Brown Brothers Harriman

BBH Limited Duration Fund

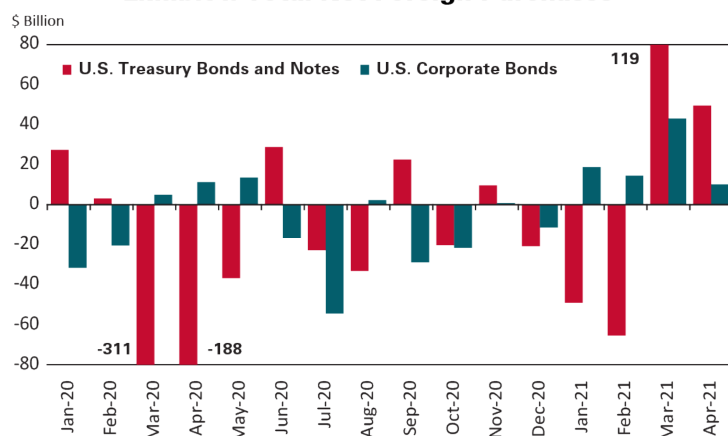
Quarterly Fund Update / 2Q 2021

Much like the recent temperatures in the Pacific Northwest, credit market valuations have reached remarkable extremes, and yield-seeking fixed income investors are sweating. Valuation extremes, just like a heat wave, can hang around for varying periods of time, but typically end with a storm. When the storm arrives, investors with liquid reserves fare much better than those that focused incessantly on yield. While we have no way of predicting when this low spread environment will reverse, past episodes have broken with surprising macro-economic or credit developments. Possibilities investors are watching include a sudden and sustained pickup in inflation, changes in Federal Reserve ("FED") or European Central Bank ("ECB") tapering policy, increasing leverage combined with slowing business volumes, or changes in relative yields for European and Asian investors. Then there are the risks we don't even recognize as risks, the "unknown unknowns" that the recently-deceased Donald Rumsfeld famously, and perhaps insufficiently, recognized. We will address some of those possibilities in this Strategy Update, along with a few notable developments in credit markets over the previous months.

Yield-seeking from abroad helped to put a lid on rates

Rates rallied in the second quarter, with the 10-year US Treasury yield ending at 1.47%, down almost 30 basis points (0.3%) from its March 31 high of over 1.74%. Many have attributed this rally to investors revising inflation expectations downward, or the persistent dovish stance of the Fed. We suspect it isn't entirely a market verdict on inflation, however. We believe foreign investors are a key marginal contributor to rates and spread, and it seems clear they played a large role in the rally. Net Foreign Flows into USD fixed income were negative in January and February, but strongly positive in March and April, after US rates and Euro and Yen-hedged yields increased. Foreign investors also showed a much greater willingness to buy longer maturities than in the months prior to the rate rise (see Exhibit I).

Exhibit I: Total Net Foreign Purchases



Data reported monthly from January 31, 2020 to April 30, 2021
Sources: U.S. Department of the Treasury and BBH Analysis

Performance
As of June 30, 2021

	Total Returns		Average Annual Total Returns				
	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception[3]
Class I[1]	0.47%	0.99%	3.41%	3.17%	2.94%	2.17%	3.85%
Class N[2]	0.55%	1.04%	3.43%	3.12%	2.86%	2.03%	3.70%
Benchmark	-0.04%	-0.09%	0.05%	2.72%	1.60%	1.21%	2.71%
Reference Benchmark	0.19%	0.17%	0.78%	2.61%	1.98%	1.70%	2.49%

Class I Inception: 12/03/2002
Class N Inception: 12/22/2000

Class I: Net/Gross Expense Ratio (%) 0.27
Class N: Net/Gross Expense Ratio (%) 0.35 / 0.49

* Returns are not annualized.

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

The Benchmark is the Barclays Capital U.S. 1-3 Year Treasury Bond Index.

The Reference Benchmark is an unmanaged weighted index comprised as follows: 40% Bloomberg Barclays Short-Term Corporate Index; 40% Bloomberg Barclays US Aggregate ABS Index; and 20% Bloomberg Barclays US Treasury Bills Index.

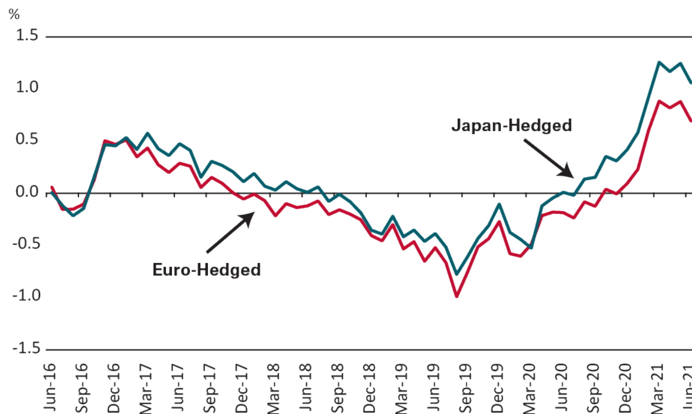
The performance data quoted represents past performance. Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than the original cost. For performance current to the most recent month-end please call 1-800-625-5759.

[1] 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. [2] 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. [3] "Inception Date" (7/20/2000) is the inception date of the BBH Broad Market Fixed Income Portfolio.

Sources: BBH & Co. and Bloomberg

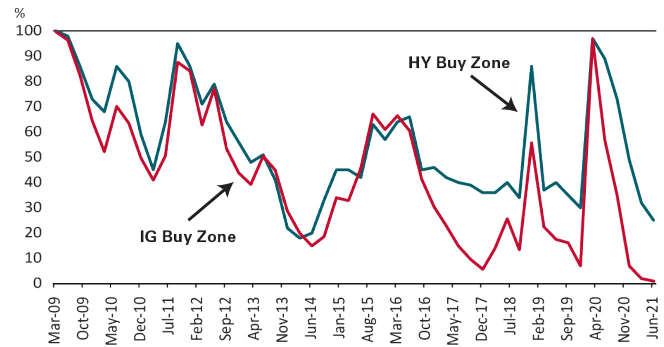
Hedging costs diminished materially as rates rose in the first quarter, and U.S. yields steepened more than overseas yields, improving the economics of buying USD notes and bonds. While European and Asian recovery is lagging the US at present, a rise in yields abroad might well cause these flows to reverse taking spreads and rates wider (see Exhibit II).

