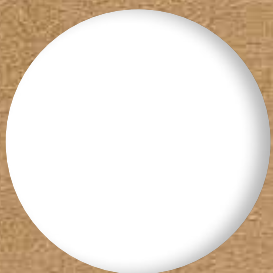
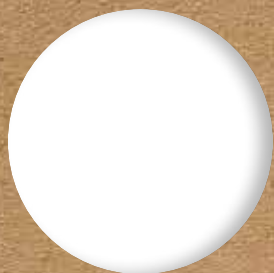
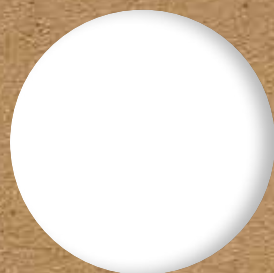
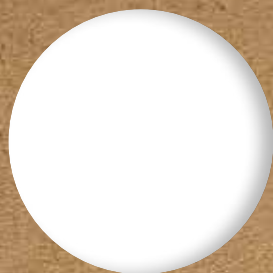
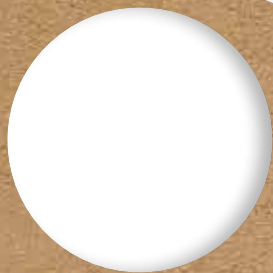
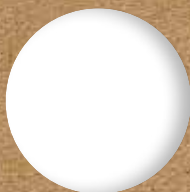
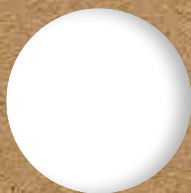
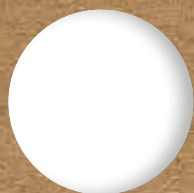
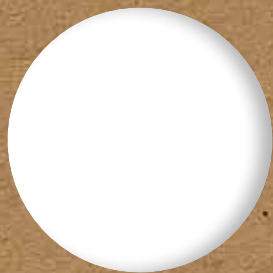




ANNUAL REPORT





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FROM OUR MANAGING PARTNER



"We put our clients at the center of everything we do, and by doing so, we build trusting professional and personal relationships with clients that span decades and generations. Our people—our biggest asset—make this possible. BBHers take our clients' success personally, focusing on every detail to help them achieve their goals while delivering exceptional service."

BILL TYREE
Managing Partner

As we publish this report the world is facing an unprecedented set of events created by the rapid spread of the novel coronavirus (COVID-19) and exacerbated by dramatic price swings in global markets. While we cannot predict the future, we can certainly prepare for it. We have enacted our business continuity planning (BCP) to support our people, their families, and our clients. While it is too early to know the full impact of COVID-19, BBH will use what we have learned from our over 200 years of experience to help guide the choices we make today. We also appreciate that these challenges affect not only our workplace, but our families, friends, and communities at large. This global health crisis puts our business in perspective – we are coming into this set of events from a position of strength, and we are prepared to help our clients and employees through this challenging time.

Our Business is Personal

Partnership is much more than a form of ownership to us; it's our approach to doing business. We aim to be our clients' first call—whether it is in response to a complex challenge, a change in strategy, a fund launch, raising capital, or the transfer of wealth to the next generation. In each relationship, we seek to earn trust by putting our client's interests first and delivering advice based upon our collective experience and expertise. We pride ourselves on excellence in execution, delivering solutions that help meet their long-term goals without exception, no matter what the market brings.

2019 was a year dominated by dramatic geopolitical, technological, regulatory, and economic change, much of it unpredicted. BBH

anticipated and responded to these changes with prudence, thought, and expertise— hyper-focused on adding value in the areas we choose to specialize. The result was exceptional new business growth across businesses, including positive net flows in both Assets Under Management and Assets Under Custody and Administration.

Investor Services distinguishes itself from other providers in a highly competitive, consolidating global securities and fund servicing industry through the combination of expertise, execution, and technology. The business executed an ambitious 2019 business plan, delivering on key product and service milestones that measurably enhanced our clients' experiences. The launch of our Infuse™ digital client platform provides our clients with greater transparency, control, and oversight across their multiple providers. Infuse enables our clients to make informed decisions through digital tools and data visualizations, better oversee their middle and back office operations, and efficiently access underlying products and applications. Our new "Voice of Client" program, helped our relationship managers gather critical perspectives and market insights to inform our future priorities. Together, these tools will help us continuously adapt our business offerings to meet the challenges our clients face.

Private Banking had success delivering on its mission to be a trusted advisor to private business owners, families, and non-profits as they create, grow, transition, and preserve their wealth. In addition to strong investment results, the business expanded our differentiated solutions in the areas of corporate, family, philanthropic, next generation, and values-based planning. This broader service suite helped us successfully assist larger, more complex clients and address a wider range of client needs while delivering superior service.



Investment Management's 2019 investment results were strong, across the board. Our various equity strategies produced strong absolute results. Likewise, our Fixed Income teams continued to build on their excellent track records. During 2019, we also launched several products, including one designed in collaboration with a client to serve the needs of Japanese investors.

On a firm level, we continued our multi-year investment in infrastructure, security, and technology. We launched our new InfoDataFabric platform, which stores, organizes, and delivers targeted investment data from our asset servicing applications into a single platform. We also expanded our investments in emerging technologies, such as artificial intelligence, machine learning, and robotic process automation to further scale solutions to operational challenges.

We continued to enhance cyber controls across the firm, improving our perimeter security and intrusion detection, and released a new employee phishing education program to enlist employees as active contributors to defense. We upgraded our BCP toolset and successfully conducted several simulated cyber and BCP response exercises to stress test the reliance of our programs. While investments in infrastructure are critical to stay ahead of evolving threats, nothing tests the effectiveness of our programs like an actual event. I am proud of how our Systems, BCP, and client service teams came together during the Hong Kong unrest to support our employees and deliver on client mandates without service or business disruptions. And I am proud of our global team for their response to COVID-19 challenges

Our People

As in past years, the most important driver of our success in 2019 was the tireless effort and dedication of every BBHer. We take pride in our diverse group of employees who come together each day, bringing mutual respect, shared values, and an aligned purpose to deliver for our clients. Our decision-making process is based on rigorous independent peer review, which is anchored in honest debate and informed by our long-term perspective. This consensus-driven approach requires our people to seek out different perspectives from all areas and levels of the firm, speak their minds, and truly listen to views other than their own.

