Marketing Communication

BBH Luxembourg Funds - BBH Short Duration

Quarterly Fund Update / 1Q 2023

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

1Q Highlights

- With the intra-quarter volatility in credit spreads, we bought some attractively priced new credits in both the primary and secondary markets, increased existing positions, and revisited credits that re-entered our buy zone.
- Fixed income indexes gained during the quarter, as longer-term rates declined. Spreads of bonds issued by banks widened, but excess returns in the broader corporate debt markets were positive.
- Away from the corporate credit markets, we are finding an abundance of attractively valued opportunities in the structured credit markets.

Performance

Past performance does not predict future results

Annual Returns										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
BBH Short Duration Class A	-1.46%	1.30%	3.18%	4.09%	1.72%	1.99%	2.50%	-0.58%	1.28%	N/A
BBH Short Duration Class I	-1.66%	1.10%	2.97%	3.88%	1.53%	1.80%	2.23%	-0.79%	1.08%	1.20%
Bloomberg US 1-3 Year Treasury Bond Index	-3.82%	-0.60%	3.16%	3.59%	1.56%	0.42%	0.86%	0.56%	0.63%	0.36%

As of 31 March 2023

	Total Returns		Average Annual Total Returns				
Fund/Benchmark	3 Mo	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
BBH Short Duration Class A	1.47%	1.47%	1.23%	2.28%	2.00%	1.65%	1.62%
BBH Short Duration Class I	1.42%	1.42%	1.02%	2.07%	1.80%	1.44%	2.17%
Bloomberg US 1-3 Year Treasury Bond Index	1.59%	1.59%	0.23%	-0.84%	1.09%	0.80%	0.96%

All performance is net of fees

Class A Inception: 31/01/2013 Class I Inception: 25/03/2009

Class A Ongoing Charges: 0.50% Class I Ongoing Charges: 0.70%

Returns of less than one year are not annualized

The past performance excludes the entry and exit charges. The ongoing charges figure is based on actual expenses for the year ending December 2022. This figure may vary from year to year. It excludes portfolio transaction costs. Subscription may be subject to an entry charge up to, but not to exceed, 3% of the initial price or subscription price. Fund shares redeemed within 30 days of purchase may be subject to an exit charge of 2%. The entry and exit charges shown are maximum figures. In some cases you may pay less. Past Performance has been calculated in USD. Performance can be increased or reduced as a result of currency fluctuations.

Sources: Bloomberg and BBH & Co.

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

Market Environment

Unrelenting monetary policy tightening amid continued strong economic growth lifted rates to cyclical highs early in the quarter until a run on Silicon Valley Bank (SVB) changed the trajectory of rates and prospective monetary policy. To quell depositor concerns about a wider swath of bank runs, the Federal Reserve (Fed) and Federal Deposit Insurance Corporation (FDIC) initiated several programs and plans in early March. The FDIC assured full access to uninsured deposits at SVB and Signature Bank. The Fed introduced a new Bank Term Funding Program (BTFP) allowing banks to pledge U.S. Treasuries, agency debt, agency mortgage-backed securities (MBS), and other qualifying assets – valued at par rather than market value – as collateral for loans.

The Fed has stated that they will separate "financial stability" measures from monetary policy moves. The U.S. Fed hiked the target range of the federal funds rate by 0.25% only 12 days after SVB's failure. Investors now believe that the Fed's rate hiking campaign ended as the banking crisis unfolded, and three cuts of 25 basis points[1] will unfold by the end of 2023.

Fixed income indexes gained during the quarter as longer-term rates declined (see Exhibit I). Spreads of bonds issued by banks widened, but excess returns in the broader corporate debt markets (investment grade bonds, senior bank loans, and high yield bonds) were positive. Indexes of nontraditional asset backed securities (ABS)[2] and collateralized loan obligation (CLO) debt outperformed during the quarter. Agency morrtgage-backed securities (MBS) and commercial mortgage-backed securities (CMBS) underperformed during the quarter. U.S. dollar denominated emerging market bonds also lagged during the quarter.

