BBH Income Fund

Quarterly Fund Update / 1Q 2021

Credit and equity markets bottomed out in March of 2020, so the last 12 months have been all recovery, making for very pleasant reading in annual performance comparisons. The Bloomberg Barclays US Credit Index, for instance, is up 7.9% over the past 12 months. But it may be better to consider the last 13 months as a whole to judge by how much the recovery over the last year outweighs the drawdown in March of 2020. For that period, the same index is only up about 0.7% annualized. We are very pleased with the results of our process and our active management over this last credit cycle, and we think our clients have been as well. In addition, credit impairments among our positions have been negligible over the course of the last 15 months. Given all the fear and disruption in the pandemic, and our investments in several cyclical sectors before and after March 2020, we are gratified – if cautiously so – with our credit selection process (more on this in our Fund-specific commentaries).

The big story in fixed income in the first quarter of 2021 was a major move up in rates, bringing total returns on intermediate and longer duration notes and bonds into negative territory. The price performance of credit indexes, which was very powerful in the second half of last year, weakened over the last two quarters with the rise in rates. Index credit spreads[1] (extra yield for credit risk) were rangebound for much of the first quarter. Meanwhile, economic trends from earnings to payrolls came in very strong, the Federal Reserve (Fed) has been steadfast that stimulus will remain in place, the government is considering a third huge stimulus spending bill, and investors are struggling with very low risk premia in fixed income.

Performance
As of March 31, 2021

	Total Returns		Average Annual Total Returns				
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Class I	-2.05%	-2.05%	10.48%	N/A	N/A	N/A	7.14%
Benchmark	-3.37%	-3.37%	0.71%	N/A	N/A	N/A	5.11%

Class I: Net/Gross Expense Ratio (%) 0.48 / 0.48

* Returns are not annualized.

Past performance does not guarantee future results. For performance current to the most recent month-end please call 1-800-625-5759.

The investment adviser has contractually agreed to limit the Total Annual Fund Operating Expenses for Class I Shares to 0.48%, through March 1, 2022. 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.

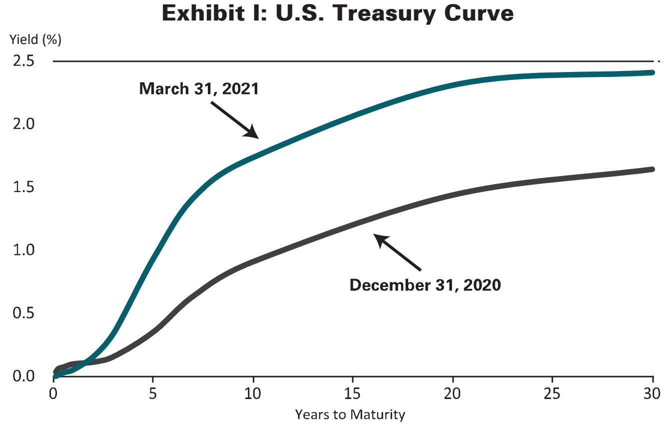
Sources: BBH & Co. and Bloomberg

This is a market heavily distorted by government action and, very likely, prone to significant bouts of volatility. Yet the economic context will likely include above-trend growth and some signs of inflation. It all adds up to an unprecedented combination. Accurate predictions are difficult even with solid historical parallels, let alone at a time like this.

Strong consumer trends, better-than-expected recovery in pandemic-affected sectors, massive fiscal and monetary stimulus, and continued trade frictions and interruptions in global trade have created inflation worries and driven investors from longer maturities.

The 10-year Treasury Note yield increased from 0.91% to 1.74% (see Exhibit I), *with a negative return of about -7% for the quarter.* While such a rise in rates certainly felt unfamiliar, we saw similar increases in 2008-2009, in the "taper tantrum" of 2013, and even in the second half of 2016. With short rates anchored around zero, the 2-10 year Treasury curve steepened to 1.57%, well above its average since 1977 of 0.91%, but certainly short of levels typically seen entering an expansion as well as its post crisis highs of 2.64%. These rate rises reversed some of the strong total returns in credit since April of 2020 (see Exhibit II on the following page). In summary, there has been a dramatic move in rates, but we are not in unprecedented territory, and there is risk of further moves if inflation rises above expectations. At the moment, the Treasury Inflation-Protected Securities ("TIPS") market suggests a short run of inflation around 3%, moderating to 2.6% through 2025, then 2.2% thereafter. This market-implied forecast is quite similar to the

Exhibit I: U.S. Treasury Curve



Data reported quarterly as of December 31, 2020 and March 31, 2021
Sources: Bloomberg and BBH Analysis

[1] Spread is the difference in yield between a U.S. Treasury bond and another debt security of the same maturity but different credit quality.

forecasts of the Fed Governors, as well as those of many economists, but falls short of consumer surveys.

We do not seek to quarrel with these forecasts, but rather to place large uncertainty ranges around them. First of all, surveys and market implied forecasts tend to miss the mark. As our colleague Jorge Aseff points out in this quarter's BBH Inflation-Indexed Fixed Income quarterly strategy update, market-implied inflation forecasts have missed by 0.6% on average, and surveys by 0.7%. Also, there is simply too much unprecedented government stimulus and global change to feel certain about any one path for rates. Thanks to the pandemic, developed countries are re-thinking their supply chains. Fiscal discipline is not a constraint in policymakers' priorities – except when it occasionally aligns with the partisan advantage. Many younger investors have no memory of the wreckage in the bond markets when inflation took hold in the 1970-1980s. We agree that there is a significant risk of elevated inflation, and certainly believe there is a *likelihood* of higher volatility in rates given the massive government interventions at play.

Another source of volatility, familiar to our readers, may be the changing patterns of foreign institutional Treasury purchases (see Exhibit III). Foreign investors have been buying a shrinking share of Treasury instruments, leaving domestic sectors to pick up the slack. Within those purchases, they are also shifting purchases to bills from bonds. Declining foreign demand for Treasuries, offsetting Fed purchases, seems to be contributing to Treasury pricing on the margin. Fears of inflation may cause even larger changes in purchase patterns.

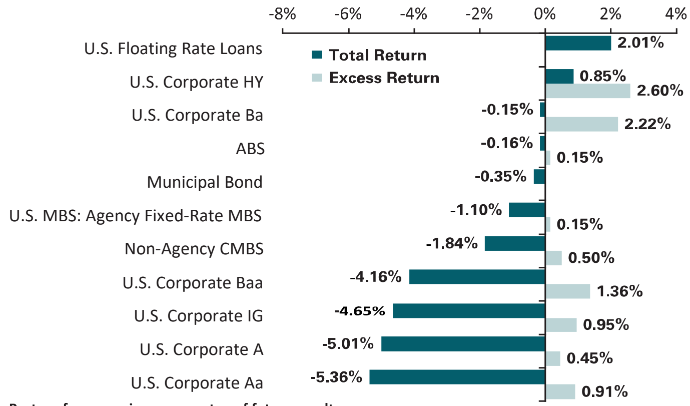
Index average corporate spreads look like terrible value. History suggests they will move wider from these levels at some point, perhaps rapidly. We believe massive government stimulus, monetary and fiscal, may lead to more volatility.

