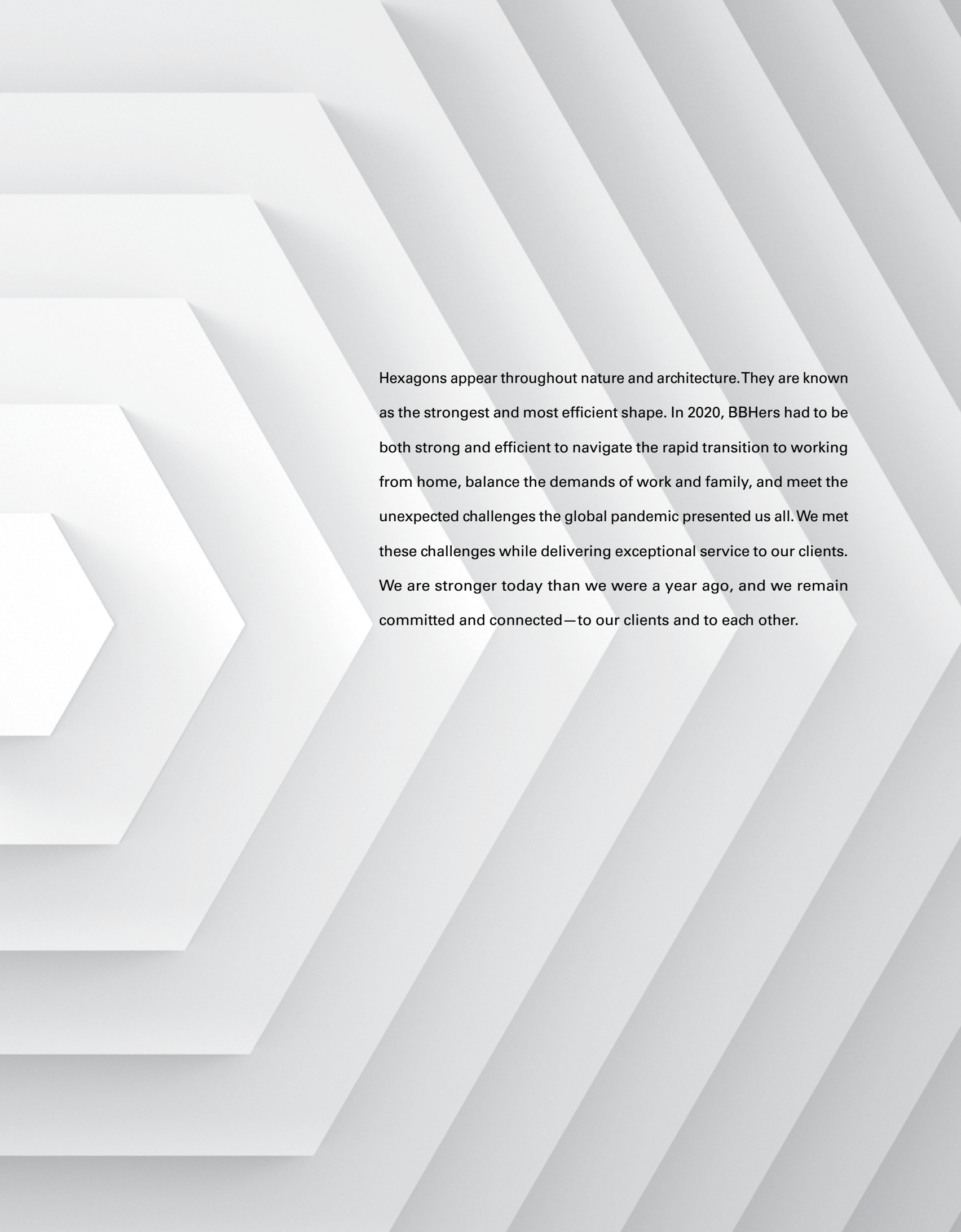


BROWN 
BROTHERS
HARRIMAN



2020
ANNUAL REPORT
Connected & Committed



Hexagons appear throughout nature and architecture. They are known as the strongest and most efficient shape. In 2020, BBHers had to be both strong and efficient to navigate the rapid transition to working from home, balance the demands of work and family, and meet the unexpected challenges the global pandemic presented us all. We met these challenges while delivering exceptional service to our clients. We are stronger today than we were a year ago, and we remain committed and connected—to our clients and to each other.

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FROM OUR MANAGING PARTNER



BILL TYREE
Managing Partner

“

We believe that the quality of the services we deliver to our clients is in direct proportion to the extent of our commitment to excellence and each other. In 2020, staying connected to these commitments was more important than ever, as was our ability to be flexible on our approach to doing business.

In my letter to you last year, the COVID-19 pandemic was just beginning. None of us could have predicted that this global crisis would continue raging for as long as it has, presenting us with myriad challenges ranging from practical to emotional. For all of us, the COVID-19 pandemic has been very personal. We may ourselves have been ill; we may have lost loved ones and friends; or at the very least, we may have suffered from the anxiety of not knowing what comes next. With vaccines now available and being administered globally, there seems to be an end in sight and a return to normalcy appears to be on the horizon.

COMMITTED AND CONNECTED

From the start, we approached this crisis from a position of strength, with a tested Business Continuity Plan (BCP) in place and ready for immediate implementation. This allowed us to assist our clients during the volatile markets of March/April 2020 and deliver our products seamlessly throughout this unprecedented global business disruption. But transitioning to a largely remote work environment was not easy, particularly as we prioritized conducting our business without interruption.

It took the willingness of over 200 extraordinary BBHers, whose job responsibilities could not be performed outside the office, to continue to travel in and serve as the life blood connecting our increasingly remote workforce and our systems and in-office operations. During this time, our colleagues, whether remote or in-office, were understandably distracted by navigating work, providing care to children or parents, managing their own personal well-being, and many other challenges. It took a lot of creativity, ingenuity, and determination to remain connected and deliver our desired business outcomes. It's a credit to all BBHers that we succeeded in 2020 to deliver our extraordinary service uninterrupted and with a positive attitude.

COMMITTED TO OUR BUSINESS

Quite apart from coping with the challenges brought on by the COVID-19 pandemic, we were also deeply affected by the social and political strains of 2020, including a contentious presidential election and transition of power in the U.S., widespread social justice movements, and near-zero global interest rates which cause deep challenges for banks to operate profitably. Despite these difficult business and social conditions, the firm had a very respectable financial performance for 2020. Investor Services was particularly affected by the low interest rate environment given the large client deposit book it generates. Strong FX trading profits resulting from active securities repositioning and high FX rate volatility partially offset the drop in interest income. Our Investment Management line of business had an exceptional second half of 2020 with strong inflows into our fixed income strategies.