Exhibit I: Fixed Income Indexes Returns

Index	Duration (Years)	Total Return (%) QTD	Total Return (%) 1 Year	Excess Return (%) QTD	Excess Return (%) 1 Year
Morningstar LSTA Leveraged Loan Index[1]	0.3	3.25	2.54	2.14	-0.06
JPM CLO Index[1]	0.3	1.98	2.47	0.86	-0.13
Bloomberg ABS Index	2.8	1.86	0.37	-0.05	-0.05
JPM Other ABS Index[2]	3.5	2.66	-2.25	0.28	0.30
Bloomberg U.S. Corporate High Yield Index	3.7	3.57	-3.34	1.23	-1.89
Bloomberg Non-Agency CMBS Index	4.0	1.03	-4.73	-1.33	-2.76
Bloomberg Intermediate Corporate Index	4.1	2.50	-1.99	0.12	-0.03
Bloomberg U.S. TIPS Index	5.0	3.34	-6.06	--	--
Bloomberg MBS Index	5.9	2.53	-4.85	-0.50	-2.15
Bloomberg EM USD Aggregate Index	6.2	2.15	-4.64	-0.84	-0.40
Bloomberg U.S. Treasury Index	6.3	3.01	-4.51	--	--
Bloomberg Aggregate Index	6.3	2.96	**-4.78**	**-0.09**	**-0.55**
Bloomberg U.S. Corporate Index	7.2	3.50	-5.55	0.20	0.27
Bloomberg Taxable Municipal Index	9.9	5.40	-7.47	1.22	1.06
Bloomberg Long Corporate Index	13.2	5.45	-11.46	0.34	0.83

Past performance is no guarantee of future results

Unless otherwise noted Excess Returns is the returns in excess of duration matched Treasuries.

[1] Excess return computed by BBH as total return less the return of the Bloomberg 3 Month T-Bill Bellwether Index, a proxy for the duration profile of floating-rate leveraged loans and the CLO Index.

[2] Excess return computed by BBH as total return less the return of the Bloomberg 5 Year Treasury Bellwether Index, a proxy for the duration profile of the JPM Other ABS Index.

Data reported as of March 31, 2023

Sources: Morningstar, JPM, Bloomberg, and BBH Analysis

Valuations

Credit valuations remain broadly appealing. According to our valuation framework[3], 47% of investment-grade corporate bonds screened as a "buy" and 47% of high yield corporate bonds screened as a "buy." These figures increased from their respective levels at the start of the year, when 36% of investment-grade corporate bonds and 46% of high yield corporate bonds screened as a "buy."

Away from the corporate credit markets, we are finding an abundance of attractively valued opportunities in the structured credit markets, particularly among non-traditional ABS issuances, floating-rate single-asset, single-borrower (SASB) CMBS, and collateralized loan obligation (CLO) debt (see Exhibit II).

We continue to avoid agency MBS and non-agency residential mortgage-backed securities (RMBS) due to unattractive valuations. In addition, conditions facing each sector may create volatility. Agency MBS faces the Fed's quantitative tightening program where it is tapering its purchases of MBS. Non-agency RMBS is tied up with regional banks' exposures, as regional banks own an estimated 30% of the market. Deposit outflows at regional banks could place forced selling pressures and price volatility on non-agency RMBS. Away from the residential mortgage markets, we continue to avoid emerging markets credits due to concerns regarding creditor rights in most countries.

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[1] A unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

[2] Traditional ABS include prime auto backed loans, credit cards and student loans (FFELP). Non-traditional ABS include ABS backed by other collateral types.

[3] Our valuation framework is a purely quantitative screen for bonds that may offer excess return potential, primarily from mean reversion in spreads. When the potential excess return is above a specific hurdle rate, we label them "Buys" (others are "Holds" or "Sells"). These ratings are category.

