UBS

The Bond Bulletin

What's happening in fixed income markets

UBS Asset Management I August 2024

Inside

Fixed income month in review

Macro overview

Municipal bond market overview and strategy update

Taxable fixed income market overview and strategy update

Outlook

Highlights

In July US municipal bond prices returned up 0.91%, up 0.50% YTD

- The theme for July's continued success for the municipal bond market rested on a general trend lower
- We believe investors should take advantage of the opportunity to participate in this market while supply remains elevated, and yields are attractive
- As is typically the case, municipal yields followed the lead of Treasury securities

US corp investment grade total returns up 2.38% in July, US high yield up 1.96%

- YTD total return for US investment grade up1.89%, US high yield up 4.51% at month end
- The investment grade corporate market continues to benefit from a resilient economy
- The Fed continues to communicate that rate cuts are likely the next course of action, but the timing and the amount of cuts should keep market volatility elevated

Fixed income month in review

Global Fixed Income markets started the third quarter of 2024 by posting strong returns across the board. Lower than expected inflation data, a moderating labor market and dovish comments from the US Federal Reserve rekindled rate cut bets by market participants. At this point, financial markets are pricing in 100 bps worth of rate cuts by year-end 2024.

In terms of credit markets, US investment grade and high yield closed the month at a spread level of +91 bps and +322 bps, 1 bps tighter and 4 bps wider, respectively. For July, the total return for the Bloomberg US Corporate Bond Index[1] was up 2.38%, while US high yield was up 1.96%. As of July month end, the year-to-date total return for investment grade and high yield was 1.89% and 4.51%, respectively.

During July, Treasury yields fell dramatically and the curve bull steepened. The two-year yield fell 50 bps to 4.26%, while the ten-year yield fell 37 bps to 4.03%. For the month, the total return for the Bloomberg US Treasury Index[1] was up 2.19% with the long-end (20yr+ posting a positive 3.59% return) outperforming the short-end (3-5yr posting a positive 1.99% return). The 2yr/10yr relationship held its inverted shape at -23 bps for the month, slightly less inverted than last month's close at -35 bps. The inversion is still well below the peak inversion we saw of -108 bps reached on July 7th, 2003. Post May, the inversion has increased to -48 bps (June 18th, 2024). During July and in sympathy with the US rate movement, corporate credit yields fell. Investment grade and high yield yields fell by 34 bps and 25 bps to 5.17% and 7.61%, respectively.

Commodity markets were generally down over the month. Oil and industrial metals delt with weaker supply dynamics and still-sluggish demand out of China. Copper saw a notable pullback from its three-year high in prices amid the mid-month downturn in expensive assets. Gold, up 4.2%, fared better thanks to the increased expectations for Fed cuts priced and slower economic activity data.

Macro outlook

The US June CPI print catalyzed much of the month's financial asset volatility when the headline CPI print dropped from 3.4% y/y to 3.0%, driven by a broad-based slowing across components. Most notably, shelter inflation took a marked step lower after having been surprisingly resilient throughout the year. The subsequently released core PCE print for June came in soft, increasing by 2.6% y/y and just 2.2% m/m annualized, confirming that recent inflation has moved toward the Fed target.

In the meantime, activity data continued to depict a solid growth environment. Q2 real GDP grew 2.8% q/q saar, higher than the 2% street estimate and doubling Q1's pace of 1.4%. Real personal consumption expenditures rose a healthy 2.3%, corroborating the improvement observed in the monthly retail sales print through June, and bouncing back from a relatively weak Q1 growth pace. Business equipment spending grew strongly as well, while residential investment was a relative weak spot reflecting the ongoing pressure on the property market from higher mortgage high rates.

The labor market data continued to show a modest cooling. Non-farm payroll added 206k jobs, slightly above the consensus of 190k, but the 3-month moving average moved down from 212k to 177k – a low since 2020. The unemployment rate ticked 0.1% higher to 4.1% driven by an increase in the participation rate from 62.5% to 62.6%, while wage growth slowed from 4.1% y/y to 3.9%. Encouragingly, layoff and firing data from the JOLTs survey and weekly jobless claims remained at historically depressed levels amidst this reduction in hiring and wage growth, reducing fears of a recessionary-like turn in labor market conditions.

