BBH Intermediate Municipal Bond Fund

Quarterly Fund Update / 1Q 2021

The Heat Is On

BBH Intermediate Municipal Bond Fund Class I ("the Fund") had a total return of -0.64 % during the first quarter of 2021, compared to a return of -0.32 % for the benchmark Bloomberg Barclays 1-15 Year Municipal Index.

With each passing day and every vaccination, we take a step closer to our new normal. There are many reasons for optimism as we emerge from the pandemic and slowly regain our safety and freedom. Despite good reasons for optimism, much uncertainty remains. It is not unusual for economists and investors to extrapolate recent news into the future. A year ago, we found ourselves engulfed in an investor panic unlike any in the modern era as forecasts of a second Great Depression surrounded us. We leaned-in and took advantage of a plethora of investment opportunities. Today, growth forecasts are the strongest in the post-War era and the demand for credit-sensitive municipal securities has reached a fevered pitch. We find ourselves resisting the investor fervor for low-quality securities as their yields often provide inadequate compensation for risk. We must remember that even as the vaccine rollout accelerates and stimulus measures provide further fuel to our economic recovery, risks remain, and valuations still matter.

With the recent signing of the $1.9 trillion American Rescue Plan Act (ARPA), the Federal Government has now provided over $5 trillion of stimulus in the last 12 months. In the context of our $21 trillion economy, this amounts to a boost in excess of 20%. Never before in a peacetime environment has our economy received fiscal stimulus of this magnitude. Unlike the $2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act and the other 2020 relief packages, ARPA provides much more direct and less restrictive support to the municipal sector which should have a substantial impact.

Performance
As of March 31, 2021

	Total Returns		Average Annual Total Returns			
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	Since Inception
Class I	-0.64%	-0.64%	4.63%	4.60%	3.70%	3.92%
Class N	-0.69%	-0.69%	4.43%	4.43%	3.54%	3.78%
Benchmark	-0.32%	-0.32%	4.92%	4.44%	3.03%	3.36%

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

Class I: Net/Gross Expense Ratio (%) 0.47 / 0.47
Class N: Net/Gross Expense Ratio (%) 0.65 / 0.71

* 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 0.47% for Class I shares 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").

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

ARPA is especially beneficial for state and local governments, which will receive $195 billion and $130 billion in funding for lost revenues, respectively (see chart on the next page). In contrast, the CARES Act and other subsequent relief acts offered support for virus-related expenditures, such as for testing, protective equipment, and cleaning. The ARPA funding formula is based largely on regional unemployment rates, and some of the hardest hit states such as New York, Hawaii, and Nevada can expect funding upwards to one- fifth of their fiscal 2020 revenues. Funding to local governments was also generous, with some large cities like Houston and Philadelphia receiving funding equal to a quarter of their fiscal 2020 revenues. This relief will reduce the need for further deficit borrowing and drawdowns of rainy-day funds as well as to help preserve funding for important social services.

Enterprise sectors such as higher education, healthcare, mass transit, and airports will also benefit from ARPA. These sectors had already received generous support from the CARES Act, and the addition of ARPA relief will help solidify their financial positions. Most muni sectors will also indirectly benefit from ARPA provisions such as expanded unemployment benefits, direct transfer payments, and rental assistance.

How the American Rescue Plan Act is Supporting State and Local Governments

Sector	Aid Received ($ Billion)	Description
States	$195	Provides funding for lost revenues.
Local Governments	$130	Provides funding for lost revenues.
Healthcare	$63	Lowers cost of care through tax credits which will likely reduce bad debt for hospital systems.
Higher Education	$40	Provides funding for lost revenues. A portion must be used for emergency student financial aid.
Mass Transit	$31	Provides funding for both operating and capital support.
Housing	$27	Financial assistance to households for rent, rental arrears, and utility costs.
Airports	$8	Provides operating support and rent relief for airport concessionaires.
States	$16	Healthcare aid for the 12 non-Medicaid expansion states.

Sources: Moody's and BBH Analysis

After the Global Financial Crisis (GFC), it took states and other municipal sectors several years to recover, which led to a wave of austerity measures among state and local governments. Back then, the Federal Government's response to the GFC neglected to provide direct aid to state and local governments. Post-COVID, we expect that the unprecedented fiscal and monetary policy stimulus measures will shorten recovery times. Cumulatively, the municipal sector has been the beneficiary of over $1.1 trillion in aid. ARPA provides a margin of safety for credit, but by itself is not sufficient to purchase a credit that does not satisfy our criteria[1]. In other words, credit fundamentals still matter. For state and local governments with structural imbalances entering the pandemic, ARPA support will buy them time, but not cure problems that require reform.

