



SMA Relationship Trust

Annual Report | December 31, 2022

Includes:

- Series M

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SMA Relationship Trust—Series M

February 10, 2023

Dear shareholder,

We present you with the annual report for Series M (the “Fund”), a series of SMA Relationship Trust, for the 12 months ended December 31, 2022.

Portfolio performance

For the 12 months ended December 31, 2022, the Fund returned -6.76%, compared to a -8.53% return for its benchmark, the Bloomberg Municipal Bond Index (the “Index”). For comparison purposes, the Bloomberg Municipal Managed Money Intermediate (1-17) Index returned -7.22% over the period. (Please note that the Fund’s returns do not reflect the deduction of taxes that a shareholder could pay on Fund dividends/distributions or the redemption of Fund shares, while the Index returns do not reflect the deduction of fees and expenses.)

The Fund generated a negative return during the reporting period but outperformed its benchmark on a relative basis. This was due primarily to duration and yield curve positioning. For more on the Fund’s performance, see “Performance at a glance” on page 5.

Market overview

The global economy faced several headwinds during the reporting period, leading to expectations for weaker growth and perhaps a recession. In its October 2022 *World Economic Outlook Update*, the International Monetary Fund (“IMF”) lowered its expectation for gross domestic product (“GDP”) in 2022 GDP, saying, “The global economy is experiencing a number of turbulent challenges. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia’s invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. The normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic has dampened demand, as policymakers aim to lower inflation back to target.” For 2022, the IMF projects US GDP to grow 1.6% versus 5.7% in 2021.

When the year began the Federal Reserve (the “Fed”) characterized rising inflation as being transitory. This proved to be wrong, as supply chain issues continued, and the war in Ukraine pushed energy and food prices sharply higher. Against this backdrop, the Fed pivoted in March 2022 and began raising rates in an attempt to combat four-decade high inflation. The Fed raised rates seven times and a total of 4.25% in 2022, the most since 1980. At the end of 2022, the federal funds rate was in a range between 4.25% and 4.50%, the highest since 2007.

The US fixed income market performed poorly, as the Fed aggressively increased interest rates. In the US, short- and long-term US Treasury yields moved sharply higher. For the 12 months ended December 31, 2022, the yield on the US 10-year Treasury rose from 1.52% to 3.88%. (Bond yields and prices tend to move in the opposite direction.) The overall US bond market, as measured by the Bloomberg US Aggregate Index,¹ returned -13.01% during the year. In contrast, the municipal (“muni”) bond market, as measure by the Bloomberg Municipal Bond Index returned -8.53% over the same period.

SMA Relationship Trust— Series M

Investment objective:

Total return consisting of capital appreciation and current income exempt from federal income tax

Portfolio managers:

Portfolio Management Team, including
Kevin McIntyre
UBS Asset Management (Americas) Inc.
Ryan Nugent
UBS Asset Management (Americas) Inc.
Charles Grande
UBS Asset Management (Americas) Inc.

Commencement:

October 8, 2003

Dividend payments:

Monthly

¹ The Bloomberg US Aggregate Index is an unmanaged broad based index designed to measure the US dollar-denominated, investment-grade, taxable bond market. The index includes bonds from the Treasury, government-related, corporate, mortgage-backed, asset-backed and commercial mortgage-backed sectors. Investors should note that indices do not reflect the deduction of fees and expenses.

SMA Relationship Trust—Series M

Portfolio commentary

What worked

- Having a shorter duration than the benchmark was beneficial as rates moved sharply higher over the year.
- Yield curve positioning overall was additive for returns overall. In particular, having an underweight allocation to the 22+ year portion of the municipal yield curve contributed to relative returns as it lagged the benchmark. An overweight to the 0-1 year portion of the yield curve was also rewarded. (The yield curve plots the interest rates, at a set point in time, of bonds having equal credit quality, but differing maturity dates.)
- The Fund's quality biases were positive for relative returns. In particular, an underweight to lower quality BBB-rated and an overweight to AA-rated securities contributed to results as higher quality outperformed their lower quality counterparts.
- Underweights to the hospital, housing and industrial development revenue (IDR)/pollution control revenue (PCR) sectors positively impacted relative performance.

What didn't work

- In terms of yield curve positioning, overweights to the one, three and 10-year portions of the curve detracted from returns
- An underweight in the resource recovery sector was a headwind for relative performance.

The Fund did not invest in derivatives during the reporting period.

Outlook

Since 1980, 2022 marked only the sixth calendar year on record of negative municipal index results. We are somewhat encouraged by a history of positive performance for the municipal market in subsequent years following a year's performance like 2022. Of course, past performance is no guarantee of similar future performance. Still, we are encouraged this type of performance reaction is possible for the municipal market in 2023. The recipe for this positive performance would include things such as a Fed pause in raising interest rates, tax-exempt demand driven by the safety and security of the asset class in a slowing economy, and a desire to hold more tax-efficient investments such as municipal bonds. Meanwhile, slightly improved demand for the municipal space has been a welcome development.

To conclude, we're faced with the many uncertainties in the new year, not the least of which are the direction of the US economy, future Fed monetary policy, the trajectory for inflation and geopolitical factors. Against this backdrop, we believe active portfolio management will be important to navigate this shifting landscape.

SMA Relationship Trust—Series M

We thank you for your continued support and welcome any comments or questions you may have.

Sincerely,



Igor Lasun
President
SMA Relationship Trust—Series M
Managing Director
UBS Asset Management (Americas) Inc.



Charles W. Grande
Portfolio Manager
SMA Relationship Trust—Series M
Managing Director
UBS Asset Management (Americas) Inc.



Kevin McIntyre
Portfolio Manager
SMA Relationship Trust—Series M
Executive Director
UBS Asset Management (Americas) Inc.



Ryan Nugent
Portfolio Manager
SMA Relationship Trust—Series M
Executive Director
UBS Asset Management (Americas) Inc.

This letter is intended to assist shareholders in understanding how the Fund performed during the 12 months ended December 31, 2022. The views and opinions in the letter were current as of February 10, 2023. They are not guarantees of future performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and we reserve the right to change our views about individual securities, sectors and markets at any time. As a result, the views expressed should not be relied upon as a forecast of the Fund's future investment intent. We encourage you to consult your financial advisor regarding your personal investment program.

Mutual funds are sold by prospectus only. You should read it carefully and consider a fund's investment objectives, risks, charges, expenses and other important information contained in the prospectus before investing. Prospectuses and more current performance for most of our funds can be obtained from your financial advisor, by calling UBS Funds at 800-647 1568, or by visiting our Web site at www.ubs.com/am-us.

SMA Relationship Trust—Series M

Performance at a glance (unaudited)

Average annual total returns for periods ended 12/31/22	1 year	5 years	10 years
SMA Relationship Trust—Series M	(6.76)%		1.61%
Bloomberg Municipal Bond Index ¹		1.25	
Bloomberg Municipal Managed Money Intermediate (1-17) Index ²			1.31

¹ The Bloomberg Municipal Bond Index is an unmanaged index designed to measure the total return of the US dollar denominated tax exempt bond market. Investors should note that indices do not reflect the deduction of fees and expenses.

² The Bloomberg Municipal Managed Money Intermediate (1-17) Index is an unmanaged sub-index of the Bloomberg Municipal Managed Money Index, which is a rules-based, market-value-weighted index designed to track the performance of municipal securities issued by state and local municipalities whose interest is exempt from federal income tax and the federal alternative minimum tax. Investors should note that indices do not reflect the deduction of fees and expenses.