The combination of slowing inflation and moderating job market activity allowed the Federal Reserve to cite further progress toward achieving their dual mandate at their July conference. Chairman Powell highlighted that the FOMC's assessment of risks to their inflation and labor market outlooks have become better balanced. He went on further to note that a September rate cut would be reasonable should the data continue to print in line with their expectations over the coming months.

Municipal fixed income

Performance Backdrop

After posting a headline raising return in June of 1.53%, the Bloomberg US Municipal Bond Index[1] had a high bar to clear in reporting July's performance. Take notice, June's 1.53% return ranked as the second-best return for that month in the past 20 years! While July's performance wasn't record breaking, it was still a very solid 0.91% and placed year-to-date performance on solid footing at positive 0.50%. Prior to the end of July year-to-date performance stood at negative -0.40%.

The theme for July's continued success for the municipal bond market rested on a general trend lower (rally) for benchmark Treasury security yields, robust demand from heightened seasonal coupon and maturity flows. J.P. Morgan reports June's reinvestment flows of $29 billion were followed by a healthy jump to $35 billion in July. These sizeable reinvestment

[1]See last page for further information

flows were further enhanced by additional municipal mutual fund complex flows of $500 million and $2.8 billion in June and July, respectively. Fortunately, July's robust demand was met with similarly strong supply of $42 billion in new issuance. While this amount of debt issuance was a 44% increase over July 2023, it was easily absorbed by market participants. Issuance was orderly with three consecutive weeks of $10 billion in primary market deals. We continue to favor the pricing within the primary market over secondary trading. With August's reinvestment dollars waiting in the wings, markets gains were achieved and maintained in this positive technical environment.

As is typically the case, municipal yields followed the lead of Treasury securities. Yields were lower (rallied) on a more pronounced basis in shorter maturities while longer maturity yields declined uniformly from 16 years to 30 years. The two-year yield declined 26 basis points, the five-year yield declined 14 basis points, the ten-year yield declined 2 basis points and from 16 years to 30 years, yields declined 4 basis points. July's positive municipal performance of 0.91% could not match the 2.19% positive performance of the Bloomberg US Treasury Index[1]. Therefore, although municipal yields declined in all maturities the asset class became cheaper relative to Treasuries. As reported by Bloomberg, municipal vs. Treasury ratios increased (cheapened) across 2, 5, 10, and 30 year maturities. The 10-year maturity cheapened the most moving to 69.98% from 64.59%. The 2-year maturity cheapened the least finishing the month at 67.06% from 65.4%.

As we have advocated for much of the summer months, we believe investors should take advantage of the opportunity to participate in this market while supply remains elevated, and yields are attractive. Relative value metrics, for much of the year, have been fair value to rich. But this fact alone should not discourage investors. Any instances of further disruption to the market (underperformance) are opportunities to leg into the market, avoiding the 'all in' approach. The municipal curve remains inverted and a barbell strategy remains our preferred structure – taking advantage of higher yields in the front end of the curve (out to 3 years) and paring those holdings with longer maturities (17 years) within our duration construct. Cash equivalent securities remain attractive. Variable rate demand note yields were pushed lower for the month but did reach a high of 3.61%. July VRDN yields averaged a still attractive 3.07% and year-to-date averages are now lower at 3.41%.

A deeper dive into sub-index performance reveals the following:

July's best performing area of the curve was the laggard for prior months. The 7-year sub-index (6-8) generated a positive return of 1.05% followed by the 5-year sub-index (4-6) which returned 1.03%. The worst performing area for a second month was the 1-Year sub-index (1-2) at 0.66%. Despite the 1-year sub-index underperformance of 0.66% in July, it remains the best performing year-to-date sub-index with a 1.60% return. The year-to-date worst performing sub-index was the 10 year sub-index (8-12) reporting performance of negative -0.78% followed by the 7-year sub-index negative performance of -0.29%. Both represent areas of the curve we have advocated avoiding for some time.