As the incremental benefits of accommodative monetary policy on real growth have declined, the Federal Reserve (Fed) has sought the assistance of fiscal policy, and now they have it. Last summer, the Fed pivoted toward an *average* inflation target of 2% when assessing whether it is achieving its price stability goal. Because of subdued inflation in the past, the implication here is that the Fed will not proactively tighten to prevent higher inflation. The days of taking away the proverbial punchbowl are over, with the Fed now preferring higher inflation, rather than facing the opposite risk. Near-zero policy rates and continued asset purchases will likely remain in place as we emerge from the pandemic. We expect the Fed's self-professed tolerance for letting the economy run hot will be tested and bond investors have already taken notice.

Despite steady short-term rates, long-term Treasury yields climbed 80 basis points[2] during the quarter, completely reversing their pandemic-led rally. With a return of -13%, long Treasuries singed more than a few portfolios. This led the Treasury yield curve to steepen to its highest level in over five years. Inflation expectations rose over 35 basis points, ending the quarter at an eight-year high. With investors becoming more concerned about the prospects of an extended period of higher inflation, investors turned to inflation-protected assets such as equities and TIPS (Treasury Inflation-Protected Securities).

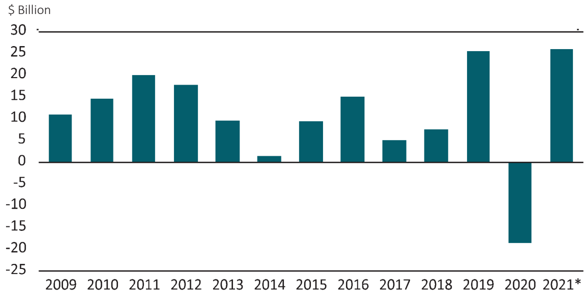
The municipal market often takes its cue from the Treasury market. Despite high correlations between the two markets, big divergences can occur. Thus far in 2021, the municipal bond market has proven resilient to much of the weakness experienced by Treasuries. As opposed to the double-digit negative returns in long Treasuries, long-maturity Municipals declined less than -0.50% during the quarter. Reflective of this relative outperformance, Municipal-to-Treasury yield ratios decreased 10-to 15-percentage points in intermediate and long maturities. After peaking at over 300% last spring, the 5-year and 10-year ratios ended the quarter at 54% and 65%, respectively. In certain respects, municipal valuations more than reflect prospective tax increases.

[1] With respect to fixed income investments, a margin of safety exists when the additional yield offers, in BBH's view, compensation for the potential credit, liquidity and inherent price volatility of that type of security and it is therefore more likely to outperform an equivalent maturity credit risk-free instrument over a 3-5 year horizon.
[2] 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.

Although less dramatic than the move in Treasuries, the 2-to 10-year municipal yield curve did steepen during the quarter. For the quarter, 1- to-5-year muni rates increased an average of 12 basis points, while those in 7-to-10-year maturities climbed 40 basis points. For an extended time, we have positioned the Fund with an emphasis on floating-rate securities and intermediate maturity zero-coupon bonds. To fund this position, we continue to deemphasize traditional 1-to-5-year maturity debt. Relative to our benchmarks, we own about 15% less exposure in these short maturities, which detracted about 10 basis points of relative return.

The overall muni market has benefited from strong technical support. Through February (year-over-year comparisons through March are highly distorted), new municipal issuance was constrained, down more than 15% compared to last year. Taxable muni issuance to refund older, more expensive debt continues to be popular, leaving tax-exempt issuance down more than 20% over the same period. This, combined with record-paced fund inflows of over $25 billion, has created an imbalance and helped to drive credit to increasingly expensive valuations. As you can see in the accompanying table, thus far in 2021, BBB-rated issues have generated over 200 basis points of excess return relative to generic AAA-rated securities.

1Q 2021 Municipal Fund Flows



* with one week unreported
Data reported yearly from January 1, 2009 to March 24, 2021
Sources: Investment Company Institute, Bloomberg, and BBH Analysis

Our Fund's credit posture has been little-changed and we continue to focus on issuers that we perceive as durable and resilient to unexpected economic events, which typically results in us owning highly rated bonds. In terms of lower-rated bonds, we only own two major BBB-rated positions, State of New Jersey essential-purpose appropriation debt and Oglethorpe Power revenue bonds. Together, these names represent roughly 3%-4% of the Fund. Index holdings of BBB-rated debt is twice that. This relative exposure also cost the Fund approximately 10 basis points of return during the quarter.

Performance By Credit Grade

	1Q 2021
AAA	-0.82%
AA	-0.58%
A	0.09%
BBB	1.26%
Non-Investment Grade	2.13%

Past performance is no guarantee of future results
Sources: Bloomberg Barclays Municipal Bond Index and BBH Analysis

Despite the strong performance of low-quality issuers, we kept to our strategy. We had numerous positions perform notably well throughout the quarter, such as Connecticut Special Tax, Houston Airport, Northshore Memorial Hospital bonds, and several holdings in the Prepaid Natural Gas sector. However, we did not own enough credit-sensitive holdings in aggregate to keep up with the broad-based credit rally in our benchmarks. Ten-year maturity airport spreads in the 40-basis point range, after adjusting for the Alternative Minimum Tax (AMT) and high-quality hospitals and healthcare systems with sub-30 basis point spreads, do not provide sufficient yield for us to consider adding positions in these areas. We have owned much larger exposures to these sectors in the past and are prepared to again – subject to our assessment of the individual credits and their valuations.