Exhibit II: Outlook by Sector

Sector	Outlook	Positioning
Reserves		
U.S. Treasuries/Futures/Reserves	Hold when attractive credits unavailable	Held to balance yield curve and duration exposures
Government-Related	Unattractive valuations; better opportunities elsewhere	No positions in portfolios
Municipal	Valuations of select municipals are attractive for inclusion in taxable portfolios	Holdings include transportation revenue bonds
Structured Credit		
US MBS	Valuations are weak and Fed is tapering purchases	No positions in portfolios
RMBS	Continued credit and valuation concerns	No positions in portfolios
CMBS	Traditional conduits unattractive, select nontraditional SASB attractive	Hold positions in fixed- and floating-rate SASB CMBS deals
ABS	Traditional segments unattractive, select nontraditional segments attractive	Hold positions in 20 nontraditional segments that offer attractive yields and demonstrable durability
Corporate Credit		
IG Corporate Bonds	Find value in short and intermediate index-eligible bonds and select nontraditional bonds	Holdings include intermediate maturity credits issued by banks, business development companies, and proerty and casualty insurers
HY Corporate Bonds	Just under half of universe screens as "buy" with most being bonds of smaller issuers	Holdings are diversified and include credits issued by midstream energy and electric utilities
Other Credit		
Emerging Markets	Concerns remain about creditor rights in most emerging market countries	No positions in portfolios

As of 31 March 2023 Portfolio holdings and characteristics are subject to change.
MBS = Mortgage-Backed Securities; RMBS = Residential Mortgage-Backed Securities; CMBS = Commerical Mortgage-Backed Securities; ABS = Asset-Backed Securities; IG = Investment Grade; HY = High Yield
Source: BBH Analysis

Performance

The portfolio's duration contributed to total returns but detracted from relative results during the quarter.

Selection results were additive to performance, driven by outperformance in the portfolio's investment grade corporate bond holdings (see Exhibit III). Positions in bonds issued by business development companies (BDCs), health insurers, electric utilities, life insurers, and finance companies contributed to results. The portfolio's holdings of high yield corporate bonds, municipals, and government-related bonds impacted selection results favorably as well.

Sector allocation contributed modestly during the quarter, as the portfolio was overweight to high yield corporate bonds during the quarter.

Exhibit III: Fund Attribution

	Average Weight (%)	Contribution (Basis Points - Gross)		
	Portfolio	Rates	Sector	Selection
Total Portfolio	100%	110	2	50
Cash and Reserves	-0.1%		0	0
U.S. Treasury	11.2%		0	0
Government-Related	2.6%		0	2
Municipal	2.3%		-1	2
U.S MBS	0.0%		0	0
CMBS	1.1%		0	-1
ABS	0.3%		0	0
IG Corporate Bonds	75.4%		-16	41
HY Corporate Bonds	7.2%		19	5

Past performance is no guarantee of future results
Contribution figures are presented gross of fees
Data reported quarterly from 31 December 2022 to 31 March 2023
Basis point or "bp" is 1/100th of a percent (0.01% or 0.0001)
CMBS = Commercial Mortgage-Backed Securities; ABS = Asset-Backed Securities; IG = Investment Grade; HY = High Yield
Source: BBH Analysis

Transaction Summary

With the intra-quarter volatility in credit spreads, we were able to buy some attractively priced new credits in both the primary and secondary markets, increase existing positions, and revisit credits that re-entered our buy zone. The new opportunities came from a broad range of industries as the volatility was not contained to just one idiosyncratic sector. Descriptions of a few notable portfolio additions are included below.

Rexford Industrial Realty Inc came to market during the quarter, and we participated in its five-year bonds rated Baa2/BBB+/BBB+. The company is a pure play industrial real estate investment trust (REIT) that benefits from the continued strength of the industrial real estate sector, excellent operational capabilities with best-in-class occupancy of over 99%, and an excellent balance sheet with manageable leverage and strong liquidity. The bonds were purchased at a spread of 160 bps over Treasuries.

We purchased bonds issued by **Extra Space Storage**. Extra Space Storage is the second largest self storage REIT in the U.S. and touts a strong balance sheet, excellent liquidity, a high-quality asset base, strong operating fundamentals, and geographic diversification. The new issue, Baa2/BBB rated five-year notes were purchased at a spread of 200 bps over Treasuries.