Exhibit II: 10-Year U.S. Treasury Yields



Data reported monthly from June 30, 2016 to June 30, 2021
Sources: Bloomberg and BBH Analysis

Exhibit III: Percentage of IG and HY Indices in BBH Buy Zones

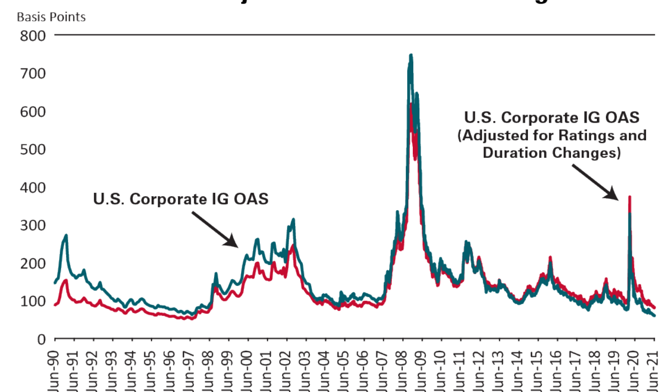


As represented by the BofA ML U.S. Corporate Bond and BofA ML U.S. High Yield Corporate Indexes
Data reported quarterly from March 31, 2009 to June 30, 2021
IG is represented by the Bloomberg Barclays Investment Grade Corporate Index, HY is represented by the Bloomberg Barclays High Yield Corporate Index
Source: BBH Analysis

Both spreads (properly credit-adjusted) and our valuation framework are at all time tights

Valuations remain broadly unattractive in corporate debt, although high yield ("HY") valuations offer far more opportunity than investment grade ("IG"). The investment grade index (as represented by the BofA ML U.S. Corporate Bond index) is the most expensive it has ever been in our valuation framework, with just 1% of the index (about 14 bonds!) pricing in our Buy zone and over 90% in our sell zone (see Exhibit III). IG spreads, unadjusted for ratings and duration, were lower than the current 81 basis points (0.81%) in the 1990s, but adjusted for credit quality and duration they are essentially at those all-time tights (see Exhibit IV). Paradoxically, credit quality trends in HY are much better, in historical context, than IG, and some reasonable valuations remain. Furthermore, street research suggests as much as $200 billion of "rising stars" (bonds upgraded from HY to IG) in the recovery, including many companies that were "fallen angels" (downgraded from IG to HY) last year, offering some potential for good security selection (see Exhibit V). Shorter, callable yields, such as bank loans and liquid callable bonds continue to make more sense than locking in spreads for longer at historic lows.

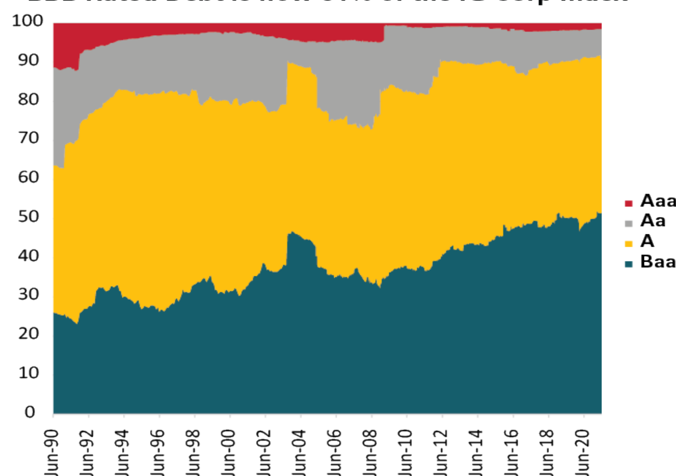
Exhibit IV: Adjusted OAS at All-Time Tights



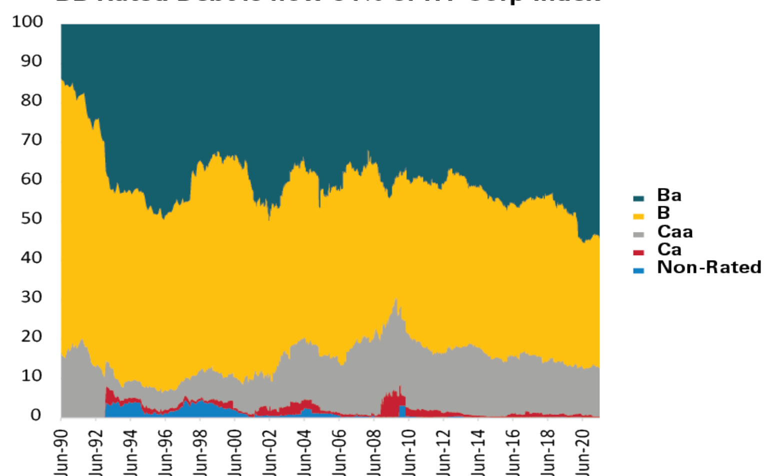
Data reported daily from June 30, 1990 to June 30, 2021
Sources: Bloomberg and BBH Analysis

Exhibit V: Corporate Index Ratings Weights

BBB Rated Debt is now 51% of the IG Corp Index



BB Rated Debt is now 54% of HY Corp Index



Data reported daily from June 30, 1990 to June 30, 2021
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 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. 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.
Sources: Bloomberg Barclays, Markit, IDC, iso.org, Refinitiv, and BBH Analysis

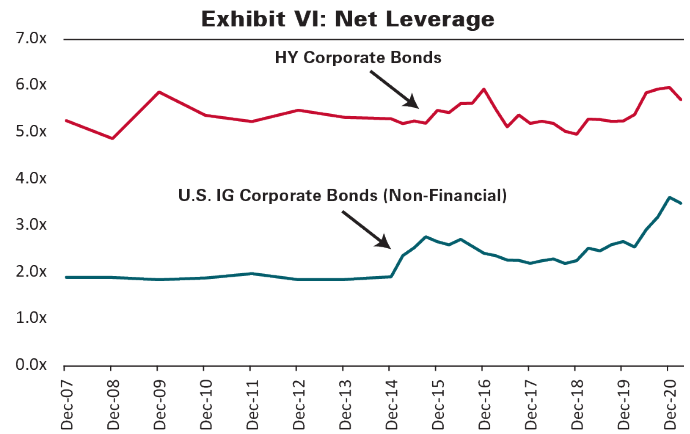
While the trend in leverage multiples between IG and HY is stark, it is worth remembering that there are some mega-cap companies (such as ExxonMobil and Boeing) with pandemic-distorted leverage skewing the IG figures (see Exhibit VI). Nonetheless, HY companies are generally more focused on reducing leverage than rewarding shareholders at present, while larger IG companies have grown accustomed to higher leverage and have re-started buybacks. Both have leverage metrics slightly inflated due to pandemic-suppressed earnings/cash flow.

