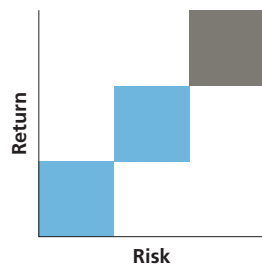


# UBS US Short Duration Municipal Bond Strategy

1Q 2023 | Short Duration Strategy<sup>1</sup>

## Risk vs. return<sup>2</sup>



## Target investor

Designed for investors with a longer investment horizon, seeking incremental yield over money market funds and the benefits of tax-efficient securities.

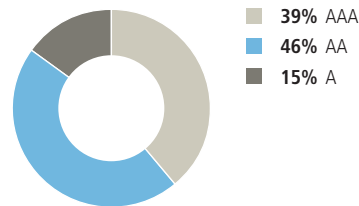
## Objective

To seek both capital appreciation and current income in providing total return management. The benchmark is the Bloomberg Barclays Municipal 5 Year 4-6 Index Total Return.<sup>4</sup>

## Characteristics

- **Yield to worst:** 2.65%
- **Strategy duration:** 3.88 years
- **Average credit quality of holdings:** AA<sup>5</sup>

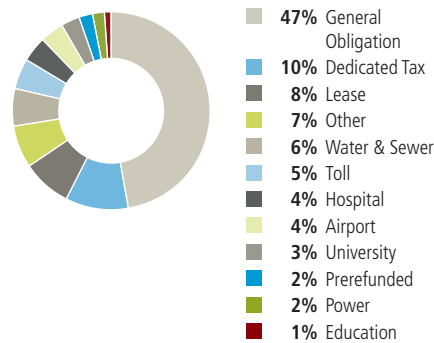
## Quality allocation<sup>3</sup>



## Investment strategy

UBS US Short Duration Municipal Bond Strategy (“The Strategy”), is managed by capitalizing on inefficiencies in the municipal bond market in seeking to add value. The Strategy seeks to maximize after-tax total return, while minimizing volatility.

## Sector allocation<sup>3</sup>



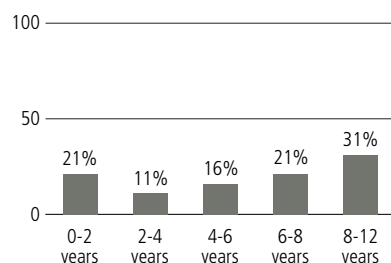
## Investment process

- UBS Asset Management (Americas) Inc. (UBS-AM) Municipal Investment Team adheres to a disciplined top-down investment process.
- The investment process relies on relative valuation combined with fundamental research performed by an experienced team of analysts.
- There is a commitment to in-depth proprietary quantitative, credit, market and economic research in three distinct areas: duration, sector allocation and security selection.
- The Team seeks to build portfolios that are consistent with clients’ goals, guidelines and risk parameters.

## Philosophy

- We believe that the successful management of clients’ assets is based on a disciplined investment process that is supported by extensive and in-depth research.
- We strive to deliver consistent, above-average returns with below-average risk.
- Our disciplined investment process is designed to deliver long-term, “northwest quadrant” risk/return performance results.
- Our overall focus is on seeking minimal loss of capital and maintaining liquid portfolios with enhanced yields.

## Duration distribution<sup>3</sup>



<sup>1</sup> All figures as of March 31, 2023, unless otherwise noted.

<sup>2</sup> For illustrative purposes only. Does not imply specific risk or return expectations.

<sup>3</sup> Based upon a representative account within US Short Duration Municipal Bond Strategy. Information may be different for a specific client account. May not equal 100% due to rounding.

<sup>4</sup> As of January 1, 2021, the benchmark for the Strategy (changed since inception) is 100% Bloomberg Municipal 5 Year (4-6) Index. Prior to January 1, 2021, the benchmark for the Strategy was 95% Bloomberg 5-Year Municipal Bond General Obligations Index and 5% iMoneyNet Tax-Free Institutional Money Fund Average Index. We believe that the Bloomberg Municipal 5 Year (4-6) Index better represents the Strategy’s objectives.

<sup>5</sup> Average Credit Rating for lowest Rating across major Rating agencies.

## Total supplemental returns (in USD)

For periods ending March 31, 2023

	1Q23 (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (9/30/09) (%)
Supplemental UBS-AM SMA US Short Duration Municipal Bond Composite (Gross)	1.94	1.94	1.89	0.47	1.72	1.49	2.12
Supplemental UBS-AM SMA US Short Duration Municipal Bond Composite (Net)	1.30	1.30	-0.63	-2.01	-0.79	-1.02	-0.40
ICE BofA 3-month U.S. Treasury Bill Index	1.93	1.93	1.75	0.70	1.65	0.79	1.66
Value Added (benchmark vs. net) <sup>1</sup>	-0.63	-0.63	-2.38	-2.71	-2.44	-1.81	-2.06

Note: returns for periods greater than one year are annualized.