Taxable fixed income

Taxable fixed income performance

US corporate investment grade total return (as measured by the Bloomberg US Corporate Bond Index)[1] posted a 2.38% return for the month of July. There was performance dispersion across ratings and maturities for investment grade issuers. BBB-rated credit returned 2.37% for the month relative to AA-rated credit at 2.48%. From a maturity standpoint, three-to-five–year maturities were up 1.92%, while 10+ year maturities were up 3.17%. The Bloomberg US Corporate Bond Index[1] closed the month at a spread level of 93 bps, 1 bps tighter relative to the June close. At the end of July, the year-to-date average investment-grade corporate spread was 92 bps with a wide of 105 bps (1/3/2024) and a tight of 85 bps (5/31/2024). For context, the average investment grade corporate spread in 2023 was 125 bps with a wide of 163 bps (3/15/2023) and a tight of 98 bps (12/28/2023). At the sector level, the best performers were tobacco, aerospace/defense, financial companies, electric utilities and building materials while media entertainment, airlines, transportation services, health insurance and sovereigns underperformed.

US short duration high yield (as measured by the ICE BofA 1-3 year BB-B Cash Pay High Yield Constrained Index)[1] returned 1.27% for July. During the month, the OAS for the index tightened 11 bps to close at a level of 183 bps. Double-B credits widened 4 bps, while single-B issuers tightened 28 bps, respectively, in July. Translating spread movement to performance across the major ratings buckets for the short-dated high yield index, BB's were up 1.13%, while B's were up 1.46%. On a total return basis and for the broader high yield index, BB's were up 1.60%, B's were up 1.80%, and CCC's were up 3.59%. In July, all sectors were up. The best performing sectors were wirelines (+6.81%), cable satellite (+3.77%), wireless (+3.43%), media entertainment (+3.14%), and pharmaceuticals (+2.92%). Laggards, on a relative basis, were airlines (+0.57%), packaging (+0.80%), chemicals (+0.98%), retailers (+1.01%), and paper (+1.08%).

Emerging market sovereign bonds (as measured by the J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified)[1] and EM corporate bonds (as measured by the J.P. Morgan Corporate Emerging Markets Bond Index Diversified (CEMBI Diversified)[1] returned 1.87% and 1.51%, respectively, during July. Over the month, the OAS for the sovereign index widened by 9 bps to 400 bps and the corporate OAS widened 14 bps for the month to 274 bps. During the month and with respect to sovereign issuers, high grade generated +1.82% and marginally underperformed high

[1]See last page for further information

yield which ended the month up +1.91%. On a year-to-date basis, returns have been dominated by sub-investment grade rated sovereigns at +7.23% vs. investment grade countries at +1.36%. By country, top performers for the month include Ukraine, Ethiopia and Ecuador, while Lebanon, Sri Lanka and Maldives were at the bottom of the list. In terms of emerging market corporates, total returns across the credit spectrum were positive with investment-grade at +1.54%, marginally outperforming high-yield at +1.46%. On a year-to-date basis, returns have been dominated by sub-investment grade rated corporates at +7.41% vs. investment grade companies at +3.73%. All industry sectors generated positive returns with real estate, pulp & paper and Diversified being the best performers over the month.

Taxable fixed income market update

Currently, the Bloomberg US Corporate Bond Index[1] is +96 bps. Corporate spreads moved tighter over the past week as expected lack of new issuance for the remainder of the month, coupled with steady demand, has given additional support to investment grade credit. The theme throughout the year has been the positive technical landscape for investment grade credit with consistent cash inflows.

The investment grade corporate market continues to benefit from a resilient economy, continued steady corporate earnings and attractive all-in yields. The all-in yields for intermediate investment grade debt are around 4.90%-5.05%. In addition, corporate fundamentals remain supported by stable economic growth and market expectations that we are moving towards a soft-landing scenario. Recent economic data has supported the increased likelihood that we will see the first fed funds rate cut in September. The uncertainty of the magnitude of the first rate cut, (25 vs. 50), as well as how many rate cuts we will see this year continues to drive interest rate volatility. This backdrop on top of corporate yields being just over 5% continues to draw consistent cash inflows into the investment grade market with YTD inflows over $239 billion.

High yield ended the month of July with YTW of 7.58% and an OAS spread of +322 bps. Since the beginning of the year and through July, spreads have compressed -10 bps (+25 bps off YTD tights) while YTW is higher by 8 bps. For context, in 2023 we saw a wide, a tight and an average high yield spread of 518 bps, 327 bps and 413 bps, respectively.