Agency mortgage-backed securities ("MBS") on an epic losing streak

We have been unable to find good value in agency mortgage-backed securities ("MBS") for many years. We attribute this lack of value to the Fed's substantial purchases in this sector. Certainly, owning credit instead of agency MBS has been a superior strategy, as agency MBS have underperformed Treasuries for much of the last five years. MBS underperformance has intensified this year as Fed officials have openly mused about beginning tapering with slower purchases in this sector. While MBS will have to underperform a bit longer before they are attractive in our framework, we are hopeful that perhaps this sector might play a constructive role in portfolios in the coming years (see Exhibit VII).

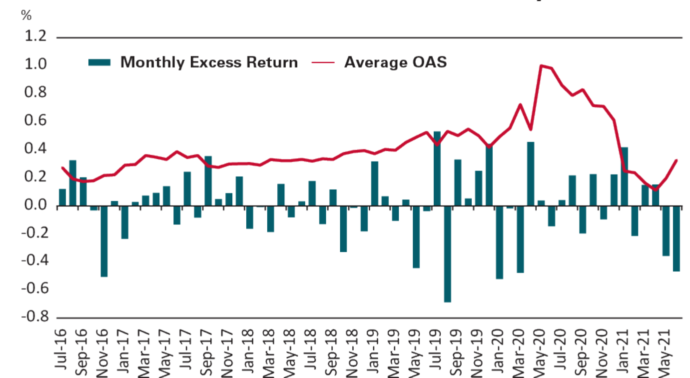
Many structured sectors are attracting new investors

Structured sectors remain attractive relative to similarly-rated corporate debt, and BBH is on record pace for purchases in the first-half of about $2 billion. But the dent in issuance from last year, and elevated redemption of CLOs this year, are resulting in capital being returned to investors at unusually quick pace. Facing this wall of maturities, maintaining account weightings in structured products has been difficult even with brisk purchases of attractive new exposures. Spreads in more on-the-run structured subsectors like auto asset-backed securities ("ABS"), floorplan ABS, and conduit commercial mortgage-backed securities ("CMBS") are at post-Crisis lows with a larger than usual proportion of issuance coming at unattractive levels. Spreads in more sheltered off-the-run sectors like venture debt ABS, recurring revenue loan ABS, mall and hospitality CMBS, and short middle market CLOs still offer attractive value amidst the drought (see Exhibit VIII).



Data reported quarterly from December 31, 2007 to March 31, 2021
Data are net leverage and weighted average by market value of debt
Sources: CapIQ, Bloomberg Barclays, and BBH Analysis

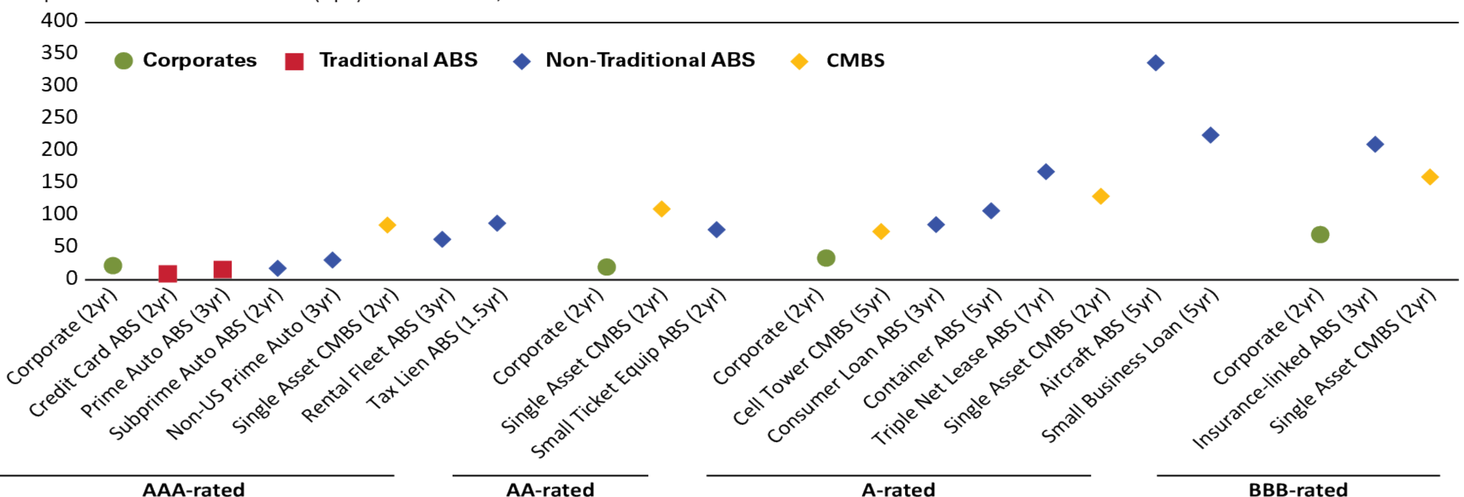
Exhibit VII: MBS Valuations and Excess Returns (5-Year Annualized Excess Return is Only 0.13%)



Data reported monthly from July 31, 2016 to June 30, 2021
Sources: Bloomberg Barclays and BBH Analysis

Exhibit VIII: ABS and Investment Grade Corporates Spreads

Spread Over U.S. Treasuries (bps) as of June 30, 2021



Past performance does not guarantee future results
Data as of June 30, 2021
Sources: Bloomberg, JPMorgan, and BBH Analysis

Pricing recovery from the pandemic is close to complete… or even overshooting

The second quarter witnessed a "resurrection" trade in structured credits markets, following on similar corporate bond sector recoveries in the most COVID-distressed industries over the last six months. Many collateral types that faced unfathomable disruption last year experienced well-received returns to the capital markets this spring. Hertz emerged from bankruptcy in June with a smaller auto fleet, profitable summer rental rates and a massive $4 billion ABS deal – the oversubscribed senior tranche priced at a remarkable spread of just 60 bps over Treasuries. Also in June, Blackstone refinanced its Extended Stay America portfolio of limited service hotels in a $2.5 billion single-asset single-borrower ("SASB") CMBS deal that was the largest hospitality transaction since COVID. And notably, GE Commercial Aviation Services came to market with a successful securitization of engines on widebody aircraft – planes that were basically parked worldwide in mid-2020. The COVID recovery we have been positioning for in various industries has not only materialized, but now is overshooting, underpricing longer-term risks and cyclicality.