<sup>1</sup> Value added is the arithmetic difference between the composite return (net of fees) and the benchmark return.

### Client service

To learn more about this or other available strategies, please contact the Institutional Sales Team at 212-882 5368.

The returns shown above are based on currently available information and are subject to revision. **Past performance is no guarantee of future results. This slide contains performance figures that are presented/calculated both net and gross of investment management fees. "Year-by-year net-of-fee composite performance, which reflects the deduction of the actual fee charged, is shown on the page titled: Year-by-year composite performance. For additional disclosure information, please refer to the Composite performance disclosure section found at the end of the presentation.** The investment return and principal value of an investment will fluctuate so that an investment, when redeemed, may be worth more or less than its original value. Performance of different types of investment vehicles, including mutual funds and separately managed accounts, employing the Strategy may differ as a result of the different fees, expenses, charges, number of securities, and regulatory requirements and/or restrictions applicable to the vehicles.

The rates of return presented are the net results of the UBS-AM SMA Short Duration Municipal Bond Strategy. As an institutional composite is not available, the UBS-AM SMA Short Duration Municipal Bond Composite results are shown. The UBS-AM SMA program is a separately managed account program. US Short Duration Municipal Bond Strategy accounts are managed according to a strategy that is similar to, but differs in some ways from, the strategy used for Private Wealth Solutions accounts.

The benchmark for the US Short Duration Municipal Bond Strategy is Bloomberg Barclays Municipal 5 Year 4-6 Index Total Return. Indices are unmanaged, do not reflect the deductions of any fees or expenses, and are not available for direct investment.

UBS Asset Management (the Firm) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. UBS Asset Management has been independently verified for the periods January 1, 2002 through December 31, 2021. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

### Performance: UBS Short Duration Municipal Fixed Income

October 1, 2009 Through December 31, 2022. Amounts and returns expressed in USD (US DOLLAR).

Year	Gross asset-weighted return (%)	Net asset weighted return (%)	Benchmark return (%)	Composite 3-year Standard Deviation (%)	Benchmark 3-year Standard Deviation (%)	Number of portfolios end of period	Total Composite assets end of period (\$ millions)	Asset-weighted dispersion (%)	Composite assets as percent of firm assets
2009 <sup>1</sup>	1.07	0.45	0.52	N/A	N/A	15	14	N/A	0.0
2010	3.11	0.57	3.24	N/A	N/A	131	193	0.24	0.04
2011	6.32	3.70	6.58	N/A	N/A	157	301	0.28	0.06
2012	2.75	0.21	2.82	2.33	2.29	207	386	0.16	0.07
2013	0.68	-1.81	0.78	2.16	2.26	252	528	0.19	0.09
2014	2.56	0.03	3.03	1.91	2.03	291	597	0.54	0.10
2015	1.92	-0.59	2.31	1.84	2.02	278	556	0.46	0.10
2016	-0.21	-2.68	-0.36	2.29	2.35	282	569	0.23	0.10
2017	2.58	0.05	3.01	2.33	2.50	309	588	0.50	0.08
2018	1.50	-1.01	1.66	2.33	2.48	281	560	0.16	0.08
2019	5.27	2.68	5.23	1.72	1.93	286	606	0.62	0.07
2020	4.41	1.85	4.10	2.58	2.78	345	932	N/A	0.09
2021	-0.16	-2.62	0.34	2.66	2.97	378	1021	0.14	0.09
2022 <sup>2</sup>	-4.67	-7.04	-5.26	4.45	4.60	367	952	0.53	0.09

<sup>1</sup> Performance Presented for Oct, 2009 through Dec, 2009. No statistics are annualized.

<sup>2</sup> Performance results for calendar-year 2022 have not been independently verified as of the publication date of this material. Please see the Composite performance disclosure section for more information