But even the most thriving cultures need to continuously evolve by paying close attention to voices throughout all areas and levels of the firm. We received industry leading participation in our 2019 Employee Opinion Survey, with 83% of BBHers providing feedback. Employees expressed pride in our uncompromising integrity and inclusive environment and asked us to enhance work processes and create additional career path transparency. Plans are underway to address this feedback in 2020. We also ran comprehensive Manager Effectiveness and Inclusive Leadership programs to help our leaders gain new skills and guide challenging conversations that enhance

understanding and a sense of belonging for all. Our BANC networks remain an additional source of education and inspiration, with 64 active chapters driving 150 large scale learning events, in addition to group mentoring programs and networking events. We are happy to report, that through a mix of development opportunities and on the job training, 20% of our staff achieved career advancements this year.

Sustainability

One of the 2019 accomplishments we are most excited about was the launch of our Sustainable BBH program, which brings together and expands our environmental, social, and governance initiatives under a new comprehensive program. In 2019, we established an Executive Sustainability Council to set program goals and objectives, govern our efforts, and measure our performance. The program aligns with areas where we feel we can make a material positive impact, including our commitment to diversity and inclusion, employee well-being, environmental stewardship, community engagement, as well as our approach to sustainable investing and supplier selection. We have made a commitment to become a signatory to the UN Global Compact, to adopt the UN-supported Principles for Responsible Investing (PRI), and we have joined the CEO Action for Diversity & Inclusion™. We are committed to advancing these causes with other like-minded organizations. We look forward to the continued growth of this program and to publishing our inaugural 2020 Stewardship Report to share progress toward our goals.

The Path Forward

As we embark upon a new decade, we have reflected on our business mix, our clients' changing needs, and the quality of the services we provide. We emerged united that our goal as a firm is to be the best at what we do, not the biggest. Being private and relatively small allows us to stay close to our clients, gaining the insights required to provide relevant solutions as they adapt and thrive in the dynamic, ever-changing financial services industry.

As the current COVID-19 health crisis reminds us, the outside environment is fragile, and it can shift dramatically overnight. We plan to navigate these unpredictable markets as we have throughout our history—carefully, with considered decisions, in a characteristically aligned spirit of collaboration and trust. This should enable us to continue delivering for our clients and managing our risks in a responsible way. Thank you for your ongoing support, trust and confidence.

Disclaimer:

Past performance does not guarantee future results.



“

EVERY SUCCESSFUL RELATIONSHIP IS BUILT ON TRUST, OPEN COMMUNICATION, AND COMMITMENT. TAKING THAT APPROACH TO OUR BUSINESS RELATIONSHIPS AT BBH ALLOWS US TO BUILD AND MAINTAIN LONG-STANDING PARTNERSHIPS WITH OUR CLIENTS.”

- Sarah O'Donnell, Managing Director, Investor Services



INVESTOR SERVICES

At a Glance

Delivering excellent service in unprecedented times

This report looks back at our accomplishments in 2019 and some of the important developments we expect to deliver in 2020. However, as we go to print, it is the global COVID-19 pandemic that dominates our thinking. In the dramatic vocabulary that dominates discussion in these strange days, the terms “unforeseen” and “unprecedented” have an authority that on reflection, apply perhaps a little less to our industry. Commercially we are expected to “foresee” the potential effect of these types of events. Our regulators require us to learn from, and respond to, precedent. In an era of weather events, earthquakes, disease outbreaks, political unrest, strike actions, transport disruption, cyber risks, etc., Business Continuity Planning has moved from afterthought to primary concern. The scale and duration of this event is without precedent in the career span of all likely readers of this report. Most planning scenarios contemplated and considered the likely operational effects in different geographies and aspects of busi-

ness. Few would claim to have expected them concurrently. And yet, the cumulative investments made in these important contingency technologies are what allowed us to disperse our activities, without disruption, to kitchen tables and home offices around the world. These investments were perhaps not the prime subject of publications such as this in the past, but they are no less important for that. And while this is precisely what our clients should expect of us, we are very appreciative of the kind words of thanks, supportive messages, and concern for our collective personal welfare as we have worked through these turbulent times. We will continue to focus on providing excellent client service and delivering on the technology enhancements that will help our clients achieve their business objectives now and in the future. Brown Brothers Harriman Investor Services provides asset servicing, technology solutions, and specialist expertise to leading asset managers and financial institutions. We work with a select number of clients, each seeking a highly engaged partner who contributes to their competitive edge.



Our Investor Services offerings include:

Asset Servicing	Middle Office	Capital Markets	Technology Solutions	Specialist Expertise
Custody	Trade Management	Foreign Exchange	Multi-provider data aggregation	Cross-Border Funds
Depository & Trustee	Collateral Management	Active FX Execution	Data normalization and connectivity	US Funds
Fund Accounting	Reconciliation	Currency Hedging	Data delivery and consumption	Distribution Intelligence
Fund Administration	Cash Administration	Securities Lending	Multi-provider enabled digital portal	Alternative Funds
Transfer Agency	Corporate Actions	Market Intelligence	Enterprise infrastructure technology solutions	Exchange-Traded Funds
Global Tax	Multi-provider NAV oversight			Insurance
Fund Order & Custody				Regulatory Intelligence



Operating globally for more than 200 years, we specialize in cross-border asset servicing, supporting a full array of asset classes and investment strategies. We do so within a best-in-class compliance and control infrastructure aligned with the global regulatory environment.

Our clients are at the center of everything we do

We believe our clients are focused on three key priorities: operational efficiency, oversight and control, growth and performance. We contribute to our clients' success by helping them build more flexible, resilient operating platforms. Our clients also look to us to provide transparency into the servicing of their assets across multiple providers; allowing better control and risk management, and more informed decision making.

