BBH Core Plus Fixed Income

Strategy Fact Sheet / 4Q 2022

PRINCIPAL STRATEGY AND OBJECTIVES[1]

The Core Plus Fixed Income Strategy* is designed to deliver excellent returns through market cycles for investors seeking broad exposure to the U.S. Fixed income markets.

Our active management approach seeks to build taxable bond portfolios bottom-up, allowing valuation and security selection to drive our portfolio construction. Portfolios include durable, well-managed, appropriately structured credits[2] that can be thoroughly researched and understood.

INVESTMENT CRITERIA

Our independent research serves as the foundation of our bottom-up investment process. We also apply a proprietary quantitative framework to assess each security's long-term return potential. We will hold reserves when available opportunities do not meet our credit and valuation criteria.

Investment opportunities must meet four essential criteria: durability, transparency, excellent management, and appropriate structure.

- Durability: Able to withstand a wide variety of economic conditions.
- Transparency: Can be thoroughly researched and understood.
- Excellent Management: Debt-conscious leaders focused on long-term viability and access to capital markets.
- Appropriate Structure: Appropriate leverage and available resources.

We evaluate environmental, social and governance (ESG[3]) factors as part of our investment research process to help us effectively assess the long-term sustainability and durability of our companies and credits.

PRINCIPLES OF FIXED INCOME INVESTING

- **Active Management:** We believe in a bottom up, value-based approach to active management.
- **Durability:** We only invest in securities we believe are built to withstand a variety of economic conditions.
- **High Conviction:** We work to balance ample diversification while ensuring meaningful concentration in our highest conviction ideas.
- **Long-term Perspective:** We underwrite our investments to perform through market cycles.
- **Discipline and Patience:** We let valuation drive our investment process and will hold reserves when the opportunity set is limited.

[1] There can be no assurance that the Strategy will achieve its investment objectives.

[2] Obligations such as bonds, notes, loans, leases and other forms of indebtedness, except for Cash and Cash Equivalents, issued by obligors other than the U.S. Government and its agencies, totaled at the level of the ultimate obligor or guarantor of the Obligation.

[3] A less favorable ESG profile may not preclude the Adviser from investing in a credit, as the consideration of ESG factors is not more influential than the consideration of other investment criteria.

* Formerly called the Core Fixed Income Strategy.

PORTFOLIO CO-MANAGERS

Andrew P. Hofer

Andrew Hofer is Head of Taxable Fixed Income for Investment Management. Since joining BBH in 1988, Andrew has held a variety of roles within Investment Management, including the Head of Insurance Asset Management, Chief Operating Officer, and Head of Risk Management. Andrew holds a B.A. degree in East Asian studies from Yale, and an MIA (Master of International Affairs) from Columbia University.

Neil Hohmann, PhD

Neil Hohmann is Head of Structured Products and a portfolio manager for Investment Management. In his role, he supervises security selection in asset-backed securities, commercial and agency mortgage-backed securities, and financial institution credit. He is an active member of BBH's Market Risk Oversight Committee. Neil received a Bachelor of Economics with Distinction from Yale University where he graduated magna cum laude. He also earned a PhD in Economics from the University of Chicago.

Paul Kunz, CFA

As the Head of Corporate Credit and a portfolio manager, Paul Kunz is responsible for the oversight of corporate fixed income portfolios encompassing both investment grade and high yield credit, including managing the research efforts of the credit analyst team. As the Head of Corporate Credit and a portfolio manager, Paul Kunz is responsible for the oversight of corporate fixed income portfolios encompassing both investment grade and high yield credit, including managing the research efforts of the credit analyst team. He has been a member of the portfolio management team since joining BBH in 2013. Paul received a B.S. in finance from Villanova University, a J.D. from St. John's University School of Law, an LLM in corporate law from New York University School of Law. He is also a CFA Charterholder.

Performance As of December 31, 2022							
	Total Returns		Average Annual Total Returns				
Composite/Benchmark	3 Mo.*	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
BBH Core Plus Fixed Income Composite (Gross of Fees)	1.37%	-13.25%	-13.25%	-0.11%	2.31%	3.09%	6.24%
BBH Core Plus Fixed Income Composite (Net of Fees)	1.31%	-13.47%	-13.47%	-0.35%	2.05%	2.84%	5.97%
Bloomberg U.S. Aggregate Bond Index	1.87%	-13.01%	-13.01%	-2.71%	0.03%	1.06%	5.61%

* Returns are not annualized. The BBH Core Plus Fixed Income Composite inception date is 1/1/1986

Sources: BBH & Co. and Bloomberg

Past performance does not guarantee future results.