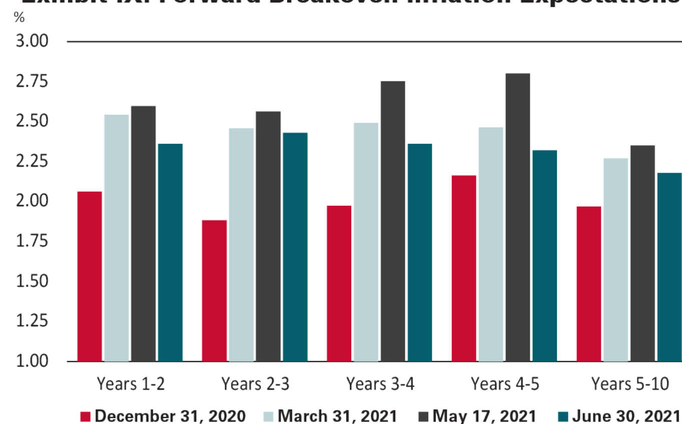
We are still finding and holding a few of the of idiosynchratic and harder-to-find opportunities (ratings 'crossover' names, rapid deleveraging stories, off-the-run or misunderstood credits, and high yield-for-illiquidity). Overall, however, we are increasingly focused on short, liquid credit to provide some carry. Recent purchases have emphasized non-traditional ABS, short IG corporates, shorter and middle market CLOs, loans, and callable high yield. We would own more short Treasuries if they offered any kind of yield, but since they do not, we are working overtime to get relatively safe and liquid yield for accounts.

Inflating opinions about inflation and tapering

The hottest topic in financial markets is whether the recent increase in inflation is transitory or permanent. Month-over-month CPI has been running at 5%-6% annualized rates recently, and an index of online prices, which typically lead official measures, has continued to increase in recent weeks. However, market expectations of inflation, and most economic surveys, seem to agree with the Fed's view that above-target inflation is transitory. This is the topic of a separate publication by our colleague Jorge Aseff, "Inflation Is Here, But For How Long?"which we recommend to you.

There appears to be some disagreement among Fed members as to when the tapering of purchases and eventual rise in short rates might occur, combined with a general acknowledgement that markets will be sensitive to the onset of tapering. A parade of Fed current and former governors (Waller, Barkin, Bostic, Dudley, Kohn, Rosengren, Williams,) have taken to media in the last weeks to reinforce how sensitive the Fed is to market expectations, and to give their own interpretations of when and how the Fed will begin tapering, when they might raise rates, and how the economy is recovering. Big picture, they are not far apart, but there is clear disagreement on the short-term path of the economy, and what tapering should look like, in terms of the mix of mortgages and Treasuries (see Exhibit IX).

Exhibit IX: Forward Breakeven Inflation Expectations



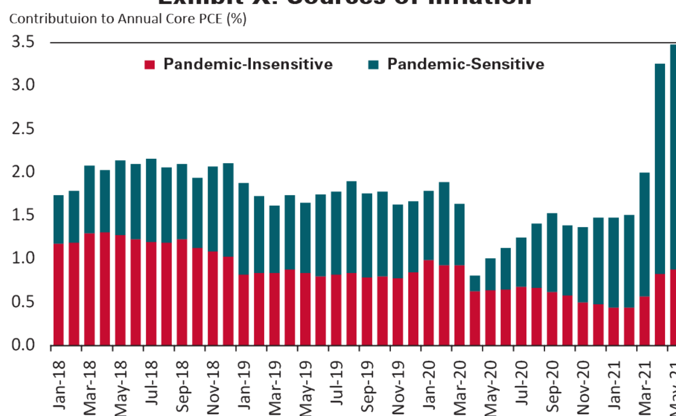
Data as of June 30, 2021
Sources: Bloomberg and BBH Analysis

So far, official inflation measures are being driven by pandemic recovery

Another potential difference between persistent and transitory inflation pressures lies in the source of pressure. Past episodes of sustained inflation have arisen from wage-price spirals. In the 1970s, the last period of sustained inflation pressure in the US, oil prices pushed up CPI, but many unionized wage contracts were linked to CPI, and responded in kind, further reinforcing the trend in a vicious cycle. No such linkages exist today. Economic policy and the labor market (the evolution of wages in particular) are key to keeping expectations in check. We do not yet see evidence of accelerating wage growth in inflation dynamics.

A second source of persistent inflation, particularly for other less-developed countries, has been spiraling inflation expectations, leading to accelerated panic purchasing. We (and the Fed, it seems) believe that anchored inflation expectations are key to keeping long-term inflation under control. Thus far, market-implied and survey-based measures of inflation expectations seem stable and anchored.

Exhibit X: Sources of Inflation



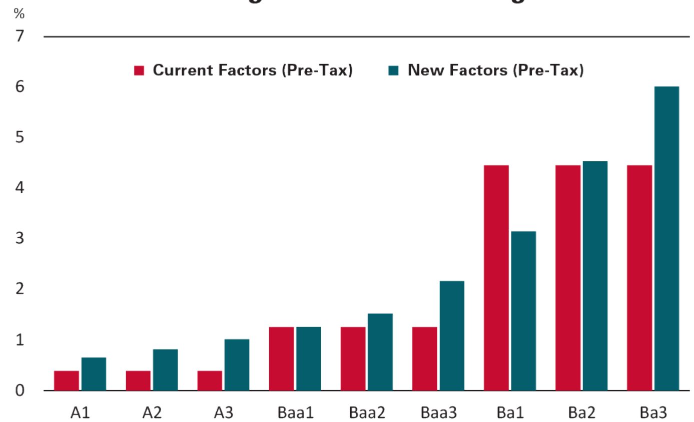
Data reported monthly from January 31, 2018 to May 31, 2021
Sources: Federal Reserve Bank of San Francisco and BBH Analysis

Finally, the majority of inflation pressure has been coming from pandemic-sensitive sectors, further supporting the idea that current levels of inflation reflect recovery to 2019 levels rather than a permanent change in factor prices (see Exhibit X).

The NAIC re-shuffles capital charges

Also in the second quarter, the National Association of Insurance Commissioners (NAIC) released new capital assessments on credit ratings for Life insurers, effectively making it more expensive for insurance companies to buy A rated and BBB minus-rated debt, while providing relief for BBB+ and BB+-rated debt. About $3.4 trillion of U.S. investments are subject to these charges. Given the change in the composition of debt markets, and our own active management focus on credits in the "crossover" range (BBB-BB), we certainly welcome this development on behalf of our insurance clients. Combined with the encouraging trends in BB credit described above, it is also likely to drive spreads between BB and higher-rated credits tighter (see Exhibit XI).