As credit spreads narrowed, we have focused on enhancing the Fund's yield through off-the-run bond structures, such as zero-coupon bonds, and within sectors such as State Housing Finance Authorities (HFAs). We added several attractive positions during the quarter including a Texas HFA bond, backed by mortgages that have seasoned over 10 years, with an effective spread of close to 100 basis points; and a Chaffey, California school district zero-coupon bond at a similar spread. We also purchased a new issue for the University of Chicago with a 4-month delayed delivery that offered a meaningful concession. Perhaps the most interesting addition to the Fund was an obligation of Allan Hancock Joint Community College District, also in California. This bond is a zero-coupon until 2030, at which time it begins paying a 5.4% coupon. It is callable five years later. The effective spread on this bond was 105 basis points, with meaningful upside potential as the coupon conversion date approaches. With this security, we view the coupon income as well worth the wait.

We remain selective and deliberate as we assess potential opportunities. Currently, our Fund's cash and longer-term reserve holdings amount to 15%-20% of their market values, giving us ample flexibility to take advantage of future opportunities. It is hard to believe that only one year ago markets were in freefall, with panicked investors sending in record-sized redemption requests. Today, sentiment is unabashedly positive, with red-hot demand for credit. Rather than joining the crowd and chasing the momentum of strong credit returns, we prefer to wait patiently. One of the most important aspects of our long-term success is not getting burned along the way. We have always preferred the slow and steady approach to the alternative.

Thank you and stay well.

Sincerely,

Gregory S. Steier
Fund Manager

REFINITIV LIPPER FUND AWARDS
2021 WINNER
UNITED STATES

The **BBH Intermediate Municipal Bond Fund (BBIIX)** was named the Best Intermediate Municipal Debt Fund over five years, for the period ended December 31, 2020. The Fund was assessed against 55 other funds in this category.

Share Class Overview
As of March 31, 2021

	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	$744.7	$10.96	0.77%	0.77%
Class N	★★★★	BBINX	05528C816	04/01/2014	$101.9	$10.97	0.58%	0.53%

* 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 249 funds in the Muni National Interm category Overall Rating as of 3/31/2021.

** 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	3.7%
AAA	29.0%
AA	41.6%
A	21.4%
BB	0.0%
BBB	3.9%
B or Lower	0.0%
Not Rated	0.3%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Top 10 Holdings / Coupon / Maturity
As of March 31, 2021

Texas Department of Housing and Community Affairs	2.835%	09/01/2047	1.6%
State of Massachusetts	0.687%	11/01/2025	1.5%
Texas Municipal Gas Acquisition & Supply Corp I	0.823%	12/15/2026	1.4%
State of Maryland	5.000%	03/15/2025	1.4%
North Dakota Housing Finance Agency	3.000%	07/01/2051	1.3%
Northern California Gas Authority No 1 Gas Project	0.879%	07/01/2027	1.2%
State of New Jersey	5.000%	06/01/2029	1.1%
Ohio Water Development Authority Pollution Control	5.000%	12/01/2027	1.0%
Conroe, TX Independent School District	5.000%	02/15/2027	0.9%
Pennsylvania Public School Building Authority Lease Revenue	5.000%	06/01/2033	0.9%
Total			**12.3%**

Reported as a percentage of total portfolio.

Sector Distribution
As of March 31, 2021

General Obligations	34.6%
Pre-Refunded	2.1%
Revenue	63.3%
Total	**100.0%**

Reported as a percentage of portfolio securities.

Fund Facts
As of March 31, 2021

Number of Holdings	333
Number of Issuers Held	125
Effective Duration (years)	4.52
Yield to Maturity	1.16%
Yield to Worst	1.02%

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 fees 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.

The Refinitiv Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Refinitiv Lipper Fund Award. For more information, see lipperfundawards.com. Although Refinitiv Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Refinitiv Lipper. The BBH Intermediate Municipal Bond Fund (Class I) competed with 55 portfolios in the Intermediate Municipal Debt Funds category for the five-year period ending 12/31/2020. Lipper Fund Awards are based on the Institutional Class shares. Other share classes may have different performance characteristics. Past performance does not guarantee future results.

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: 249 funds in the last three years and 224 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 4 stars and 4 stars, respectively. Class I three- and five years periods received ratings of 3 stars and 4 stars, respectively. Class N three- and five-year periods received ratings of 3 stars and 4 stars, respectively.

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