Penske Truck Leasing Co operates under long-term contracts with its customers which gives it stability and forward revenue visibility. The company is managed by an experienced team with a proven track record of effective funding and fleet management. We participated in their new issue, Baa2/BBB/BBB+ rated, 5-year notes at a spread of 205 bps over Treasuries.

We purchased bonds issued by **Intel, Mercedes-Benz Group, Hyundai Motor Co, Pacific Life Insurance Company,** and **UBS Group** as more attractive pricing emerged for these durable credits[4].

Characteristics

At the end of the month, the Fund's duration was 0.9 years (see Exhibit IV). High yield investments represented 7.5% and were comprised primarily of credits rated "BB." The Fund's yield to maturity was 6.3% and remained elevated versus short-term bond market alternatives. The Fund's option-adjusted spread (OAS) was 173 basis points; for reference, the longer duration Bloomberg U.S. Corporate Index's OAS was 138 basis points at month-end.

Exhibit IV: Fund Characteristics

Portfolio Characteristics	Portfolio	Benchmark	Active
Effective Duration (Years)	0.90	1.75	-0.85
Spread Duration (Years)	1.73	0.00	1.73
Yield to Maturity (%)	6.26	4.20	2.06
Option-Adjusted Spread (bps)	173	0	173

Credit Rating (%)	Portfolio	Benchmark
AAA/TSY/Cash	14.0	100.0
AA	16.0	0.0
A	31.8	0.0
BBB	30.8	0.0
BB	6.8	0.0
B	0.7	0.0
CCC & Below/NR	0.0	0.0

Sector Allocation (%)	Portfolio	Benchmark	Active
U.S. Treasury	0.0	100.0	-100.0
Reserves	8.7	0.0	8.7
Government-Related	2.7	0.0	2.7
Municipal	2.3	0.0	2.3
MBS	0.0	0.0	0.0
CMBS	0.9	0.0	0.9
ABS	0.2	0.0	0.2
IG Corporate Bonds	77.7	0.0	77.7
HY Corporate Bonds	7.5	0.0	7.5

Portfolio holdings and characteristics are subject to change.
An investment in shares of the fund and not in any underlying investment owned by the fund.
Benchmark is the Bloomberg US 1-3 Year Treasury Bond Index
Data reported as of 31 March 2023
TSY = Treausury; MBS = Mortgage-Backed Securities; CMBS = Commerical Mortgage-Backed Securities; ABS = Asset-Backed Securities; IG = Investment Grade; HY = High Yield
Source: BBH Analysis

[4] 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. Durable means the ability to withstand a wide variety of economic conditions.

Conclusion

Volatile market conditions serve as a reminder of risks assumed, elevate certain risks to the forefront, and create opportunities for well-positioned investors. The current state of valuations and fundamentals in the credit markets suggest that careful selection will be paramount for attaining the still-attractive yields offered in the fixed income markets, particularly as volumes of new issuances are set to rebound. We remain prepared, selective, diligent, and patient in evaluating credits that come to market. We hope that this insight into the Fund's composition and performance is useful as we navigate macroeconomic uncertainties.

Sincerely,

Andrew P. Hofer
Fund Co-Manager

Neil Hohmann, PhD
Fund Co-Manager

Paul Kunz, CFA
Fund Co-Manager

Thomas Brennan, CFA
Fixed Income Product Specialist

Definitions

JP Morgan CLO Index (JPM CLO) is a market value weighted benchmark tracking U.S. dollar denominated broadly-syndicated, arbitrage CLOs. The index is comprised solely of cash, arbitrage CLOs backed by broadly syndicated leveraged loans. All CLOs included in the index must have a closing date that is on or after January 1, 2004. There are no weighted average life (WAL) limitations. There are no minimum tranche size restrictions.