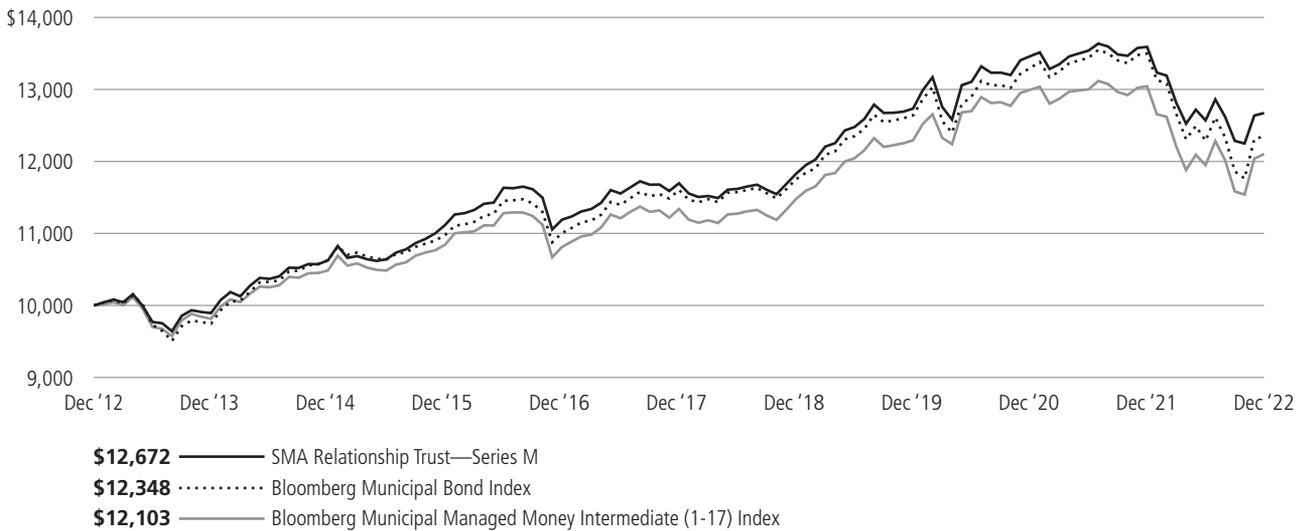
Past performance does not predict future performance, and the performance information provided does not reflect the deduction of taxes that a shareholder could pay on Fund distributions or the redemption of Fund shares. The return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance results assume reinvestment of all dividends and capital gain distributions at net asset value on the ex-dividend dates. Current performance may be higher or lower than the performance data quoted.

SMA Relationship Trust—Series M

Illustration of an assumed investment of \$10,000 in the Fund (unaudited)

The following graph depicts the performance of SMA Relationship Trust—Series M versus the Bloomberg Municipal Bond Index and Bloomberg Municipal Managed Money Intermediate (1-17) Index over 10 years through December 31, 2022.

SMA Relationship Trust—Series M



Past performance does not predict future performance, and the performance information provided does not reflect the deduction of taxes that a shareholder could pay on Fund distributions or the redemption of Fund shares. The return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance results assume reinvestment of all dividends and capital gain distributions at net asset value on the ex-dividend dates. Current performance may be higher or lower than the performance data quoted.

SMA Relationship Trust—Series M

December 31, 2022 (unaudited)

Explanation of expense disclosure

As a shareholder of the Fund, you do not incur costs such as (1) transactional costs (as the Fund does not impose sales charges/loads) or (2) ongoing costs (given that management fees and other ordinary operating expenses of the Fund are paid by the Fund's advisor as explained in its prospectus). (You should note, however, that shares of the Fund are made available through various advisory programs, and program fees are not reflected in this example as they are imposed outside the Fund and vary.) These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example below is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, July 1, 2022 to December 31, 2022.

Actual expenses

The first line in the table below for the Fund provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over a period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line for each class of shares under the heading entitled "Expenses paid during period" to estimate the expenses you paid on your account during this period.

Hypothetical example for comparison purposes

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs. Therefore, the second line in the table for the Fund is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds if the other funds impose transactional costs.

	Beginning account value July 1, 2022	Ending account value December 31, 2022	Expenses paid during period*
Actual	\$1,000.00	\$1,008.10	N/A
Hypothetical (5% annual return before expenses)	1,000.00	1,025.21	N/A

* Expenses are equal to the Fund's annualized net expense ratio, multiplied by the average account value over the period, multiplied by 184 divided by 365 (to reflect the one-half year period). UBS Asset Management (Americas) Inc., the Fund's advisor, is responsible for paying expenses it incurs in providing advisory services as well as the ordinary operating expenses of the Fund (excluding extraordinary litigation expenses and any acquired fund fees and expenses).

SMA Relationship Trust—Series M

Portfolio statistics and diversification—(unaudited)¹

Summary of municipal securities by state as a percentage of net assets as of December 31, 2022

Municipal bonds

Alabama	2.5%
Arizona	1.8
California	3.8
Colorado	0.6
Connecticut	2.0
District of Columbia	3.2
Florida	7.4
Georgia	0.8
Illinois	7.1
Kentucky	0.8
Louisiana	1.0
Maryland	4.7
Massachusetts	4.4
Michigan	0.4
Mississippi	0.5
Missouri	0.9
Nevada	1.6
New Jersey	8.0
New York	20.7
Ohio	1.5
Oregon	1.5
Pennsylvania	4.1
South Carolina	2.8
Texas	5.6
Utah	0.3
Virginia	3.3
Washington	6.8
Wisconsin	0.4

Total municipal bonds

98.5

Short-term investments	0.1
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Total investments

98.6

Other assets in excess of liabilities	1.4
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Net assets

100.0%

¹ The portfolio is actively managed and its composition will vary over time.

SMA Relationship Trust—Series M

Portfolio of investments—December 31, 2022

	Face	Value	amount	Face	Value
Municipal bonds—98.5%			Municipal bonds—(continued)		
Alabama—2.5%			Connecticut—(concluded)		
Alabama Corrections Institution Finance Authority, Corrections Institution Finance, Revenue Bonds			State of Connecticut, GO Bonds, Series D,		
5.000%, due 07/01/38	\$3,810,000	\$ 4,178,134	5.000%, due 08/15/26	\$ 1,165,000	\$ 1,258,566
5.250%, due 07/01/47	5,000,000	5,397,664	State of Connecticut, Refunding, GO Bonds, Series B,		
		<u>9,575,798</u>	5.000%, due 05/15/26		<u>2,902,180,000</u>
					<u>7,736,184</u>
Arizona—1.8%			District of Columbia—3.2%		
Salt River Project Agricultural Improvement & Power District, Arizona Electric System, Refunding, Revenue Bonds			District of Columbia, District of Columbia Income Tax Revenue, Refunding, Revenue Bonds, Series C,		
5.000%, due 01/01/30	2,225,000	2,470,841	5.000%, due 10/01/27		1,955,166,500
Series A,			Washington Metropolitan Area Transit Authority Dedicated Revenue, Revenue Bonds, Series A,		
5.000%, due 01/01/23	2,000,000	2,000,000	5.000%, due 07/15/39	4,315,000	4,696,651
Series A,			Series A,		
5.000%, due 01/01/45	2,000,000	2,182,894	5.000%, due 07/15/45	5,000,000	5,332,559
		<u>6,653,735</u>			<u>11,984,378</u>
California—3.8%			Florida—7.4%		
City of Los Angeles, Department of Airports, Refunding, Revenue Bonds, Series A,			Central Florida Expressway Authority, Refunding, Revenue Bonds		
5.000%, due 05/15/40		2,185,020	5.000%, due 07/01/28	5,720,000	6,370,534
Golden State Tobacco Securitization Corp., Asset-Backed, Refunding, Revenue Bonds, Series A,			5.000%, due 07/01/30	2,035,000	2,337,653
5.000%, due 06/01/32 ¹		2,328,295	County Health Facilities Authority, Martin Memorial Medical Center Obligated Group, Revenue Bonds		
Series A,			5.000%, due 11/15/45 ¹		988,795,000
5.000%, due 06/01/33 ¹		1,269,880	Miami-Dade County Transit System, Revenue Bonds, Series A,		
Golden State Tobacco Securitization Corp., Enhanced Asset-Backed, Revenue Bonds, Series A,			5.000%, due 07/01/43		2,123,210,000
5.000%, due 06/01/29 ¹		1,412,190	Board of Miami-Dade County, Refunding, COP, Series B,		
Metropolitan Water District of Southern California, Revenue Bonds, Series A,			5.000%, due 05/01/26		1,979,050,000
5.000%, due 10/01/46		1,373,952	District of Broward County, COP, Series A,		
San Mateo County Transit District Sales Tax Revenue, Revenue Bonds, Series B,			5.000%, due 07/01/31		5,250,449,500
2.550%, due 06/01/49 ²		200,900,000	School District of Broward County, Refunding, COP, Series A,		
State of California, GO Bonds			5.000%, due 07/01/28	2,250,000	2,390,201
5.000%, due 12/01/43		5,482,206	Series B,		
		<u>14,251,296</u>	5.000%, due 07/01/30	2,000,000	2,085,239
			St. Lucie County School Board, Refunding, Revenue Bonds		
Colorado—0.6%			5.000%, due 10/01/26		2,644,295,000
City & County of Denver CO, Refunding, COP, Series A3,					
3.250%, due 12/01/31 ²		2,400,000			
Connecticut—2.0%					
Connecticut State Health & Educational Facilities Authority, Yale University, Revenue Bonds, Series V-1,					
2.750%, due 07/01/36 ²		3,575,065			