In our last Quarterly Update, we described how our process[2] was leading us to buy more credit in pandemic-affected sectors, as the durability of many credits within those sectors was becoming clearer and value remained. While the recovery in those pandemic-affected sectors boosted our performance last quarter, value in those sectors is now becoming increasingly difficult to find (see Exhibit IV on the following page).

Nowhere is this more striking than the investment grade (IG) corporate bond market, where a miserable 3% of IG corporates now meet our valuation thresholds as a potential buy (see Exhibit V).

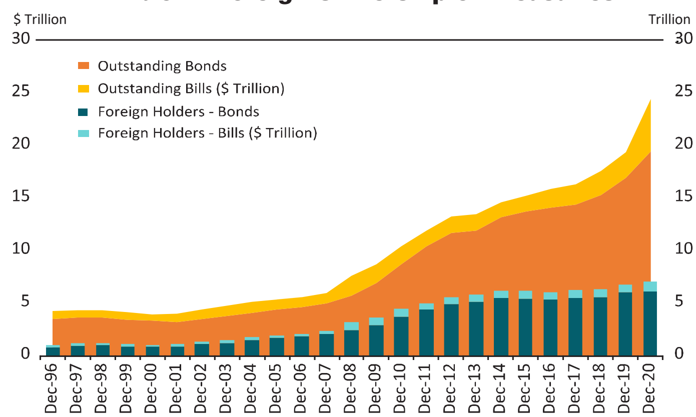
Recently, a prospect asked us if our valuation framework had been "invalidated" given the Fed's decision to buy in the credit markets during the pandemic. We think not – in fact, it reinforces the need to assure sufficient value in each credit we purchase. The question reminded us of the "great moderation" that many pundits thought had been achieved in 2004-2006. A look at credit volatility in the eras before and after Quantitative Easing (QE) certainly doesn't show that longer-term volatility in spreads subsequently disappeared (see Exhibit VI at the bottom of the next page), only that increasing government involvement can cause spreads to decrease rapidly in the short-term.

Exhibit II: 1Q 2021 Credit Mar ket Returns



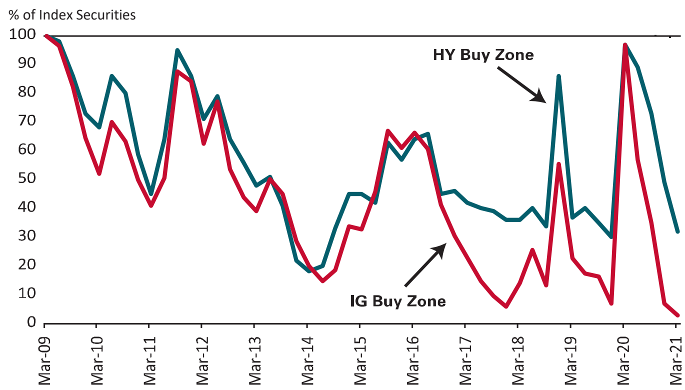
Past performance is no guarantee of future results
Data reported quarterly as of March 31, 2020
HY = High Yield, MBS = Mortgage-Backed Securities, CMBS = Commercial Mortgage-Backed Securities,
ABS = Asset-Backed Securities, IG = Investment Grade
Excess return is the investment return of a credit sector in excess of comparable duration U.S. Treasuries
Sources: Credit Suisse, Bloomberg, and BBH Analysis

Exhibit III: Foreign Ownership of Treasuries



Data reported yearly from December 31, 1996 to December 31, 2020
Sources: Bloomberg and BBH Analysis

Exhibit V: Investment Grade and High Yield Buy Zones



Data reported quarterly from March 31, 2009 to March 31, 2021
As represented by the BofA ML U.S. Corporate and BofA ML U.S. High Yield Corporate Indexes
Sources: Bloomberg and BBH Analysis

[2] Our valuation framework is a purely quantitative screen for bonds that may offer excess return potential, primarily from mean-reversion in spreads. When the potential excess return is above a specific hurdle rate, we label them "Buys" (others are "Holds" or "Sells"). These ratings are category names, not recommendations, as the valuation framework includes no credit research, a vital second step.

Exhibit IV: Spread Widening and Recovery In Pandemic-Affected Sectors

The BofA ML US Corporate Index	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Mar-21 Compared to Pre-Pandemic
Lodging	87	630	321	276	167	149	62
Airlines	102	650	350	292	187	149	47
Finance Companies	109	726	393	317	160	150	41
Home Construction	68	386	113	81	99	99	31
Oil Field Services	114	500	263	241	164	143	29
Gaming	142	547	320	285	192	167	25
Leisure	123	985	727	87	127	121	-2
Midstream	158	591	265	254	177	156	-2
Refining	132	510	224	210	153	128	-4
Metals And Mining	145	422	232	198	144	136	-9
Independent	151	928	361	287	164	140	-11
Other Reits	120	449	223	192	114	105	-15
Paper	145	394	229	186	137	119	-26
Automotive	101	444	175	125	80	74	-27
Non Captive Consumer	243	725	637	461	318	214	-29

BofA ML US Cash Pay High Yield Index	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Mar-21 Compared to Pre-Pandemic
Refining	381	1205	811	925	862	642	261
Airlines	215	1147	992	844	511	361	146
Aerospace/Defense	320	964	939	845	559	457	137
Leisure	308	1111	1043	742	502	392	84
Lodging	250	943	639	556	362	296	46
Oil Field Services	969	1448	1383	1350	1192	1008	39
Midstream	381	1164	712	647	469	392	11
Transportation Services	544	1138	936	824	621	532	-12
Automotive	337	956	624	534	345	316	-21
Retail Reits	1015	1389	1377	1411	1032	946	-69
Metals And Mining	435	958	701	583	446	356	-79
Industrial Other	488	937	785	660	464	360	-128
Retailers	577	1047	761	564	407	330	-247
Independent	737	1414	1044	901	607	461	-276
Tobacco	928	1340	1056	758	534	463	-465

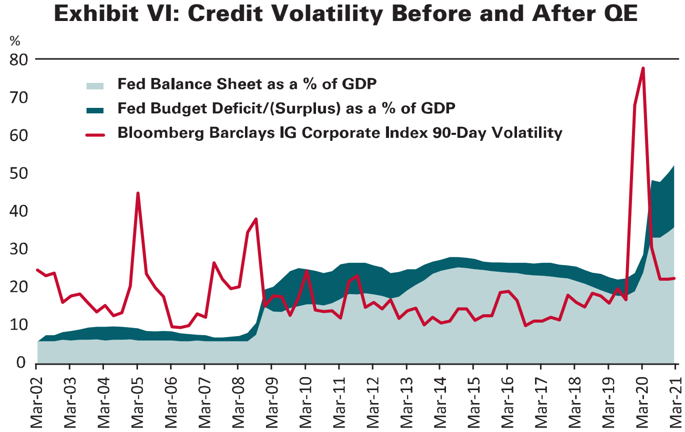
Sources: BofA Merrill Lynch and BBH Analysis

As always, we recommend investors eschew poor valuations. Instruments trading well below long-term average spreads in longer-term maturities bear greater risk from spread-widening. Don't take the bait. But when you find a good value, lock it in. Like 2004-2006, and the 1960s, these periods of low spreads can last a while. Given the clear strength of the economy right now and the Fed pumping in massive excess liquidity, this value drought may go on for a while.