Exhibit XI: Changes to NAIC Risk Weight Factors

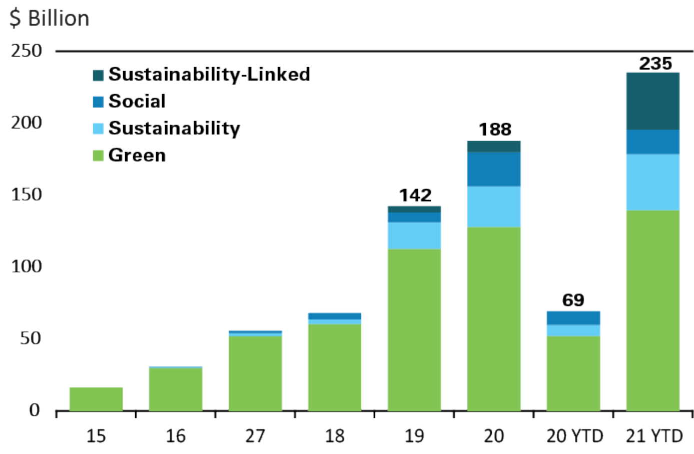


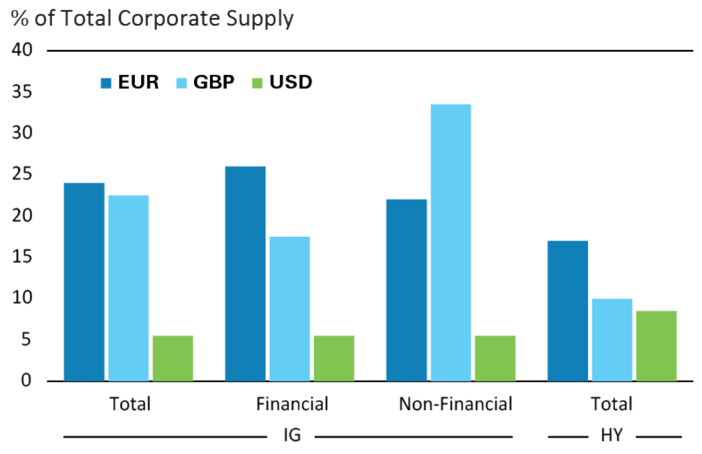
Data as of June 30, 2021
Sources: Barclays and BBH Analysis

This was the quarter ESG bonds emerged as a material part of issuance

2021 is on track to be the second largest issuance year ever, trailing only last year. One part of the market, however, has vastly exceeded last year's total: ESG bonds, a category that includes sustainability bonds, sustainability-labeled bonds (SLB) and green bonds. Together these sectors represented $235 billion of issuance in the first six months of 2021, compared to $188 billion in all of 2020. The trend is strongest in Europe, where a quarter of issuance (IG and HY) came with some sort of ESG label, with the US at 6% of IG and 9% of HY issuance, up from 3%/2%, respectively, in 2020 (see Exhibit XII).

Exhibit XII: ESG Bond Issuance





Data reported yearly from December 31, 2015 to June 30, 2021
Corporate issuers only. DM hard currency bonds only. Includes both UOP bonds and SLBs. Excludes covered bonds.
Sources: Dealogic, Barclays, and BBH Analysis

This is a rapidly evolving market, much like ESG investing, and the criteria and borders between differently-labeled bonds are still evolving. There are a few basic concepts around which these categories are developing.

- Proceeds of issuance must be used for a project with specific sustainable or social goals, and segregated and tracked separately from other issuer accounts.
- Process for evaluation of the project must be described thoroughly.
- Reporting and KPIs for success must be clearly established.

Other trends that seem to be emerging include:

- coupon step-downs or targeted covenant relief for achieving KPIs, which are clearly attractive to issuers, and
- independent opinions on the strength of chosen KPIs and achievement of them.

Much like agency rating of ESG risks, there is a wide range of standards and hurdles depending on audience, and more consensus exists around structure and reporting than the merits of specific projects or issuance. In US credit markets, we are seeing significant issuance in real estate to build or refinance LEED-certified buildings, utility issuance for sustainable or less carbon-intensive energy generation, and even pipeline and exploration company issuance geared towards new energy sources, carbon capture, and safer transportation methods.

While there is still clearly room for dubious projects as companies seek strong "ESG" ratings, there is a clear concession in rates. ESG bonds are issuing with 10-30 bps lower yields than non-green alternatives, demanding even tighter spreads from an already spread-starved market, and driving average market spreads lower, as described above.

There's always room for surprises

While we don't see signs of emergent persistent inflation yet, and rates have calmed down, there is certainly ample room for surprises that might impact rates, spreads and/ or inflation, such as the volatility of foreign flows, potential foreign relations crises with China, the rocky trend of onshoring (for instance in chips), getting tapering right here and in Europe, and the enormous amount of Treasury and other debt that fixed income markets are asked to absorb with minimal compensation. So while we don't currently see a sustained high inflation developing, we certainly expect more volatility in expectations along the way, with more risk of higher rates and spreads.

Overall, we have arrived at a time to ask our investors to be patient. We are caught in the scissor-blades of low spreads with increasing risk, and negligible rates on risk-free instruments. It is becoming increasingly important to pay the cost of staying liquid and ready to reinvest. Strong credit trends and decent callable short yields are postponing that moment, but higher compensation for risk will eventually be available for the patient investor.

Portfolio changes over the last 15 months

The Fund returned 0.47% in the second quarter, 0.99% year-to-date, and 3.41% for the last twelve months (institutional Share Class). In terms of attribution, the corporate sector and selection accounted for 73% of the outperformance in the quarter, with a strong showing from corporate selection. These returns, as well as longer time periods, rank among the top managers of the Ultrashort universe maintained by Morningstar. The Institutional shares were ranked in the first quartile for the 1, 3 5- and 10-year periods ending 6/30/2021. The fund was ranked against 234 funds for the 1-year time period, 204 funds for the 3-year time period, 162 funds for the 5-year time period and 80 funds for the 10-year time period. Ranking are based on risk-adjusted return. We are as concerned with the declining yields available in short credit as we are pleased with the returns we've achieved through these last two credit cycles in late 2018 and the Spring of 2020.

In contrast with those opportunity-rich environments, our current investing environment requires patience. In keeping with the overstretched corporate credit valuations described above, we have been investing in shorter credit exposures generally, both in investment Grade ("IG") and a few high yield ("HY") corporate exposures (mostly BB loans), and taking advantage of attractive ABS issuance where we can (see Exhibit XIII for changes in the Fund's Key Metrics from the beginning of the year).