SMA Relationship Trust—Series M

Portfolio of investments—December 31, 2022

	Face	Value	amount	Face	Value
Municipal bonds—(continued)			Municipal bonds—(continued)		
Florida—(concluded)			Maryland—4.7%		
State of Florida, Board of Education Public Education Capital Outlay, Refunding, GO Bonds, Series A, 5.000%, due 06/01/28	\$1,560,000	\$ 1,748,230		County of Baltimore MD, Consolidated Public Improvement, GO Bonds 5.000%, due 03/01/30	\$5,240,000 \$ 6,065,771
		<u>27,917,975</u>		County of Prince George's MD, Consolidated Public Improvement, GO Bonds, Series A, 5.000%, due 07/15/27	5,518,000
Georgia—0.8%				State of Maryland, GO Bonds, Series A, 5.000%, due 08/01/30	2,291,327
Catoosa County School District, GO Bonds 5.000%, due 08/01/26		2,860,925		Series A, 5.000%, due 08/01/34	3,540,000
Illinois—7.1%				<u>17,997,363</u>	
Illinois State Toll Highway Authority, Refunding, Revenue Bonds 5.000%, due 01/01/29 Series A, 5.000%, due 01/01/30 Series A, 5.000%, due 12/01/32	2,240,000 2,805,000 2,175,000	2,523,795 3,140,941 2,295,133		Massachusetts—4.4%	
Illinois State Toll Highway Authority, Revenue Bonds, Series A, 5.000%, due 01/01/46		1,057,109		Commonwealth of Massachusetts, Consolidated Loan, GO Bonds 5.000%, due 07/01/45	2,152,000
Metropolitan Water Reclamation District of Greater Chicago, Refunding, GO Bonds, Series C, 5.000%, due 12/01/26		1,408,383		Commonwealth of Massachusetts, GO Bonds, Series A, 5.000%, due 01/01/40	2,870,000
State of Illinois, GO Bonds, Series A, 5.000%, due 12/01/27 Series A, 5.000%, due 03/01/31 Series D, 5.000%, due 11/01/23 Series D, 5.000%, due 11/01/27	1,215,000 2,870,000 3,320,000 5,450,000	1,256,029 2,959,088 3,354,445 5,633,511		Commonwealth of Massachusetts, Refunding, GO Bonds, Series A, 5.000%, due 07/01/30 Series E, 5.000%, due 11/01/27	2,260,000 4,989,672
State of Illinois, Refunding, GO Bonds, Series C, 4.000%, due 03/01/31		3,372,155		Massachusetts Bay Transportation Authority Sales Tax Revenue, BANS Subordinate Sustainability, Revenue Bonds 4.000%, due 05/01/25	1,933,400
		<u>27,000,598</u>		Massachusetts Water Resources Authority, Revenue Bonds, Series B, 5.000%, due 08/01/44	2,178,000
Kentucky—0.8%				<u>16,559,135</u>	
Louisville and Jefferson County Metropolitan Government, Norton Healthcare, Revenue Bonds, Series B-RE, 3.650%, due 10/01/39 ²		650,000		Michigan—0.4%	
Louisville and Jefferson County Metropolitan Sewer District, Refunding, Revenue Notes 4.000%, due 10/06/23		2,516,358		Michigan Finance Authority, Hospital Trinity Health Credit Group, Refunding, Revenue Bonds, Series A, 5.000%, due 12/01/25	1,713,100
		<u>3,166,358</u>		Mississippi—0.5%	
Louisiana—1.0%				Mississippi Business Finance Corp., Chevron USA, Revenue Bonds, Series F, 3.550%, due 12/01/30 ² 3.550%, due 11/01/35 ²	500,000 1,300,000
State of Louisiana, GO Bonds, Series A, 4.000%, due 05/15/31 ¹		3,864,500		<u>1,800,000</u>	