There are still some decent values to be had, mostly in less widely-followed sectors and industries with smaller issues and/or special circumstances.

The asset-backed securities (ABS) market continues to provide higher yields and little of the exposure to spread-widening risk currently embedded in the corporate market. The high yield (HY) market also has much better value than IG (see Exhibit IV), although closer inspection reveals that it is in "yield-to-call" investments – bonds that are likely to be called, but offer a relatively high yield for a short period of time (see

Exhibit VI: Credit Volatility Before and After QE

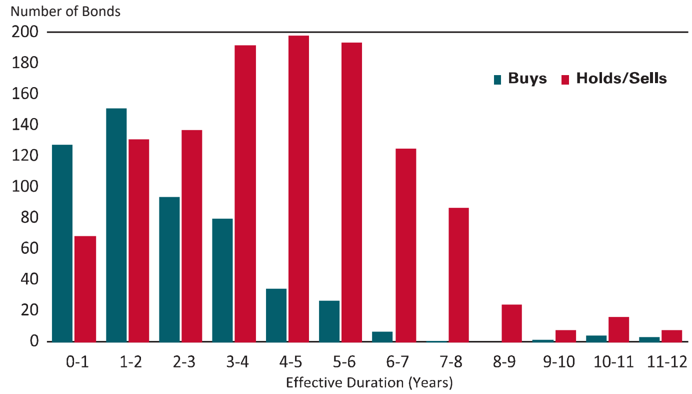


Data reported quarterly from March 31, 2009 to March 31, 2021
Sources: Bloomberg and BBH Analysis

Exhibit VII). Finally, investors still systematically shun bonds that appear to be less liquid. At the right valuation, we recommend investors take the illiquidity risk. Otherwise, short, higher-yielding credit is where our valuation framework takes us.

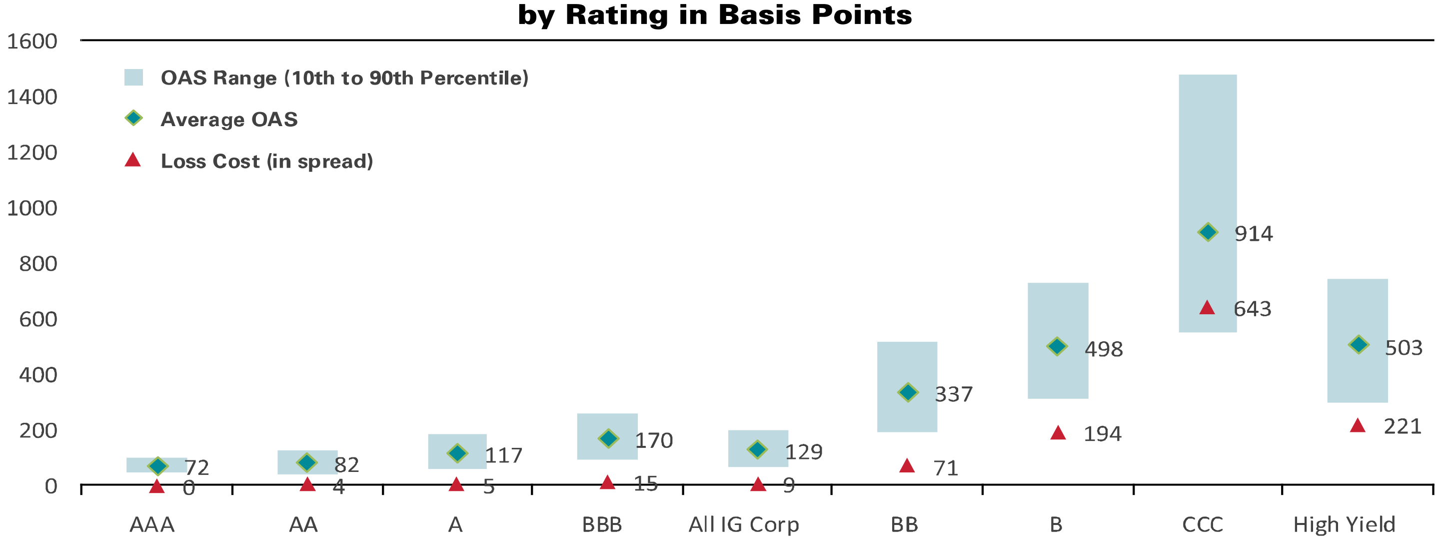
The best place to find one-off, or idiosyncratic, value opportunities in otherwise complacent markets is in the BBB to BB range. Our research shows that credit spreads in general are both wider and more volatile here than underlying fundamentals require or suggest. This is particularly true in this "crossover range" of credit ratings, where long-term defaults are very low, but compensation tends to be high and variable. In fact, if you were to invest passively in one grade of credit, BB-rated obligations have generally provided the best risk-adjusted long-term returns. In Exhibit VIII, we show the long-term range of spreads for each rating, as well as the long-term default cost of investing in each rating category. BBB and BB stick out as offering higher and wider-ranging compensation with low default costs. Compared to IG credit, there are more small issues and pure-play companies in the BBB and BBB- rating categories. Rating agencies tend to lower ratings for those reasons, a method with which we do not agree. Compared to B and CCC rated credit, default rates are significantly lower for BB-rated credits. As in other periods of generally slim opportunities, some of our best individual credit picks are in the BBB to BB ratings categories.

