

Notice to Shareholders

May 2, 2022

San Juan, Puerto Rico

FOR IMMEDIATE RELEASE

UBS Puerto Rico Family of Funds Puerto Rico Residents Family of Funds

Shareholder Update

The purpose of this release is to provide you with an update on the most recent developments in connection with the restructuring of the debt of the Commonwealth of Puerto Rico (the "Commonwealth") under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), in particular as it pertains to the Pension Obligation Bonds issued by the Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS," and the "ERS Bonds"), which was a significant holdings across several of the UBS Puerto Rico and Puerto Rico Residents Families of Funds (the "Funds").

The most recent Plan of Adjustment (the "Plan of Adjustment"), which restructured most of the debt of the Commonwealth remaining in the Title III PROMESA process and included the ERS Bonds, was approved by the U.S. Federal District Court on January 18, 2022 and was declared effective and consummated on March 15, 2022. The Plan of Adjustment incorporated the stipulation executed on April 2, 2021 between the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board") and certain holders of ERS Bonds (the "ERS Stipulation"), which resolved the claims of the ERS bondholders and stayed all pending litigation pertaining to the ERS Bonds.

Under the ERS Stipulation, the holders of allowed claims on the ERS Bonds received a total of \$373 million in cash in settlement of their claims in respect of the ERS Bonds. They were also granted an interest in a trust holding a private equity portfolio owned by ERS (the "ERS Trust"). The Commonwealth has the option to purchase assets of the ERS Trust for \$70.75 million and if it fails to do so, the holders of ERS Bonds will have the option to purchase these assets. If neither option is exercised by April 10, 2023, the Commonwealth will be required to purchase the assets of the ERS Trust for \$70.75 million, which amount will then be distributed to the holders of allowed claims on the ERS Bonds. In addition, the holders of ERS Bonds who were parties to the ERS Stipulation (which includes the Funds) also received their pro rata share of \$75 million in consummation costs in connection with the negotiation and execution of the ERS Stipulation.

The ultimate total recovery to be received by the Funds in settlement of the claims on the ERS Bonds of almost 14% (17% when taking into account the consummation costs) is a multiple of the less than 1% recovery proposed in the initial versions of the Plan of Adjustment. This represents a significant achievement that reflects the hard work and dedication undertaken by the Funds in defending the interests of shareholders. On advice of the Funds' investment advisors, the amounts received will be allocated to making capital returns to certain target maturity funds (as previously announced with respect to those funds), reducing leverage, where appropriate, as well as making suitable investments to take advantage of the current rising interest environment, in an effort to improve long-term dividend returns for Funds' shareholders.

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Thank you for your continued support and confidence as we continue to work hard to address the market and other continuing challenges facing the Funds. We will continue to communicate with you as appropriate as we seek to put in place measures to address these challenges.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This communication contains statements reflecting assumptions, expectations, projections, intentions, or beliefs about future events. These and other statements not relating strictly to historical or current facts constitute forward-looking statements as defined under the U.S. federal securities laws. Forward-looking statements involve a variety of risks and uncertainties. These risks include, but are not limited to, changes in economic and political conditions; regulatory and legal changes; energy industry risk; leverage risk; valuation risk; interest rate risk; tax risk; and other risks discussed in detail in the Fund's filings with the SEC, available at www.sec.gov. Actual events could differ materially from these statements or from our present expectations or projections. You should not place undue reliance on these forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements made herein. There is no assurance that the Fund's investment objectives will be attained.

This press release shall not constitute an offer to sell or a solicitation to buy, nor shall there be any sale of any securities in any jurisdiction in which such offer or sale is not permitted. Nothing contained in this press release is intended to recommend any investment policy or investment strategy or take into account the specific objectives or circumstances of any investor. Please consult with your investment, tax, or legal adviser regarding your individual circumstances prior to investing.

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