SMA Relationship Trust—Series M

Portfolio of investments—December 31, 2022

	Face		Face	
		Value	amount	Value
Municipal bonds—(continued)				
Missouri—0.9%				
Health & Educational Facilities Authority of the State of Missouri, St. Louis University, Revenue Bonds, Series B-2, 3.600%, due 10/01/35 ²	\$3,540,000	\$	3,540,000	
Nevada—1.6%				
Las Vegas Valley Water District, Refunding, GO Bonds, Series D, 5.000%, due 06/01/27			6,221,156	7,670,000
New Jersey—8.0%				
New Jersey Health Care Facilities Financing Authority, Virtua Health Obligated Group, Revenue Bonds, Series B, 2.250%, due 07/01/43 ²		2,500,000	2,500,000	
New Jersey Transportation Trust Fund Authority, Refunding, Revenue Bonds, Series A, 5.000%, due 06/15/30		2,203,928	2,203,928	
New Jersey Transportation Trust Fund Authority, Revenue Bonds, Series BB, 5.000%, due 06/15/33		2,692,329	2,692,329	
New Jersey Turnpike Authority, Refunding, Revenue Bonds, Series G, 5.000%, due 01/01/35		2,269,925	2,269,925	
New Jersey Turnpike Authority, Revenue Bonds, Series A, 5.000%, due 01/01/30		3,612,556	3,612,556	
State of New Jersey, COVID-19 State Emergency Bonds, GO Bonds, Series A, 5.000%, due 06/01/28	6,500,000	7,225,330		
Series A, 5.000%, due 06/01/29	8,655,000	9,781,387		
		<u>30,285,418</u>		
New York—20.7%				
City of New York, GO Bonds, Series A, 5.000%, due 08/01/43	4,320,000	4,547,563		
Series B-1, 5.000%, due 10/01/36	1,950,000	2,123,700		
Series D, 5.000%, due 12/01/40	3,000,000	3,191,161		
Subseries D-1, 5.500%, due 05/01/46	6,000,000	6,679,703		
Subseries F-1, 5.000%, due 04/01/40	1,940,000	2,050,948		
Metropolitan Transportation Authority, Refunding, Revenue Bonds, Series B, 5.000%, due 11/15/23	3,130,000	3,170,382		
Municipal bonds—(continued)				
New York—(continued)				
Subseries 2012G-1-REMK, 3.500%, due 11/01/32 ²	\$4,000,000	\$	4,000,000	
Metropolitan Transportation Authority, Revenue Bonds, Series A-1, 5.000%, due 02/01/23			3,557,955	3,557,955
New York City Municipal Water Finance Authority, Refunding, Revenue Bonds, Series BB-1, 5.000%, due 06/15/44			5,696,313	5,696,313
New York City Municipal Water Finance Authority, Second General Resolution, Refunding, Revenue Bonds, Series EE, 5.000%, due 06/15/36		2,760,000	2,760,000	
Series EE, 5.000%, due 06/15/40		3,000,000	3,182,352	
Series FF, 5.000%, due 06/15/39		2,195,000	2,340,580	
New York City Transitional Finance Authority Future Tax Secured Revenue, Refunding, Revenue Bonds, Series A-1, 5.000%, due 11/01/25			4,261,720	4,261,720
New York City Transitional Finance Authority Future Tax Secured, Revenue Bonds, Series A-2, 5.000%, due 08/01/38		3,000,000	3,184,853	
Series A-2, 5.000%, due 08/01/39		1,445,000	1,525,469	
New York State Dormitory Authority, Refunding, Revenue Bonds, Series A, 5.000%, due 03/15/40		2,500,000	2,660,731	
Series A, 5.000%, due 03/15/44		6,000,000	6,382,100	
New York State Dormitory Authority, Revenue Bonds, Series A, 5.000%, due 03/15/43			3,671,286	3,671,286
New York State Dormitory Authority, State of New York Personal Income Tax Revenue, Refunding, Revenue Bonds, Series A, 5.000%, due 03/15/33			1,265,408	1,265,408
New York State Thruway Authority, Revenue Bonds, Series N-1, 5.000%, due 01/01/39			1,075,860	1,075,860
New York State Thruway Authority, State of New York Personal Income Tax Revenue, Refunding, Revenue Bonds, 5.000%, due 03/15/42			4,481,854	4,481,854
New York State Urban Development Corp., Refunding, Revenue Bonds, Series A, 5.000%, due 03/15/41			3,660,322	3,660,322

SMA Relationship Trust—Series M

Portfolio of investments—December 31, 2022

	Face	Value	amount	Face	Value
Municipal bonds—(continued)			Municipal bonds—(continued)		
New York—(concluded)			South Carolina—(concluded)		
Triborough Bridge & Tunnel Authority, Metropolitan Transportation Authority Payroll Mobility Tax Revenue, Revenue Bonds, Series C, 5.000%, due 05/15/47	\$3,000,000	\$ 3,207,057		South Carolina Public Service Authority, Refunding, Revenue Bonds, Series A, 5.000%, due 12/01/24	\$ 2,068,455
		<u>78,737,663</u>			<u>10,752,345</u>
Ohio—1.5%			Texas—5.6%		
State of Ohio, Common Schools, Refunding, GO Bonds, Series B, 5.000%, due 09/15/27			Alamo Community College District, GO Bonds 5.000%, due 08/15/24		1,489,944,000
			Austin Community College District, GO Bonds 5.000%, due 08/01/30 ¹		1,058,800,000
			5,524,700,000 and Fort Worth International Airport, Refunding, Revenue Bonds, Series A, 5.000%, due 11/01/29		2,842,450,000
Oregon—1.5%			Dallas Independent School District, GO Bonds, Series A, 5.000%, due 02/15/25		1,047,475,000
Oregon State Facilities Authority, PeaceHealth Obligated Group, Refunding, Revenue Bonds, Series A, 3.620%, due 08/01/34 ²		3,100,000,000	Dallas Independent School District, Refunding, GO Bonds, Series A, 5.000%, due 02/15/27		4,511,394,000
Tri-County Metropolitan Transportation District of Oregon, Revenue Bonds, Series A, 5.000%, due 09/01/43 ¹		<u>2,770,750,000</u>	Garland Independent School District, Refunding, GO Bonds 5.000%, due 02/15/26		2,392,248,500
		<u>5,870,772</u>	Harris County Cultural Education Facilities Finance Corp., Methodist Hospital, Refunding, Revenue Bonds, Series B, 3.650%, due 12/01/59 ²		2,600,000,000
Pennsylvania—4.1%			Harris County Health Facilities Development Corp., Houston Methodist Hospital Obligated Group, Refunding, Revenue Bonds, Series A-2, 3.650%, due 12/01/41 ²		500,000,000
Allegheny County Higher Education Building Authority, Carnegie Mellon University, Refunding, Revenue Bonds, Series C, 3.600%, due 12/01/37 ²		2,500,000,000	Lamar Consolidated Independent School District, GO Bonds 5.000%, due 02/15/27		1,087,865,000
City of Philadelphia, Refunding, GO Bonds 5.000%, due 08/01/24		2,066,280,000	Lower Colorado River Authority, LCRA Transmission Services, Refunding, Revenue Bonds 5.000%, due 05/15/31		1,112,950,000
Commonwealth of Pennsylvania, Refunding, GO Bonds 5.000%, due 09/15/26	1,225,000	1,323,265	Lower Neches Valley Authority Industrial Development Corp., Exxon Capital Ventures, Inc., Revenue Bonds 3.210%, due 11/01/38 ²		300,000,000
5.000%, due 07/15/27	2,020,000	2,211,481	North Texas Municipal Water District Water System Revenue, Refunding, Revenue Bonds, Series A, 4.000%, due 09/01/30		2,284,230,000
Pennsylvania Turnpike Commission Oil Franchise Tax Revenue, Refunding, Revenue Bonds, Subseries B, 5.000%, due 12/01/46		2,108,720,000			<u>21,227,218</u>
Pennsylvania Turnpike Commission, Refunding, Revenue Bonds 5.000%, due 12/01/23		1,017,650,000			
Pennsylvania Turnpike Commission, Revenue Bonds, Series A-1, 5.000%, due 12/01/46	2,000,000	2,031,811			
Series A-2, 5.000%, due 12/01/36	2,220,000	2,420,212			
		<u>15,679,433</u>			
South Carolina—2.8%			Utah—0.3%		
Charleston County School District, GO Notes, Series A, 4.000%, due 03/01/23	5,545,000	5,552,933	City of Murray UT, IHC Health Services Inc., Revenue Bonds, Series C, 3.600%, due 05/15/37 ²		1,110,000,000
Series C, 4.000%, due 05/10/23	3,120,000	3,130,957			

SMA Relationship Trust—Series M

Portfolio of investments—December 31, 2022

Fair valuation summary

The following is a summary of the fair valuations according to the inputs used as of December 31, 2022 in valuing the Fund's investments. In the event a Fund holds investments for which fair value is measured using the NAV per share practical expedient (or its equivalent), a separate column will be added to the fair value hierarchy table; this is intended to permit reconciliation to the amounts presented in the Portfolio of investments:

Description	Unadjusted quoted prices in active markets for identical investments (Level 1)	Other significant observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
Assets				
Municipal bonds	\$—	\$ 374,176,204	\$—	\$ 374,176,204
Short-term investments	—		359,123	—
Total	\$—	\$374,535,327	\$—	\$374,535,327

359,123

At December 31, 2022, there were no transfers in or out of Level 3.

