

BBH Luxembourg Funds - BBH Income Fund

Monthly Fund Update / January 2023

For Professional / Non-Retail Use Only in
Germany, Luxembourg, and the UK

The BBH Lux Income Fund Class A ("the Fund") returned 3.59% in January and the Bloomberg US Aggregate Index returned 3.08%.

Interest rates declined in January as market predictions for the pace of Federal Reserve ("Fed") tightening decreased while taxable bond funds experienced inflows. The Fed did not meet in January, but on February 1st they increased the fed funds rate by 0.25% to a range of 4.50% to 4.75%. The Fed continued to reduce its balance sheet by a maximum monthly decrease of \$95 billion. Mainstream fixed income benchmarks had strong returns in January as interest rates declined and credit spreads narrowed. Indexes of all sectors, qualities, and tenors performed strongly during the month.

Security selection and sector allocation favorably impacted the Fund's performance during the month. Contributions were strongest among the Fund's positions in investment-grade and high yield corporate bonds. Positioning in debt issued by banks, business development companies (BDCs), life insurers, and property and casualty (P&C) insurers had the strongest contributions to results. The Fund's avoidance of agency mortgage-backed securities (MBS) hindered relative results as MBS performed strongly.

We continue to find attractive opportunities despite waning spreads available in mainstream indexes. During the month, we added positions in corporate bonds issued by banks, a life insurance company, a technology company, a cable company, and a real estate investment trust (REIT).

Market performance has been strong year-to-date, and the interest rate and credit spread rallies have decreased the attractiveness of credit versus year-end levels. We believe that forward-looking success will be predicated on identifying credits that offer appropriate compensation and demonstrable durability, and approaching a broad opportunity set beyond what is currently available in mainstream indexes.

Performance										
Past performance does not predict future results.										
Annual Returns										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
BBH Income Fund (Class A)	-13.28%	0.13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg US Aggregate Index	-13.01%	-1.54%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average Annual Returns										
As of 31/01/2023	1 Mo.*	3 Mo.*	YTD*	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception		
BBH Income Fund (Class A)	3.59%	7.02%	3.59%	-8.29%	N/A	N/A	N/A	-4.27%		
Bloomberg US Aggregate Index	3.08%	6.39%	3.08%	-8.36%	N/A	N/A	N/A	-4.95%		
As of 31/12/2022	1 Mo.*	3 Mo.*	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception		
BBH Income Fund (Class A)	-0.32%	2.35%	-13.28%	-13.28%	N/A	N/A	N/A	-5.97%		
Bloomberg US Aggregate Index	-0.45%	1.87%	-13.01%	-13.01%	N/A	N/A	N/A	-6.45%		

Class A Ongoing Charges: 0.55%
Inception Date: 02/11/2020

* Returns are not annualized.

All performance is net of fees
Sources: BBH & Co. and Bloomberg

The past performance excludes the entry and exit charges. The ongoing charges figure shown is an estimate and excludes portfolio transaction costs. This figure may vary from year to year. The entry charge is 3% of the initial price of the subscription price. The Fund shares redeemed within 30 days of purchase may be subject to an exit charge of 1%. The entry and exit charges shown are maximum figures. In some case you may pay less.

Performance has been calculated in USD. Performance can be increased or reduced as a result of currency fluctuations.

This is a marketing communication. Please refer to the prospectus of the fund and to the KIID before making any final investment decisions.

Share Class Overview
As of 31 January 2023

	ISIN	Inception Date	Total Net Assets (mil)	NAV
Class A	LU1966278639	02/11/2020	\$122.4	\$9.07

Credit Quality As of 31 January 2023	
Cash and Cash Equivalents	2.5%
U.S. Treasuries	16.8%
AAA	0.9%
AA	10.4%
A	28.0%
BBB	29.1%
BB	10.5%
B or Lower	1.1%
Not Rated	0.9%
Total	100.0%

Top 10 Credits As of 31 January 2023	
Apollo Global Management LLC	1.3%
Lloyds Banking Group PLC	1.1%
HSBC Holdings PLC	1.0%
PennantPark Investment Corporation	1.0%
DNB Bank ASA	1.0%
OFS Capital	1.0%
Royal Bank of Canada	1.0%
Duke Energy Corp	0.9%
Commonwealth Bank Of Australia	0.9%
UBS Group AG	0.9%
Total	10.2%

Reported as a percentage of total portfolio.

Sector Distribution As of 31 January 2023	
Corporate Securities	79.8%
Asset-Backed Securities	0.0%
Commercial Mortgage-Backed Securities	0.0%
Municipal Securities	1.0%
Agency Mortgage-Backed Securities	0.0%
Trust Preferred	0.0%
U.S. Treasuries	16.8%
U.S. Inflation-Indexed Securities	0.0%
Government-Related	0.0%
Residential Mortgage-Backed Securities	0.0%
Cash and Cash Equivalents	2.5%
Total	100.0%

Reported as a percentage of total portfolio

Duration Distribution As of 31 January 2023		
	BBH Income Fund	Bloomberg US Aggregate Index
0 - 1 Yr.	5.0%	0.2%
1 - 2 Yrs.	12.3%	12.5%
2 - 4 Yrs.	34.1%	20.5%
4 - 6 Yrs.	17.7%	24.7%
6 - 8 Yrs.	16.4%	23.5%
8 - 12 Yrs.	1.3%	4.4%
12+ Yrs.	13.2%	14.0%
Total	100.0%	100.0%

Fund Facts As of 31 January 2023	
Number of Securities Held	204
Effective Duration (years)	6.29
Weighted Average Life (years)	7.26
Yield to Maturity	5.52%

Portfolio holdings and characteristics 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.