And our Private Banking business had its best year yet, benefitting from all time high assets under management (AUM), coupled with unprecedented loan commitment growth and usage. With active speculation of a change in political party control in the U.S., our trust companies were busy developing and executing wealth preservation strategies in the second half of the year. Our Administration and Systems areas were especially critical this year assisting in the successful deployment of our remote colleagues and managing the risk created by having 98% of the workforce operating from outside the office.

Despite all these headwinds and distractions, we continued our healthy long-term investment commitment to our infrastructure and application development. In 2020, we launched a new, improved bbh.com website designed to showcase our business expertise and insights and provide our clients with a state-of-the-art digital experience. The new site includes a full redesign of our bbhfunds.com and bbhluxfunds.com portals with the goal of providing current investors and prospects an intuitive tool to learn about BBH-sponsored fund information. Finally, cybersecurity remains top of mind as we learn about more of our competitors who have been successfully hacked and strive to protect our own systems and data from unauthorized intrusion.

CONNECTING AND COMMITTING TO EACH OTHER

Recognizing the importance of health and well-being to our individual success and collective strength as a firm, we looked for new ways to help each other reduce stress and encourage positivity through the pandemic. Our Thrive well-being program attracted incredible support for physical, emotional, and financial well-being using trainings, employee educational events, and our “#Let’s Talk” open dialogue series.

2020 was also a year in which we listened and learned as the Black Lives Matter movement swept the U.S. and much of the world. It served as a wake-up call for many of us prompting introspection and renewed commitment to our priority of full gender and racial representation within our workforce and leadership. We issued our own call to action in August 2020 with a series of commitments all designed to make measurable progress toward our collective goal of greater inclusivity, equity, and representation within our company. As a result, we launched educational programming and encouraged challenging conversations about racial inequity and lived experiences,

while creating a safe space for our people to be authentic with each other. We also provided more time for employees to celebrate their backgrounds and identities by adding two paid days off each year, one for cultural holidays and the other for community service.

Working in partnership with our employee led BBH Affinity Network Communities (BANC) and Inclusion Councils throughout our lines of business, we set five-year goals for ethnicity and gender representation and expanded our self-ID program to help us better understand and ultimately measure our progress. Through this new lens, we are able to take additional actions to achieve greater diversity in our candidate pools, provide our underrepresented professionals with additional support as they advance in their careers, and further collaborate with community partners to create solutions to systemic challenges in the world around us.

We have already begun to see the positive multiplier effect of these changes. Since these steps were introduced, we have hired 4.6% more females and 1.6% more People of Color (POC) compared to last year, and this year’s class of officer promotions was 1.2% larger than last year, with 1% more females and 5% more POC year over year. There is always more work to be done across all dimensions of inclusion, and we continue to create new ways to listen, understand, and act.

COMMITTED TO THE FUTURE

Every facet of our business and culture was tested in 2020, but despite those challenges, I saw countless examples of people rising up to do what was right, making personal sacrifices, and serving our clients with the discipline and excellence for which we are known. We believe in the long-term fundamental strength of our businesses and are confident that we will rebound from this challenging year better and stronger than ever. Whatever the future holds, we will remain connected and committed to our mission of supporting our clients’ success by continuing to deliver world-class products and services.





Philip Chiang
Vice President, Investor Services



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We put our clients at the center of everything we do, and by doing so we build trusting professional and personal relationships with clients that span decades and generations. Our people—our biggest asset—make this possible. BBHers take our clients’ success personally, focusing on every detail to help them achieve their goals while delivering exceptional service.

INVESTOR SERVICES

AT A GLANCE

BBH Investor Services specializes in global asset servicing, supporting a full array of asset classes and investment strategies for the world's leading asset gatherers and financial institutions.

Our clients are at the center of everything we do and they are focused on three key priorities: growth and performance, operational efficiency, and oversight and control. We strive to contribute to our clients' success by supporting them with flexible, resilient operating models to help achieve these goals.

Service, Technology, and Specialist Expertise

We believe process can be as important as outcome and that "how it's done matters." Routinely ranked as our clients' leading service partner, our dedication to service excellence is enabled by our focus on a limited number of clients. We aim to be a globally connected and collaborative service partner, providing specialist expertise and customized solutions to our clients.

A technology leader with a long history of developing transformational solutions, we help our clients with some of their most complex operational challenges. Our digital and data solutions function across their operating models and providers, helping our clients bring data together into actionable views. A single integrated global technology platform allows us to be efficient in our investment, development, and deployment of new functionality.

2020 HIGHLIGHTS

Our business remained stable and our clients remained well-served throughout 2020, despite the many challenges presented by these unprecedented times.

Our investment in technology and our teams' personal and collective resilience, left us with much to be proud of and we are grateful for our clients' appreciative messages, ongoing support, and our collective accomplishments throughout this period of pressure and change. We continued to win new business, onboard new clients, support fund launches, and execute on key strategic investments, all while we delivered "excellence without exception" to our clients.

As a result of these factors, together with excellent FX performance, record transaction processing volumes, and disciplined expense management, Investor Services finished the year slightly behind our 2020 plan, despite a material headwind driven by near zero global interest rates.

KEY ACCOMPLISHMENTS

Supporting Growth and Performance

Our ETF services platform was enhanced in 2020 to support new structures with greater global connectivity. ETF Connect™ was upgraded for unique processing of semi-transparent active ETFs in the U.S.

BBH also established a new streamlined workflow for Authorized Participants (APs) with Bloomberg's primary market solution for ETFs, BSKT. The collaboration between Bloomberg BSKT and BBH created the first real-time solution providing APs a single interface for ETF order-taking and negotiating ETF baskets while consolidating disjointed processes across systems.

We expanded our capabilities to support **tax transparent structures** in non-U.S. markets by integrating an industry leading vendor solution within our Fund Accounting and Transfer Agency (TA) platform to scale our capability and support multiple markets at high volume.

In our Markets offerings, ongoing investments in **electronic securities lending trading capabilities** enabled us to increase automation, relevancy with trading counterparties, and pricing power for our clients. Our **FX** group had a record new business year, winning new mandates across all our FX product lines including currency administration, InfoFX®, and direct execution. Clients particularly appreciated the expertise we were able to demonstrate during the periods of high volatility in Q2 2020.

We completed the build-out of our **U.K. fund servicing** offering mid-year, including TA, to support our asset manager clients' objectives to deliver a consistent investor experience across multiple pooled fund ranges in Europe. We can now provide clients with the potential to house their Dublin, Luxembourg, and U.K. fund structures within a single-service model and operating platform.

Driving Operational Efficiency

In 2020, helping to drive efficiencies across our clients' operating models, as well as our own, became more important than ever before.

We expanded our **middle office capabilities** with over 90 individual product enhancements across all of our products including trade management, corporate actions, reconciliation services, and NAV validation/oversight. We also enhanced our **Infomediary™** dashboard experience on Infuse for message monitoring and oversight.