Portfolio footnotes

- ¹ Security is prerefunded or escrowed to maturity. The maturity date shown is the earlier of the reset date or the date of the prerefunded call.
- ² Variable or floating rate security. The interest rate shown is the rate in effect as of period end and changes periodically.
- ³ Rates shown reflect yield at December 31, 2022.

Portfolio acronyms

BANS	Bond Anticipation Notes
COP	Certificate of Participation
GO	General Obligation

SMA Relationship Trust—Series M

Statement of assets and liabilities December 31, 2022

Assets:

Investments, at value (cost—\$394,693,409)	\$374,535,327
Cash	4,917,056
Receivable for fund shares sold	2,611,059
Receivable for interest and dividends	4,371,950

Total assets	386,435,392
---------------------	--------------------

Liabilities:

Payable for investments purchased	4,910,515
Payable for fund shares redeemed	1,851,549

Total liabilities	6,762,064
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Net assets	\$379,673,328
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Net assets consist of:

Beneficial interest	\$400,528,336
Distributable earnings (accumulated losses)	(20,855,008)

Net assets	\$379,673,328
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Shares outstanding	35,563,486
Net asset value, offering and redemption proceeds per share	\$10.68

See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Statement of operations For the year ended December 31, 2022

Investment income:

Interest	\$6,496,528
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Net realized and unrealized gains (loss) from investment activities:

Net realized gain (loss) on investments	(696,926)
---	-----------

Change in net unrealized appreciation (depreciation) on investments	(31,603,782)
---	--------------

Net realized and unrealized gain (loss)	(32,300,708)
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Net increase (decrease) in net assets resulting from operations	\$(25,804,180)
--	-----------------------

See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Statement of changes in net assets

	For the years ended December 31,	
	2022	2021
From operations:		
Net investment income (loss)	\$6,496,528	\$5,107,302
Net realized gain (loss)	(696,926)	2,167,624
Net change in unrealized appreciation (depreciation)	(31,603,782)	(3,929,326)
Net increase (decrease) in net assets resulting from operations	(25,804,180)	3,345,600
Total distributions	(6,539,192)	(7,657,386)
From beneficial interest transactions:		
Proceeds from shares sold	218,472,255	162,027,450
Cost of shares redeemed	(183,872,274)	(32,516,578)
Net increase (decrease) in net assets resulting from beneficial interest transactions	34,599,981	129,510,872
Increase (decrease) in net assets	2,256,609	125,199,086
Net assets:		
Beginning of year	377,416,719	252,217,633
End of year	\$379,673,328	\$377,416,719

See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Financial highlights

The table below sets forth financial data for one share of beneficial interest outstanding throughout each year presented.

	Years ended December 31,					2018
	2022	2021	2020	2019	2018	
Net asset value, beginning of year	\$11.66	\$11.81	\$11.57	\$11.07		\$11.22
Net investment income (loss) ¹	0.19	0.18	0.26	0.28	0.27	
Net realized and unrealized gain (loss)	(0.98)	(0.07)	0.39	0.56	(0.15)	
Net increase (decrease) from operations	(0.79)	0.11	0.65	0.84	0.12	
Dividends from net investment income	(0.19)	(0.18)	(0.26)	(0.28)	(0.27)	
Distributions from net realized gains	—	(0.08)	(0.15)	(0.06)	—	
Total dividends and distributions	(0.19)	(0.26)	(0.41)	(0.34)	(0.27)	
Net asset value, end of year	\$10.68	\$11.66	\$11.81	\$11.57		\$11.07
Total investment return²	(6.76)%	0.96%	5.71%	7.66%	1.12%	
Ratios to average net assets:						
Net investment income	1.77%	1.55%	2.22%	2.47%	2.48%	
Supplemental data:						
Net assets, end of year (000's)	\$379,673	\$377,417	\$252,218	\$253,468	\$237,215	
Portfolio turnover ³	21%	18%	29%	39%	24%	

¹ Calculated using the average shares method.

² Total investment return is calculated assuming a \$10,000 investment on the first day of each year reported, reinvestment of all dividends and distributions, if any, at net asset value on the ex-dividend dates, and a sale at net asset value on the last day of each year reported. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

³ The calculation of the portfolio turnover rate excludes transactions involving variable-rate demand notes, which are considered short-term instruments due to the ability to demand immediate repayment.

See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Notes to financial statements

Organization and significant accounting policies

SMA Relationship Trust (the “Trust”) is an open-end management investment company registered with the US Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940, as amended, (the “1940 Act”), currently offering one series.

The Trust has one series available for investment, Series M (the “Fund”). The Fund is classified as a non-diversified investment company for purposes of the 1940 Act. The investment objective of the Fund is to seek total return consisting of capital appreciation and current income exempt from federal income tax. The Fund pursues its investment objective by investing primarily in municipal bonds.

UBS Asset Management (Americas) Inc. (“UBS AM” or “Advisor”) serves as the investment advisor and administrator for the Fund. UBS Asset Management (US) Inc. (“UBS AM (US)”) serves as principal underwriter for the Fund. UBS AM and UBS AM (US) are indirect wholly owned subsidiaries of UBS Group AG. UBS Group AG is an internationally diversified organization with headquarters in Zurich, Switzerland. UBS Group AG operates in many areas of the financial services industry.

In the normal course of business, the Fund may enter into contracts that contain a variety of representations that provide indemnification for certain liabilities. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, there have been no prior claims or losses pursuant to these contracts and the Fund expects the risk of loss to be remote.

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) is the exclusive reference of authoritative US generally accepted accounting principles (“US GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative US GAAP for SEC registrants. The Fund’s financial statements are prepared in accordance with US GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The following is a summary of significant accounting policies:

Investment transactions, investment income and expenses: Investment transactions are recorded on the trade date. Realized gains and losses from investment transactions are calculated using the specific identified cost method. Dividend income and expenses are recorded on the ex-dividend date (“ex-date”). Interest income is recorded on an accrual basis. Discounts are accreted and premiums are amortized as adjustments to interest income and the identified cost of investments.

Dividends and distributions: Dividends and distributions to shareholders are recorded on the ex-dividend date. The amount of dividends from net investment income and distributions from net realized capital gains and/or return of capital are determined in accordance with US federal income tax regulations, which may differ from US GAAP. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

Concentration of risk: The ability of the issuers of debt securities held by the Fund to meet their obligations may be affected by economic and political developments particular to a specific industry, country, state or region.

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that occurred may have a significant negative impact on the operations and profitability of the Fund’s investments. The extent of the impact to the financial performance of the Fund will depend on future developments, including (i) the duration and

SMA Relationship Trust—Series M

Notes to financial statements

spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be predicted.

Valuation of investments

The Fund generally calculates its net asset value on days that the New York Stock Exchange (“NYSE”) is open. The Fund calculates net asset value separately as of the close of regular trading on the NYSE (generally, 4:00 p.m., Eastern time). The NYSE normally is not open, and the Fund does not price its shares, on most national holidays and Good Friday. To the extent that the Fund’s assets are traded in other markets on days when the NYSE is not open, the value of the Fund’s assets may be affected on those days. If trading on the NYSE is halted for the day before 4:00 p.m., Eastern time, the Fund’s net asset value per share generally will still be calculated as of the close of regular trading on the NYSE. The time at which the Fund calculates its net asset value and until which purchase, sale or exchange orders are accepted may be changed as permitted by the SEC.

The Fund calculates its net asset value based on the current market value, where available, for its portfolio investments. The Fund normally obtains market values for its investments from independent pricing sources and broker-dealers. Independent pricing sources may use reported last sale prices, official market closing prices, current market quotations or valuations from computerized “evaluation” systems that derive values based on comparable investments. An evaluation system incorporates parameters such as security quality, maturity and coupon, and/or research and evaluations by its staff, including review of broker-dealer market price quotations, if available, in determining the valuation of the portfolio investments. Investments also may be valued based on appraisals derived from information concerning the investment or similar investments received from recognized dealers in those holdings.