Representative Account Credit Quality As of December 31, 2022

	Representative Account	Bloomberg U.S. Aggregate Bond Index
Cash and Cash Equivalents	3.5%	0.0%
U.S. Treasuries	3.4%	40.6%
AAA	6.6%	32.5%
AA	8.4%	3.1%
A	24.0%	11.1%
BBB	32.1%	12.7%
BB	13.7%	0.0%
B or Lower	8.2%	0.0%
Not Rated	0.2%	0.0%
Total	**100.0%**	**100.0%**

Representative Account Sector Distribution As of December 31, 2022

	Representative Account	Bloomberg U.S. Aggregate Bond Index
Corporate Securities	48.5%	24.4%
Asset-Backed Securities	19.3%	0.5%
Loans	17.6%	0.0%
Agency Commercial Mortgage-Backed Securities	0.0%	0.9%
Agency Mortgage-Backed Securities	0.0%	27.6%
Commercial Mortgage-Backed Securities	6.5%	1.0%
U.S. Treasuries	3.4%	40.6%
Government-Related	0.0%	5.1%
Municipal Securities	1.0%	0.0%
Residential Mortgage-Backed Securities	0.2%	0.0%
Cash and Cash Equivalents	3.5%	0.0%
Total	**100.0%**	**100.0%**

Representative Account Duration Distribution As of December 31, 2022

	Representative Account	Bloomberg U.S. Aggregate Bond Index
< 1 Yr	33.5%	0.2%
1 - 3 Yrs.	25.8%	23.5%
3 - 5 Yrs.	20.7%	23.0%
5 - 7 Yrs.	10.1%	26.3%
7 - 10 Yrs.	5.9%	11.8%
10 - 20 Yrs.	4.1%	14.6%
20+ Yrs.	0.0%	0.6%
Total	**100.0%**	**100.0%**

Representative Account Top 10 Credits As of December 31, 2022

FS Investment Corp	1.2%
Apollo Global Management LLC	1.1%
Blackstone / GSO CLO	1.1%
MTN 2022-LPFL	1.0%
Universal Insurance	1.0%
SVB Capital (WestRiver Group)	1.0%
Trinity Capital Inc	1.0%
System One	0.9%
Fairfax India	0.9%
Gladstone Capital Corp	0.9%
Total	**10.0%**

Representative Account Portfolio Characteristics As of December 31, 2022

	Representative Account	Bloomberg U.S. Aggregate Bond Index
Effective Duration (years)	6.05	6.14
Yield to Maturity	7.58%	4.69%

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. 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. 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.

RISKS

The value of the portfolio can be affected by changes in interest rates, general market conditions and other political, social and economic developments. Each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.

Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit, maturity, call and inflation risk; investments may be worth more or less than the original cost when redeemed.

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

Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax.

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

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

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

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

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

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

Considering ESG factors as part of investment decisions may result in the Adviser forgoing otherwise attractive opportunities, which may result in lower performance when compared to advisers that do not consider ESG factors.

Holdings are subject to change. Totals may not sum due to rounding.

Effective duration is a measure of the portfolio's return sensitivity to changes in interest rates.

The Bloomberg U.S. Aggregate Bond Index is comprised of U.S. dollar-denominated investment grade fixed income securities with maturities of at least one year. The index includes corporate, government and mortgage-backed securities. One cannot invest directly in an index.

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Credits: Obligations such as bonds, notes, loans, leases and other forms of indebtedness, except for Cash and Cash Equivalents, issued by obligors other than the U.S. Government and its agencies, totaled at the level of the ultimate obligor or guarantor of the Obligation.

The Representative Account is managed with the same investment objectives and employs substantially the same investment philosophy and processes as the Core Fixed Income Strategy.

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Gross of fee performance results for this composite do not reflect the deduction of investment advisory fees. Actual returns will be reduced by such fees. Net of fees performance results reflect the deduction of the maximum investment advisory fees. Returns include all dividends and interest, other income, realized and unrealized gains, are net of all brokerage commissions, execution costs, and without provision for federal or state income taxes. Results will vary among client accounts. Performance calculated in U.S. dollars.

The objective of our Core Plus Fixed Income Strategy is to deliver excellent after-tax returns in excess of industry benchmarks through market cycles. The Representative Account is managed with the same investment objectives and employs substantially the same investment philosophy and processes as the strategy. The Composite included all fully discretionary, fee-paying core fixed income accounts over $10 million that are managed to a duration of approximately 4.5 years and are invested in a broad range of taxable bonds. Accounts that subsequently fall below $9.25 million are excluded from the Composite.