted through secondary market purchases, the MLF appears relatively weak.

Despite a two-week pause, Municipal new issuance ended the first half of 2020 at over $200 billion, more than 15% ahead of last year's pace. On the surface, this looks positive; however, we must recognize that roughly one-fourth of this year's issuance was taxable. The Municipal market continues to feel the strong after-effects of 2017's tax reform that eliminated tax-exempt advanced refundings. Consequently, a significant portion of refinancing activity has been occurring in taxable bonds. This has left 2020's year-to-date tax-exempt supply similar to that of last year and barely adequate for reinvestment demand.

When the new issue market did reopen early in the second quarter, significant concessions existed for bonds with non-standard coupons, such as zero's or low coupon bonds, and also for issuers in sectors more directly impacted by the crisis, such as healthcare and transportation. Lastly, issuance in smaller, less liquid sectors such as State Housing Finance Authorities (HFA) were also priced to clear easily. By quarter-end, new issue dynamics were similar to that which existed pre-crisis, with tighter spreads and heavy over-subscriptions.

We had a busy quarter participating in a range of new issues. A Hermiston School District in Oregon and Glendale Community College District in California were two such zero-coupon issues that offered over 100 basis points of spread for intermediate to longer maturities. We also participated heavily in a range of maturities in a new issue for Northshore University Health, affiliated with the University of Chicago. Spreads ranged from 80 to 120 basis points for the new deal, about double their prevailing spreads pre-COVID-19. Mid-quarter, Connecticut issued bonds backed by an assortment of state-level transportation-related taxes and fees. Even with the slowdown in economic activity, these bonds offered well over two-times coverage relative to their maximum annual debt service. Despite their strong protection, the bonds offered over 100 basis points of spread. We have been a long-time holder of this credit and added to our position in the new issue. Lastly, we participated in new issues for North Carolina and Nebraska HFAs, among others. They both offered spreads in the 100-to-120 basis point range.

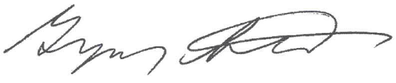
We also leaned into a number of secondary market opportunities including the Metropolitan Transportation Authority (MTA) and New Jersey Transportation Authority. The MTA provides critical mass transit services to the New York City area and experienced upwards of a 95% decline in its ridership following the onset of the crisis. MTA has also incurred heavy costs related to worker illness and virus-related cleaning costs. Maintaining market access and liquidity are two very important aspects of the MTA's credit. As the nation's largest mass transit system, the MTA requested, and received, $4 billion in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and is eligible for Federal Emergency Management Act (FEMA) payments. MTA also continues to enjoy strong support from the state of New York. To help see the MTA through this difficult period, New York State recently established an internal 3-year term $10 billion lending facility, dedicated all statewide internet sales taxes, and agreed to contribute $3 billion to the MTA's capital budget for the next two fiscal years, mirroring an identical grant by New York City. New York State also enabled the MTA to borrow from the Fed's MLF, if necessary. These measures, as well as MTA's own liquidity raise, which included the sale of its former mid-town headquarters for $1 billion, should provide a more-than-ample bridge through the crisis. The two-year maturity bonds we purchased yielded over 4%.

Along with New York, New Jersey was hit hard in the early stage of the crisis. Heading into the pandemic, New Jersey had been making steady progress to bolster its financial position. The largest credit variable in New Jersey relates to its pension, and the state's willingness to make its full annual payments. Pension holidays and other skipped payments had led to numerous downgrades under the watch of former administrations. Currently, the state is entering year 8 out of 10 in stepping up to its full annual pension contributions and both the Governor and legislature are committed to staying on track. Importantly, during the recent past, New Jersey has dedicated its net state lottery revenue to its pension for 30 years and also passed a law requiring quarterly pension contributions. Prior to this, the payment was typically made on the last day of the fiscal year, which made it easy to skip or reduce in the face of a budget imbalance. The bonds we purchased yielded over 4% and are backed by an assortment of constitutionally-dedicated transportation-related revenues, which, like those in Connecticut, offer greater than 2-times coverage.

