BBH Limited Duration Fixed Income

Strategy Fact Sheet / 3Q 2020

PRINCIPAL STRATEGY AND OBJECTIVES[1]

Our objective is to deliver excellent returns relative to industry benchmarks through market cycles. The Limited Duration Fixed Income Strategy[*] is designed for interest rate sensitive investors seeking broad exposure to the U.S. fixed income markets with a portfolio duration of less than two years.

Our active management approach seeks to build low duration, taxable bond portfolios bottom-up, allowing valuation to drive our portfolio construction. We only invest in credits[2] we believe to be durable, well-managed, appropriately structured, which can be comprehensively 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 research 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) 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.
- **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.

[*] Previously called the Limited Duration 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. 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 September 30, 2020							
	Total Returns		Average Annual Total Returns				
Composite/Benchmark	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
BBH Limited Duration Fixed Income Composite (Gross of Fees)	1.16%	1.94%	2.62%	2.67%	2.34%	2.01%	4.65%
BBH Limited Duration Fixed Income Composite (Net of Fees)	1.10%	1.75%	2.37%	2.44%	2.13%	1.80%	4.44%
BofA Merrill Lynch 1-3 Year Treasury Index	0.10%	3.05%	3.57%	2.64%	1.80%	1.27%	4.07%

* Returns are not annualized.

Sources: BBH & Co. and BofA Merrill Lynch

Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than the original cost.

Representative Account Credit Quality As of September 30, 2020

	Representative Account	BofA Merrill Lynch 1-3 Year Treasury Index
Cash and Cash Equivalents	19.0%	0.1%
U.S. Treasuries	0.0%	99.0%
AAA	20.7%	0.0%
AA	9.6%	0.0%
A	21.4%	0.0%
BBB	23.9%	0.0%
BB or Lower	5.0%	0.0%
Not Rated	0.5%	0.0%
Total	**100.0%**	**100.0%**

Representative Account Duration Distribution As of September 30, 2020

	Representative Account	BofA Merrill Lynch 1-3 Year Treasury Index
0 - 1 Yr.	56.3%	6.4%
1 - 2 Yrs.	12.6%	54.0%
2 - 3 Yrs.	11.3%	39.6%
3 - 4 Yrs.	10.3%	0.0%
4 - 6 Yrs.	9.4%	0.0%
6+ Yrs.	0.0%	0.0%
Total	**100.0%**	**100.0%**

Representative Account Portfolio Characteristics As of September 30, 2020

	Representative Account	BofA Merrill Lynch 1-3 Year Treasury Index
Effective Duration (years)	0.93	1.83
Yield to Maturity	1.80%	0.13%

Representative Account Sector Distribution As of September 30, 2020

	Representative Account	BofA Merrill Lynch 1-3 Year Treasury Index
Cash and Cash Equivalents	19.0%	0.1%
U.S. Treasuries	0.0%	99.9%
U.S. Inflation-Indexed Securities	0.0%	0.0%
Government-Related	0.3%	0.0%
Agency Mortgage-Backed Securities	0.2%	0.0%
Corporate Securities	37.6%	0.0%
Commercial Mortgage-Backed Securities	4.9%	0.0%
Residential Mortgage- Backed Securities	1.5%	0.0%
Asset-Backed Securities	26.2%	0.0%
Municipal Securities	1.3%	0.0%
Loans	9.1%	0.0%
Total	**100.0%**	**100.%**

Representative Account Top 10 Credits As of September 30, 2020

iShares ShortTerm Corp Bond ETF	2.1%
PFS Financing Corp	1.6%
NextGear Floorplan Master Owner Trust	1.4%
AerCap Holdings NV	1.3%
Oportun Funding LLC	1.2%
FS KKR Capital Corp	1.2%
Owl Rock Capital Corp	1.1%
National Australia Bank Ltd.	1.1%
Truist Financial Corp	1.1%
Australia & New Zealand Banking Group Ltd	1.0%
Total	**13.2%**

Credit Quality letter ratings are provided by Standard and Poor's, Moody's and Fitch and are presented as the higher of the three ratings. When a security is not rated by Standard & Poor's, Moody's or Fitch, the highest credit ratings from DBRS and Kroll may be used. Credit ratings reflect the credit quality of the underlying issues in the portfolio and not of the portfolio itself. Issues with credit ratings of BBB or better are considered to be investment grade, with adequate capacity to meet financial commitments. Issues with credit ratings below BBB are considered speculative in nature and are vulnerable to the possibility of issuer failure or business interruption.

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 fee 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.

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 ABS being structured in ways that give certain investors less credit risk protection than others.

The strategy 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 bond investments. Foreign investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

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

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

The Bank of America (BofA) Merrill Lynch 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years. The index is not available for direct investment.

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

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.

Data presented is that of a single representative account ("Representative Account") that invests in the strategy. It is the account whose investment guidelines allow the greatest flexibility to express active management positions. It is managed with the same investment objectives and employs substantially the same investment philosophy and processes as the Limited Duration Fixed Income Strategy.

For purpose of complying with the GIPS® standards, the firm is defined as Brown Brothers Harriman Investment Management ("IM"). IM is a division of Brown Brothers Harriman & Co. ("BBH"). IM claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions of IM and/or a presentation that complies with the GIPS standards, contact John W. Ackler at (212) 493-8247, or via email at john.ackler@bbh.com.

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. Time Weighted Rate of Return is used to determine performance of a portfolio in a Composite. A portfolio's rate of return is the percentage change from the beginning balance to the ending balance of the period. Capital changes as well as dividends and other income earned during a period are included in the ending balance. Any reinvestment of dividends or other income will be reflected in the beginning balance of the following period. Sub-periods returns are linked to calculate a portfolio return for the period. Performance calculated in U.S. dollars.

The Composite is comprised of fully discretionary, fee-paying diversified fixed income accounts over $10 million with a duration of approximately 1.5 years. On 10/1/2020 the BBH Limited Duration Composite was renamed the Limited Duration Fixed Income Composite. Accounts are benchmarked to the BofA ML 1-3 Year Treasury Bill Index, BoFA ML 2-Year Treasury Note Index, or equivalent. Historically to December 31, 2000 the account minimum was $5 million.