An investment is in shares of the fund and not in any underlying investment owned by the fund.

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

The Fund is actively managed. Under normal circumstances, the fund is managed with the intention of maintaining an effective duration of between 80%-120% of the effective duration of Bloomberg US Aggregate Index.

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.

The Bloomberg U.S. Aggregate Index covers the USD-denominated, investment-grade (rated Baa3 or above by Moody's), fixed-rate, and taxable areas of the bond market. This is the broadest measure of the taxable U.S. bond market, including most Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with maturities of 1 year or more. Investments cannot be made in an index.

"Bloomberg®" and the Bloomberg U.S. Aggregate Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Brown Brothers Harriman & Co (BBH). Bloomberg is not affiliated with BBH, and Bloomberg does not approve, endorse, review, or recommend the BBH Luxembourg Funds - BBH Income Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the fund.

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

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.

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

Non-U.S. 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 Fund may engage in certain investment activities that involve the use of leverage, which may magnify losses.

A significant investment of Fund assets within 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 the Fund's return.

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

There is no assurance the Fund will achieve its investment objectives.

Complete information on the Fund's risks and expenses can be found in the prospectus.

The decision to invest in the fund should take into account all the characteristics or objectives of the fund as described in its prospectus.

Other Important Disclosures

Brown Brothers Harriman & Co. ("BBH") is the promoter and principal distributor of the Funds. Brown Brothers Harriman Mutual Fund Advisory Department (a separately identifiable department of BBH) provides investment advice to the Funds. BBH Luxembourg Funds (the "Company") is a Luxembourg-registered Société d'Investissement à Capital Variable - undertaking for collective investment in transferrable securities (SICAV-UCITS) regulated by the Commission de Surveillance du Secteur Financier ("CSSF"), the Luxembourg financial services authority. The SICAV designated FundRock Management Company S.A. to serve as its designated management company in accordance with Chapter 15 of the Luxembourg Law of 17th December 2010; FundRock Management Company S.A. was incorporated on 10 November 2004 for an unlimited duration under the laws of Luxembourg and registered on the official list of Luxembourg management companies.

BBH has prepared this communication for use on a confidential and limited basis solely for the information of those to whom it is transmitted and is not to be reproduced or used for any other purpose. This communication, that constitutes a marketing communication, is intended to be a general update of the Fund and does not constitute an offer to sell, or a solicitation of an offer to purchase, any interest in the Fund or any other investment product in any jurisdiction where such offer or solicitation is not lawful, where marketing to the intended recipient is prohibited or where the person making such offer or solicitation is not qualified to do so.

Subscriptions will only be received and shares issued on the basis of the current prospectus of the Company (the "Prospectus") and applicable Key Investor Information Documents of the Fund (the "KIIDs"). Investment in this Fund entails risks which are described in more detail in the Prospectus and the KIIDs. Investors should obtain and read a copy of the Prospectus and the KIIDs before investing. Exit Charges are payable to the Fund and not BBH. For a copy of the Prospectus and the KIIDs, in English, French or German, please contact the Company's representative or its local distributor, or access the following site: www.bbhluxembourgfunds.com. The contact details of the Company's representatives in the countries where the Company is registered are provided below in the section for each country.

The Company complies with the European Directive 2009/65/EC on undertaking for collective investment in transferable securities (UCITS), dated 13 July 2009, which established a set of common rules in order to permit the cross border marketing of collective investment schemes. Unauthorized distribution, reproduction or redistribution of this document without the prior written permission of the Company is prohibited. Potential investors in the Fund should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of shares of the Fund.

Neither the Fund nor any of its shares have been registered, nor will be registered, under the U.S. Investment Company Act of 1940, as amended, or the U.S. Securities Act of 1933, as amended, and, as such, may not be offered or sold directly or indirectly in the United States or to a U.S. person.

This document is directed only at persons/entities who are professional clients or eligible counterparties in the UK, Germany and Luxembourg pursuant to the Markets in Financial Instruments (MiFID) Directive 2004/39/EC and must not be relied upon by any other person.

For Prospective Investors Domiciled in Germany:

The Fund is duly registered with the German Federal Financial Supervisory Authority, the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). The representative agent of the Fund in Germany is Société Générale (Dejan Djurdjevi - Tel.: +49 (0) 69 7174 497).

For Prospective Investors Domiciled in Luxembourg:

The Company's address in Luxembourg is 6, route de Trève, L-2633 Senningerberg, Grand Duchy of Luxembourg (Tel.: +1-800-625-5759).

For Prospective Investors Domiciled in the UK:

The Fund is duly registered with the UK Financial Conduct Authority.

Additional information regarding the Fund including investment positions is available upon request.