JP Morgan Other ABS Index (Non-Tradional ABS), is an index that represents ABS backed by consumer loans, timeshare, containers, franchise, settlement, stranded assets, tax liens, insurance premium, railcar leases, servicing advances and miscellaneous esoteric assets of the The J.P. Morgan Asset-Backed Securities (ABS) Index. The JP Morgan Asset-Backed Securities (ABS) Index is a benchmark that represents the market of US dollar denominated, tradable ABS instruments. The ABS Index contains 20 different sub-indices separated by industry sector and fixed and floating bond type. The aggregate index represents over 2000 instruments at a total market value close to $500 trillion dollars; an estimated 70% of the entire $680 billion outstanding in the US ABS market.

Morningstar /LSTA Leveraged Loan Index (the Index) is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. Facilities are eligible for inclusion in the indexes if they are senior secured institutional term loans with a minimum initial spread of 125 and term of one year. They are retired from the indexes when there is no bid posted on the facility for at least 12 successive weeks or when the loan is repaid.

Bloomberg Taxable Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term taxable bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher. They must have an outstanding par value of at least $7 million and be issued as part of a transaction of at least $75 million. The bonds must be fixed rate and must be at least one year from their maturity date.

Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Must have at least one year to final maturity regardless of call features and must have at least $250 million par amount outstanding.

Bloomberg US Long Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market whose maturity is 10 years or longer. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Bloomberg Emerging Markets USD Aggregate Index includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers. Bonds must have at least one year to maturity and a minimum issue size of $500 million. Both investment-grade and high-yield bonds are permitted. Debt from sovereign, agency (government owned, government guaranteed, and government sponsored entities), local authority, and corporate issuers are eligibility.

The Bloomberg U.S. 1-3 Year Treasury Bond Index is an unmanaged index of fixed rate obligations of the U.S. Treasury with maturities ranging from 1 to 3 years. The Fund is actively managed and does not measure its performance success nor alter its construction in relation to any particular benchmark or index. The composition of the Bloomberg U.S. 1-3 Year Treasury Bond Index is materially different than the Fund's holdings.

Bloomberg US Aggregate Bond Index is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least $300 million par amount outstanding and with at least one year to final maturity.

Bloomberg US Corporate Bond Index represents the corporate bonds in the Bloomberg US Aggregate Bond Index, and are USD denominated, investment-grade (rated Baa3 or above by Moody's), fixed-rate, corporate bonds with maturities of 1 year or more.

Bloomberg US Intermediate Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers that have between 1 and up to, but not including, 10 years to maturity.

Bloomberg US Corporate High Yield Index (BBG HY Corp) is an unmanaged index that is comprised of issues that meet the following criteria: at least $150 million par value outstanding, maximum credit rating of Ba1 (including defaulted issues) and at least one year to maturity.

Bloomberg US TIPS Index includes all publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have $250 million or more of outstanding face value.

Bloomberg US ABS Index is the asset backed securities component of the Bloomberg US Aggregate Bond Index. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche. The Bloomberg US ABS ex. Stranded Cost Utility Index excludes certain stranded cost utility bonds included in the Bloomberg US ABS Index.

Bloomberg US MBS Index tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage.

Bloomberg Non-Agency CMBS Index (Non-Agency CMBS) is the Non-Agency CMBS components of the Bloomberg US Aggregate Bond Index, a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least $300 million par amount outstanding and with at least one year to final maturity.

An index is not available for direct investment.

Opinions, forecasts, and discussions about investment strategies represent the author’s views as of the date of this commentary and are subject to change without notice. References to specific securities, asset classes, and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as recommendations.

Purchase and sale information provided should not be considered as a recommendation to purchase or sell a particular security and that there is no assurance, as of the date of publication, that the securities purchased remain in a fund's portfolio or that securities sold have not been repurchased. Nothing contained herein is intended as a recommendation to buy or sell any security, or to invest in any particular country, sector or asset class.

Traditional ABS include prime auto backed loans, credit cards and student loans (FFELP). Non-traditional ABS include ABS backed by other collateral types.

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.

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

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.

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

Traditional ABS include prime auto backed loans, credit cards and student loans (FFELP). Non-traditional ABS include ABS backed by other collateral types.

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.

Non-U.S. investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

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.

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