Investments traded in the over-the-counter (“OTC”) market and listed on The NASDAQ Stock Market, Inc. (“NASDAQ”) normally are valued at the NASDAQ Official Closing Price. Other OTC securities are valued at the last bid price on the valuation date available prior to valuation. Investments which are listed on US and foreign stock exchanges normally are valued at the market closing price, the last sale price on the day the securities are valued or, lacking any sales on such day, at the last available bid price. Investments listed on foreign stock exchanges may be fair valued based on significant events that have occurred subsequent to the close of the foreign markets. In cases where investments are traded on more than one exchange, the investments are valued on the exchange designated as the primary market by UBS AM. If a market value is not readily available from an independent pricing source for a particular investment, that investment is valued at fair value as determined in good faith by or under the direction of the Fund’s Board of Trustees (the “Board”). Foreign currency exchange rates are generally determined as of the close of the NYSE.

The amortized cost method of valuation, which approximates market value, generally is used to value short-term debt instruments with 60 days or less remaining to maturity, unless the Board determines that this does not represent fair value.

Investments in open-end investment companies are valued at the daily closing net asset value of the respective investment company. Pursuant to the Fund’s use of the practical expedient within ASC Topic 820, Fair Value Measurement, investments in investment companies without publicly published prices are also valued at the daily net asset value.

The Board has designated UBS AM as the valuation designee pursuant to Rule 2a-5 under the 1940 Act and delegated to UBS AM the responsibility for making fair value determinations with respect to portfolio holdings. UBS AM, as the valuation designee, is responsible for periodically assessing any material risks associated with the determination of the fair value of investments; establishing and applying fair value methodologies; testing the appropriateness of fair value methodologies; and overseeing and evaluating third party pricing services. UBS AM has the Equities, Fixed Income and Multi-Asset Valuation Committee (the “VC”) to assist with its designated responsibilities

SMA Relationship Trust—Series M

Notes to financial statements

as valuation designee. Fair valuation determinations are subject to review at least monthly by the VC during scheduled meetings. Pricing decisions, processes, and controls over fair value determinations are subject to internal and external reviews, including annual internal compliance reviews and periodic internal audit reviews.

The types of investments for which such fair value pricing may be necessary include, but are not limited to: foreign investments under some circumstances; securities of an issuer that has entered into a restructuring; investments whose trading has been halted or suspended; fixed income securities that are in default and for which there is no current market value quotation; and investments that are restricted as to transfer or resale. The need to fair value a Fund's portfolio investments may also result from low trading volume in foreign markets or thinly traded domestic investments, and when a security that is subject to a trading limit or collar on the exchange or market on which it is primarily traded reaches the "limit up" or "limit down" price and no trading has taken place at that price. Various factors may be reviewed in order to make a good faith determination of an investment's fair value. These factors include, but are not limited to, fundamental analytical data relating to the investment; the nature and duration of restrictions on disposition of the investment; and the evaluation of forces which influence the market in which the investment is purchased and sold. Valuing investments at fair value involves greater reliance on judgment than valuing investments that have readily available market quotations. Fair value determinations can also involve reliance on quantitative models employed by a fair value pricing service.

US GAAP requires disclosure regarding the various inputs that are used in determining the value of the Fund's investments. These inputs are summarized into the three broad levels listed below:

Level 1—Unadjusted quoted prices in active markets for identical investments.

Level 2—Other significant observable inputs, including but not limited to, quoted prices for similar investments, interest rates, prepayment speeds and credit risks.

Level 3—Unobservable inputs inclusive of the Fund's own assumptions in determining the fair value of investments.

A fair value hierarchy table has been included near the end of the Fund's Portfolio of investments.

Investments

Restricted securities: The Fund may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted securities, if any, is included in the Fund's portfolio footnotes.

Investment advisory and administration fees and other transactions with affiliates

The Fund's Board has approved an investment advisory and administration contract ("Advisory Contract") with UBS AM under which UBS AM serves as investment advisor and administrator of the Fund. Pursuant to the Advisory Contract, the Fund will not pay a fee to UBS AM for investment advisory services provided by UBS AM.

UBS AM (not the Fund) pays all ordinary operating expenses, interest expense, and commitment fees (i.e., bank line of credit facility fees), excluding extraordinary litigation expenses and any acquired fund fees and expenses, incurred by the Fund. The Fund is part of a wrap fee program or other program advised or sub-advised by UBS AM or its affiliates, clients of which often pay a single aggregate fee for all costs and expenses of the program.

The Fund may invest in shares of certain affiliated investment companies also advised or managed by the Advisor. Investments in affiliated investment companies for the period ended December 31, 2022, if any, have been included near the end of the Fund's Portfolio of investments.

SMA Relationship Trust—Series M

Notes to financial statements

Securities lending

The Fund may lend securities up to 33⅓% of its total assets to qualified broker-dealers or institutional investors. The loans are initially secured by cash, U.S. government securities and irrevocable letters of credit in an amount at least equal to 102% of the market value of the securities loaned with respect to domestic securities and 105% of the market value of the securities loaned with respect to foreign securities. In the event that the market value of the cash, U.S. government securities, and irrevocable letters of credit securing the loan falls below 100% of the market value for domestic securities, and 103% for foreign securities, the borrower must provide additional cash, U.S. government securities, and irrevocable letters of credit so that the total securing the loan is at least 102% of the market value for domestic securities and 105% of the market value for foreign securities.

The Fund will regain ownership of loaned securities to exercise certain beneficial rights; however, the Fund may bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower fail financially. The Fund receives compensation for lending its securities from interest or dividends earned on the cash, U.S. government securities and irrevocable letters of credit held as collateral, net of fee rebates paid to the borrower plus reasonable administrative and custody fees. Cash collateral received is invested in State Street Navigator Securities Lending Government Money Market Fund, which is included in the Fund's Portfolio of investments. State Street Bank and Trust Company serves as the Fund's lending agent.

At December 31, 2022, the Fund did not have any securities on loan.

Bank line of credit

The Fund participates with other funds managed by UBS AM in a \$185 million committed credit facility (the "Committed Credit Facility") with State Street Bank and Trust Company. The Committed Credit Facility is to be utilized for temporary financing until the settlement of sales or purchases of portfolio securities, the repurchase or redemption of shares of a participating Fund at the request of shareholders and other temporary or emergency purposes.

Interest on amounts borrowed is calculated based on prevailing rates in effect at the time of borrowing. The Advisor has agreed to pay commitment fees on the average daily balance of the Committed Credit Facility not utilized by the Fund. Commitment fees have been allocated among the funds in the Committed Credit Facility as follows: 50% of the allocation is based on the relative asset size of funds and the other 50% of the Allocation is based on utilization.

For the period ended December 31, 2022, the Fund had borrowings as follows:

Average daily amount of borrowing outstanding	Days outstanding	Interest expense*	Weighted average interest rate
\$1,990,114	27	\$6,091	4.081%

* Interest expense is the responsibility of the Advisor.

SMA Relationship Trust—Series M

Notes to financial statements

Purchases and sales of securities

For the period ended December 31, 2022, aggregate purchases and sales of portfolio securities, excluding short-term securities, were \$114,695,787 and \$66,894,334, respectively. The calculation of the purchases and sales proceeds excludes transactions involving variable-rate demand notes, which are considered short term instruments due to the ability to demand immediate repayment.