Technology allied with specialist expertise

We believe process is as relevant as outcome and that "how it's done matters." Routinely ranked as their top service provider, our dedication to service excellence is permitted

by our focus on a select number of clients. Our aim is to be a globally connected and collaborative service partner, providing specialist expertise and customized solutions to each client's specific business strategy and goals.

We are a technology leader with a long history of developing transformational solutions that help our clients with some of their most complex operational challenges, while avoiding single thread dependencies. We believe we can better support our clients when we create digital and data solutions that function across their operating model and providers, helping them to bring data together into actionable views. A single integrated global technology platform allows us to be efficient in our investment, development, and deployment.

2019 Highlights

2019 was a landmark year for Investor Services. Our largest business line achieved several key product and service milestones in our journey to creating the most proactive and collaborative client and investor experience in the securities and fund servicing industry.

The deployment of our new digital client platform, BBH Infuse, was a significant achievement for the entire business line, and well-received by clients and prospects looking to accelerate their use of data analytics. In addition, we broadened our modular middle office capabilities for asset managers looking to optimize their operating models and continued our key investments in Alternatives and ETF platforms as our clients increasingly diversify their portfolios to take advantage of the unprecedented flows into these vehicles.

"At BBH, we keep our focus on the long term, and on the client — we are always humbled by how much there is to learn and how we can share, collaborate and support each other, just like a family."

SATOSHI SAKANO
Assistant Vice President,
Investor Services

These efforts bore fruit generating significant new business inflows across our Capital Markets, fintech and global asset servicing products, positioning us well going into 2020. Our new business success was achieved against a background of differing market challenges and opportunities including pressures on interest rates and lower than historical average volatility in foreign exchange. Navigating all of these market forces, Investor Services finished the year slightly below our 2019 budget.

Key 2019 projects

Enhancing oversight and control: BBH Infuse

Our new digital client platform, BBH Infuse, was successfully launched to all our 13,000+ external users, as well as over 5000 internal users in the second half of 2019. ETF Connect for US ETFs was among the first Infuse services to be introduced, followed by securities lending and custody. More rollouts will continue over the course of 2020.

More than just another client portal, Infuse is a sophisticated analysis engine that delivers critical insights to our clients through a streamlined visual interface. Clients can act on those insights through new applications tied to a range of BBH services, from custody and fund accounting to foreign exchange and securities lending. Infuse helps support more timely and accurate decision making, surfacing the critical information that our clients need, when they need it.

Individual product “hubs” let clients track their activity, run detailed reports, and complete tasks, such as implementing a new foreign exchange trade. Each hub is connected to a central dashboard represented by a “tile.” The tiles display calls-to-action related to that product hub, such as account overdrafts or pending trades that haven’t yet been matched. Clients can customize their own dashboards according to the BBH products and services they use.

Supporting market and asset diversification

In a year that once again saw strong demand for ETF servicing from our clients,

in June our ETF team was delighted to announce its appointment as the custodian and administrator for the first actively managed ETF domiciled in Hong Kong. This ETF is the third money market ETF listed on the Hong Kong Stock Exchange, and the only ETF in the market to offer an innovative same day settlement cycle for all primary market creations and redemptions. BBH’s flexible service model and proprietary technology was able to make this T+0 model possible.

Our Alternatives fund servicing business also benefited from a strong new business year, with new wins across the private asset spectrum both in the US and Europe. We successfully completed technology investments in eFront to be able to service all private asset strategies on the same platform globally for asset manager and asset owner clients with diversified fund ranges. This streamlined data architecture has enabled enhanced data transparency and process control on Infuse, through our new Alts Hub which will roll out to clients in 2020.

Driving operational efficiency

Given the potential for emerging technologies to act as a catalyst for end-to-end operational change, we continued to invest in the application of artificial intelligence, machine learning, natural language processing, and robotic process automation. In 2019 we increased the business value of these technologies to our internal teams and our clients by focusing on scaling solutions to common operational challenges. For example, we applied the capabilities developed to automate the classification and resolution of cash breaks to our corporate action payment workflow reducing our matching resolution times by 90%.

2020 Outlook

Investor Services will continue to provide our clients with open architecture tools that deliver greater control and oversight, not just across their operations with BBH, but across multiple providers, to ensure enhanced efficiency and scalability within their operating models.

Supporting our clients’ expansion into Alternatives and ETFs remains a priority, as well as providing flawless service across our asset servicing solutions in both the middle and back office, making sure the experience of working with BBH, for both our clients and, critically, their investors, is the best in the industry.

Focus on transfer agency and distribution

The area of transfer agency continues to take center stage for us and our clients in the cross-border and alternatives spaces, where simplifying and enhancing the investor experience has become as important as strong financial performance. BBH is focused on enabling an exceptional investor experience through continuous technology enhancement, supporting constant regulatory change through agile and disciplined process management, and a focus on the quality of interaction.

In 2020, we will roll out a digital and client focused transfer agency solution via BBH Infuse. Clients will be able to see a real-time view into the investor onboarding status, ensuring greater synchronization between the asset manager and BBH as we service the investor. Future deployments will focus on direct-investor digital interaction, focusing on online onboarding and ongoing account maintenance. Through strategic investment in inquiry management technology, BBH and our clients will be able to unlock greater insights into investor trends that will be used to optimize operations and anticipate investor needs.

BBH is equally focused on proactive engagement with our clients to anticipate regulatory and operational impacts to the end-investors. As the anti-money laundering program evolves, continuous training and transparency into investor-impacting changes enables the asset manager and BBH to unify in providing a consistent message to the investor and allows for proactive engagement with the investors. We continue to focus across all business functions on the importance of high-quality interaction and communication with investors to act as an extension of asset managers' businesses.



“

The sense of personal accountability inherent in the Partnership model is a distinctive feature of how we do business here at BBH. It informs how we manage our clients' assets, how we collaborate to solve business challenges and, above all, how we act with integrity and trust.”