Supporting high yield spreads is the fact that capital markets have been resoundingly open for 2024. July printed another $19.6bn of new deals bringing the YTD total to $195.1bn. While year-over-year new issue growth is up an impressive +86%, < 20% represents net new supply as the bulk consists mainly of debt refinancing, keeping bond scarcity high and technicals strong. CCC's remain a minority component of new issues year-to-date.

Issuers continue to chip away at the debt maturity wall. According to a Bank of America high yield strategist, more than 40% of the 2024-2026 debt (made of up HY bonds and broadly syndicated loans) that was outstanding one year ago has now been addressed. Although this represents a significant improvement, we are conscious that 2025's debt hurdle remains elevated by historic standards, but our concerns remain limited as access to capital remains open to address remaining financing needs. Loan-to-bond pressure for the high yield bond space has also been reduced as record CLO issuance has materialized supporting loan refinancing needs.

At the start of the year, 2024 street default estimates ranged from 2.75% to the high 5% area, while our in-house global research team projects 3.4% with healthcare and telecom sectors contributing 25% of the total. Default activity continues to be dominated by loans with June showing $712mn in high yield vs. $2.8bn in broadly syndicated loans. The par high yield default rate is now at 1.9% down from the 2.6% peak in late 2023. Current LTM default rate (incl. distressed exchanges) is running at 2.33%. For context, a March Moody's report projected global default rates to gradually decline from Q1 peak level towards a more normalized 3.3% level by year end.

Taxable fixed income strategy

The soft-landing scenario continues to be our baseline view which should be supportive for investment grade credit when the Fed begins to cut rates and we move back to a normalized Treasury yield curve. The Fed continues to communicate that rate cuts are likely the next course of action, but the lack of clarity on the timing and the amount of cuts should keep market volatility elevated. This will provide many opportunities for investors when looking for attractive entry points. The Fed policy rate remains unchanged at 5.25% to 5.50%. This Fed rate hike cycle, which began in March 2022, has seen 10 straight hikes with a current Fed funds rate in the 5.25% to 5.50% range. The Fed paused at the June 2023 meeting, and after their June 2024 meeting indicated only one rate cut in 2024.

In terms of sectors and for our active investment grade strategies, we are overweight the utility and financial sectors. In terms of utilities, we remain overweight as we believe the sector is attractive from a relative value perspective. We remain underweight issuers that have poor ESG scores. We are overweight in the financial sector as we continue to believe the banking sector will maintain solid fundamentals, and we favor money center banks and select large regional banks. We remain underweight the industrial sector, but we have been adding exposure to select industrial names. We remain overweight the energy sector as fundamentals within the sector remain strong, and we are overweight the technology sector as we believe valuations are attractive. We are underweight the non-cyclical sector, but within the non-cyclical sector we are overweight within the healthcare and pharmaceuticals sectors. Increased M&A activity in these sectors is being partially funded by debt which provided an attractive entry point. We are underweight the telecom, media and cable sectors. Expectations of increased M&A activity and the likelihood of additional debt issuance has turned us more cautious on the group as we wait for a more attractive entry point.

From a credit curve perspective, we are neutral the short end of the credit curve (2-4 yrs.), and are overweight the intermediate part of the credit curve (5-10 yrs.). We continue

[1]See last page for further information

to take advantage of the new issuance calendar, but we are focusing on up-in-quality when looking to add exposure into the portfolios.

The high yield market continues to benefit from resilient fundamentals and strong technical. On the technical side, despite new issuance being up 86% year-to-date for the same period year-over-year, the market universe has only grown around 2%-3% after netting out bond refinancing. This has firmly created a strong technical backdrop as asset managers hold bond positions longer given limited investment alternatives. Despite the pick-up in volatility, credit fundamentals remain strong with most companies having reported 2Q24 results, corporate health has remined on sound footing. What we are starting to hear is that forward guidance has a more cautious tone for the 2nd half of the year as Fed rate action and growth data becomes more polarized.

Although current spreads of +322 bps are tight which makes us cautious, this high carry asset class trades at historically attractive yields of 7.90%. Given some of the nearing headlines such as the timing of a Fed cut, the size of the cut along with the approaching presidential elections, we expect to see periods of elevated volatility. Predicting the timing of these bouts is challenging but given strong fundamentals and a supportive economy, we recommend buying on weakness and legging into the space.