During the period ended December 31, 2022, the Fund engaged in purchase and sale transactions where an affiliate was underwriter. In such cases, the affiliate underwriter was not compensated and each trade was approved by the board.

Shares of beneficial interest

There is an unlimited number of shares of no par value beneficial interest authorized. Transactions in shares of beneficial interest for the Fund were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Shares sold	20,233,489	13,799,627
Shares repurchased	(17,047,163)	(2,770,186)
Net increase (decrease) in shares outstanding	3,186,326	11,029,441

Federal tax status

It is the Fund's policy to comply with all requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. In addition, by distributing during each calendar year substantially all of its net investment income, net realized capital gains and certain other amounts, if any, the Fund intends not to be subject to a federal excise tax. Accordingly, no federal income tax provision was required.

The tax character of distributions paid during the fiscal years ended December 31, 2022 and December 31, 2021 were as follows:

Distributions paid from:	2022	
Tax-exempt income	\$6,507,670	\$5,121,871
Ordinary Income	31,522	100,709
Long term realized capital gains	—	2,434,806

Aggregate cost for federal income tax purposes, including derivatives (if any), was \$394,693,409; and net unrealized appreciation (depreciation), including derivatives (if any) consisted of:

Gross unrealized appreciation	\$ 348,800
Gross unrealized depreciation	20,506,882
Net unrealized appreciation (depreciation)	(20,158,082)

At December 31, 2022, the effect of permanent "book/tax" reclassifications resulted in increases and decreases to components of the Fund's net assets as follows:

Distributable earnings (losses)	\$ 42,664
Beneficial interest	(42,664)

This difference is primarily due to distributions in excess of current earnings.

SMA Relationship Trust—Series M

Notes to financial statements

At December 31, 2022, the components of accumulated earnings (deficit) on a tax basis were as follows:

Accumulated realized capital and other losses	\$ (696,926)
Net unrealized appreciation of investments	(20,158,082)
Total accumulated earnings (deficit)	(20,855,008)

Net capital losses recognized by the Fund may be carried forward indefinitely, and retain their character as short-term and/or long-term losses. These carryforwards are available as a reduction, to the extent provided in the regulations, of future realized capital gains. To the extent that such losses are used to offset future net realized capital gains, it is probable these gains will not be distributed. Losses incurred that will be carried forward indefinitely are as follows:

Short-term losses	\$558,366
Long-term losses	138,560
Net capital losses	696,926

ASC 740-10 "Income Taxes-Overall" sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken. The Fund has conducted an analysis and concluded, as of December 31, 2022, that there are no significant uncertain tax positions taken or expected to be taken that would require recognition in the financial statements. It is the Fund's policy to record any significant foreign tax exposures in the financial statements. The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of operations. During the year ended December 31, 2022, the Fund did not incur any interest or penalties.

Each of the tax years in the four year fiscal period ended December 31, 2022 remains subject to examination by the Internal Revenue Service and state taxing authorities.

SMA Relationship Trust—Series M

Report of independent registered public accounting firm

To the Shareholders and the Board of Trustees of
SMA Relationship Trust

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Series M (the “Fund”) (the sole fund constituting SMA Relationship Trust (the “Trust”)), including the portfolio of investments, as of December 31, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (the sole fund constituting SMA Relationship Trust) at December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust’s internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2022, by correspondence with the custodian and brokers, when replies were not received from brokers, we performed other auditing procedures. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style script.

We have served as the auditor of one or more UBS investment companies since 1978.

New York, New York
February 24, 2023

SMA Relationship Trust—Series M

Federal tax information (unaudited)

We are required by Subchapter M of the Internal Revenue Code of 1986, as amended, to advise you in writing as to the federal tax status of distributions received by shareholders during the fiscal year. Accordingly, the amount of ordinary dividends paid that qualify for the dividends received deduction for corporate shareholders and the amount of foreign tax credit to be passed through to shareholders are as follows:

Fund	Dividends received deduction	Long-term capital gains	Foreign tax credit
Series M	\$—	\$—	\$—

Shareholders should not use the above information to prepare their tax returns. Shareholders are advised to consult their own tax advisors with respect to the tax consequences of their investment in the Fund.

SMA Relationship Trust—Series M

General information (unaudited)

Quarterly portfolio schedule

The Fund filed its complete schedule of portfolio holdings with the US Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund’s Form N-PORT reports are available on the SEC’s Web site at <http://www.sec.gov>. Additionally, you may obtain copies of such portfolio holdings schedules for the first and third quarters of each fiscal year from the Fund upon request by calling 1-800-647 1568.

Proxy voting policies, procedures and record

You may obtain a description of the Fund’s (1) proxy voting policies, (2) proxy voting procedures and (3) information regarding how the Fund voted on any proxies related to portfolio securities during the most recent 12-month period ended June 30 for which an SEC filing has been made, without charge, upon request by contacting the Fund directly at 1-800-647 1568, online on the Fund’s Web site: www.ubs.com/ubsam-proxy, or on the EDGAR Database on the SEC’s Web site (<http://www.sec.gov>).

SMA Relationship Trust—Series M

Supplemental information (unaudited)

Trustee and officer information

The Trust is a Delaware statutory trust. Under Delaware law, the Board has overall responsibility for managing the business and affairs of the Trust, including general supervision and review of its investment activities. The Trustees elect the Officers of the Trust, who are responsible for administering the day-to-day operations of the Trust and the Funds.

The table shows, for each Trustee and Officer, his or her name, address and age, the position held with the Trust, the length of time served as a Trustee or Officer of the Trust, the Trustee's or Officer's principal occupations during the last five years, the number of funds in the UBS Family of Funds overseen by the Trustee or Officer and other directorships held by such Trustee.

The Trust's Statement of Additional Information contains additional information about the Trustees and is available, without charge, upon request, by calling 1-800-647 1568.

Independent Trustees:

Name, address and age	Position(s) held with Trust	Term of office ¹ and length of time served	Principal occupation(s) during past 5 years	Number of portfolios in fund complex overseen by Trustee	Other directorships held by Trustee during past 5 years
Adela Cepeda; 64 c/o Keith Weller, Fund Secretary UBS AM One North Wacker Drive Chicago, IL 60606	Chairperson and Trustee	Since 2021 and 2004, respectively	Ms. Cepeda was a managing director at PFM Financial Advisors LLC (from 2016-2019). From 1995 to 2016, Ms. Cepeda was founder and president of A.C. Advisory, Inc.	Ms. Cepeda is a trustee of three investment companies (consisting of 12 portfolios) for which UBS AM serves as investment advisor or manager.	Ms. Cepeda is a director (since 2012) of BMO Financial Corp. (U.S. holding company for BMO Harris Bank N.A.), director of the Mercer Funds (9 portfolios) (since 2005) and trustee of the Morgan Stanley Pathway Funds (11 portfolios) (since 2008).
Muhammad Gigani; 45 c/o Keith A. Weller, Fund Secretary UBS AM One North Wacker Drive Chicago, IL 60606	Trustee	Since 2021	Mr. Gigani is a Vice President - Tax of Reyes Holdings, L.L.C. (global food and beverage company) (since 2018). Formerly, Mr. Gigani held various positions at Deloitte Tax, LLP (from 2002 to 2018, most recently serving as a partner (from 2014 to 2018)). Mr. Gigani was a board member of Junior Achievement of Chicago (non-profit) (from 2016 to 2018). Mr. Gigani was also finance chair of Latin United Community Housing Association (nonprofit) (from 2016 to 2018). Mr. Gigani is a Certified Public Accountant (CPA).	Mr. Gigani is a trustee of three investment companies (consisting of 12 portfolios) for which UBS AM (Americas) serves as investment advisor or manager.	Mr. Gigani is a trustee (since 2021) for The Adler Planetarium (non profit).