Exhibit VII: BBH Buy Zone Bonds. vs. Holds/Sells* In HY



* as represented by the BoA ML US HY Corporate Index
Data reported as of March 31, 2021
Sources: BoA Merrill Lynch and BBH Analysis

Exhibit VIII: Historical Loss Cost In Spread vs. Historical Option-Adjusted Spread Range by Rating in Basis Points



Past performance is no guarantee of future results.
Credit Quality letter ratings are provided by Standard and Poor's and Moody's and are presented as the higher of the two ratings. When a security is not rated by Standard & Poor's or Moody's, the highest credit ratings from Fitch, DBRS, and Kroll may be used. Credit ratings reflect the credit quality of the underlying issues in the fund portfolio and not of the fund 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. It is possible that BBH investors may receive other communications that show credit quality using different groupings and may only use credit ratings from Standard and Poor's and Moody's.
Loss Cost: Moody's Annual Default Study 2020. BBH analysis based on 40% recovery
Investment Grade (IG) Option Adjusted Spread (OAS): month-end from June 1990 to March 2021, Bloomberg Barclays Credit Index
High Yield (HY) Option Adjusted Spread (OAS): month-end from December 1993 to March 2021, Bloomberg Barclays High Yield Index
Bloomberg Barclays High Yield Index: covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included.
Sources: Bloomberg Barclays, Moody's, and BBH Analysis

Zero risk-free yields are making investors a little crazy, but it is always a good time to take a valuation-based approach.

There is no mystery why it is very difficult to find yield with a stable price in today's environment. This is simply because the Fed is buying up Treasuries and keeping rates low to incentivize investors to put their money at risk. As a result, valuations are at extremely rich levels in the markets adjacent to Treasuries (IG corporates, mortgage-backed securities or "MBS", and other agency credit).

We won't take the bait – we don't want to lock in bad valuations for the long run. We continue to pick-off good values in less-traveled parts of the market like structured credit, certain niche corporate sectors, the 'crossover' ratings categories, and loans and short, callable high yield. Fundamental credit trends are improving, making it even easier to avoid stretching credit standards to get invested. Market volatility will eventually do the work for us, as it did in 2020.

Portfolio changes over the last 15 months

The BBH Income Fund Class I ("the Fund") returned -2.05% Year-to-date, exceeding the Fund's benchmark (the Bloomberg Barclays U.S. Aggregate Index) by 1.32%. Over the trailing 12 months, the Fund returned 10.48%, vs the benchmark return of 0.71%. Given the extraordinary performance in March 2020 (13 months ago), it may be appropriate to look at a 13-month performance figure to capture the entire cycle. For the 13-month period ended March 31, 2021, the Fund returned 4.82% vs benchmark performance of 0.11%. Sector and selection exposures contributed 1.31% (0.62% and 0.69%, respectively) of our 1.32% outperformance in the first quarter. Corporate exposures contributed 1.03%, structured sectors (ABS and CMBS) contributed 0.27%, and our TIPS exposure contributed 0.08%. Duration and yield curve contribution totaled 0.13%.

We would be the first to say it is unusual for core fixed income funds to outperform their benchmarks by more than 5%, but the period since the pandemic hit has been anything but typical. The Fund's success in this period can be attributed to a) being conservatively positioned prior to last March, b) aggressive purchases of credit through the year, first in higher quality credits and subsequently in more pandemic-affected sectors as their positive trajectory became clear and c) negligible credit impairments.

Exhibit IX depicts the spread duration, or price sensitivity to credit spread, over the course of the last 15 months. Credit purchases in the second quarter of last year added almost a full year of spread duration, a level we maintained through late in the year. As value has become scarcer, we have let the spread duration of the portfolio fall again, but not yet to pre-pandemic levels. Most of the change has come in the corporate sector, where the round-trip in valuations was most vivid. This is typical of credit cycles post-crisis –ABS tend to be shorter and offer consistent value, while corporates and CMBS, generally longer in spread duration, will enter our "buy zone" more episodically. In addition to lower spread duration, cash and Treasuries in the fund have been a bit higher in the last few months (ranging from 7.5% to 11.6%), above the 5%-6% of last summer, but still well below the 24% we held at the end of February, 2020. The very low yield currently available on Treasuries makes them very expensive as a liquid reserve, so we are using very short, high quality credit as a second tier of liquidity. 12.2% of the portfolio is rated A or better and has a duration of two years or less.

In Exhibit X, we look at subsectors that were among the top four by spread in any of the last 15 months. Spreads in pandemic-affected sectors such as electric generation, independent energy companies, and retailers (ELECTRIC, INDEPENDENT, and RETAILERS in the accompanying exhibit) remained wide through the fall, but then dramatically compressed over the last 3-6 months. Even the most directly affected subsectors, CMBS with retail exposure, healthcare providers, and aircraft lessors ("FINANCE COMPANIES"), have mostly seen gradually narrowing spreads, with some noise along the way.

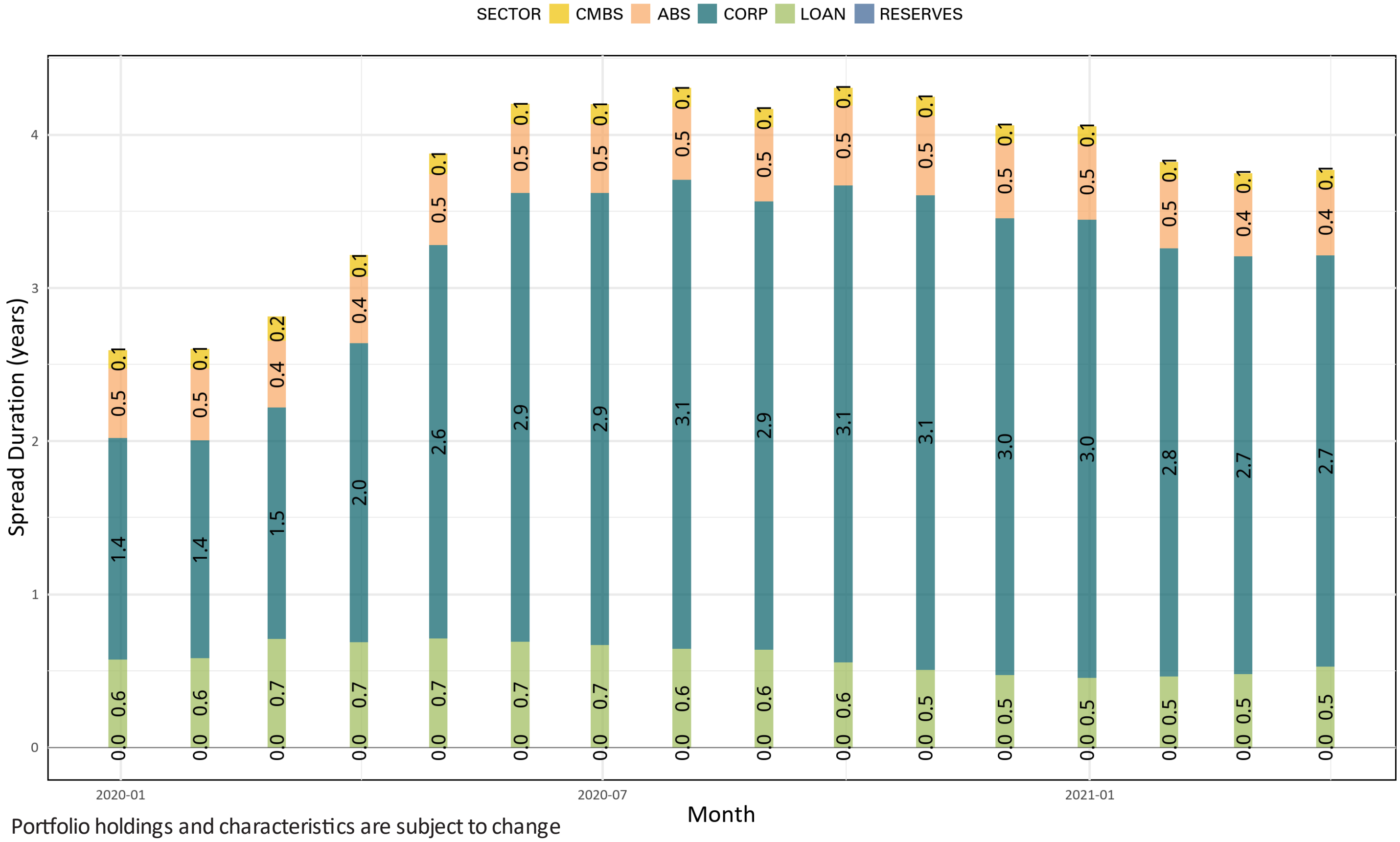
As described above, we continue to have success shopping in the "crossover" ratings, ABS, and the more niche sectors of the corporate market, and a few of our post-pandemic purchases still offer excellent value. Our investing success is reflected in the fact that over 81% of the portfolio, spread across 59 different subsectors, offer spreads above the IG corporate average of 0.91% (see Exhibit XI). About 32% of the Fund is BBB-rated, and 16% BB-rated. Some of the more attractive sectors include building materials, which is enjoying the strongest growth in the last 20 years, loans to airlines secured by the revenues and intellectual property (IP) in their customer loyalty programs, ABS backed by small business loans, and obligations of pipelines ("MIDSTREAM") with take-or-pay contracts, strong customers, and very limited commodity price exposure. Our investments in all of the above sectors yield more than 3% more than similar-duration Treasuries. As spreads have tightened, our purchasing pace slowed in the first quarter, but you can see from the sectors in which we made purchases that we continue to find value in these niche and pandemic-affected subsectors (see Exhibit XII).