Building on our track record of providing data connectivity and integration through our Infomediary data service, we advanced our **data services offering** by providing a comprehensive technology and managed service solution to address inefficiencies in fund marketing and distribution. In addition, we expanded our library of client-customized **API** capabilities for several key data flows across critical middle and back office processes. We also enhanced our product offering to financial institutions, continuing to offer **white-labelled digital solutions and technology integration through BBH Infomediary**.

We deployed our last phase of our proprietary **expense administration platform, IPEX**, which provides a real-time budget expense process by marrying the expense budget and invoice workflow, with inter-connectivity to our Fund Accounting system. Our goals are to help mitigate risk, increase focus on expense drivers for funds, improve accuracy of the NAV calculation, cash projection and total expense ratios, and generate fund level trending leading to predictive analytics.

We also focused on maturing and scaling our **emerging technology platforms**, which helped us manage the volatility and volume spikes experienced in the early days of the pandemic. BBH's Anomaly NAV Tracking System (ANTS) 2.0 was extended for exception review beyond security pricing to include additional components in the NAV, such as income analysis. A newer version, ANTS 3.0, is planned to launch in 2021, applying artificial intelligence (AI) assistance to all NAV elements.

We launched **NAV Guardrail** to help enhance NAV accuracy by promptly identifying and explaining fund performance changes ahead of the NAV delivery. NAV Guardrail's review capabilities consider currency hedging, basket hedging, class level impacts, Interquartile Range (IQR), and similar fund/class performance factors.

Facilitating Oversight and Control

We continued to implement new functionality on our digital client portal, **BBH Infuse™**, launched in 2019, to allow our clients even greater transparency into their operations.

Infuse Transfer Agency was launched to our asset manager clients to provide a single view, in near real time, of their entire investor onboarding process and ongoing activity. The goal is for our clients to better understand their investor behavior and service them more efficiently and effectively, while providing tools designed to meet clients' regulatory and Board requirements.

In our **Alternatives** business, we enhanced our Infuse Alternatives dashboards to provide better client-facing data aggregation and visualization flexibility, a greater range of client-BBH interactions captured digitally and incorporated valuable client feedback on ease of use for real-time transparency of day to day processes. We added additional online functionality for currency hedging programs in **FX HedgeHub®**, including performance attribution analytics, and new data and analytics dashboards in our **InfoFX®** tool, our automated operational FX solution for security, and corporate actions related FX.

2020 C-Suite Asset Manager Survey

In the second half of 2020, we published our inaugural global C-Suite Asset Manager survey which was based on the results from over 50 senior-level discussions across our asset manager client base.

We are thankful for the extensive number of COOs, CEOs, and CFOs who participated, collectively overseeing more than \$18 trillion in assets under management (AUM), and the candor of our discussions, which led to an insightful view on the opportunities and challenges facing the industry in the coming year. For the full report please visit www.bbh.com.



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BBH's biggest strengths are our people, culture, and technology so we were confident that we could continue to provide exceptional service in a remote working environment. From client feedback, we know that we surpassed expectations, emerging stronger and more engaged than ever before, by finding new and meaningful ways to foster deeper connections with both our clients and colleagues.

Vanessa Cuzzo
Senior Vice President, Investor Services

2021 OUTLOOK

As we start 2021 with the world still managing and navigating the impact of the global pandemic, our focus remains on delivering on our promises to our clients. We aim to support their growth and performance, to enhance operational efficiencies, and to help them oversee their businesses.

Supporting Growth and Performance

Our **Alternatives** business is a key growth area for Investor Services, supporting the growth trajectory of our clients in their product and geographical expansion, as well as data-driven organizational evolution. We are continuing to deepen our illiquid private markets platform, with more automation for complex bespoke process workflows, and are implementing a fully integrated calculation engine for bespoke carried interest waterfalls and incentive fees. These initiatives aim to strengthen, control and simplify data flows throughout our technology ecosystem.

Other investments in 2021 include enhancements to **ETF Connect** focusing on broader connectivity options with APs and new securities lending data sets to provide unique insights on market demand.

In our **FX products** we are expanding our coverage in restricted markets, continuing to enhance our analytical reporting for InfoFX, and will continue to deploy performance attribution analytics dashboards within Infuse for our currency administration clients to provide greater transparency into hedged share class tracking error.

Driving Operational Efficiency

In our 2020 C-Suite survey, 57% of respondents said they would like to improve their data abilities and 38% identify the middle office as an area to enhance efficiency. As a firm, we are focused on making quality data more accessible and real-time. We

will continue to leverage our 20 years of experience using **Infomediary** as a data transmission tool to aggregate and normalize data—whether originated at BBH or not—to streamline access to the leading fintech and regtech solutions.

In January 2021, BBH's Fintech business line was rebranded to **Investment Operations**, powered by Infomediary. The change clarifies and emphasises our position in offering middle office technology and services through our full complement of modular, open-architecture technology solutions, and expert services.

As part of our Investment Operations service we plan to launch our **IBOR offering** in 2021. Built from the ground up, focusing on front office data requirements, BBH is using the latest technology to provide better data capture, storage, and presentation. We are developing our next generation capabilities for greater asset coverage; real time and near time availability, position-based data capture providing event-based updates rather than the batch process accounting system supported models of prior generations.

A key part of our Data Services offering, **BBH Connectors** will help clients address challenges across their operating model by introducing a curated set of modular third-party fintech and service providers who offer services complimentary to our own, and, where we can, provide data management services to accelerate access and value. Connectors, will bring additional value to our clients through our relationships and arrangements with high quality connections.

We will continue to build out our offering for **financial institutions**, working with strategic partners to share platform and infrastructure costs on key industry initiatives such as ISO20022, or to offer white labeled securities lending or depositary solutions.