We are keeping duration near neutral with a more wait-and-see approach. Rate volatility should remain elevated while markets look for a more sustainable economic data path needed to achieve lower inflation supportive of a lower rate environment. We remain up in credit quality while looking for idiosyncratic opportunities to develop. For lower quality credits, we are targeting shorter maturity bonds with strong access to capital and continue to remain focused on credit selection as tighter financial policy works its way through the economy and to borrowers.

In our emerging market ladder portfolios, we have no direct exposure (sovereign, corporate and quasi-sovereign) to Russia or Ukraine. From a regional perspective, we are seeing attractive relative value opportunities in Latin America especially in markets such as Brazil, Mexico, Panama, Poland, Philippines and Colombia. On the margin, our bias is towards corporates over sovereigns and quasi-sovereigns with a current allocation of 51.75% and 48.25%, respectively. Within corporates, we have allocations to the energy, basic materials and industrial sectors. From a credit quality perspective, we remain largely investment-grade focused with 76.25% of the portfolio exposed to investment-grade and the balance in high yield issuers.

[1]See last page for further information

Outlook

In our view, we are encouraged by US yields breaching key thresholds and still of the conviction that core inflation will move toward target in a reasonable time frame. July witnessed sustained momentum for US rates as investors recalibrated FOMC policy expectations. At the beginning of the month, policy rate expectations were pricing just 1.7 cuts by the December 2024 Fed meeting, but by month-end expectations had stretched to nearly 3 full cuts priced for the remainder of the year. Measures of interest rate volatility finished where they began the month after initially decreasing sizably.

The CITI Economic Surprise Index[1] moved sideways over the month, though notably, nearly all surprise sectors have negatively contributed to the low overall index level surprise indexes have remained entrenched as of late. In our view, rates movement was well justified by the economic mosaic unfolding in recent weeks.

Tighter valuations mark the credit landscape, but investors would be careful to note that historically tight spread levels have tended to stubbornly persevere in prior episodes akin to today's. The worst laid fears of a dour economy's potential to weaken credit fundamentals in future quarters remains non-imminent in our view and merits selectively maintaining exposures in those higher compensation names and market segments where relative value exists.

Municipal Fixed Income	Taxable Fixed Income	US Multi sector	SMA Fixed Income Advisory
Charles Grande Managing Director, Portfolio Manager, Head of Municipal Fixed Income	**Craig Ellinger** Managing Director Head of Fixed Income, North America **Matt Iannucci** Managing Director, Senior Portfolio Manager US High Yield **David Vignolo** Executive Director, Senior Portfolio Manager US Investment Grade **Robert Martin** Executive Director, Fixed Income Specialist **Shamaila Khan** Managing Director, Head of Fixed Income Emerging Markets	**Patrick Matijevich, CFA** Director, Portfolio Manager	**Anthony Liotti** Managing Director, Head of SMA Fixed Income **Steve Canter, CFA** Executive Director, Fixed Income SMA Advisory Specialist **Neil Talbot** Executive Director, Fixed Income SMA Specialist

[1]See last page for further information

Views expressed:
The views expressed are a general guide to the views of UBS Asset Management as of August 2024. The information contained herein should not be considered a recommendation to purchase or sell securities or any particular strategy or fund. Commentary is at a macro level and is not with reference to any investment strategy, product or fund offered by UBS Asset Management. The information contained herein does not constitute investment research, has not been prepared in line with the requirements of any jurisdiction designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The information and opinions contained in this document have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith. All such information and opinions are subject to change without notice. Care has been taken to ensure its accuracy but no responsibility is accepted for any errors or omissions herein. A number of the comments in this document are based on current expectations and are considered "forward-looking statements". Actual future results, however, may prove to be different from expectations. The opinions expressed are a reflection of UBS Asset Management's best judgment at the time this document was compiled, and any obligation to update or alter forward-looking statements as a result of new information, future events or otherwise is disclaimed. Furthermore, these views are not intended to predict or guarantee the future performance of any individual security, asset class or market generally, nor are they intended to predict the future performance of any UBS Asset Management account, portfolio or fund.

Investor concerns and suitability: Investors should be able to withstand short-term fluctuations in the fixed income markets. Portfolios change every day and can be affected by changes in interest rates, general market conditions, and other political, social and economic developments, as well as specific matters relating to the issuers. It is important to note that an investment in fixed income is only one component of a balanced investment plan.

