

# BBH Limited Duration Fund

*Fund Fact Sheet / 3Q 2020*

## PRINCIPAL STRATEGY AND OBJECTIVES

The BBH Limited Duration Fund (“the Fund”) will invest in a well-diversified portfolio of high-quality fixed income instruments. The Fund will not measure its performance success nor alter its construction in relation to any particular benchmark or index. Instead, the Fund will seek to preserve capital and to generate a positive absolute return, while attempting to avoid instances of negative total return over extended periods of time. The Fund will have the flexibility to invest in the sectors, industries, securities, and durations that the investment adviser (“Adviser”) identifies as offering attractive risk-adjusted return potential consistent with the Fund’s investment objective and as disclosed in the Fund’s registration statement.

## INVESTMENT CRITERIA

BBH Investment Management (IM) applies a disciplined investment selection process focused on the following attributes:

- The Fund expects to invest across many sectors, but will typically hold corporate debt (domestic and foreign), asset-backed securities, commercial mortgage-backed securities, agency mortgage-backed securities, and select municipal obligations.
- The Fund seeks durable Credits<sup>1</sup> that are attractively priced. When durable and attractively-priced credits are not available, the Fund will invest in Treasury and cash instruments while seeking new opportunities.
- An attractive price is one that not only offers appropriate compensation for liquidity, credit, prepayment, or extension risks, but also provides additional compensation for the likelihood of additional excess returns over time.
- Durable Credits typically share the following characteristics:
  - Are able to withstand a wide variety of economic scenarios.
  - Enjoy strong market position and/or proprietary products and/or have recourse to independently valuable collateral.
  - Provide transparency to investors.
  - Have a strong management team with a track record, a balanced approach towards creditors and equity investors and an alignment of interests with investors.
  - Maintain leverage and structure that is appropriate through business cycles.
  - Avoid unacceptable environmental, social and governance (“ESG”) risks.

<sup>1</sup> 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.

## FUND CO-MANAGERS



### Andrew P. Hofer

Mr. Hofer is head of Taxable Fixed Income. He joined Investment Management in 1998 as Head of Insurance Asset Management, and from 2003-2006 was Investment Management’s Chief Operating Officer and Head of Risk Management. Mr. Hofer earned a BA in East Asian studies from Yale, and an MIA (Master of International Affairs) from Columbia University.



### Neil Hohmann, PhD

Mr. Hohmann has directed BBH’s structured products strategy and credit research since 2007. He is also involved in the management of BBH’s fixed income positions in financial companies. Mr. Hohmann graduated Magna Cum Laude with Distinction from Yale University and earned his PhD in Economics from the University of Chicago.

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

## PRINCIPLES OF FIXED INCOME INVESTING

- **Investment Objective:** The Fund seeks to provide maximum total return, consistent with preservation of capital and prudent investment management.
- **Emphasis on Capital Preservation:** The Fund will seek to maintain a high quality bias through the purchase of securities where our own independent analysis suggests a very low probability of any interruption in the timely payment of interest or principal.
- **Diversification:** The Fund will typically hold 75 to 150 Credits, with most positions accounting for 0.5% to 1.5% of the Fund’s market value. Our highest conviction holdings may be up to 3.0% of the Fund’s value at purchase.
- **Liquidity:** The Fund seeks to only own Credits that are readily marketable. The Fund is not intended to be a substitute for a money market fund.
- **Long-term Perspective:** Many investment strategies are built around short-term expectations, momentum following and frequent trading. We believe that a longer-term view of both companies and investments leads to stronger results and risk control over market cycles.

The Fund is not a Money Market fund and its shares will fluctuate in value.

Below are the parameters for the Limited Duration Fund under normal market conditions:

Portfolio Parameters	
Duration Range	0 - 1.5 Years
Non-Investment Grade	≤10%
Syndicated Loans	≤15%
Non-U.S. Dollar (Fully Hedged)	≤5%
Emerging Markets	≤5%

**Performance  
As of September 30, 2020**

Fund/Benchmark	Total Returns		Average Annual Total Returns				
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception <sup>3</sup>
<b>BBH Limited Duration Fund (Class I)<sup>1</sup></b>	1.00%	1.60%	2.31%	2.82%	2.70%	2.04%	3.88%
<b>BBH Limited Duration Fund (Class N)</b>	1.08%	1.65%	2.23%	2.74%	2.57%	1.89%	3.72%
<b>Bloomberg Barclays U.S. 1-3 Treasury Bond Index</b>	0.10%	3.11%	3.64%	2.66%	1.81%	1.29%	2.81%
<b>Reference Benchmark</b>	0.41%	2.39%	2.88%	2.73%	2.16%	1.73%	2.59%

**Class I: Net/Gross Expense Ratio (%) 0.28 / 0.28**

**Class N: Net/Gross Expense Ratio (%) 0.35 / 0.51**

**All performance is net of fees**

Sources: BBH & Co. and Bloomberg

*The Investment Adviser has contractually agreed to limit the Total Annual Fund Operating Expenses to 0.35% for Class N 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.**

<sup>1</sup> The Class I shares commenced operations on December 3, 2002. Prior to December 3, 2002, performance reflects performance of the Class N shares adjusted to assume that all charges, expenses and fees were deducted. Performance prior to December 22, 2000 is that of the BBH Broad Market Fixed Income Portfolio adjusted to assume that all charges, expenses and fees of the Fund and the Portfolio which are presently in effect were deducted during such periods, as permitted by applicable SEC staff interpretations. <sup>2</sup> The Class N shares commenced operations on December 22, 2000. Performance prior to December 22, 2000 is that of the BBH Broad Market Fixed Income Portfolio adjusted to assume that all charges, expenses and fees of the Fund and the Portfolio which are presently in effect were deducted during such periods, as permitted by applicable SEC staff interpretations. <sup>3</sup> "Inception Date" (7/20/2000) is the inception date of the BBH Broad Market Fixed Income Portfolio.