Facilitating Oversight and Control

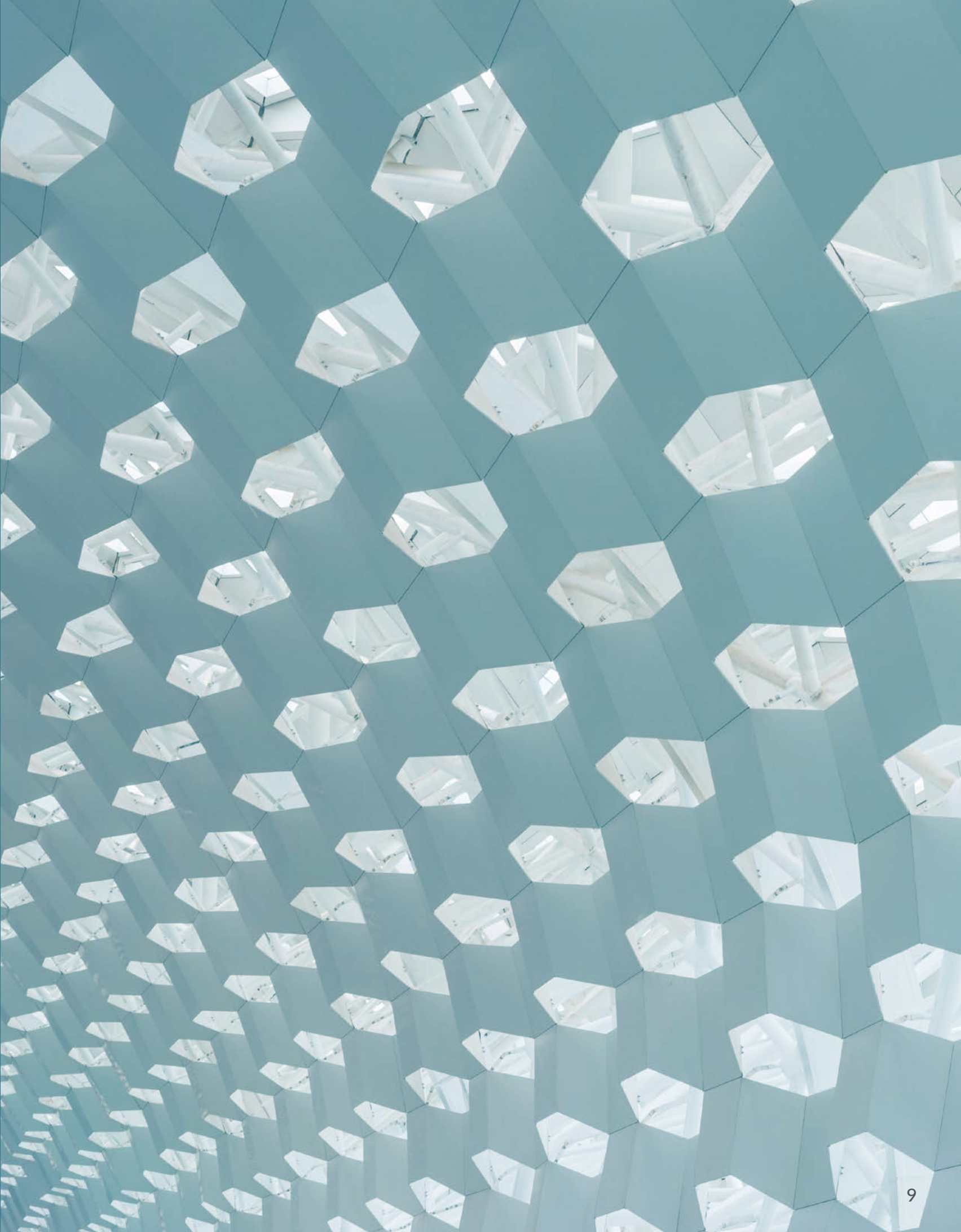
We will continue to add functionality across all our **Infuse** dashboards in pursuit of our goal to offer unparalleled transparency into our clients' operating models, to facilitate oversight and control.

Our **Infuse Transfer Agency** capability will continue to evolve over the course of 2021, deploying additional views into the entire shareholder register, in addition to the current view into the full investor onboarding process. 2021 investments will focus on the importance of high-quality interaction with investors; streamlining the investor experience by reducing email, fax, and query traffic while providing support to our clients' sales teams. As we head into 2022, investors will have the ability to submit account opening requests, upload documents, and deal online.

"As we reflect on our objectives for 2021, we are thankful for the collective resilience of our clients and our business in dealing with the ongoing stresses of the pandemic. We will exit this period with strengthened relationships and a mutual appreciation of the value of our long-standing partnerships, and the work and people who have shaped them."

Seán Páircéir
BBH Partner
and Head of
Investor Services







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In Private Banking, clients are at the center of everything we do. Throughout the turbulence of 2020, we remained committed to open, transparent, and continuous engagement with clients to help them achieve their goals for their wealth, their businesses, and their families, even as they navigated trying times.



Nicole Jackson Leslie
Vice President, Wealth Planner, Private Banking

PRIVATE BANKING

AT A GLANCE

To say 2020 had a tremendous impact on how we work and live would be an understatement. We were all forced to adjust to a “new normal” overnight, and while it was a year of constant change – from a global pandemic to social unrest to a tumultuous U.S. presidential election – Private Banking remained focused on helping clients achieve their vision of success for their families, wealth, businesses, and institutions.

Client service is at the heart of Private Banking, and throughout the turbulence of the year, what remained constant was our commitment to best serving and effectively engaging with clients. Faced with a lack of in-person interaction at the onset of COVID-19, we rolled out a new client engagement plan that ramped up client communications and thought leadership production. We also moved our events online, hosting a range of gatherings from large virtual events and webinars to small,

intimate roundtables. Most importantly, we continued working with clients to help them achieve their goals as they navigated the uncertainty of the times. As a reflection of our commitment to clients, we are pleased to report that our 2020 client retention rate was 100%.

