



----- **Bridge Builder Funds** -----

Enclosed is the 2016 Tax Form for your account with the Bridge Builder Funds. The Form provides information on any applicable 2016 distributions and proceeds from redemptions. Please note that all information contained in this Statement has been provided to the Internal Revenue Service. In addition to the tax information provided on your enclosed Tax Form, below is supplemental information to assist you with the preparation of your 2016 income tax returns. Please consult your tax advisor for the specific application of any items below relating to the preparation of your tax returns.

**Income from U.S. Government Obligations**

Some states do not tax their residents on income from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends shown in Box 1 of your 2016 Tax Form that were attributable to interest earned from direct U.S. Government Obligations:

<b><u>Fund Name</u></b>	<b><u>% of Ordinary Income Attributable to Direct U.S. Govt. Obligation (see Box 1)</u></b>
Bridge Builder Core Bond Fund	11.06%
Bridge Builder Core Plus Bond Fund	10.63%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2016 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

----- **Bridge Builder Municipal Bond Fund** -----

**Income subject to the Alternative Minimum Tax**

Some of the income received from a mutual fund may be exempt from federal income tax, but subject to the Alternative Minimum Tax. The following table shows the percentage of total ordinary income dividends that was attributable to income earned from securities subject to the Alternative Minimum Tax:

<b><u>Fund Name</u></b>	<b><u>% of Income Attributable to Securities Subject to the AMT</u></b>
Bridge Builder Municipal Bond Fund	8.69%

Please consult your tax adviser if you have any questions regarding the percentage of income subject to the Alternative Minimum Tax.

----- **Bridge Builder Municipal Bond Fund** -----

**Important Tax Information Regarding Bridge Builder Funds Income By State or U.S. Territory:**

The following chart provides information to assist you in determining the source of interest income earned on a state-by-state basis for the **Bridge Builder Municipal Bond Fund**. Of course, the tax treatment of income paid by the portfolio depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend you consult your tax advisor.

Note: For additional help in completing your state and local tax returns, please refer to your Bridge Builder 2016 year end statements that shows the non-taxable portion of your income.

<b>State</b>	<b>Municipal Bond Fund</b>
Alabama	1.26%
Alaska	0.25%
Arizona	1.45%
Arkansas	0.01%
California	4.54%
Colorado	0.92%
Connecticut	3.62%
Delaware	0.14%
Dist of Columbia	0.22%
Florida	6.27%
Georgia	0.75%
Guam	0.17%
Hawaii	0.19%
Idaho	0.28%
Illinois	13.86%
Indiana	3.70%
Iowa	0.33%
Kansas	0.24%
Kentucky	0.97%
Louisiana	1.58%
Maine	0.08%
Maryland	1.86%
Massachusetts	1.49%
Michigan	3.13%
Minnesota	0.65%
Mississippi	0.66%

<b>State</b>	<b>Municipal Bond Fund</b>
Missouri	0.63%
Montana	0.02%
Nebraska	0.03%
New Mexico	0.27%
New Hampshire	0.17%
New Jersey	5.35%
New York	9.48%
Nevada	0.89%
North Carolina	1.74%
North Dakota	0.03%
Ohio	2.59%
Oklahoma	0.62%
Oregon	0.45%
Pennsylvania	7.05%
Puerto Rico	0.54%
Rhode Island	0.34%
South Carolina	1.77%
South Dakota	0.41%
Tennessee	1.39%
Texas	10.57%
Utah	0.85%
Vermont	0.02%
Virgin Islands	0.31%
Virginia	3.63%
Washington	1.53%
Wisconsin	0.52%
West Virginia	0.18%

----- **Bridge Builder International Equity Fund** -----

**Income from Foreign Sources Subject to Foreign Tax Credit:**

For the year ended December 31, 2016, the **Bridge Builder International Equity Fund** earned foreign source income and paid foreign taxes which they intend to pass through to their shareholders pursuant to Section 853 of the Internal Revenue Code.

See below to determine the foreign taxes paid and the foreign source income.

- 1) The shareholder's portion of foreign taxes paid (see Box 6 of your 1099-DIV statement for this information).
- 2) The shareholder's amount of foreign source gross income. This amount can be calculated as a percentage of your ordinary dividend shown in Box 1 of your 2016 Tax Form. Please see the information below for your foreign source gross income amount.

<b>Fund Name</b>	<b>Foreign Source Gross Income (Use % listed below and apply to Ordinary Income as shown in Box 1 to compute)</b>
Bridge Builder International Equity Fund	99.36%