In Exhibit XIII, we summarize ratings actions over the last 15 months. The Fund had four securities downgraded from IG to HY, and a flurry of one notch downgrades, all due to the pandemic, concentrated in the second quarter of last year. All but one of these obligors are performing, and a few have paid off at par. One was sold at a significantly impaired value (0.12% of the portfolio when it was removed). Many of the ABS holdings were upgraded as they paid down principal in the second half of the year. The strong performance of the vast majority of downgraded securities is shown in Exhibit XIV, which tracks the spreads of all the downgraded obligors through the period. With negligible impairments and strong recoveries, we are very satisfied with the credit performance of the portfolio.

We believe the performance of the Fund through this extraordinary credit cycle is a strong proof statement of our process, which is to constantly look for durable credits[3] at attractive valuations, and to allow the portfolio to take shape around the availability of those opportunities.

[3] 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.

Exhibit IX:
Spread Duration Reflects Valuations
BBH Income Fund

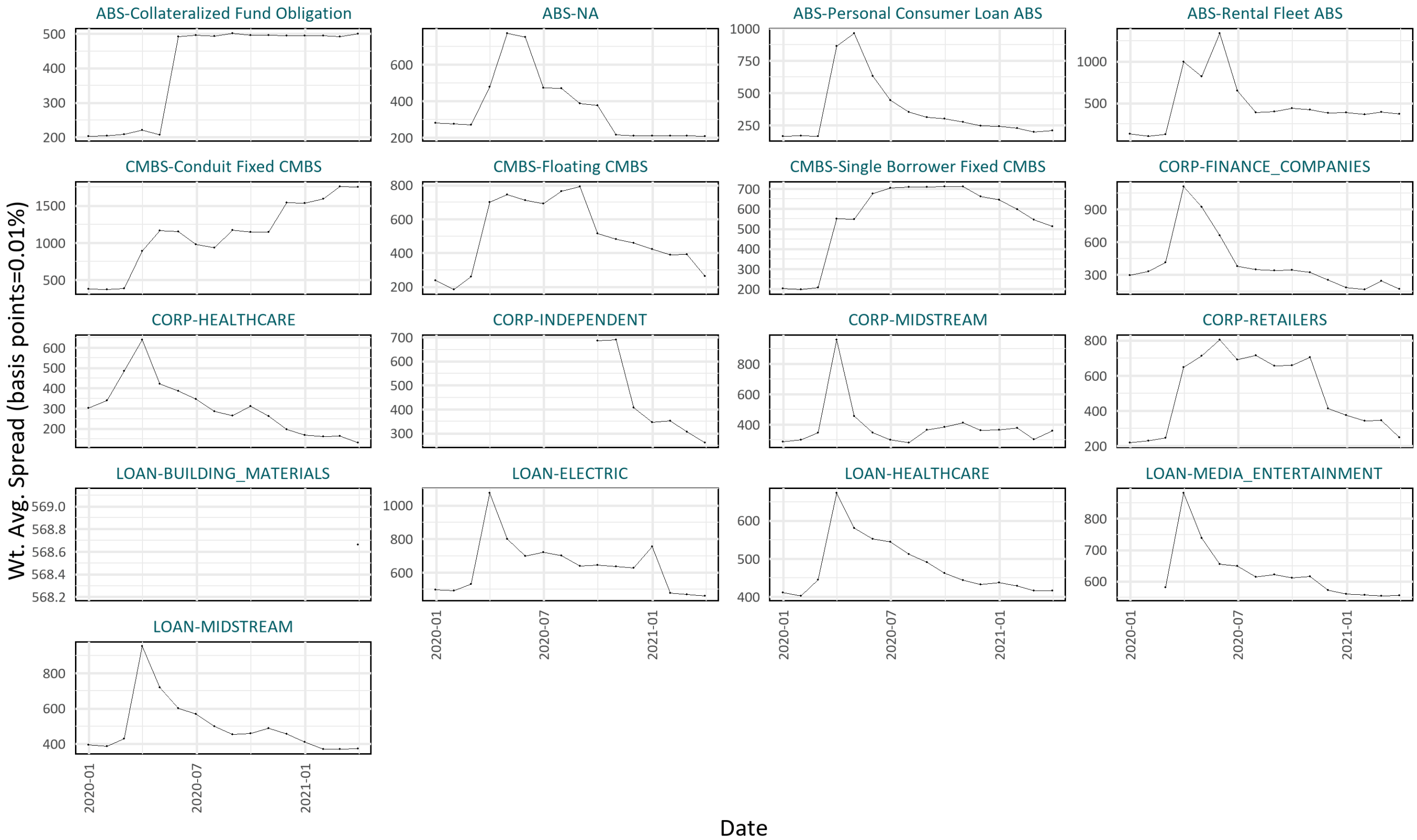


Portfolio holdings and characteristics are subject to change
Data reported monthly from January 1, 2020 to April 1, 2021
Source: BBH Analysis

