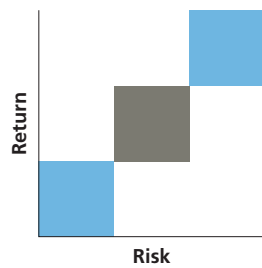


# UBS US Ultra Short Bond Strategy

4Q 2023 | Short Duration Strategy<sup>1</sup>

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



## Target investor

Designed for investors seeking incremental yield over money market funds.

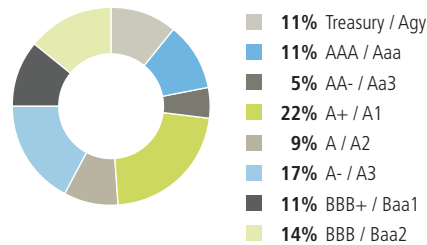
## Objective

To seek to enhance yield through maturity extension and wider security selection, while seeking to minimize loss of capital.

## Characteristics

- **Yield to worst:** 5.29
- **Strategy duration:** 0.55 years
- **Average credit quality of holdings:** A+<sup>4</sup>

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



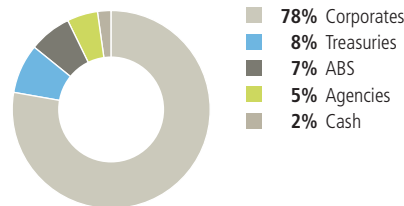
## Investment strategy

UBS US Ultra Short Bond Strategy (“The Strategy”), managed by investing in corporate debt, floating rate notes, securitized instruments, and cash equivalents. The Strategy seeks to provide returns, over a three-year market cycle, in excess of the ICE BofA US 3-month Treasury Bill Index.

## 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 to minimize loss of capital and maintaining liquid portfolios with enhanced yields.

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

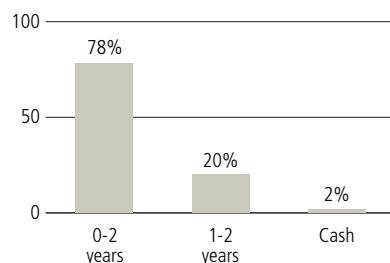


## Portfolio maturity

Structure/Duration

- The maximum portfolio duration will be limited to two and a half years.
- The maximum average life of any one security is five years.

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



## Quality

- The portfolio will seek to maintain a minimum average credit quality of “A+/A1.”
- Securities with maturities greater than one year must have a minimum credit rating of “A” or its equivalent as rated by one of the Nationally Recognized Statistical Rating Organizations (“NRSROs”), or be unrated, but determined by UBS Asset Management to be of comparable quality at time of purchase.
- Securities with maturities less than one year must have a minimum credit rating of “A2” or its equivalent as rated by one of the “NRSROs” or unrated, but determined by UBS Asset Management to be of comparable quality.

<sup>1</sup> All figures as of December 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 Ultra Short Bond Strategy. Information may be different for a specific client account. May not equal 100% due to rounding.

<sup>4</sup> Average Credit Rating for lowest Rating across major Rating agencies.

## Highlights

- Overall focus seeks to preserve capital and maintain a liquid portfolio with enhanced yield.
- Value added relative to benchmarks by active management employed across all opportunity sets: duration, yield curve, sector and issue selection.
- Securities include Treasuries (Gross), agencies, corporates, asset-backed, mortgages and money market; quality may range from AAA to BBB (Investment Grade).
- Portfolios can be customized to meet client needs.
- Strategy can be used as stand alone or as complement to other cash management solutions.
- USD 173bn in money market and short-term bond strategies invested around the globe.<sup>1</sup>
- UBS Asset Management offers a full range of cash management alternatives.
- Please call the Institutional Sales Line at 212-882 5368 to learn more.

<sup>1</sup> As of 30 June 2023, and includes short duration bond, short duration high yield and short duration emerging market strategies. As of 30 June 2023, UBS Asset Management, a business group of UBS, managed \$1,165 billion worldwide. UBS Asset Management Inc., the Advisor, managed \$386 billion in assets of which approximately \$93 billion are in US money market fund and short-term bond strategies.