The IG and HY valuation situation is much different, with IG credit undercompensated at very high leverage levels while shorter HY and loan exposures pay reasonably well. High yield companies are still focused on deleveraging and may produce some "rising star" upgrade candidates. Taking advantage of these opportunities, the Fund's HY exposure is as high as it has ever been, although it remains focused primarily in BB-rated credits (9.4% of the 10.2% overall in HY). Most of this exposure is short and callable, and we expect many of these improving credits to return cash to us in the next year or two.

Normally we would be building up Treasury or cash exposure in this environment, but given the zero or near-zero yields on Treasury Bills, we are relentlessly focused on locating short, liquid, corporate credits and ABS (which also tend to return principal quickly) to provide some yield as we await a change in our opportunity set. We can reveal this trend in the graph below, which shows our corporate credit spread duration exposure by 'duration bucket", with the longest durations at the bottom of the stack. Spread duration has been steady, but notice that the contribution from 4-6 year duration bonds is half of what it was at the beginning of the year. Shorter credit investments are reflected in the reduced need for futures to hedge duration (0.38 yrs on June 30, down from 0.57 years at the beginning of the year). Our positioning seems to differentiate us from other investors who seek to lock in today's meager spreads for longer. They will have been right if spreads are materially lower for the next few years. However, spreads this low haven't lasted long in the past, with the exception of 2004-2007 and the years leading up to 1998. Both of those cycles broke violently, as many of you will remember (see Exhibit XIV).

Despite the addition of shorter credit instruments, reserves have remained high over the last six months, providing plenty of liquidity for shareholders. We describe the woeful underperformance of agency mortgage-backed securities ("MBS") in our Update above, and they remain conspicuously absent from the Fund. We expect that may continue at least until the Fed begins to taper by reducing its inventory of MBS (see Exhibit XV).

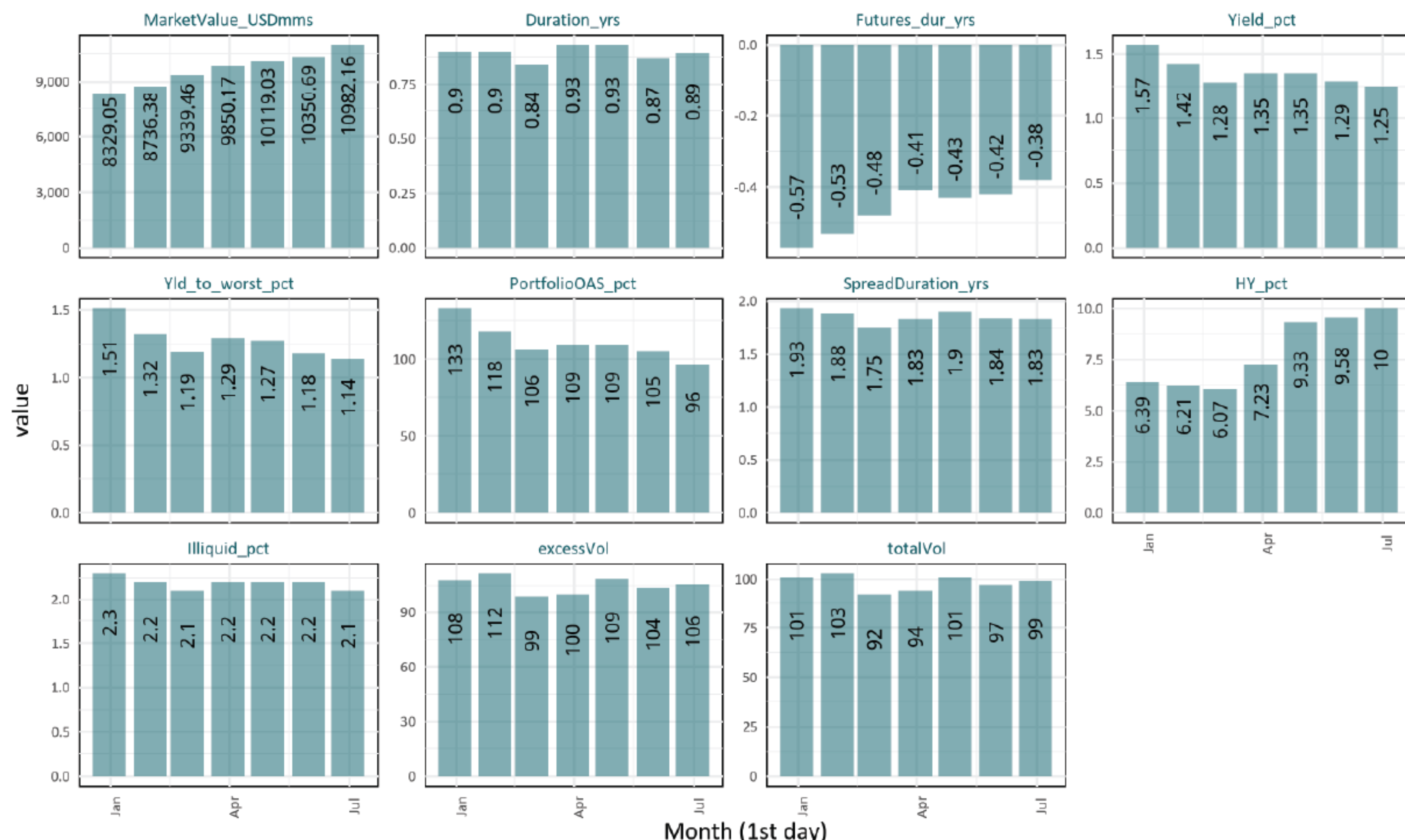
We don't mean to be too gloomy. Our universe of bonds is enormous, and we are finding attractive, above-index yields in a variety of sectors, ranging from insurance companies to pharmaceuticals to personal consumer loan and data center ABS, as well as a few remaining recovery plays such as airlines and new single-borrower commercial mortgage-backed securities ("CMBS"). We are always on the hunt for the next credit that is durable with an attractive yield, but the search has been getting more difficult and the portfolio composition appropriately reflects that reality.

We hope this look at the changing portfolio composition is useful to you, and helps relate our overall comments about the investing environment in our Quarterly Update to the nuts and bolts of portfolio composition.