SMA Relationship Trust—Series M

Supplemental information (unaudited)

Independent Trustees (concluded):

Name, address and age	Position(s) held with Trust	Term of office ¹ and length of time served	Principal occupation(s) during past 5 years	Number of portfolios in fund complex overseen by Trustee	Other directorships held by Trustee during past 5 years
Abbie J. Smith; 69 University of Chicago Booth School of Business 5807 S. Woodlawn Avenue Chicago, IL 60637	Trustee	Since 2009	Ms. Smith is the Boris and Irene Stern Distinguished Service Professor of Accounting and James S. Ely III, Faculty Fellow in the University of Chicago Booth School of Business (since 1980). Formerly, Ms. Smith was a co-founding partner and director of Research of Fundamental Investment Advisors, a hedge fund (co-founded in 2004, commenced operations in 2008) (from 2008 to 2010).	Ms. Smith is a trustee of three investment companies (consisting of 12 portfolios) for which UBS AM serves as investment advisor or manager.	Ms. Smith is a director (since 2000) of HNI Corporation (office furniture) and formerly Lead Director (May 2014 to May 2017) and audit committee member and chair. Ms. Smith is also a director (since 2003) of Ryder System, Inc. (transportation, logistics and supply chain management), and a member of the audit and finance committees. She was chair of the audit committee until 2015 and is currently chair of the finance committee of Ryder System, Inc. In addition, Ms. Smith is a trustee/director (since 2000) and a member of the audit committee (chair since 2022) of the Dimensional Funds complex (a total of 153 series in 5 investment companies) and of Dimensional ETF Trust.

SMA Relationship Trust—Series M

Supplemental information (unaudited)

Officers:

Name, address and age	Position(s) held with Trust	Term of office ¹ and length of time served	Principal occupation(s) during past 5 years; number of portfolios in fund complex for which person serves as officer
Rose Ann Bubloski***; 54	Vice President and Assistant Treasurer	Since 2011	Ms. Bubloski is a director (since 2012) (prior to which she was an associate director (from 2008 to 2012)) and senior manager of fund accounting—US (previously named product control and investment support) of UBS Asset Management (Americas) Inc. and/or UBS Asset Management (US) Inc. (UBS AM—“Americas region”). She is vice president and assistant treasurer of 7 investment companies (consisting of 50 portfolios) for which UBS AM serves as investment advisor or manager.
Franklin P. Dickson***; 44	Vice President	2017	Mr. Dickson is an associate director (since 2015) and tax compliance manager (since 2017) (prior to which he was a product controller (from 2015 to 2017) of fund accounting—US (previously named product control and investment support) of UBS AM—Americas region. Mr. Dickson is a vice president of 7 investment companies (consisting of 50 portfolios) for which UBS AM serves as investment advisor or manager.
Mark F. Kemper**; 65	Vice President and Assistant Secretary	Since 1999 and 2019, respectively	Mr. Kemper is a managing director (since 2006) and Senior Legal Advisor (since January 2023) (prior to which he was general counsel (2004 through 2019 and 2021 through December 2022)) (prior to which he was senior legal counsel (2019-2020 and 2021), Interim Head of Asia Pacific Legal (from 2020 through 2021), and Interim Head of Compliance and Operational Risk Control (2019)) of UBS AM—Americas Region. He has been assistant secretary of UBS AM—Americas region (since 2022 (prior to which he was Secretary from 2004 until 2022)) and assistant secretary of UBS Asset Management Trust Company (since 1993). Mr. Kemper is vice president and secretary of 7 investment companies (consisting of 50 portfolios) for which UBS AM serves as investment advisor or manager. Mr. Kemper is employed by UBS Business Solutions US LLC (since 2017).
Joanne M. Kilkeary***; 54	Vice President, Treasurer, and Principal Accounting Officer	Since 2006 and 2017, respectively	Ms. Kilkeary is an executive director (since 2013) (prior to which she was a director (from 2008 to 2013)) and head of fund accounting—US (since 2020) (prior to which she was head of regulatory, tax, audit and board governance for product control and investment support (from 2017 until 2020)) (prior to which she was a senior manager of registered fund product control of UBS AM—Americas region from 2004-2017)). Ms. Kilkeary is a vice president, treasurer and principal accounting officer of 7 investment companies (consisting of 50 portfolios) for which UBS AM serves as investment advisor or manager.
Igor Lasun*; 44	President	Since 2018	Mr. Lasun is a managing director (since 2021) (prior to which he was an executive director (from 2018 until 2021)) and head of product development and management for UBS AM—Americas region (since 2018) (prior to which he was a senior fixed income product specialist from 2007 to 2018, and had joined the firm in 2005). In this role, he oversees product development and management for both wholesale and institutional businesses. Mr. Lasun serves as president of 7 investment companies (consisting of 50 portfolios) for which UBS AM serves as investment advisor or manager.

SMA Relationship Trust—Series M

Supplemental information (unaudited)

Officers (concluded):

Name, address and age	Position(s) held with Trust	Term of office¹ and length of time served	Principal occupation(s) during past 5 years; number of portfolios in fund complex for which person serves as officer
Leesa Merrill**; 44	Chief Compliance Officer	Since June 2022	Ms. Merrill is a director (since 2014) and served as head of compliance risk (from 2020 to 2022) (prior to which she was a senior compliance officer (from 2004 until 2020) for UBS AM—Americas region. Ms. Merrill serves as chief compliance officer of 6 investment companies (consisting of 50 portfolios) for which UBS AM or one of its affiliates serves as investment advisor or manager.
Eric Sanders*; 57	Vice President and Assistant Secretary	Since 2005	Mr. Sanders is a director and associate general counsel with UBS Business Solutions US LLC (since 2017) and also with UBS AM—Americas region (since 2005). Mr. Sanders is a vice president and assistant secretary of 7 investment companies (consisting of 50 portfolios) for which UBS AM serves as investment advisor or manager.
Philip Stacey**; 38	Vice President and Assistant Secretary	Since 2018	Mr. Stacey is an executive director (since 2019, prior to which he was a director) and Head of Legal (since January 2023) (prior to which he was associate general counsel) with UBS Business Solutions US LLC (from 2017 through December 2022) and also with UBS AM—Americas region since 2015. Mr. Stacey is a vice president and assistant secretary of 7 investment companies (consisting of 50 portfolios) for which UBS AM serves as investment advisor or manager.
Keith A. Weller**; 61	Vice President and Secretary	Since 2004 and 2019, respectively	Mr. Weller is an executive director, deputy general counsel (since 2019, prior to which he was senior associate general counsel) and Head of Registered Funds Legal (since June 2022) with UBS Business Solutions US LLC (since 2017) and also with UBS AM—Americas region (since 2005) and has been an attorney with affiliated entities since 1995. Mr. Weller is a vice president and secretary of 7 investment companies (consisting of 50 portfolios) for which UBS AM serves as investment advisor or manager, and is also involved with other funds for which UBS AM or an affiliate serves as investment advisor or administrator.

* This person's business address is 787 Seventh Avenue, New York, NY 10019.

** This person's business address is One North Wacker Drive, Chicago, IL 60606.

*** This person's business address is 1000 Harbor Boulevard, Weehawken, NJ 07086.

¹ Each Trustee holds office for an indefinite term. Officers of the Trust are appointed by the Trustees and serve at the pleasure of the Board.

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Trustees

Adela Cepeda

Chairperson

Muhammad Gigani

Abbie J. Smith

**Investment Advisor and
Administrator**

UBS Asset Management (Americas) Inc.

787 Seventh Avenue

New York, New York 10019

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