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## Total returns (in USD)

For periods ending December 31, 2023

	4Q23 (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (12/31/94) (%)
UBS US Ultra Short Bond Composite (Gross)	1.68	5.90	5.90	2.00	2.01	1.54	2.87
UBS US Ultra Short Bond Composite (Net)	1.65	5.77	5.77	1.87	1.88	1.41	2.73
ICE BofA 1–3 Year Treasury Bill Index <sup>2</sup>	1.37	5.01	5.01	2.15	1.88	1.28	2.64
Value Added (benchmark vs. net) <sup>3</sup>	0.28	0.75	0.75	-0.29	0.00	0.12	0.09

<sup>1</sup> Periods over one year are annualized.

<sup>2</sup> The Strategy's benchmark changed from the BofA 1-Year US Treasury Index to the ICE BofA US 3-Month Treasury Bill Index as of January 31, 2018.

<sup>3</sup> Value added is the arithmetic difference between the composite return (net of fees) and the benchmark return.

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.

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. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a Firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

### Performance: US Ultra Short Bond Composite

December 1, 1995 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
1995 <sup>1</sup>	0.64	0.62	0.59	N/A	N/A	1	17	N/A	0.02
1996	5.44	5.23	5.68	N/A	N/A	5	171	N/A	0.20
1997	6.20	5.99	6.11	N/A	N/A	5	178	0.11	0.18
1998	6.16	5.95	5.89	0.85	0.61	4	133	0.04	0.12
1999	4.20	4.00	4.26	0.66	0.62	4	159	0.23	0.16
2000	7.65	7.43	7.10	0.73	0.71	2	381	0.06	0.45
2001	7.38	7.14	7.07	0.93	0.83	2	406	0.08	0.35
2002	4.48	4.22	3.30	1.09	0.98	2	398	0.21	0.13
2003	1.78	1.53	1.47	1.22	1.02	2	404	0.04	0.09
2004	1.17	0.92	0.74	1.04	0.69	3	542	0.09	0.11
2005	2.73	2.47	2.31	0.74	0.53	4	406	0.07	0.07
2006	5.00	4.74	4.24	0.72	0.64	2	386	0.03	0.06
2007	4.72	4.46	5.72	0.41	0.69	2	292	1.04	0.04
2008	3.86	3.73	4.81	0.51	0.89	2	192	0.40	0.04
2009	1.11	0.99	0.90	0.67	1.06	3	295	0.48	0.06
2010	0.82	0.70	0.83	0.63	0.94	3	277	0.45	0.05
2011	0.70	0.58	0.57	0.22	0.31	1	93	N/A	0.02
2012	1.03	0.91	0.24	0.20	0.20	1	94	N/A	0.02
2013	0.62	0.50	0.26	0.20	0.14	1	94	N/A	0.02
2014	0.78	0.61	0.18	0.25	0.11	2	245	N/A	0.04
2015	0.46	0.27	0.15	0.25	0.16	1	351	N/A	0.06
2016	1.02	0.90	0.76	0.29	0.25	1	355	N/A	0.06
2017	1.19	1.08	0.57	0.26	0.26	2	659	N/A	0.09
2018	1.87	1.73	1.81	0.27	0.28	3	1,409	N/A	0.19
2019	3.02	2.81	2.28	0.31	0.26	3	2,649	0.03	0.32
2020	1.06	0.86	0.67	1.14	0.28	3	3,139	0.05	0.24
2021	0.11	-0.09	0.05	1.16	0.33	3	2,165	0.04	0.19
2022 <sup>2</sup>	0.08	-0.12	1.46	1.24	0.35	3	775	0.04	0.07

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

<sup>1</sup> Performance Presented for Dec, 1995 through Dec, 1995. 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.

1. A composite of accounts that invest in short term cash instruments which typically maintain a duration of one year. The Strategy's benchmark changed from the BofA 1-Year US Treasury Index to the ICE BofA US 3-Month Treasury Bill Index as of January 31, 2018. The composite was formerly named the US Enhanced Cash Institutional Composite. The Composite Creation Date is December 31, 1999.
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. A similar composite existed between 1989 and 1993.
5. The rates of return are presented both net and gross of investment management fees. Net of fee performance typically reflects the deduction of the highest fee charged, as described in Part II of Form ADV. Due to the graduated nature of fees, as account size increases, the annual percentage fee will decline. Net of fee returns are calculated by geometrically deducting the de-annualized highest annual management fee from each monthly gross return and geometrically linking the monthly returns for each period. Gross of fee returns are calculated net of transaction fees and other trading expenses. The highest fee charged for accounts of this type is 0.12% since January 2008, 0.25% from July 2001 to December 2007 and 0.20% prior to that.
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.

**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.

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