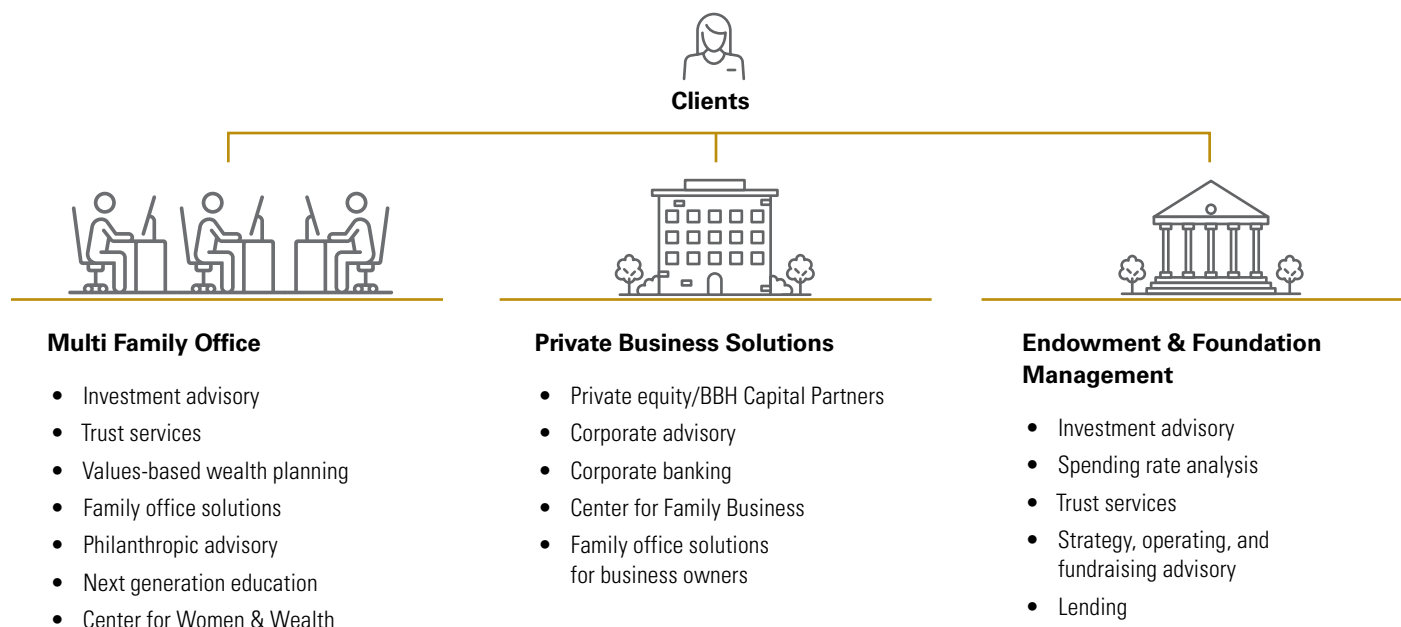
ONE AGENDA: YOURS

In Private Banking, our focus is helping our clients achieve their vision of success for their families, wealth, businesses, and institutions. We seek to first understand each client’s unique circumstances and objectives, and then offer our perspective and experience as an investor, trusted advisor, and capital provider for over 200 years to help them accomplish their goals. We partner with clients across three main business areas: Multi-Family Office, Private Business Solutions, and Endowment & Foundation Management.

Multi-Family Office

BBH Multi-Family Office’s mission is to help families thrive. We work with clients to define and share their unique values, communicate their vision for how they want their wealth to impact their lives, and create plans and invest capital to help them preserve, grow, and transition wealth to family or philanthropic causes over the long term. Clients leverage our comprehensive solution set, including disciplined investing aimed at preserving and growing client capital, values-based wealth planning, trust services, philanthropic advisory, family engagement and communication, family office advisory, and corporate advisory and banking, to help achieve their objectives. No matter their definition of success, we take care of our clients, their families, and their wealth as if it is our own as we invest alongside them, which ensures that our interests are aligned.

Comprehensive Solutions to Help Our Clients Thrive



Private Business Solutions

In our Private Business Solutions practice, we help clients grow and transition their companies by offering objective corporate finance advice, family business and family office guidance, customized junior capital solutions through our private equity practice, debt capital (such as commercial loans, commodity trade finance and tax-exempt financing/industrial revenue bonds), and the power of the BBH network. We begin by developing an understanding of each client's business's values, capital needs, governance structures, succession plan, and long-term strategic objectives, then build a plan to help grow the business, strengthen governance and communication practices among stakeholders, and ultimately transition the business as desired. We seek to build long-term relationships with each client.

Endowment & Foundation Management

In our Endowment & Foundation Management practice, we work with institutions to create and implement a plan that will meet their spending needs and preserve the purchasing power of their investment portfolio over the long term. Our approach to investing for endowments and foundations combines our bottom-up emphasis on capital preservation and growth with additional attention paid to outperforming in down markets. We augment our investment offering with additional solutions to enhance the management and operations of an institution, including advising on capital raising, establishing spending policies, structuring boards and governance, advising on operating businesses, navigating philanthropic impact, and offering tax-exempt loans to help meet financing needs.



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Preserving and growing client capital is at the core of our investment advisory offering. Our philosophy dictates a long-term ownership perspective and knowing what we own and why, and because of this commitment, we remained confident and patient on behalf of clients throughout the turbulence of 2020.

Justin Reed
Managing Director,
Deputy Chief Investment Officer

Our Promise to Clients

- ✓ We will take care of you, your family, and your wealth as if they were our own.
- ✓ We will put your interests first.
- ✓ We will seek to preserve wealth over the long term, then grow it.
- ✓ We will invest our own capital alongside yours and maintain fully aligned interests.
- ✓ We will help business owners comprehensively achieve their business growth and transition objectives while leveraging the full power of the BBH network of business owners, advisors, and investors.

There is no assurance the investment objectives will be achieved.

2020 BUSINESS HIGHLIGHTS

Private Banking's unrelenting focus on collaboration and dedication to innovation on behalf of clients led to a productive 2020. Our continued commitment to helping clients achieve their objectives while delivering differentiated solutions and excellent service produced many accomplishments.

- Private Banking's revenues were up 11% for the year vs. 2019. Results were driven by 19% year-over-year growth in assets under management, which was fueled by investment performance and record net flows.
- Private Banking's Investment team continued partnering with exceptional managers whose philosophies are aligned with ours. We added several public equity strategies across our Multi-Family Office and Endowment & Foundation platforms and worked with BBH Investment Management to develop two new fixed income strategies. Within Private Banking we added an allocation to distressed debt for appropriate portfolios to take advantage of opportunities created by the COVID-19 pandemic.
- Despite market turbulence at certain points of the year, our investment platform delivered excellent results for our clients on an absolute basis. Our most common investment portfolio, Balanced Growth, was up 14.4% through December 31, outperforming its blended benchmark by 254 bps, which was up 11.8%. Within the public equity portion of our portfolio – the largest component – our managers were up 21.0% year to date vs. the MSCI World (net), which was up 16.3%.
- BBH Capital Partners made eight new platform investments – investing over \$450 million – held a \$1.0 billion second closing of Capital Partners VI and completed a successful exit of the largest position in Capital Partners IV.
- In the face of continuously changing credit markets and an uncertain economy, our Commodities & Logistics and Corporate Lending teams fulfilled clients' capital needs, added new relationships, and grew the corporate loan book. We increased our credit facilities by 17%, raised outstanding credit by 21%, and added 14 new lending relationships with strategically attractive private companies.
- The Corporate Advisory team completed a number of engagements helping private business owners successfully navigate major strategic corporate decisions, including several sale transactions and the development of corporate growth strategies. The Center for Family Business was engaged on a variety of projects involving succession planning, distribution policies, and enhancing governance structures for family-owned businesses.
- We continued enhancing our comprehensive solution set to better help families identify and communicate their values with additional tools and resources from our Values-Based Wealth Planning, Next Generation Experience, Center for Women & Wealth, and Philanthropy Advisory practices.
- BBH Trust Company revenues increased by 22%, driven by several new client assignments, as well as large additions to existing client relationships and the settlement of a number of complex and significant estates. Average Trust Company assets were up 9% for the year.
- We enhanced our suite of family office services to help clients better streamline their banking options.



Private Banking teams stayed connected in new ways in 2020.



2021 OUTLOOK

As we look to 2021, Private Banking will maintain a strong focus on helping clients achieve their personal and business objectives by delivering industry-leading solutions and service and bringing the full breadth of BBH through our collaborative approach. What follows is a selection of focus areas for the year ahead.

