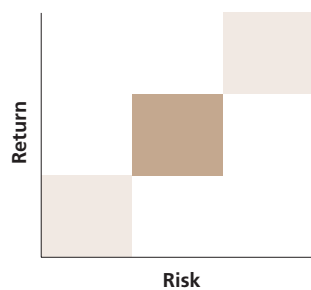


US Ultra Short Municipal Bond Strategy

2Q 2018 | Short Duration Strategies¹

Risk vs. return²



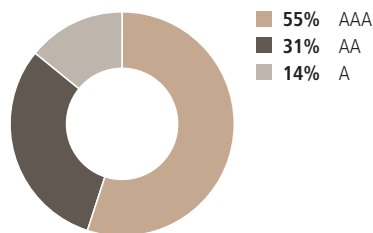
Target investor

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 to provide returns, over a three-year market cycle, in excess of the Strategy's benchmark. The maximum portfolio maturity is three years. For comparative purposes, the benchmark is 70% Bloomberg Barclays 1-Year Municipal Bond Index/30% ICE BofAML US Treasury 0-3 months.

Quality allocation³



Investment 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.

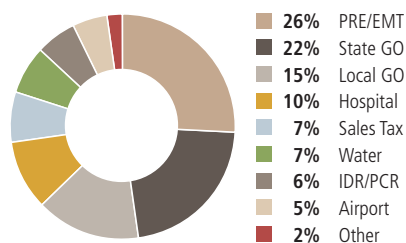
Yield to maturity (gross)

1.41%

Average portfolio duration

0.96 years

Sector allocation³



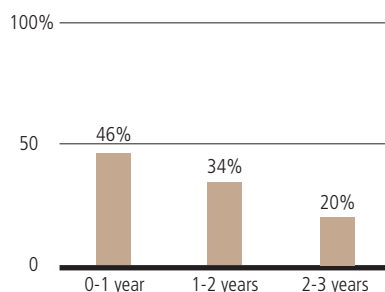
Average credit quality of holdings⁴

AA+

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 distribution³



Client service

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

¹ All figures as of June 30, 2018, unless otherwise noted.

² For illustrative purposes only. Does not imply specific risk or return expectations.

³ Based upon a representative account within US Ultra Short Municipal Bond Strategy. Information may be different for a specific client account.

⁴ Average Credit Rating for lowest Rating across major Rating agencies.

Total returns (in USD)

For periods ending June 30, 2018

	2Q18 (%)	YTD (%)	1 Year (%)	3 Years (%) ¹	5 Years (%) ¹	Annualized since inception (3/31/07) ¹
US Ultra Short Municipal Bond Composite (Gross of fees)	0.57	0.72	0.56	0.91	0.97	1.84
US Ultra Short Municipal Bond Composite (Net of fees)	0.51	0.60	0.31	0.66	0.71	1.59
70% Bloomberg Barclays 1-Year Municipal Bond Index/30% ICE BofAML US Treasury 0-3 months²	0.55	0.91	1.05	0.79	0.66	1.36
Value Added³	0.03	-0.19	-0.48	0.12	0.31	0.48

¹ Periods over one year are annualized.² Benchmark since June 30, 2010. Prior to June 30, 2010, the benchmark was 70% Barclays 1-Year Municipal Bond Index/30% iMoneyNet composite of Institutional Tax-Free Money Market Mutual Funds.³ Value added is the arithmetic difference between the composite return (gross of fees) and the benchmark return.

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A client's returns will be reduced by advisory fees and other expenses incurred by the client. Advisory fees are described in Part II of Form ADV for UBS Asset Management (Americas) Inc.

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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, 2016. 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.

1. A composite of account(s) investing in municipal debt instruments, typically with maturities in the cash to 5 year maturity range and a target duration of 1 year, that seek both capital appreciation and income to provide total return management. The account(s) are managed within a disciplined top-down framework with emphasis on quantitative, credit, market and economic research in three distinct areas: duration, sector allocation and security selection. The benchmark currently is 70% Bloomberg Barclays 1-Year Municipal Bond Index / 30% ICE BofAML US Treasury 0-3 months. Prior to June 30, 2010 the benchmark was 70% Bloomberg Barclays 1-Year Municipal Bond Index / 30% iMoneyNet composite of Institutional Tax-Free Money Market Mutual Funds. The composite was formerly named the Short Duration Municipal Composite. The Composite Creation Date is 31 Mar 2007.
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 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 0.25%.
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.

Performance: US Ultra Short Municipal Bond Composite

April 01, 2007 Through December 31, 2016. 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
2007*	3.33	3.13	3.10	N/A	N/A	1	474	N/A	0.07
2008	4.27	4.01	3.72	N/A	N/A	1	249	N/A	0.06
2009	3.08	2.83	2.48	N/A	N/A	1	357	N/A	0.07
2010	1.11	0.86	0.84	1.18	0.88	1	401	N/A	0.08
2011	2.85	2.59	1.11	0.96	0.42	2	427	N/A	0.08
2012	1.42	1.17	0.61	0.93	0.23	3	583	0.01	0.10
2013	1.01	0.76	0.57	1.00	0.15	3	535	0.01	0.09
2014	0.83	0.57	0.42	0.86	0.11	3	467	0.03	0.08
2015	0.79	0.54	0.43	0.81	0.16	3	290	0.05	0.05
2016	0.18	-0.07	0.29	1.02	0.32	3	173	0.24	0.03

* Performance Presented for Apr, 2007 through Dec, 2007. No statistics are annualized.

** 3 yr standard deviations are based on the gross returns.