SEÁN PÁIRCÉIR
BBH Partner and
Head of Investor Services

Increasing efficiency, transparency and oversight through data aggregation and delivery

Our clients describe data management as one of their most pressing challenges. As a firm, we are focused on making quality data more accessible and real time, powered by the continued build out of our enterprise data fabric.

In 2020, we will continue to roll out new features and functionality across all our product offerings on our Infuse platform, including a new digital experience focused on data access and reporting. We will continue to build out our API platform to facilitate machine-to-machine transmission of core product data and enable business transformation by leveraging the work we have done with in artificial intelligence, robotic process automation, and smart data capture. Building on the successful application of AI to pinpoint NAV pricing anomalies, we will deploy artificial intelligence across the entire fund accounting lifecycle. This will improve our control environment and provide better oversight and more timely, informed decision making for our clients.

BBH will continue to leverage our 20 years' experience using Infomediary™ as a data transmission tool to aggregate and normalize data—whether originated at BBH or not—to streamline access to the leading fintech and regtech solutions while minimizing data management for our clients and their solution providers.

Finally, we will continue to build out our modular middle office suite of solutions, while deepening our client book in this space. In 2020, our focus will be on the expansion of our multi-client NAV oversight tool, InfoNAV, as well as enhanced digital interfaces for corporate actions, reconciliation, trade management, and cash administration services.

Evolving solutions for portfolio expansion

Our multi-year investment in technology enhancements in our Alternatives business will continue as we look to become a global leader in the digitization and automation of private asset servicing. In 2020, we will continue to enhance our data aggregation and visualization tools across asset classes for both clients and their investors

by launching an Infuse-based harmonized and interactive view into activity across a full range of services for alternative asset classes.

We will also continue to invest in our ETF capabilities, with a focus on enhancing the Authorized Participant experience through further developing our order taking platform functionality and supporting 24/5 coverage through our global service model. In light of various regulatory changes across the globe, we are supporting significant product innovation from ETF issuers, including co-mingled multi share class products and active semi-transparent ETF structures.

In addition, to support our asset manager clients' objectives to reduce the inconsistency and operational challenges of offering multiple pooled fund ranges in Europe, we are launching our UK Funds servicing capability providing clients with the potential to house their Dublin, Luxembourg, and UK fund structures within a single service model and operating platform.

“

PEOPLE ARE MY FAVORITE PART OF THE PRIVATE BANKING BUSINESS - WORKING WITH CLIENTS, COLLABORATING WITH AND LEARNING FROM MY TEAMMATES, AND DEEPENING FRIENDSHIPS WITH MY PEERS. BECAUSE BBH PUTS SUCH A PREMIUM ON LONG-TERM RELATIONSHIPS BOTH INSIDE AND OUTSIDE THE FIRM, MOST OF MY WORK INVOLVES INTERACTIONS WITH A DIVERSE GROUP OF PEOPLE, AND THAT'S WHAT MAKES THE WORK MEANINGFUL, REWARDING, AND FUN.”

- **Fernando Soto**, Vice President and Relationship Manager, Private Banking





PRIVATE BANKING

At a Glance

A brief acknowledgment in light of the COVID-19 crisis

Though this annual report is a review of 2019 – a year when most of us had never even heard of COVID-19 – we publish it, as always, on a short lag, and much has changed in the world thus far into 2020. While we focus most of what follows looking back at 2019, we would be remiss if we did not acknowledge the precarious and uncertain time in which this report will be released and the challenges that many of our clients, employees, and friends are facing – health, financial, and otherwise. We also believe it is important to detail how Private Banking (PB) positioned ourselves over many years to help protect client wealth, advise, and provide capital to clients through difficult times, deliver excellent service, even while most employees are working remotely, and ensure that our firm is well-poised to weather the storm from a position of strength. To all of our Private Banking clients, employees, friends, and all of their families, we hope you are well, safe, and managing through a challenging set of circumstances. We will work together to navigate this crisis, and we stand ready to help you and your family in any way we can.

Summary of 2019

In Private Banking, our singular focus is helping our clients achieve their vision of success for their families, wealth, businesses, and institutions. We seek to first understand each client's unique circumstances and objectives and then offer our perspective and experience as an investor, trusted advisor, and capital provider for over 200 years to help them accomplish their goals. As follows is an overview of how we partner with clients across BBH Private Banking's three main business areas: Multi-Family Office, Private Business

Solutions, and Endowment & Foundation Management.

Investing

Preserving and growing our clients' capital over a full market cycles is at the core of our Multi-Family Office and Endowment & Foundation Management offerings. 2019 was a year in which we were very proud of our results for clients. Across our most commonly held client portfolios for taxable and tax-exempt clients, we achieved what we believe to be excellent performance on an absolute and relative basis over time. Of course, the markets were up significantly in 2019, and that provided a helpful tailwind to the achievements of our investment teams this past year. Though 2019 was the 10th year of a bull market, for all ten of those years, as well as those that preceded it, BBH's primary objective was, and continues to be first protect client capital, then grow it. Clients who know BBH well will be familiar with our long-held investment philosophy, which is rooted in:

- Active, concentrated portfolios built from the bottom up, which leads to ownership of what we believe to be the highest-quality securities and significant divergence from indices
- A unique view of risk in which we seek to avoid permanent capital impairment by knowing what we own and why
- An insistence on purchasing securities trading at a significant discount to our conservative intrinsic value¹ estimate, which provides a margin of safety²
- A disciplined, patient, repeatable process and long-term ownership perspective

We believe this philosophy positions us well in bull markets and is especially well suited to outperform in volatile and down markets, as we are experiencing in the wake of

the COVID-19 pandemic. Our philosophy is not the flavor of the day during market dislocations; rather it is part of the fabric of our organization. We believe in it so deeply that our Partners, who own and operate the firm, choose to invest alongside clients, creating a meaningful alignment of interests.