- **Investment Excellence:** In our investment discipline, we will seek to preserve and grow capital over full market cycles by adhering to our disciplined philosophy, working closely with our investment teams and outside managers to ensure that we own high-quality portfolios that are positioned for future success. While periods of market dislocations are expected, we view these as opportunities to identify and deploy capital into new attractive public and private investments while working diligently to ensure the continued success of our existing strategies.
- **Family Office Solutions:** We will continue to enhance our family office solution set to ensure we can meet the unique needs of each client, particularly around consolidated reporting, household administration, foundation management, and family office creation and structuring.
- **Mobile App:** We are developing a new Private Banking mobile app with a redesigned user experience to allow clients to access account-level data, sign in using biometrics, communicate with their relationship teams, and update key information.
- **Center for Family Business:** We are launching a new Owner to Owner webinar series (which we hope to transition to in-person events when conditions allow) aimed at providing private business owners with insights into governance, succession, and other issues at the intersection of family and business.
- **Trust Company:** We will continue to make significant investments in our tax, accounting, and estate settlement capabilities, as we are increasingly being named executor by our clients in their estate plans.

“To say 2020 had a tremendous impact on how we work and live would be an understatement. We were all forced to adjust to a new normal overnight, and while it was a year of constant change – from a global pandemic to social unrest to a tumultuous U.S. presidential election – Private Banking remained focused on helping clients achieve their vision of success for their families, wealth, businesses, and institutions.”

Jeff Meskin
Partner and Head
of Private Banking





Jorge Aseff
Senior Vice President, Investment Management



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BBHers connect as professionals and as individuals. And when we connect as individuals, geography is not enough to separate us. During COVID-19, messages opened with ‘I hope you are well’ and closed with ‘stay healthy and safe.’ Simple words that made a difference.

INVESTMENT MANAGEMENT

AT A GLANCE

BBH Investment Management offers a select number of equity and fixed income strategies. These strategies all share a strong value-based investment philosophy grounded in bottom-up, fundamental research with an objective of preserving and growing capital over time. Today, our Investment Management line of business oversees approximately \$64 billion in assets including over \$30 billion on behalf of BBH's Private Banking business. Our diversified client base includes institutional investors, financial intermediaries, sovereign wealth funds, endowments, and high-net-worth investors domiciled worldwide. Approximately 42% of our assets can be attributed to clients outside the U.S., with a substantial presence in Asia, Europe, Latin America, and the Middle East.

Our current investment strategies include the following:

Equity

- U.S. Large Cap
- Concentrated Small and Midcap Equity
- International Equity
- Global Equity

Fixed Income

- Core Fixed Income
- Intermediate Duration Fixed Income
- Limited Duration Fixed Income
- Unconstrained Credit - Fixed Income
- Structured Fixed Income
- Municipal Fixed Income
- Inflation-Indexed Fixed Income
- Floating Rate Loans

Our mission is to be the best at preserving and growing our clients' capital over full market cycles. We understand that the key to long-term outperformance is preserving capital during difficult markets, employing clear investment principles that are consistent through full market cycles.

INVESTMENT PRINCIPLES

Consistently applied across all of our investment strategies:



We offer our clients access to our investment strategies through a limited number of distribution channels, allowing us to focus on our investment priorities and process quality to achieve differentiated results. Our strength lies in the quality and continuity of our investment teams, the rigor with which we apply our criteria, and the disciplined and repeatable nature of our investment process.



"Our Investment Management team demonstrated strength, determination, resilience, and a will to succeed and push ahead that was truly inspiring. We are proud of our accomplishments in 2020 and how that has positioned us for success in 2021."

JP Paquin

Partner and Head of Investment Management

2020 HIGHLIGHTS

During 2020, we continued our commitment to investment excellence and deep client relationships. We also:

- Significantly increased our client engagement through virtual meetings, conference calls, webinars, and special commentaries in response to the market volatility caused by the pandemic.
- Enhanced our ESG Position Statement and created our Engagement Statement, furthering our thought leadership around ESG-related issues.
- Became a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and joined the United Nations Global Compact. Our collaboration with these organizations reflects our dedication to sustainability.
- Onboarded approximately \$4 billion of gross new assets from both existing and new clients globally.
- Increased our portfolio management resources by five investment analysts.
- Launched the Income Fund, a Luxembourg-domiciled UCITS vehicle, that seeks to provide maximum total return with an emphasis on current income, consistent with preservation of capital and prudent investment management, and a Structured Fixed Income product that applies the same credit and value discipline to investments in high quality asset-backed securities, where BBH has a leading market presence.
- Enhanced our investment analysis and client reporting capabilities through important technology upgrades.
- Generated impressive performance across our fixed income strategies validating our rigorous investment process.

2021 OUTLOOK

At this time last year, we had no idea what 2020 had in store for us. We faced, and continue to face, a global health pandemic, an unprecedented dislocation of our workforce, incredible market volatility, a movement toward social justice, and political unrest. Our Investment Management team demonstrated strength, determination, resilience, and a will to succeed and push ahead that was truly inspiring. We are proud of our accomplishments in 2020 and how that has positioned us for success in 2021.

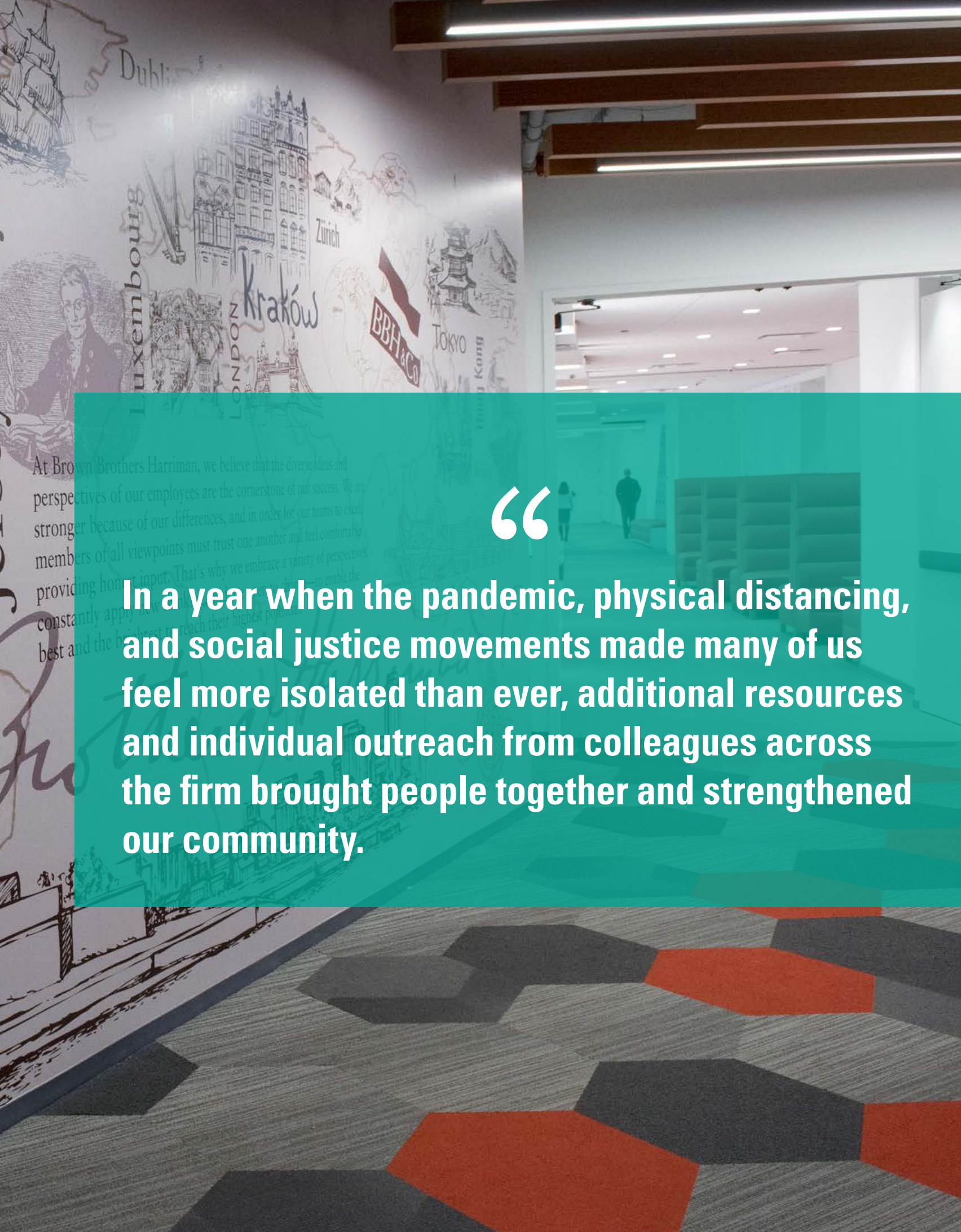
We enter the year overseeing a record \$64 billion in assets. Our fixed income business is also at a record high in AUM, and has excellent track records which continue to attract new clients and new assets, with several new strategies under consideration. Our equity business is poised to expand its offerings to include a new US mid-cap strategy. We will continue to progress our ESG investing initiatives. Our client-facing teams, in partnership with our portfolio managers, have successfully adopted new technology tools to ensure that our clients were well-informed about their portfolios. As a result our foundational areas (operations, compliance, technology, risk, and legal) are poised to support the continuing growth of our business. We expect 2021 to be a very busy year.