Note: 3 yr standard deviations are based on the gross returns

1. A composite of wrap accounts sponsored by UBS Asset Management that seeks both capital appreciation and current income by investing in shorter duration US municipal fixed income securities. The benchmark is the Bloomberg Barclays Municipal 5 Yr 4-6 Index TR. The Composite Inception Date is 30 September 2009.
2. The Firm is defined as all actively and passively managed institutional and retail accounts of UBS Asset Management ("the Firm") throughout the world. The Firm was incepted in January 01, 2002 following the reorganisation of the asset management divisions of UBS AG under a single Asset Management brand. The performance record prior to 2002 is that of the local asset management division which managed the composite, and has been prepared in compliance with GIPS from the inception date of this composite. Each of the entities comprising the Firm definition is an affiliate of UBS AG. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
3. Composites consisting of more than one portfolio are asset weighted by beginning-of-period asset values. Investment results are time-weighted performance calculations representing total return. Returns are calculated using geometric linking of monthly returns. Composites are valued at least monthly, taking into account cash flows. All realized and unrealized capital gains and losses, as well as all dividends and interest from investments and cash balances, are included. Interest income from fixed income securities is accrued, and equity dividends are accrued as of the ex-dividend date. Investment Transactions are accounted for on a trade date basis. Where applicable, returns are shown net of non-recoverable withholding tax.
4. Results include all actual fee-paying, discretionary client portfolios including those clients no longer with the Firm. Portfolios are included in the composite beginning with the first full month of performance to the present or to the cessation of the client's relationship with the Firm. Terminated accounts are included through the last full month in which they were fully invested, and no alterations of composites have occurred due to changes in personnel.
5. The rates of return are presented both net and gross of fees. Due to the graduated nature of fees, as account size increases, the annual percentage fee may decline. The calculation of net and gross returns as well as the nature of fee may differ across the regional performance offices. a) Return values are calculated net of fees. The gross returns are calculated based on all fee components excluding transaction costs by adding the daily fee components to the underlying net return. b) The rates of return are presented both gross and net of investment management and custody fees. Portfolio Management Fee agreements do cover the portfolio management fee, bundled fee contracts do cover portfolio management and custody fee. Both fee agreements do not cover transaction costs. c) The rates of return are presented both net and gross of investment management fees. Net of fee performance reflects the deduction of the highest fee charged, as described in Part II of Form ADV. Net of fee returns are calculated by geometrically deducting the deannualized highest annual management fee from each monthly gross return and geometrically linking the monthly returns for each period. d) The performance results are presented gross of management and custodian fees but after all trading expenses. Where a net return is also presented, this is calculated net of management fees and all trading expenses. Gross of fee returns are calculated net of transaction fees and other trading expenses. The highest fee charged for accounts of this type is 2.50%.
6. Composite dispersion represents the consistency of the Firm's composite performance results with respect to the individual portfolio returns within the composite. Presented is the asset-weighted dispersion (standard deviation) of the portfolios within the composite. Only portfolios in the composite for each full time period are included in the dispersion calculation and no dispersion is presented for composites consisting of only a single portfolio. The 3 year annualized ex-post standard deviations are based on monthly returns, shown starting with the first full 3 year calendar period.
7. A complete list of all Firm composite descriptions is available upon request. The composite's past performance is not necessarily an indication of how it will perform in the future.
8. An erroneous total firm AUM figure was displayed in composite disclosures for the year of 2020. The mistake affected all composites across regions and asset classes. All relevant disclosures were corrected and resent.

**Past performance is no guarantee of future results.** Potential for profit is accompanied by possibility of loss. Any statements made regarding investment performance objectives, risk and/or return targets shall not constitute a representation or warranty that such investment objectives or expectations will be achieved.

No part of this document may be reproduced or redistributed in any form, or referred to in any publication, without express written permission of UBS Asset Management. This material supports the presentation(s) given on the specific date(s) noted. It is not intended to be read in isolation and may not provide a full explanation of all the topics that were presented and discussed.

The information and opinions contained in this document have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith. All such information and opinions are subject to change without notice. A number of the comments in this document are based on current expectations and are considered "forward-looking statements." Actual future results, however, may prove to be different from expectations. The opinions expressed are a reflection of UBS Asset Management's best judgment at the time this report is compiled, and any obligation to update or alter forward-looking statement as a result of new information, future events, or otherwise is disclaimed. UBS Group AG and/or its affiliates may have a position in and may make a purchase and/or sale of any of the securities or other financial instruments mentioned in this document.

The information contained in this document should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this information or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio over the course of a full market cycle. It should not be assumed that any of the securities transactions or holdings referred to herein were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities referred to in this document.

The gross performance figures reflect the deduction of transaction costs but not investment advisory fees or external custodial charges. A client's actual return will be reduced by investment advisory fees and other expenses. The deduction of investment advisory fees would have a compounding effect, which will increase the impact of the fees by an amount directly related to the gross account performance. For example, on an account with an initial value of \$10,000 and a 0.5% annual fee, if the gross performance is 10% per year over a five-year period, the annual compound net rate of return would be 9.45% per year and the total value of the client's portfolio at the end of the five-year period would be \$16,105 without the fee and \$15,707 with the fee. Performance results include all cash and cash equivalents, are time weighted, annualized for time periods greater than one year and include realized and unrealized capital gains and losses and reinvestment of dividends, interest and other income. A client's returns will be reduced by advisory fees and other expenses incurred by the client. Advisory fees are described in Part 2A of Form ADV for UBS Asset Management (Americas) Inc.