Our comprehensive multi-family office

The services BBH provides to private clients extend far beyond investments. In fact, BBH seeks to help clients with the issues at the intersection of their life and their wealth. Our offering has included all of the solutions expected of a multi-family office and more for years, and moving forward, we will officially refer to ourselves as such to best reflect the comprehensive service suite we provide to our clients. To illustrate further, for many clients, in addition to investment advice, we help families communicate their values so they are reflected in their wealth plans, transfer wealth to children or philanthropic causes, create and administer complicated trusts, and educate the next generation so they will be prepared to steward wealth. In addition, we offer traditional family office solutions including bill pay, balance sheet, and consolidated reporting, tax compliance, and much more. No matter the challenge, we partner with clients to help them achieve their definition of success for their family and wealth.

Private Business Solutions

BBH partners with owners of private and family businesses by offering capital and objective advice. In each relationship, we seek to build long-term relationships on a foundation of trust. 2019 was a favorable year for mergers and acquisitions and capital market activity. BBH advised a number of businesses on strategic corporate decisions, as well as counseled family businesses on corporate governance and ownership

¹ Intrinsic value: BBH's estimate of the present value of the cash that a business can generate and distribute to shareholders over its remaining life.

² Margin of safety: when a security meets our investment criteria and is trading at meaningful discount between its market price and our estimate of its intrinsic value.

transitions. BBH also developed new lending relationships, and importantly did not compromise our lending standards, which positions us well to provide debt capital and strategic advice through a market disruption. Within BBH's private equity practice, BBH Capital Partners prudently deployed equity capital in 2019, while maintaining ample dry powder for future opportunities to provide junior capital to high-quality private businesses.

Endowment & foundation management

In addition to investing on behalf of endowments and foundations (E&F), BBH delivers comprehensive solutions to help E&Fs achieve their financial and organizational objectives and thrive for the long term. In 2019, that included engagements with E&Fs on a range of topics from advising on capital raising, establishing spending policies, structuring boards and governance, advising on operating businesses, and navigating philanthropic impact to offering tax-exempt

loans to help institutions meet their financing needs.

Going above and beyond for our clients

While we offer comprehensive solutions for families, companies, and institutions, we wake up every day thinking about how we can best serve our clients. In order to consistently deliver exceptional service, we do the right thing for our clients every time; we first listen, then offer objective advice and capital without bias for any particular outcome; we approach each situation as a unified team; we take a long-term view in building and managing relationships; and we are always available to our clients, especially when times are tough. At BBH, going above and beyond for our clients is the expectation, not the exception.

Our Promise to Clients

We will take care of you, your family, and your wealth as if they were our own.

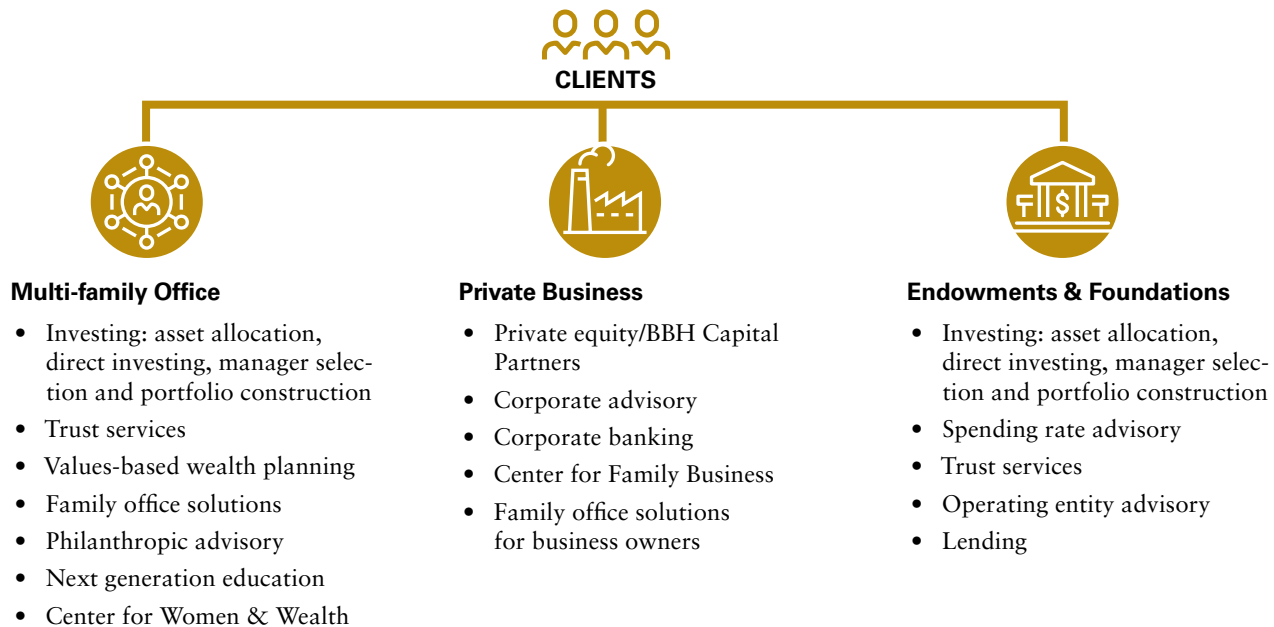
We will put your interests first.

We will seek to preserve wealth, then grow it.

We will invest our own capital alongside yours and maintain fully aligned interests.

We will help business owners comprehensively achieve their business growth and transition objectives, while leveraging the full power of the BBH network of business owners, advisors and investors.

Comprehensive Solutions to Help Our Clients Thrive





“We have the honor of working with clients during incredibly important moments for their families – when they reflect on their values and seek to ensure their values are fully aligned with all aspects of their legacy. Facilitating these deeply personal conversations is not just what we do in Private Banking at BBH, it’s who we are.”

KERRI MAST
Senior Vice President,
Senior Wealth Planner for the
Southeast, Private Banking

2019 Business Highlights

In 2019, Private Banking’s commitment to helping our clients achieve their family, wealth, business, and institutional goals – coupled with our collaborative delivery of comprehensive solutions – led to a productive year and a number of accomplishments.