The Bloomberg Barclays U.S. 1-3 Year Treasury Bond Index is an unmanaged index of fixed rate obligations of the U.S. Treasury with maturities ranging from 1 to 3 years. The Fund does not measure its performance success nor alter its construction in relation to any particular benchmark or index. The composition of the Bloomberg Barclays U.S. 1-3 Year Treasury Bond Index is materially different than the Fund's holdings.

The Reference Benchmark is composed of 40% Bloomberg Barclays Short-Term Corporate Index, 40% Bloomberg Barclays US Aggregate ABS Index, and 20% Bloomberg Barclays US Treasury Bill Index. Bloomberg Barclays Short-Term Corporate Index is an unmanaged index comprised of U.S. dollar denominated, investment grade, fixed rate, corporate securities with a remaining maturity from 1 day up to (but not including) 12 months and have at least \$250 million par amount outstanding. Bloomberg Barclays US Aggregate ABS Index represents the ABS components of the Bloomberg Barclays U.S. Aggregate Index. Bloomberg Barclays U.S. Aggregate Bond Index is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least \$300 million par amount outstanding and with at least one year to final maturity. Bloomberg Barclays US Treasury Bills Index is an unmanaged index comprised publicly-issued U.S. Treasury bills with a remaining maturity from 1 day up to (but not including) 12 months. It excludes zero coupon strips. The indexes are not available for direct investment.

**Share Class Overview  
As of September 30, 2020**

	Overall Morningstar Rating™*	Ticker	CUSIP	Inception Date	Total Net Assets (mil)	NAV	30-Day SEC Yield** (Subsidized)	30-Day SEC Yield** (Unsubsidized)
<b>Class I</b>	★★★★★	BBBIX	05528X851	12/03/2002	\$7,502.0	\$10.23	1.59%	1.59%
<b>Class N</b>	★★★★★	BBBMX	05528X802	12/22/2000	\$453.2	\$10.24	1.51%	1.38%

\* 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 168 funds in the Ultrashort Bond category as of 9/30/2020.

\*\* 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.

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Credit Quality As of September 30, 2020	
Cash and Cash Equivalents	19.0%
U.S. Treasuries	0.0%
AAA	20.7%
AA	9.6%
A	21.4%
BBB	23.9%
BB	3.9%
B or Lower	1.0%
Not Rated	0.5%
<b>Total</b>	<b>100.0%</b>

Top 10 Credits As of September 30, 2020	
iShares ShortTerm Corp Bond ETF	2.1%
PFS Financing Corp	1.6%
NextGear Floorplan Master Owner Trust	1.4%
AerCap Holdings NV	1.3%
Oportun Funding LLC	1.2%
FS KKR Capital Corp	1.2%
Owl Rock Capital Corp	1.1%
National Australia Bank Ltd.	1.1%
Truist Financial Corp	1.1%
Australia & New Zealand Banking Group Ltd	1.0%
<b>Total</b>	<b>13.2%</b>

Reported as a percentage of total portfolio.

Sector Distribution As of September 30, 2020	
Corporate Securities	37.5%
Asset-Backed Securities	26.2%
Commercial Mortgage-Backed Securities	4.9%
Residential Mortgage-Backed Securities	1.5%
Municipal Securities	1.3%
Agency Mortgage-Backed Securities	0.2%
Loans	9.1%
Government-Related	0.3%
Cash and Cash Equivalents	19.0%
<b>Total</b>	<b>100.0%</b>

Fund Facts As of September 30, 2020	
Number of Holdings	313
Effective Duration (years)	0.93
Weighted Average Life (years)	2.06
Yield to Maturity	1.80%

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.

Weighted Average Life of securities excludes US Treasury futures positions.

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.

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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

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

Asset-Backed Securities ("ABS") are subject to risks due to defaults by the borrowers; failure of the issuer or servicer to perform; the variability in cash flows due to amortization or acceleration features; changes in interest rates which may influence the prepayments of the underlying securities; misrepresentation of asset quality, value or inadequate controls over disbursements and receipts; and the security being structured in ways that give certain investors less credit risk protection than others.

Foreign investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

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

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

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

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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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 Limited Duration Fund was rated against the following numbers of U.S.-domiciled Ultrashort Bond category funds over the following time periods: 168 funds in the last three years, 130 funds in the last five years, and 60 funds in the last ten years. With respect to these Ultrashort Bond category funds, the overall BBH Limited Duration Fund (Class I & Class N), received a Morningstar Rating of 5 stars and 5 stars, respectively. Class I three-, five- and ten-year periods received ratings of 5 stars, 5 stars and 5 stars, respectively. Class N three-, five- and ten-year periods received ratings of 5 stars, 5 stars and 5 stars, respectively.

**Not FDIC Insured**

**No Bank Guarantee**

**May Lose Money**

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Exp. Date 01/31/2021