Exhibit X:

Highest Spread Subsectors Mostly Recovered Rapidly

BBH Income Fund: includes top 4 subsectors by spread in any month since January 2020

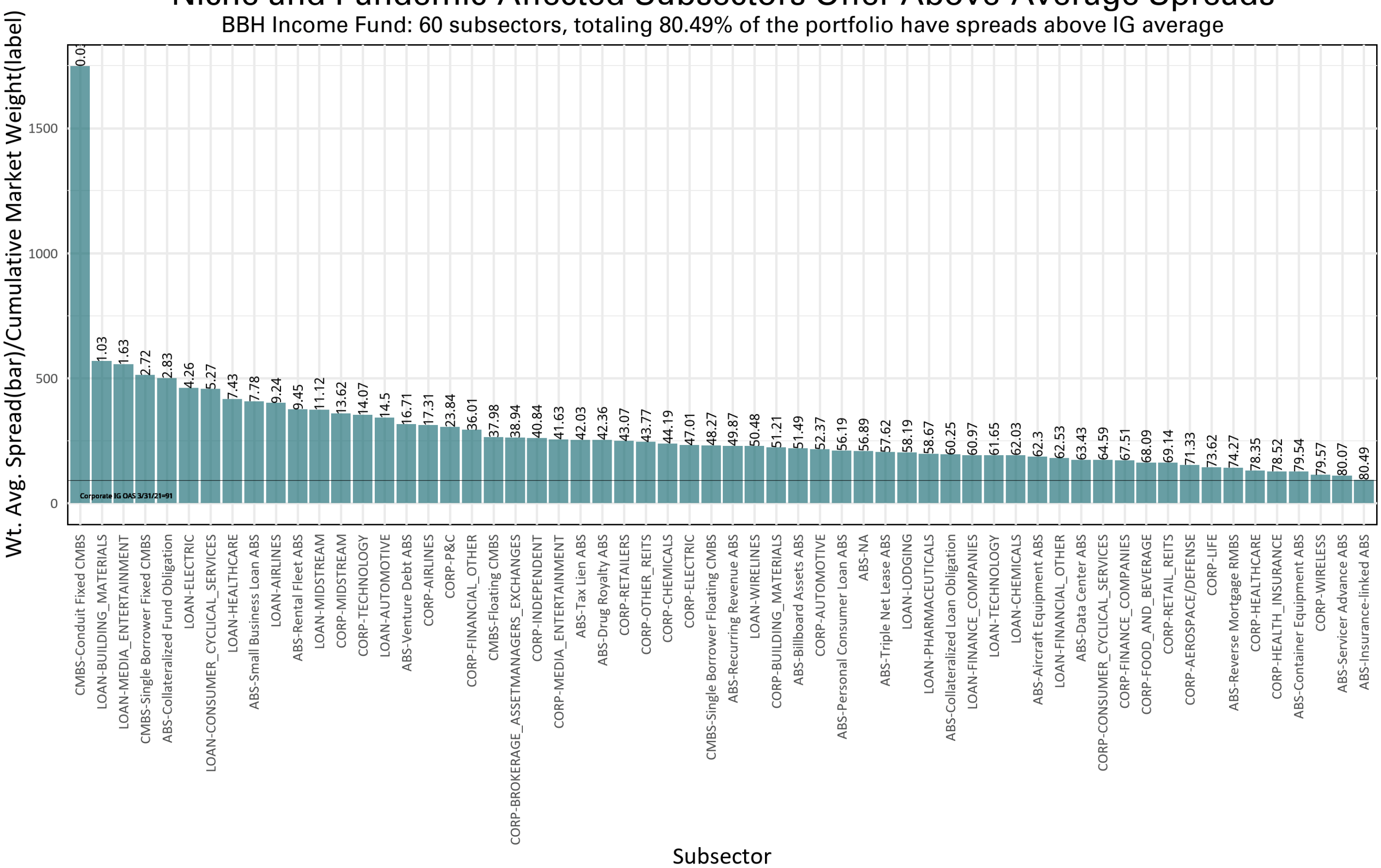


Portfolio holdings and characteristics are subject to change
Data reported monthly from January 1, 2020 to April 1, 2021
Source: BBH Analysis

Exhibit XI:

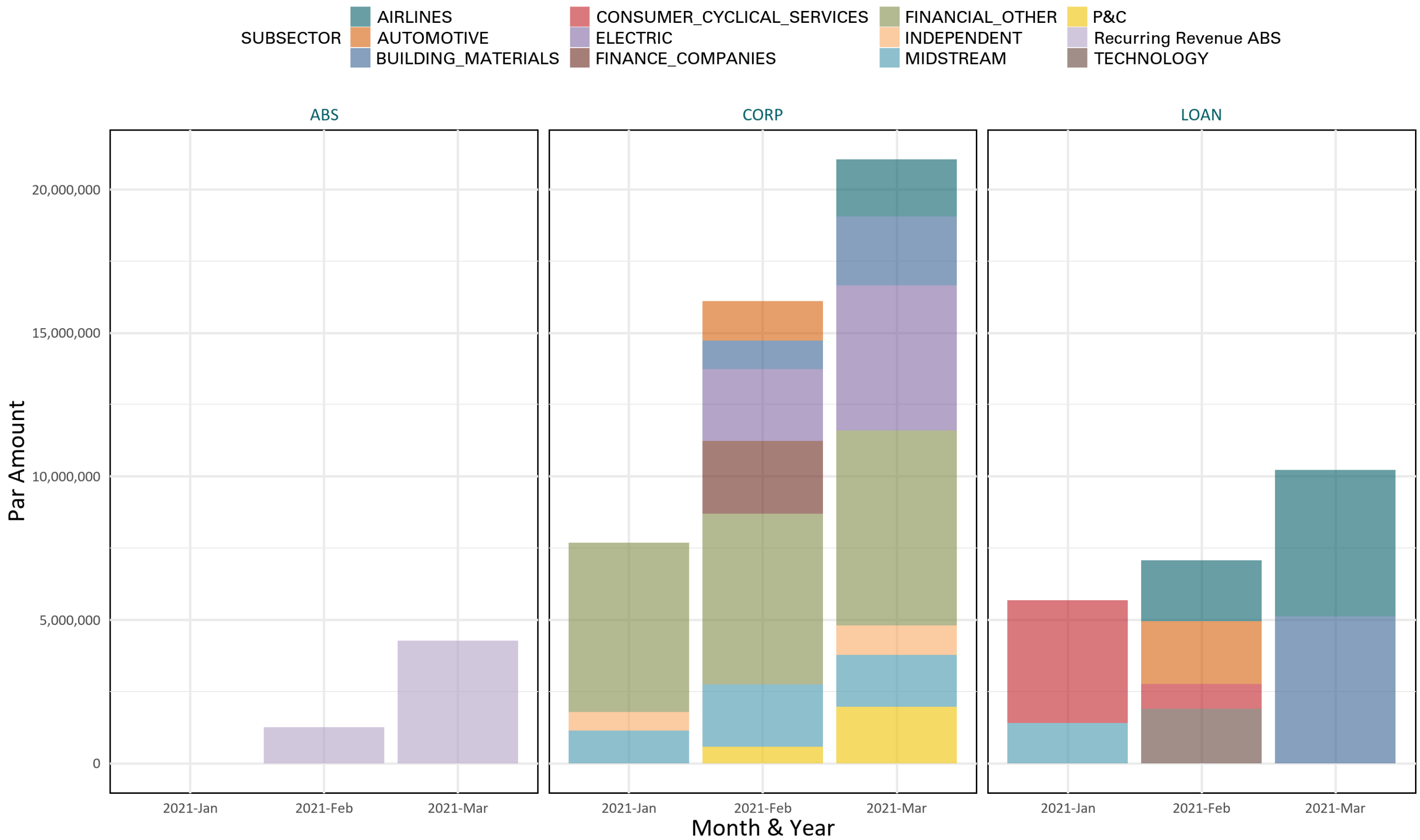
Niche and Pandemic-Affected Subsectors Offer Above-Average Spreads