- Private Banking’s revenues were up 6% for the year versus 2018. Results were driven by 19% year-over-year growth in assets under management, which was fueled by record investment performance and net flows.
- Private Banking’s investment team continued to partner with exceptional third-party managers whose philosophies and capital preservation focus are aligned with ours. We added global equity and long/short equity investment strategies to our offering for multi-family office and endowment and foundation clients. In addition, three private strategies recently added to our investment platform called capital for the first time this year.
- BBH Capital Partners V, L.P. (CP V) and CP IV each made new portfolio investments and had successful portfolio company realizations during the year.
- Corporate Advisory & Banking continued forming, growing, and strengthening relationships with high-quality private businesses throughout the Private Banking footprint.
- Despite a challenging environment characterized by diminished lending standards across the industry and low commodity prices, our Commodities & Logistics and Corporate Lending teams added many new strategic lending relationships with private businesses. The opportunity pipeline is growing, and the team is developing new strategic lending initiatives to promote growth in the lending portfolio.
- The Corporate Advisory team completed a number of engagements helping private business owners successfully navigate major strategic corporate decisions. These engagements included several sale transactions and development of corporate growth strategies. The BBH Center for Family Business was engaged on a variety of projects involving succession planning, distribution policies, and enhancing governance structures for family-owned businesses.
- BBH Trust Company revenues increased by 11%, driven by a number of new client assignments, including large-scale corporate trustee mandates in which BBH solved complicated challenges and worked with clients on innovative structures.
- Private Banking enhanced its advisory practices around Next Generation Engagement, Philanthropic Advisory, and Sustainable Investing.
- Our technology team developed a new software solution that will vastly enhance our client reporting capabilities and the breadth of information we can offer to clients.



The vision for Private Banking is to help each client comprehensively achieve success for their family, wealth and business. We make that vision a reality by building long-term, trusted relationships, helping to protect capital and delivering unparalleled solutions, expertise, and service from unified and exceptional teams."

JEFF MESKIN
BBH Partner and Head of Private Banking

2020 Outlook

In 2020, Private Banking will remain steadfast in our mission to protect and grow client capital over long periods of time and to help clients achieve their vision of success for their family, wealth, and business. To do so, we continue to focus on executing our investment approach, put our client interests first and collaborate as a team to deliver the best of BBH to our clients every day. Some of the initiatives we have planned for the year ahead include:

- **Investment Excellence:** In our investment discipline, we will seek to preserve capital over full market cycles by adhering to our disciplined philosophy, working closely with our investment teams and outside managers to ensure that we own high-quality portfolios that are positioned for future success. We will look for opportunities to identify and deploy capital into attractive public and private investments that emerge from recent market dislocations, while working diligently to ensure the continued success of our current strategies.
- **Client Service:** We will continue to put client interests first, provide objective advice and communicate frequently with clients during what will inevitably be challenging markets.
- **Corporate Advisory & Banking (CAB):** Looking ahead, we seek to grow BBH's loan book, aiming to partner with substantial, privately held businesses and families to help them accomplish their goals.
- **Endowments & Foundations (E&F):** We will further build out our offering for Endowment & Foundation clients, adding investment strategies aimed at preserving and growing purchasing power, enhancing advice we offer on spending rates, fundraising and operating entities, and providing loans to institutions seeking to build long-term relationships.
- **Mobile App:** We are developing a new Private Banking mobile app with a redesigned user experience to allow clients to access account-level data, sign in using biometrics, communicate with their relationship teams, and update key information.
- **Center for Family Business (CFB):** In the CFB, we seek to offer advice at the intersection of our clients' families and businesses. We continue to look for new and creative ways to help our private business owner clients solve their succession and governance challenges, and plan to expand our offering to further help next generation family business owners prepare for leadership roles in their family business.

Disclaimer:

Past performance does not guarantee future results. There can be no assurance the investment objectives will be achieved. CPIV and V are closed to new investors.





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THE FIRM IS DEDICATED TO OUR EMPLOYEES. BBHERS HAVE LONG TENURES, SO WE CAN BUILD STRONG PERSONAL RELATIONSHIPS WITH OUR CLIENTS AND PROVIDE EXCEPTIONAL CLIENT SERVICE YEAR OVER YEAR.”

- **Kerin Rausch**, Senior Vice President, Investment Management



INVESTMENT MANAGEMENT

At a Glance

Brown Brothers Harriman Investment Management offers a select number of equity and fixed income strategies. These strategies all share a strong value-based investment philosophy grounded in bottom-up, fundamental research with an objective of preserving and growing capital over time. Today, our Investment Management line of business oversees approximately \$55 billion in assets including over \$24 billion on behalf of BBH's Private Banking business.¹ Our diversified client base includes institutional investors, financial intermediaries, sovereign wealth funds, endowments, and high-net-worth investors domiciled worldwide. Approximately 50% of our assets can be attributed to clients outside the US, with a substantial presence in Asia, Europe, Latin America, and the Middle East.

Our current investment strategies include the following:

Equity

- Core Select
- International Core Select
- Global Core Select
- Small/Mid Cap Equity

Fixed Income

- Core Fixed Income
- Intermediate Duration
- Limited Duration
- Credit Value
- Structured Fixed Income
- Intermediate Municipal
- US TIPS
- Insurance Crossover
- Floating Rate Loans

Our mission is to be the best at protecting and growing our clients' capital over full market cycles. We understand that the key to long-term outperformance is preserving capital during difficult markets, employing clear investment principles that are consistent through full market cycles.

Our investment principles include:



Focus on Capital Preservation

We view risk not as short-term price volatility, but as the likelihood of sustaining a permanent loss of capital on any investment.



Conduct Deep, Bottom-Up Fundamental Research

Our investment teams conduct in-depth, fundamental research on a focused set of potentially attractive investments.