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Our team was in constant communication with our clients during the early days of the pandemic through frequent update calls and a special letter detailing our views on the portfolio and the broader market environment. This communication allowed our clients to remain assured and benefit from the recovery that followed.

Ting Zhou
Vice President,
Investment Management



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In a year when the pandemic, physical distancing, and social justice movements made many of us feel more isolated than ever, additional resources and individual outreach from colleagues across the firm brought people together and strengthened our community.



Marla Barr
Senior Vice President,
Global Head of Diversity and Inclusion

OUR CULTURE

Collective Strength Derived from a Common Purpose

Our business success stems from the deep, meaningful relationships we have with our clients, communities, and each other which are built upon shared values and common purpose. The events of this unusual year prompted a journey of transformation that was underpinned by our heightened need to prioritize the long-term safety, mental health, and financial well-being of those around us. The collective strength of our people enabled us to remain a reliable source for exceptional service—concentrating on every detail required to help achieve our clients' goals while demonstrating focus, agility, and compassion.

A Year of Community: Staying Connected and Feeling Supported

Our people sit at the center of who we are and what we do. When the COVID-19 pandemic hit, the need to quickly and seamlessly shift to a 95% remote work environment prompted investments in technology that created additional collaboration tools and leadership development that helped our people adapt to new ways of working.

Through new policies and educational programming, we enhanced flexibility and increased resources that enabled our people to better manage the competing demands of their personal and work lives. We are proud of our ability to keep our team together by preserving jobs and nurturing careers within an extremely volatile market—protecting the long-term interest of our people and clients. We were inspired by leaders throughout the firm who instilled confidence, supported colleagues' well-being, and demonstrated the best of what we stand for in service to our clients and each other.

Wellness, Inside and Out: Breaking Down the Barriers to Care

In this unique year, the focus on employee well-being was a true inflection point for the firm. In 2020, we boosted our investment in BBH Assist, the firm's Employee Assistance Program and in the process, broke down barriers to care at a time when it was most needed.

A key part of this investment was the introduction of new benefits designed to help individual members of the BBH community better manage their mental and emotional health. Each employee and their families are eligible for 16 no-cost appointments from top tier providers for services including culturally sensitive therapy and coaching. They also have unlimited access to self-care apps to help manage issues such as stress, anxiety, depression, substance abuse, relationship challenges, and more. To further support employees, managers attended training to recognize signs of distress in others and suggest strategies for offering professional help and resources. In addition, our Thrive Wellness Platform sponsored 25 virtual support events, numerous wellness online challenges, and published hundreds of communications offering information to our employees on varied topics ranging from caregiving and home-schooling challenges to ways to battle feelings of isolation.



BBH was named a
2020
Best Employer
for Excellence in
Health and Well-being
by The Business
Group on Health

Our Call to Action: A Reckoning with Social Justice

For many of us, 2020 was a year of listening, learning, reflecting, and understanding for many of us. The inequitable impacts of the pandemic and social justice movements across the world served as an inflection point for BBH and a call-to-action that we took very seriously. Our commitments to allyship and to providing a safe and inclusive environment where individuals of all backgrounds are embraced and celebrated has never been stronger. We encouraged our leaders and employees to have courageous conversations to address concerns, provide support, and to remind us all the importance of taking the time to understand each other's lived experiences.

The inclusive leadership training we began in 2019 accelerated in 2020, with all middle and senior level managers completing the interactive program which is now part of our leadership onboarding curriculum. Additionally, senior leaders participated in educational programming demonstrating the obstacles Black professionals face and transformative leadership techniques to make meaningful change. Employees at every level came together through informative events on systemic issues within our communities from education and job access, to housing and food insecurities. Exploration of the distortions of Black his-

tory and the sharing of personal stories illustrated ways stereotypes can perpetuate and aimed to breakdown implicit bias.

Through a new lens, we took additional actions to achieve greater diversity in our candidate pools, provide our underrepresented professionals with additional support as they advance in their careers, and further collaborate with community partners to create solutions to systemic challenges in the world around us. We set accelerated gender and ethnicity representation goals and initiated a project to enhance our Self-ID program in order to better understand our progress. These intentional actions drove meaningful and sustainable changes in 2020, and we recognize there is more work to be done in order to achieve our goals. New partnerships made with diversity and inclusion-focused organizations will help fuel our work as we continue to foster an environment in which individuals feel a sense of belonging, acceptance, and respect needed to grow and deliver their best work.



