# Fitch downgrades US credit rating

No immediate impact on UBS Money Market Funds UBS Asset Management

9 August 2023

## On August 1st, Fitch Rating downgraded the US long-term rating to AA+ from AAA. Here's what you need to know in relation to UBS Money Market Funds:

- Overall, we believe this downgrade should present no issue in the money market space.
- This applies both to money market fund holdings and our fund-level ratings. This is because regulatory language has moved away from a direct link to credit ratings towards more reliance on a manager's internal assessment of the issuer.
   This applies to both European and US regulatory frameworks.
- The downgrade concerns the long-term rating of the US. The short-term rating of F-1+ has NOT been affected by the Fitch decision. The portfolio credit factor score uses short-term ratings, so there is no impact.
- Alongside Moody's, Fitch rates our eligible money market funds AAA-mf. Fitch has confirmed that there will be no immediate impact on their money market fund ratings (full explanation here).
- Fitch's criteria for rating money market funds are separate from their criteria for evaluating individual issuers (i.e., United States sovereign), hence the "mf" attached to the AAA-mf rating of our money market funds.
- All our reverse repo collateral schedules reference the US Treasury as an issuer as opposed to being tied directly to a long-term rating.

- Fitch did not adjust the country ceiling for the US; it remains at AAA. If Fitch had lowered the country ceiling, it could have had negative impact on other AAA rated securities issued by US entities.
- Fitch's footprint relative to Moody's and S&P is smaller.
- For current UBS Money Market Fund holdings and information please visit www.ubs.com/usliquidity or contact us with any questions.
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For daily yields and additional information about our offerings, please visit **www.ubs.com/usliquidity** 



#### For more information

Contact your financial advisor or UBS Asset Management at 888-793 8637 for a current Fund prospectus. Consider carefully the Fund's investment objectives, risks, charges, expenses and other matters of interest set forth in the prospectus. The prospectus contains this and other information about the Fund. Please read it carefully and consider it before investing. It is important you have all the information you need to make a sound investment decision. An investment in a fund is only one component of a balanced investment plan. Diversification and asset allocation strategies do not ensure gains or guarantee against loss.

Current and future portfolio holdings are subject to risk

UBS Asset Management (US) Inc., the Fund's placement agent, is an affiliate of UBS-AM. UBS-AM is registered with the SEC as an investment advisor. UBS-AM is an indirect wholly owned subsidiary of UBS Group AG

#### For CNAV Money Market Funds

You could lose money by investing in money market funds. Although certain money market funds seek to preserve the value of your investment at \$1.00 per share, they cannot guarantee they will do so. An investment in any money market funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Money market funds' sponsor has no legal obligation to provide financial support to them, and you should not expect that the sponsor will provide financial support to money market funds at any time.

#### For FNAV Money Market Funds

You could lose money by investing in the fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. Also, the fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Not FDIC insured. May lose value. No bank guarantee.

#### Americas

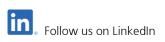
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