Invest with a Long-Term Perspective

Our partnership structure and the stability of our client base allow us to take a long-term perspective when making investment decisions.



Be Disciplined and Patient

We will only commit capital to investments that meet our rigorous investment criteria.



Employ a Value-Based Approach

We believe that the best way to protect and grow capital is by investing in undervalued securities. We seek to invest with a margin of safety to mitigate risk.

We offer our clients access to our investment strategies through a limited number of distribution channels, allowing us to focus on our investment priorities and process quality to achieve differentiated results. Our strength lies in the quality and continuity of our investment teams, the rigor with which we apply our criteria, and the disciplined and repeatable nature of our investment process.

¹ As of 12/31/2019



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Putting our clients first, which requires a deep understanding of their individual needs and requirements, has always been a core tenet of our business. With teams that often average 10+ years of experience at BBH, we have the benefit of knowing our clients personally. That level of connectivity makes the difference.”

JP PAQUIN
BBH Partner and Head of Investment Management

2019 Highlights

During 2019, we continued our commitment to investment excellence and deep client relationships. We also:

- Increased our portfolio management resources by approximately 10%.
- Launched the BBH Select Series - Large Cap Fund, a registered mutual fund that employs a value-based, fundamental research approach to investing.
- Launched a new product to invest in international equities, following a similar investment approach as Core Select.
- Launched a new vehicle to house Structured Fixed Income securities for non-US investors.
- Enhanced our investment analysis and client reporting capabilities through important technology upgrades.
- Generated impressive performance across our Fixed Income strategies including Taxable, Limited Duration, Credit Value, Structured, and Municipals validating our rigorous investment process.
- Formalized the integration of Environmental, Social and Governance (ESG) factors into our investment process and established an ESG Oversight Committee.
- On-boarded about \$3 billion of new client assets.

Disclaimer:

Past performance does not guarantee future results.

For more complete information, visit www.bbhfunds.com for a prospectus. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing. BBH Funds are distributed by ALPS Distributors, Inc. and is located at 1290 Broadway, Suite 1000, Denver, CO 80203. Other products and services are offered by Brown Brother Harriman & Co.

2020 Outlook

In recent weeks, the world has faced turbulent times with the spread of the COVID-19 virus. Given high infection rates and overwhelmed healthcare facilities, many governments have taken unprecedented actions to restrict public interaction and travel, close non-essential businesses, and cancel school. While we cannot predict the full implications of the COVID-19 pandemic, it has already caused a significant decline in the value of financial assets worldwide and created enormous volatility in global financial markets. Our primary concerns have been first the safety of our employees and clients and their families, and second, stewarding our clients capital through this uncertain time. Our business continuity plan has worked well so far, allowing us to focus on the diligence with which we apply our investment criteria, the depth of our investment analysis, the thoughtful ways that we construct client portfolios, and frequent and transparent communication with our clients.

We entered 2020 from a position of strength, having generated strong equity and fixed income returns in 2019, reaching a record high in fixed income assets under management, and managing a growing suite of investment strategies. We still intend to invest in new strategies, in both equity and fixed income, to address client needs. Likewise, we will continue to enhance our client reporting and technology infrastructure in keeping with our desire to make continuous

improvements across our operational platforms. We remain steadfast in our objective to produce excellent investment returns and to be a trusted advisor to our clients through full market cycles. With economic and geopolitical uncertainty all around us, our clients can rest assured that our highly capable teams are acting as capable stewards of their capital.

"A partnership is who we are, and trusted partnerships are what we seek to build. Our relationships are built on a foundation of long-term mutual respect, underpinned by a strong, collegial culture across our teams at BBH."

JACK ELSAS
Domestic Sales & Relationship
Management



A photograph of a Black man, Donovan Brown, sitting and smiling. He is wearing a white dress shirt, a dark blue tie with white polka dots, and dark blue trousers. He is wearing a black watch on his left wrist and a ring on his left hand. The background is a plain, light-colored wall.

“

I AM PROUD TO BE PART OF AN ORGANIZATION THAT CELEBRATES DIVERSITY AND DOESN'T ASK PEOPLE TO CONFORM IN ORDER TO BELONG. BBHers ARE NATURALLY CURIOUS AND LOOK TO BROADEN THEIR KNOWLEDGE BY COLLABORATING WITH THOSE WHO HAVE DIFFERENT SKILL SETS, PERSPECTIVES, AND BACKGROUNDS THAN THEIR OWN."

Donavan Brown, Vice President,
Investor Services,
Black Affinity Network Global Co-Chair



OUR CULTURE

THE POWER OF PUTTING PEOPLE FIRST

OUR BUSINESS IS ROOTED IN THE VALUE WE PLACE ON CREATING DEEP, MEANINGFUL RELATIONSHIPS. WE NEVER FORGET THAT OUR PEOPLE SIT AT THE CENTER OF WHO WE ARE AND WHAT WE DO—SHARING THE FIRM'S SENSE OF PURPOSE AND RESPONSIBILITY TO OUR CLIENTS, OUR ENVIRONMENT, OUR COMMUNITIES, AND EACH OTHER. THAT'S WHY WE ARE HYPER-FOCUSED ON OUR EMPLOYEES' HAPPINESS, LONG-TERM SUCCESS, AND OVERALL WELL-BEING.

Leading with purpose

We strive to connect our employees to roles where they can have the greatest impact, finding meaningful purpose aligned to BBH's mission of delivering superior products and services to our clients. We believe the best jobs are ones that enable you to continually develop your skills and provide exposure to new challenges. Our approach is a mix of collaborative learning, development and mentoring programs, on-the-job training, and online resources. Last year, our investments in talent served to enhance our technical capabilities, strengthen managerial effectiveness, encourage innovation, and improve the overall client experience. As a result, 20% of our employees achieved career advancement through officer promotion, growth in role, or job mobility that led to different experiences, new personal and professional connections, and more substantive ways to contribute to the firm.