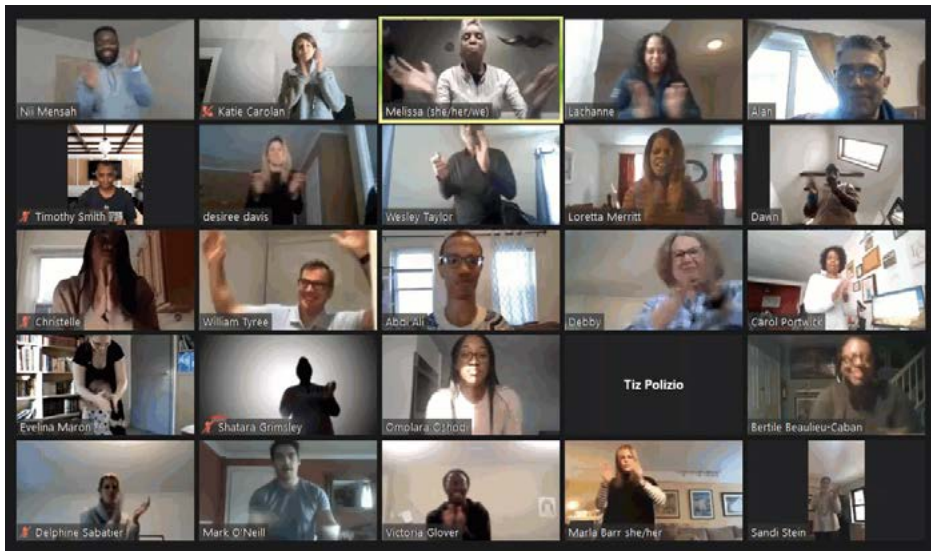
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Staying connected to my BBH community through open, honest conversation and by attending wide-ranging affinity events, helped me feel supported and able to navigate the wave of emotions that accompanied so much uncertainty in 2020.

Victoria Glover
Associate, Network Management



For the second consecutive year, BBH was named a Best Place to Work by the Human Rights Campaign Foundation with a perfect 100 score on the Corporate Equality Index for LGBTQ+. Additionally, for the first time, BBH was recognized in 2020 as a Best Place to Work by Diversity Best Practices through their Inclusion Index and by Disability In through their Disability Equity Index.



BBHers participate in an Afro-joy dance class via Zoom, sponsored by our Black Affinity Network.

Connecting Colleagues and Culture

One of the ways BBH champions employee leadership, as well as encourages cultural diversity, is through support of our BANCs, which provide a platform for our employees to develop skills, experience different cultures, network, and support various business initiatives. These employee-led networks encourage leadership, collaboration, strengthen our connections to our people, our communities, and contribute to creating a dynamic workplace. We currently have ten networks which hosted 75 successful events in 2020 where thousands of employees virtually came together, demonstrating the importance of understanding intersectionality and the power of strong communities. To further support the celebration of different cultures and backgrounds, in 2020 BBH enhanced our paid time off policy to include a day for personal cultural observance.

Giving Back When and Where It Was Needed Most

It was important to the firm that we continue all annual support of our community partners and nonprofit organizations in 2020. While in-person volunteering was curtailed in the early part of the year, BBHers were determined to continue lending time and talents to individuals and families. To assist employees, the firm granted a paid community service day to help BBHers to give back to a personally meaningful cause in their local communities. In addition, collaborating with our school, after-school, and community organizations, we were able to convert in-person tutoring and mentoring programs into virtual learning opportunities. Leadership curricula were created to illustrate the importance of working together to solve challenges helped students adapt to their virtual learning and identify ways to better help their peers. In addition to volunteering, BBHers continued school supply collections, backpack drives, and holiday gift drives for children in need. Across offices

and across continents, our employees reinvented these donation drives to ensure that children were prepared to learn--despite the location of their "classroom"—and that children in need received a bit of cheer during the holiday season.

Our U.S. Annual Giving Campaign and local fundraising in each of our offices looked a bit different in 2020, but were equally effective, with fundraising totals that matched those of the record-breaking previous year. In addition to the annual support of charities around the globe, the firm also directed additional funding to hospitals, agencies, and foundations focused on COVID-19 support. Employees identified significant increases in the demands on several of our community partners—more meals needed, more emergency funding, more bandwidth to help children learn. In response, BBH Partners set aside mid-year and year-end gifts to those charities most in need in each of our office locations. Together, we provided more than \$4.7 million of financial assistance to more than 150 charitable organizations.



BBHers around the globe balanced work and family throughout 2020.

SUPPORTING TOP TALENT

Despite the challenges
of 2020, BBH welcomed

1,200

new BBHers,
across our business
and promoted 20%
of our people, with
increased diversity
across all new hires
and promotions.



Lending a Hand

BBH's Employee Relief Fund (ERF) has been making a difference in employees' lives since its inception in 2012. Registered as a 501(c)(3) nonprofit, the ERF is funded through generous donations from our employees and our partners wishing to assist employees facing unexpected financial hardship due to a catastrophic event. The fund has awarded nearly 100 grants in 2020 to BBH employees and their families totaling approximately \$650,000.

Working for Equality

BBH was an initial member of United Way of New York City's Campaign for Equity. By providing time, talent, and treasure, BBH is partnering to address the interconnected root causes of racial injustice in our society—access to healthy food, healthcare, quality education, and economic mobility.

HATCHING New Ideas

Though our annual Codefest innovation initiative had to be postponed due to COVID-19, our employees' creativity and ideas were not in quarantine and found a new outlet in HATCH, BBH's new crowd-sourced idea creation platform. HATCH allowed employees to share, collaborate, and network from anywhere in the world to find solutions to some of our business challenges. Piloted in the fall of 2020, this virtual global event launches firmwide during Q1 2021 when our employees will have an opportunity to flex their design-thinking muscles and share their ideas on everything from making BBH a better place to next generation products.





In recent years, businesses and investors have recognized that prioritizing environmental, social, and governance (ESG) issues is critical to managing risk, attracting and retaining top talent and clients, and adapting to the ever-changing market. But 2020 was an extraordinarily important time to be focused on making a positive impact: We faced a global pandemic, social justice movements across the world, environmental disasters, and unprecedented volatility in global markets, which all together highlighted the increasing need for us all to participate in creating a sustainable future.

In 2020, sustainability and business continuity merged. Keeping our business strong meant changing everything about the way we work and live while delivering for clients, digitizing our processes, and proactively focusing on employee and community well-being.

Last year we released our inaugural Stewardship Report detailing the 10 focus areas we have set for ourselves and outlining how we will measure our progress against those goals. This was an important milestone in our commitment to transparency, accountability, and action around ESG in our organization.

In 2020 we also took other steps forward in our sustainability journey, including becoming a signatory to the UN Global Compact and the UN-supported Principles for Responsible Investment. These two leading international standards-based organizations align us with like-minded organizations committed to integrating sustainable practices into business operations and is part of our commitment to leaning into our values. These partnerships also send a strong message to clients about how serious we are about sustainability and ESG.

To learn more about our commitment to sustainability, we welcome you to read our **[2020 Stewardship Report](#)**.

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Making an impact for
generations to come.



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