Over the first half of the year, we have had the equivalent of a full credit cycle in Municipals and we are proud that we ended June with above-benchmark performance and in a strong position relative to our peers. We face more uncertainties today than we have in decades. None of us had invested through a pandemic in which a wide swath of the country was told to stay at home. We are struck by the dichotomy presented between ebullient financial markets and a challenged fundamental backdrop that continues to worsen, the deepening partisan divide, record Treasury issuance to fund the record stimulus, and the unfortunate need to again flatten the coronavirus infection curve. Although progress is being made on an effective therapy and potential vaccines, the human and financial costs of a delay are growing rapidly. Today, we face a historically wide range of potential future outcomes. The goal for us, as always, is to protect against things going wrong along the way. Owning durable credits[2] has never been more important.

Thank you and stay well.

Sincerely,



Gregory S. Steier
Fund Manager

[2] Obligations such as bonds, notes, loans, leases, and other forms of indebtedness, except for cash and cash equivalents, issued by obligors other than the U.S. Government and its agencies, totaled at the level of the ultimate obligor or guarantor of the Obligation.

Share Class Overview
As of June 30, 2020

	Overall Morningstar Rating ™ *	Ticker	CUSIP	Inception Date	Total Net Assets (mil)	NAV	30-Day SEC Yield** (Subsidized)	30-Day SEC Yield** (Unsubsidized)
Class I	★★★★★	BBIIX	05528C824	04/01/2014	$570.2	$10.88	1.09%	1.09%
Class N	★★★★	BBINX	05528C816	04/01/2014	$65.2	$10.89	0.88%	0.89%

* 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 238 funds in the Muni National Interm category Overall Rating as of 6/30/2020.

** 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 June 30, 2020

Cash and Cash Equivalents	3.6%
AAA	29.8%
AA	37.2%
A	26.0%
BBB	3.3%
BB	0.0%
B or Lower	0.0%
Not Rated	0.0%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Top 10 Holdings / Coupon / Maturity
As of June 30, 2020

Virginia State College Building Authority	5.000%	09/01/2027	1.2%
Minnesota Housing Finance Agency	2.470%	01/01/2050	1.2%
Philadelphia School District, PA	5.000%	06/01/2033	1.2%
Texas State Muni Gas Acquisition	0.910%	12/15/2026	1.2%
Texas State Department of Housing and Community Affairs	2.835%	09/01/2047	1.1%
Michigan Qualified School Bond Loan Fund	6.000%	05/01/2029	1.1%
Northern California Gas Authority	1.680%	07/01/2027	1.1%
Washington, DC (Income Tax)	5.000%	10/01/2028	1.1%
California School Districts (GOs)	0.000%	08/01/2024	1.0%
South Dakota Housing Development Authority	3.75%	11/1/2050	1.0%
Total			**11.1%**

Reported as a percentage of total portfolio.

Sector Distribution
As of June 30, 2020

General Obligations	32.3%
Pre-Refunded	1.1%
Revenue	66.6%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Fund Facts
As of June 30, 2020

Number of Holdings	284
Number of Issuers Held	126
Effective Duration (years)	4.71
Yield to Maturity	1.47%
Yield to Worst	1.35%

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.

This material is not authorized for distribution unless accompanied or preceded by a current Fund prospectus.

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.bbhfunds.com for a current Fund prospectus. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.

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

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.

Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The BBH Intermediate Municipal Bond Fund was rated against the following numbers of Muni National Interm category funds over the following time periods: 238 funds in the last three years and 211 funds in the last five years. With respect to these Muni National Interm category funds, the BBH Intermediate Municipal Bond Fund (Class I & Class N), received an Overall Morningstar Rating of 5 stars and 4 stars, respectively. Class I three- and five years periods received ratings of 5 stars and 5 stars, respectively. Class N three- and five-year periods received ratings of 4 stars and 4 stars, respectively.

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