Keeping our leaders accountable

We know that an employee's success and experience at work is directly correlated to their manager's actions, decision making, attitude, and level of commitment to their people. Our managers play a critical role in harnessing the full potential of their teams by engaging all members, facilitating constructive debate, giving actionable feedback, and acting upon the collaborative input of employees whose backgrounds or expertise differ. 2019 was a pivotal year for providing clarity on the firm's expectations of its leaders. We launched our first Manager Effectiveness Assessment, which provided critical insights into opportunities for improvement and reinforced the importance we place on fostering a culture

of feedback. Nearly 4,000 employees provided constructive feedback to more than 600 managers who demonstrated true leadership by being open about what they learned and acting to address their results. Our senior leaders also attended inclusive leadership seminars, which featured real life case studies that demonstrated how embracing authenticity over conformity, showing empathy and compassion, and embracing a range of communication and work styles enables all team members to deliver their personal best. The interactive session provided practical guidance on how to create a safe team environment where all employees can voice their opinions, be heard, and have a true sense of belonging.

Fostering diverse perspectives

Our BBH Affinity Network Community (BANC) networks remain an additional source of global leadership, education, and inspiration— with 64 active chapters driving 150 large scale learning events, in addition to group mentoring programs and networking events. Our first Annual BANC Leadership Summit, held in September of 2019, brought well-deserved recognition to those who passionately work to lead these critical initiatives, with a customized curriculum aimed at developing leadership capabilities and creating a mix of activities that drive value for the individual, group, organization and community outside BBH. New external partnerships, such as Diversity Best Practices, Prospanica, and Ascend, to name a few, brought new development opportunities and helped us share insights and learnings across industries with like-minded companies who value diverse and inclusive workplaces.

Thriving together

The well-being of our business depends on the well-being of our employees. Our Thrive program enables BBHers to enhance their well-being by providing resources and support to help them make the best lifestyle choices—personally, physically, and financially. Throughout the year, we offer programs that incorporate informative communications with helpful tips, in-person and online seminars featuring industry experts, and personal and team challenges that help inspire our people to positively change behavior in a supportive team environment. Currently, 56% of our employees are enrolled in Virgin Pulse, our online platform, which personalizes activity suggestions to help improve nutrition, sleep, stress, focus, cognition, financial health, personal relationships, and philanthropy. In 2019, 82% of program participants agreed that our Thrive program has raised their self-awareness and motivation and led to improved overall well-being.

BBHers in our New York Office prepared and shared a healthy meal as part of our Thrive wellness program.



Collaborating to use our left and right brain

Our sixth annual Codefest competition engaged employees globally over 12 days during which innovators, thinkers, coders, and strategists came together to think bigger and challenge the status quo to create new products and improve processes. In 2019, 42 teams and 150 individuals participated globally, generating ideas for ways to do things differently through creativity, collaboration, and problem-solving skills. A number of these innovations are currently being evaluated for feasibility and development.

Supporting each other in a time of need

BBH launched its Employee Relief Fund in 2012, in the aftermath of Hurricane Sandy, which devastated parts of New York and New Jersey, as well as impacted cities along the US east coast. Designed to assist employees facing financial hardships when crisis strikes close to home, the fund is registered as a 501(c)(3) and accepts contributions from anyone wishing



At BBH, client service is part of our cultural DNA. Our employees go above and beyond, not because they have to but because they are personally invested in our clients' success."

CHRISTIAN BRUNET
Managing Director,
Global Head of Human Resources

At BBH, the well-being of our employees is as important as the well-being of our clients."

SANDI STEIN

Senior Vice President, Global Head of Benefits



to lend a hand to a colleague in need. Since the fund's inception, more than \$500,000 has been provided to BBH employees around the world and 11 grants were issued in 2019 for a total of \$150,925.

Offsetting education costs for our extended BBH family

BBH's Undergraduate Fund was launched more than 50 years ago through a gift made by our Partners as a way to offset the cost of attending a four-year college for the children of our employees. Based on academic performance and financial need, scholarships are determined by an independent consultant and are awarded annually. In 2019, BBH granted 20 undergraduate scholarships to deserving applicants.

Contributing to the greater good

BBH has deep roots in community service and employee-led initiatives

that make a positive impact in the communities in which we live and work. Our BBHcares philanthropic program focuses on providing basic needs like food, clothing, shelter, and educational programs, to promote financial stability and foster long-term success for individuals and families in need. The program enables employees to give back to our communities and help transform the lives of others, while inspiring a spirit of citizenship and social responsibility. In 2019, volunteers donated nearly 8,500 hours to help support more than 67 charitable partners across the globe. Through firm donations and employee giving campaigns, we provided nearly \$3.9 million of financial assistance to more than 200 charitable organizations. Several of these efforts now align to our inclusion goals of broadening representation of all backgrounds in financial services, for example, our partnership with Rock The Street, Wall Street (see sidebar) and the New England Center and Home for Veterans.

BBH Partners with Rock The Street, Wall Street



Rock The Street, Wall Street®

Moving Girls Forward in The Field of Finance

A new Brown Brothers Harriman charitable partner aims to guide more girls toward careers in financial services. Rock The Street, Wall Street (RTSWS) is a financial literacy program that provides financial and investment education to high school girls to spark their interest in the industry.

As many girls opt out of math due to a lack of real-world role models, RTSWS elects to have female professionals teach the curriculum – helping girls to see themselves in financial roles. Participants learn about positive money management habits and the capital markets while simultaneously experiencing the real-world application of the math content they learn in the classroom.

Over the past three years, RTSWS students have averaged an 88% increase in financial literacy understanding from the start of the year to the end of the year. "The RTSWS partnership furthers our commitment to engage and support women as they create and manage wealth," said Adrienne Penta, head of BBH's Center for Women & Wealth.

The partnership is a component of BBH's Sustainable BBH program, which is centered on the positive impact the firm is making through its ongoing commitments to clients, employees, and communities. BBH BANC volunteers will partner with RTSWS on three programs: financial literacy instruction, the Wall Street experience (which includes a BBH site visit), and mentorship pairings.



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