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## Brown Brothers Harriman Fixed Income

For over 70 years, Brown Brothers Harriman has managed fixed income strategies for public and private institutions and high net worth families and individuals. We offer a suite of taxable, tax-exempt, and inflation-indexed strategies that utilize our unique investment philosophy and valuation methodology to generate long-term, peer leading returns.

### A Differentiated Approach

At Brown Brothers Harriman (BBH), our fixed income process can be summarized in one sentence: *We purchase durable credits when they are available at attractive yields.* It is our observation that credit spreads are more volatile than justified by the underlying fundamentals. We aim to exploit this mispricing.

Our investment team seeks to deliver attractive long-term results by rigorously applying the following investment principles.

#### **We are value investors:**

We believe prices often do not represent fundamental value. We seek to purchase investments at discounted valuations when volatility creates a disconnect between prices and fundamentals.

#### **We invest with a margin of safety:**

We require a margin of safety when purchasing credits. A margin of safety\* provides an additional discount to allow for the cyclical nature of credit markets.

#### **We aim to preserve capital through thorough underwriting:**

We are committed to fundamental research and have made it the foundation of our investment process. We commit capital only to durable, transparent, well-managed, and appropriately structured investments.

#### **We take a long-term approach:**

Our valuation assessment of a bond may not coincide with market views prior to maturity. Therefore, we invest with a long-term approach, employing discipline and patience.

#### **We let value opportunities drive portfolio construction:**

Our security selection and sector weightings are built “bottom-up” from the depth and availability of attractively-priced opportunities, not “top-down” from benchmarks, ratings, or macro-thematic views. When attractive valuations are not available we maintain cash, Treasuries, or other liquid reserves.

#### **We foster a culture of transparency, process discipline, and open debate:**

We believe these principles, supported by a peer review process, check-lists, and clear evaluation criteria, lead to greater objectivity and better decisions.

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

## Brown Brothers Harriman

Brown Brothers Harriman (“BBH”) Investment Management offers a select number of Equity, Private Equity and Fixed Income strategies. These strategies all share a strong value-based investment philosophy grounded in bottom-up, fundamentally-derived research that seeks to provide investors with long-term growth of capital over time. Our strength lies in our differentiated investment criteria, the rigor with which we apply this criteria, the disciplined and repeatable nature of our investment process, and the quality of our investment teams.

- Capital Preservation Focused
- Value-Based Approach
- Bottom-Up Fundamental Research
- Long-Term Perspective
- Discipline and Patience

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## Fixed Income Product Offerings

We offer the following taxable, tax-exempt, and inflation-indexed fixed income investment strategies:

Taxable Fixed Income Strategies	Average Duration	Benchmark
BBH Core Fixed Income	5-7 Years	Bloomberg Barclays U.S. Aggregate Bond Index
BBH Intermediate Duration	3-5 Years	Bloomberg Barclays Intermediate Gov/Credit Index
BBH Limited Duration	<3 Years	Merrill Lynch 1-3 Year Treasury Index
BBH Structured Fixed Income	1-4 Years	Bloomberg Barclays U.S. Asset-Backed Securities Index
Credit Value	2 Years	Bloomberg Barclays U.S. Aggregate Bond Index

Our taxable fixed income strategies seek long-term, peer leading total returns consistent with the preservation of capital and our unique value approach. Portfolios consist of attractively priced, durable credits and are built bottom-up from the availability of identified securities, not “top-down” from benchmarks, credit ratings, sector calls or macroeconomic views. When opportunities are not available, we are content with holding liquid reserves, such as government securities or cash equivalents, while we wait for a better entry point.

Tax-Exempt Fixed Income Strategy	Average Duration	Benchmark
BBH Intermediate Municipal Bond	3-7 Years	Bloomberg Barclays 1-15 Year Municipal Bond Index

We seek to achieve superior after-tax results consistent with the preservation of capital and our unique value approach. Our Intermediate Municipal Bond strategy targets geographically diverse securities in major sub-sectors of the U.S. municipal bond market including state and local general obligation bonds, revenue bonds, and pre-refunded securities. We apply a bottom-up, fundamental approach to municipal credit analysis and are poised to invest when municipal bond market volatility provides undervalued opportunities.

Inflation-Indexed Fixed Income Strategy	Average Duration	Benchmark
BBH U.S. TIPS	5-10 Years	Bloomberg Barclays U.S. TIPS Index

BBH has been at the forefront of TIPS research, thought leadership, and active management since the inception of the TIPS market in 1997. The objective of our TIPS strategy has always been to provide investors with a hedge against future inflation risk by maintaining investments primarily in U.S. TIPS. Our investment process has a long-term focus employing a collection of time tested trading strategies within the inflation indexed markets which are managed in a diversified way to avoid dependence on any single tactical approach. This “pure play” approach eschews credit and real estate exposures along with the volatility unrelated to inflation that often accompanies these sectors.

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## Meet The Team



**Andrew P. Hofer**  
 Managing Director  
 Head of Taxable Portfolio Management  
 30 years of investment experience



**Neil Hohmann, PhD**  
 Managing Director  
 Head of Structured Products Research and Strategy  
 20 years of investment experience



**Gregory S. Steier**  
 Managing Director  
 Head of Tax-Exempt Portfolio Management  
 26 years of investment experience



**James J. Evans, CFA**  
 Senior Vice President  
 Portfolio Manager – Inflation Indexed Securities  
 34 years of investment experience

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