Nothing contained herein constitutes investment, legal, tax or other advice. This should not be construed as a solicitation offer or recommendation to acquire or dispose of an investment, or to engage in any other transaction.

Overweight: The portfolio has a sector exposure greater than the benchmark weight.

Underweight: The portfolio has a sector exposure less than the benchmark weight.

The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

The Bloomberg US Municipal Bond Index includes investment grade, tax-exempt and fixed-rate bonds with long-term maturities (greater than two years) selected from issues larger than $50 million. The index is unmanaged and does not reflect the deduction of any fees or expenses. The index returns reflect all items of income, gain, loss and the reinvestment of dividends and other income.

The Bloomberg US Treasury Index is a measure of the US Treasury's fixed-rate, nominal debt that is denominated in US dollars

CITI Economic Surprise index is a quantitative measure of economic news that calculates the difference between actual economic data and consensus forecasts.

The ICE BofA 1-3 year BB-B Cash Pay High Yield Constrained Index tracks the performance of non-investment-grade corporate bonds with a remaining term to final maturity less than three years and rated BB-B and limit individual issuer concentrations to 2%.

J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified) tracks total returns for US dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities. It limits the weights of constituent countries with larger debt stocks by only including specified of their debt outstanding**.**

J.P. Morgan Corporate Emerging Markets Bond Index Diversified (CEMBI Diversified) tracks total returns of US dollar-denominated debt instruments issued by corporate entities in emerging market countries.

Risk information: There are certain risks associated with investing, which include: interest rate risk, credit risk, prepayment or call risk, political risk, focus risk, tax liability risk, US government securities risk, illiquidity risk, high yield bond risk, non-diversification risk, derivatives risk, leverage risk associated with financial instruments, management risk, and market risk.

Foreign investing and emerging markets risks. Investing internationally presents certain risks not associated with investing solely in the US such as currency fluctuation, political and economic change, social unrest, changes in government relations, differences in accounting and available legal remedies, and the lesser degree of accurate public information available. A decline in the value of foreign currencies relative to the US dollar will reduce the value of securities denominated in those currencies. Also, foreign securities are sometimes less liquid and harder to sell and to determine the value of than securities of US issuers. Each of these risks is more severe for securities of issuers in emerging markets countries.

Credit ratings: Unless otherwise noted, credit quality ratings shown are based on those assigned by Standard & Poor's Financial Services LLC, a part of McGraw-Hill Financial ("S&P"), to individual portfolio holdings. S&P is an independent ratings agency. Ratings reflected represent S&P individual debt issue credit ratings. While S&P may provide a credit rating for a bond issuer (e.g., a specific company or country), certain issues, such as some sovereign debt, may not be covered or rated and, therefore, reflected as non-rated. Credit ratings range from AAA, being the highest, to D, being the lowest, based on S&P measures; ratings of BBB or higher are considered to be investment grade quality.

Unrated securities do not necessarily indicate low quality. Further information regarding S&P's rating methodology may be found on its Website at www. standardandpoors.com.

THE CONTENTS OF THIS PRESENTATION ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ADVISOR AS TO LEGAL, BUSINESS AND TAX ADVICE. NOTWITHSTANDING ANY OTHER STATEMENT IN THIS PRESENTATION, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATIONS OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTION AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. FOR PURPOSES OF THIS PARAGRAPH, THE TERMS "TAX TREATMENT" AND "TAX STRUCTURE" HAVE THE MEANING GIVEN TO SUCH TERMS UNDER UNITED STATES TREASURY REGULATION SECTION 1.6011-4(c) AND APPLICABLE US STATE OR LOCAL TAX LAW.

UBS Municipal Fixed Income and Taxable Fixed Income accounts are offered through UBS Financial Services, Inc. sponsored programs. UBS Financial Services, Inc. provides consulting, custody and execution services to clients invested in the UBS Asset Management separately managed account strategies. There may be fees associated with investing in separately managed accounts. For fees charged and other information in connection with UBS Asset Management separately managed account strategies, please refer to your financial advisor.

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

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

© UBS 2024. All rights reserved.
NAMT-1319 S-07/24
www.ubs.com/am-us
UBS Asset Management (Americas) LLC
is an indirect asset management
subsidiary of UBS Group AG.