Exhibit XIII:

Key Account Metrics

BBH Limited Duration Fund



Source: BBH analysis and Bloomberg analytics, each holding yield/OAS capped at 15%/1000, respectively

Portfolio holdings and characteristics are subject to change

MarketValue_USDmms = Market Value of the Fund's holdings in millions of USD

Duration_yrs = Market weighted average duration of the Fund in years

Futures_dur_yrs = Market weighted average duration of the futures positions in the Fund in years. Duration is a measure of the portfolio's return sensitivity to changes in interest rates

Yield_pct = Market weighted average yield-to-maturity of the Fund

Yld_to_worst_pct = Market weighted average yield-to-worst of the Fund. Yield-to-worst (YTW) is the lowest yield an investor can expect when investing in a callable bond.

PortfolioOAS_pc t= Market weighted average option-adjusted spread of the Fund. The option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option.

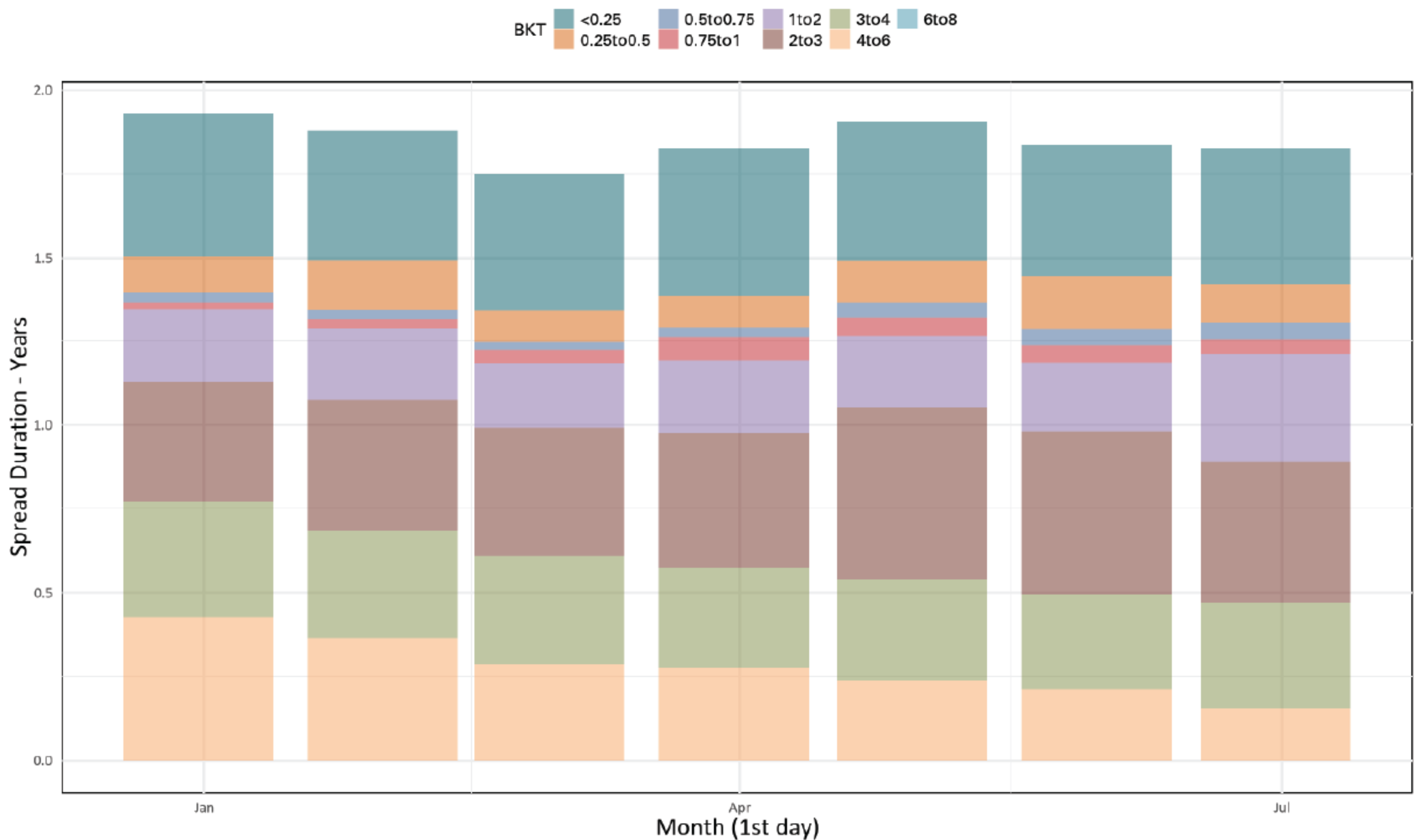
SpreadDuration_yrs = Market weighted average spread duration of the Fund in years. Spread duration is the sensitivity of the price of a security to changes in its credit spread. The credit spread is the difference between the yield of a security and the yield of a benchmark rate, such as a cash interest rate or government bond yield.

HY_pct = Percentage of high yield rated securities in the Fund

Illiquid_pct = Percentage of the Fund that is illiquid. Illiquid means the security cannot be sold within 7 days at or near its mark

excessVol = Annualized predicted absolute volatility of excess returns

totalVol = Annualized predicted tracking error. Tracking Error reflects how the performance of a portfolio deviates from the performance of its benchmark.