This document does not constitute an offer to sell or a solicitation to offer to buy any securities and nothing in this document shall limit or restrict the particular terms of any specific offering. Offers will be made only to qualified investors by means of a prospectus or confidential private placement memorandum providing information as to the specifics of the offering. No offer of any interest in any product will be made in any jurisdiction in which the offer, solicitation or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation or sale.

The achievement of a targeted ex-ante tracking error does not imply the achievement of an equal ex-post tracking error or actual specified return. According to independent studies, ex-ante tracking error can underestimate realized risk (ex-post tracking error), particularly in times of above-average market volatility and increased momentum. Different models for the calculation of ex-ante tracking error may lead to different results. There is no guarantee that the models used provide the same results as other available models.

This document is not intended to provide, and should not be relied upon for, accounting, legal or tax advice, or investment recommendations. UBS Asset Management is not a fiduciary or adviser with respect to any person or plan by reason of providing the materials or content herein. Any investment, accounting, legal or taxation position described in this document is a general statement and should only be used as a guide. It does not constitute investment, accounting, legal or tax advice and is based on UBS Asset Management's understanding of current laws and their interpretation, including under the Employee Retirement Income Security Act of 1974 or Department of Labor regulations. As individual situations may differ, clients should seek independent professional tax, legal, accounting or other specialist advisors as to the legal and tax implication of investing. Plan sponsors and other fiduciaries should assess their own circumstances when evaluating potential strategies or investments.

Strategies may include the use of derivatives. Derivatives involve risks different from, and possibly greater than, the risks associated with investing directly in securities and other instruments. Derivatives require investment techniques and risk analyses different from those of other investments. If a manager incorrectly forecasts the value of securities, currencies, interest rates, or other economic factors in using derivatives, the portfolio might have been in a better position if the portfolio had not entered into the derivatives. While some strategies involving derivatives can protect against the risk of loss, the use of derivatives can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in other portfolio investments. Derivatives also involve the risk of mispricing or improper valuation, the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate, index, or overall securities markets, and counterparty and credit risk (the risk that the other party to a swap agreement or other derivative will not fulfill its contractual obligations, whether because of bankruptcy or other default). Gains or losses involving some options, futures, and other derivatives may be substantial (for example, for some derivatives, it is possible for a portfolio to lose more than the amount the portfolio invested in the derivatives). Some derivatives tend to be more volatile than other investments, resulting in larger gains or losses in response to market changes. Derivatives are subject to a number of other risks, including liquidity risk (the possible lack of a secondary market for derivatives and the resulting inability of the portfolio to sell or otherwise close out the derivatives) and interest rate risk (some derivatives are more sensitive to interest rate changes and market price fluctuations). Finally, a portfolio's use of derivatives may cause the portfolio to realize higher amounts of short-term capital gains (generally taxed at ordinary income tax rates) than if the portfolio had not used such instruments.

Services to U.S. persons are provided by UBS Asset Management (Americas) Inc. ("Americas") or UBS Asset Management Trust Company, Americas is registered as an investment adviser with the US Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended (Note that an investment adviser does not have to demonstrate or meet any minimum level of skill or training to register with the SEC). From time to time, Americas' non-US affiliates in the Asset Management Division who are not registered with the SEC ("Participating Affiliates") provide investment advisory services to Americas' U.S. clients. Americas has adopted procedures to ensure that its Participating Affiliates are in compliance with SEC registration rules.

UBS Asset Management (Americas) Inc., a Delaware corporation, is a member of the UBS Asset Management business division of UBS Group AG, a publicly traded Swiss bank (NYSE: UBS). UBS Asset Management (Americas) is an indirect wholly owned subsidiary of UBS Group AG.

Separately Managed Accounts discussed herein are offered through UBS Financial Services Inc., which serves as the program sponsor. UBS Financial Services Inc. provides consulting, custody and execution services to clients invested in the UBS Asset Management separately managed account strategies.

**There are fees associated with investing in separately managed accounts. For fees charged in connection with the UBS Financial Services program, please refer to the UBS Financial Services ADV Wrap Fee Program Brochure.**

© UBS 2023. All rights reserved.  
AMT-3957 C-12/22  
[www.ubs.com/am-us](http://www.ubs.com/am-us)

UBS Asset Management (US) Inc., the Fund's placement agent, is an affiliate of UBS-AM. UBS-AM is registered with the SEC as an investment advisor. UBS-AM is an indirect wholly owned subsidiary of UBS Group AG.