BBH Income Fund: 60 subsectors, totaling 80.49% of the portfolio have spreads above IG average



Portfolio holdings and characteristics are subject to change
Data as of April 1, 2021
Sources: BofA ML US Corporate Bond Index and BBH Analysis

Exhibit XII:
First Quarter Purchases Mostly in Niche Subsectors
BBH Income Fund

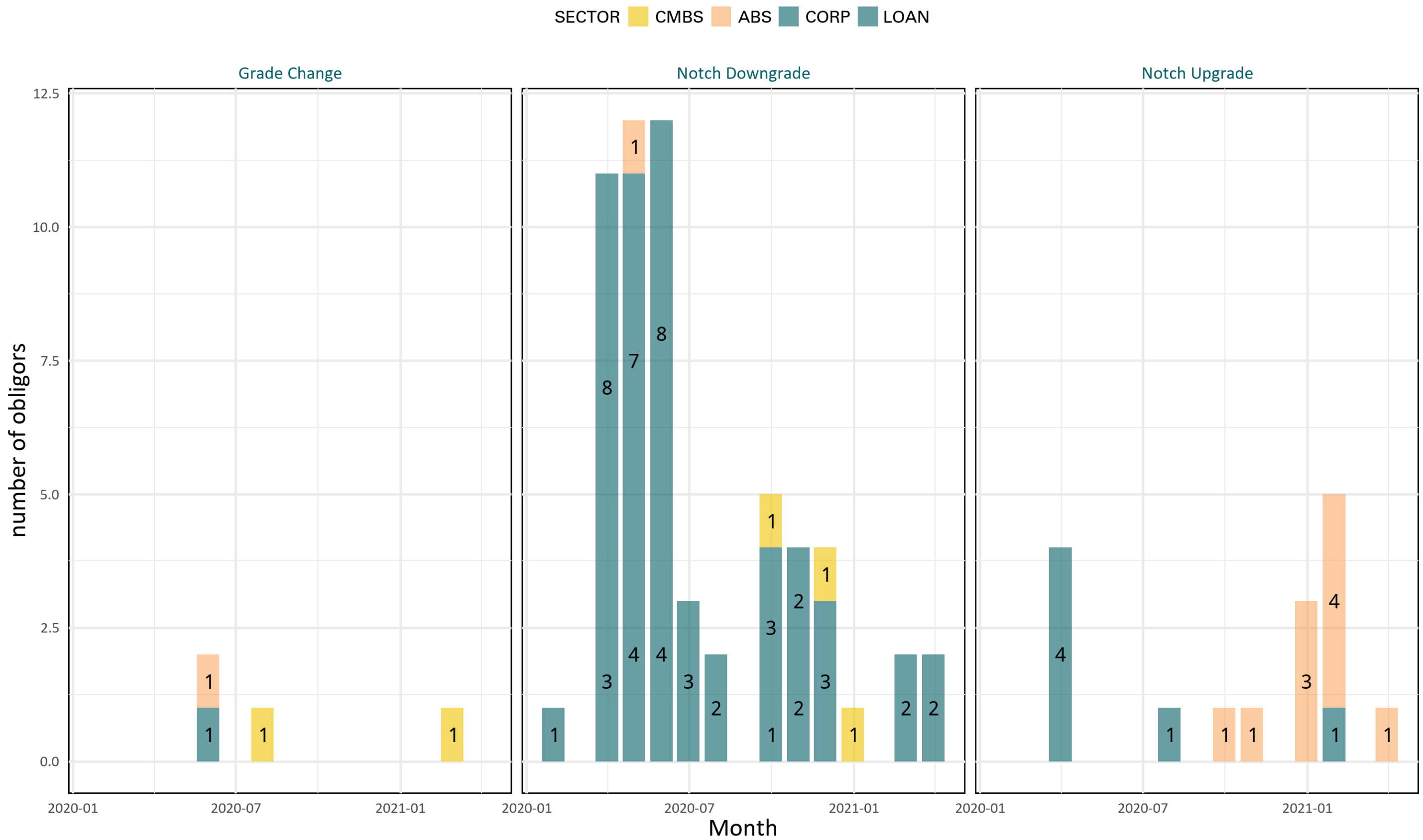


Portfolio holdings and characteristics are subject to change
Data reported monthly from January 1, 2020 to April 1, 2021
Source: BBH Analysis

Exhibit XIII:

Rating Change Activity: A spike in 2Q20 and Rapid Recovery

BBH Income Fund: by number of obligors affected

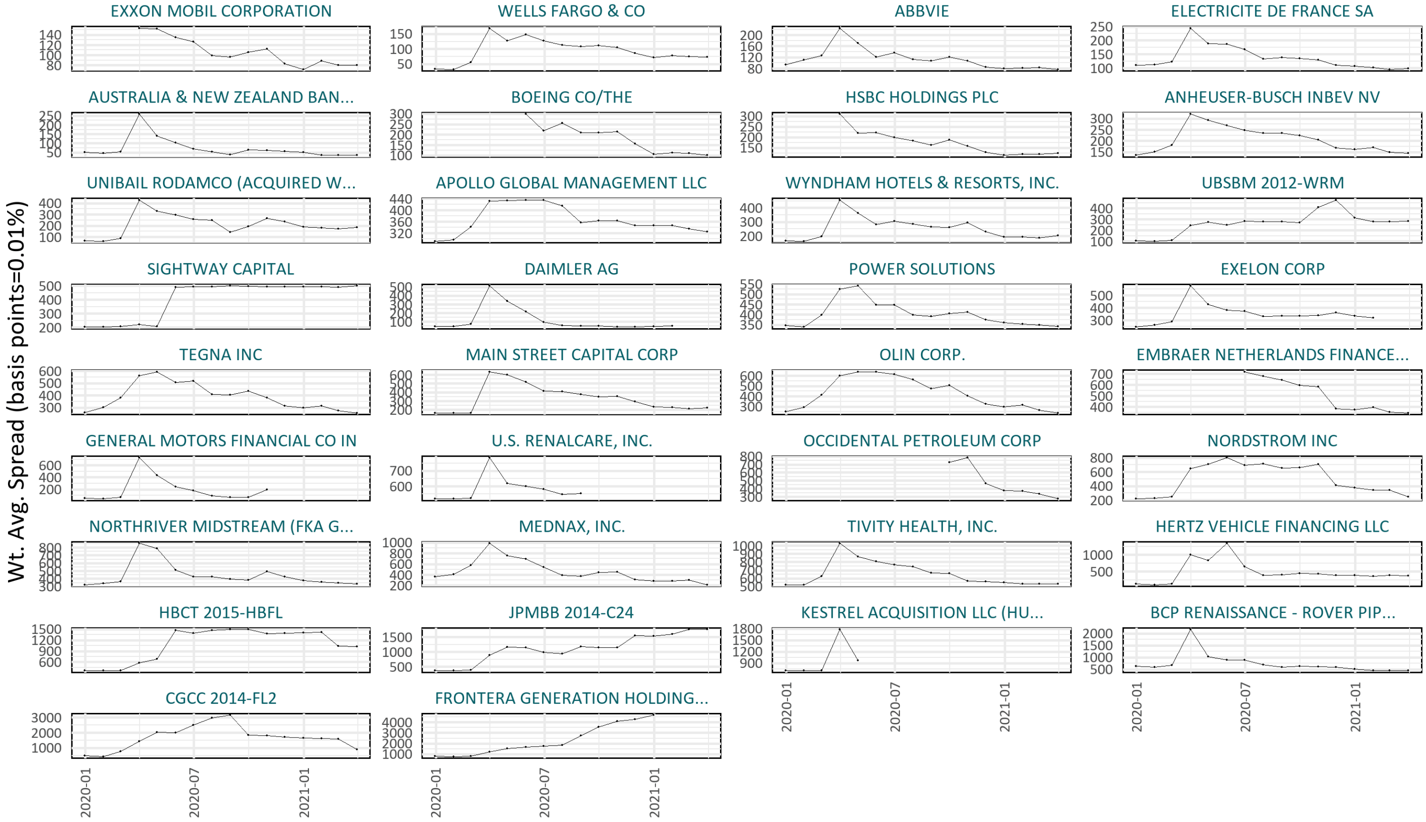


Portfolio holdings and characteristics are subject to change
Data reported monthly from January 1, 2020 to April 1, 2021
Source: BBH Analysis

Exhibit XIV:

Spread Changes in Downgraded Holdings

BBH Income Fund: spread changes of all obligors downgraded in last 15 months



Portfolio holdings and characteristics are subject to change
Data reported monthly from January 1, 2020 to April 1, 2021
Source: BBH Analysis

Sincerely,

Andrew P. Hofer
Fund Co-Manager

Neil Hohmann, PhD
Fund Co-Manager

Paul Kunz, CFA
Fund Co-Manager

Share Class Overview
As of March 31, 2021

	Ticker	CUSIP	Inception Date	Total Net Assets (mil)	NAV	30-Day SEC Yield** (Subsidized)	30-Day SEC Yield** (Unsubsidized)
Class I	BBNIX	05528C766	06/27/2018	$515.1	$10.32	2.62%	2.62%

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

Credit Quality
As of March 31, 2021

Cash and Cash Equivalents	0.9%
U.S. Treasuries	8.3%
AAA	8.5%
AA	6.9%
A	17.0%
BBB	32.0%
BB	15.9%
B or Lower	6.2%
Not Rated	4.1%
Total	**100.0%**

Top 10 Credits
As of March 31, 2021

FS KKR Capital Corp	1.7%
Owl Rock Capital Corp	1.4%
American Airlines Inc/AAdvantage Loyalty	1.4%
MEDNAX Inc	1.4%
Boeing Co	1.2%
Enstar Group Ltd	1.0%
Edison International	1.0%
System One	1.0%
Oportun Funding LLC	1.0%
ILPEA Parent Inc	1.0%
Total	**12.2%**

Reported as a percentage of total portfolio.

Sector Distribution
As of March 31, 2021

Corporate Securities	52.7%
Asset-Backed Securities	19.8%
Commercial Mortgage-Backed Securities	4.3%
Loans	13.3%
U.S. Treasuries	4.7%
U.S. Inflation-Indexed Securities	3.6%
Residential Mortgage-Backed Securities	0.6%
Cash and Cash Equivalents	0.9%
Total	**100.0%**

Duration Distribution
As of March 31, 2021

	BBH Income Fund	Bloomberg Barclays US Aggregate Index
0 - 1 Yr.	20.4%	0.3%
1 - 2 Yrs.	11.6%	13.7%
2 - 4 Yrs.	30.3%	33.3%
4 - 6 Yrs.	15.5%	20.3%
6 - 8 Yrs.	12.5%	10.1%
8 - 12 Yrs.	2.7%	6.4%
12+ Yrs.	7.2%	16.0%
Total	**100.0%**	**100.0%**

Fund Facts
As of March 31, 2021

Number of Holdings	258
Effective Duration (years)	6.26
Weighted Average Life (years)	5.64
Yield to Maturity	3.41%

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.

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

RISKS

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.

The value of some asset- backed securities and mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates and are subject to prepayment and extension risks, as well as risk that the underlying borrower will be unable to meet its obligations.

Below investment grade bonds, commonly known as junk bonds, are subject to a high level of credit and market risks.

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 bond investments.

Foreign investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards. Prices of emerging market securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

The Fund may engage in certain investment activities that involve the use of leverage, which may magnify losses.

A significant investment of Fund assets within one or more sectors, industries, securities and/or durations may increase its vulnerability to any single economic, political, or regulatory developments, which will have a greater impact on the Fund's return.

Illiquid investments subject the Fund to the risk that it may not be able to sell the investments when desired or at favorable prices.

To the extent that the Fund experiences a large purchase or redemption on any business day, the Fund's performance may be adversely affected.

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.