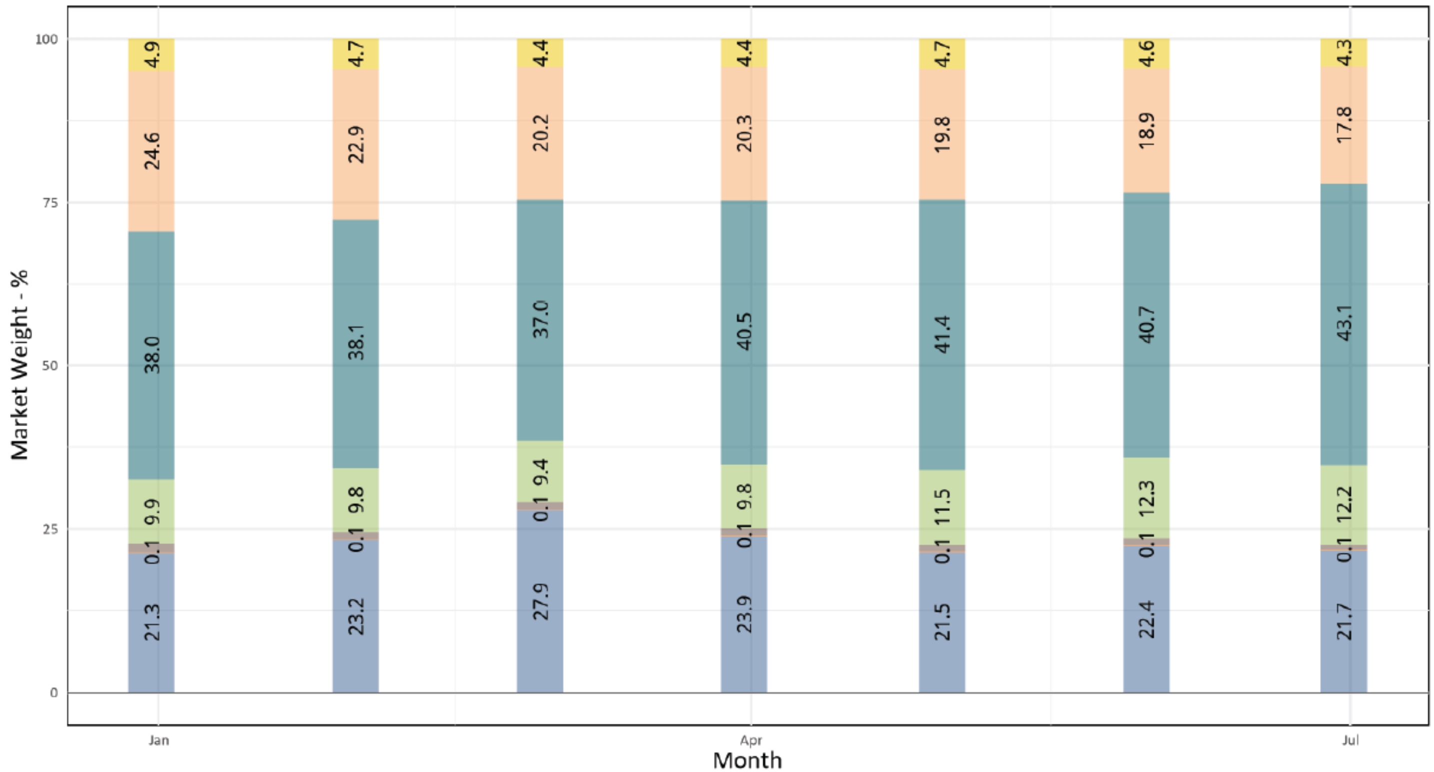


Portfolio holdings and characteristics are subject to change
Data reported monthly from January 1, 2020 to July 1, 2021

BKT = "Buckets"

This stacked column chart shows the Fund's corporate sector spread duration exposure disaggregated into the duration of the underlying securities (duration "buckets")

For example, the bottom segment represents the spread duration contribution from bonds with a duration of between 4 and 6 years



Portfolio holdings and characteristics are subject to change
Data reported monthly from January 1, 2020 to July 1, 2021

Thank you for investing alongside us in the BBH Limited Duration Fund, and we wish you a terrific summer.

Sincerely,

Andrew P. Hofer
Fund Co-Manager

Neil Hohmann, PhD
Fund Co-Manager

p	Overall Morningstar Rating ™*	Ticker	CUSIP	Inception Date	Total Net Assets (mil)	NAV	30-Day SEC Yield** (Subsidized)	30-Day SEC Yield** (Unsubsidized)
Class I	★★★★★	BBBIX	05528X851	12/03/2002	$10,163.7	$10.35	1.04%	1.04%
Class N	★★★★★	BBBMX	05528X802	12/22/2000	$578.2	$10.35	0.96%	0.83%

* 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 204 funds in the Ultrashort Bond category as of 6/30/2021.

** 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 June 30, 2021	
Cash and Cash Equivalents	17.5%
U.S. Treasuries	0.0%
AAA	19.4%
AA	7.6%
A	17.5%
BBB	23.8%
BB	9.4%
B or Lower	0.8%
Not Rated	4.0%
Total	**100.0%**

Top 10 Credits As of June 30, 2021	
iShares 1-5 Year Investment Grade Corporate Bond ETF	2.5%
Westlake Automobile Receivables Trust	1.4%
FS KKR Capital Corp	1.2%
Boeing Co	1.2%
Goldman Sachs Group Inc	1.2%
Santander Drive Auto Receivables Trust	1.2%
AerCap Holdings NV	1.0%
Morgan Stanley	1.0%
SPDR Portfolio Short Term Corp	1.0%
Oracle Corp	1.0%
Total	**12.8%**

Reported as a percentage of total portfolio.

Sector Distribution As of June 30, 2021	
Corporate Securities	44.1%
Asset-Backed Securities	17.7%
Commercial Mortgage-Backed Securities	4.4%
Municipal Securities	0.8%
Agency Mortgage-Backed Securities	0.1%
Trust Preferred	0.0%
Loans	12.3%
Government-Related	2.1%
Residential Mortgage-Backed Securities	1.0%
Cash and Cash Equivalents	17.5%
Total	**100.0%**

Fund Facts As of June 30, 2021	
Number of Holdings	338
Effective Duration (years)	0.91
Weighted Average Life (years)	1.99
Yield to Maturity	1.28%

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. Absent a rating from these agencies, we may display Private Credit Ratings, if permitted by the issuer, which could include ratings from Egan-Jones Ratings Co. 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 fees and expenses.

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

The BofA Merrill Lynch U.S. Corporate Index tracks the performance of U.S. dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market.
The BofA ML U.S. High Yield Corporate Index tracks the performance of U.S. dollar denominated high yield corporate debt publicly issued in the U.S. domestic market.
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.
The Bloomberg Barclays U.S. Credit Index contains publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be registered with the SEC. Each qualified issuer's exposure is then capped on a market-weighted basis at 3%, and the residual is allocated on a pro-rata basis to all remaining constituents.
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.
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.
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. Nothing contained herein is intended as a recommendation to buy or sell any security, or to invest in any particular country, sector or asset class.

RISKS

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.
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.
Illiquid investments subject the Fund to the risk that it may not be able to sell the investments when desired or at favorable prices.
Asset allocation decisions, particularly large redemptions, made by BBH&Co., whose discretionary investment advisory 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. Other products are offered by Brown Brothers Harriman.
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 BBH Limited Duration Fund Class I & Class N shares were ranked in the first quartile of the Ultrashort Bond category for the 1, 3 5- and 10-year periods ending 6/30/2021. Ranking are based on risk-adjusted return. The fund was ranked against 234 funds for the 1-year time period, 204 funds for the 3-year time period, 162 funds for the 5-year time period and 80 funds for the 10-year time period. 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: 204 funds in the last three years, 162 funds in the last five years, and 80 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**