

GNMA & US GOVERNMENT
TARGET MATURITY FUND
FOR PUERTO RICO RESIDENTS, INC.

2023
SEMI-ANNUAL REPORT

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LETTER TO SHAREHOLDERS

November 2, 2023

Dear Shareholders:

GNMA & US Government Target Maturity Fund for Puerto Rico Residents, Inc. (the "Fund") is pleased to present this Letter to Shareholders for the period from April 1, 2023, to September 30, 2023.

The Federal Reserve Board (the "Fed") continued to tighten monetary policy during the Fund's semi-annual period, albeit at a slower pace, as consumer price inflation decreased from the higher levels of 2022. The Fed increased the federal funds rate by 0.25% at the May and July meetings but left rates unchanged at the June and September meetings. The federal funds rate was 5.25%-5.50% at period-end. The unemployment rate remained low during the period and inflation, although lower, remains above the Fed's target range.

The Fed's economic projections released after the September meeting and comments by Chairman Powell after the meeting signaled that the Federal Open Markets Committee foresees interest rates remaining higher for a longer period of time. The markets were disappointed by the news, evidenced by the yield on the ten-year note increasing in the days after the meeting.

The yield curve remained inverted during the period. The negative spread between the 2-year note and the 10-year note was 0.47% on September 30, 2023. The yield on the 10-year note has risen to the highest levels in the last fifteen years.

Geopolitical risks remain highly elevated. The Russia Ukraine war remains at a standstill. Hamas' brutal surprise attack from Gaza across the border in Israel and Israel's forceful response threaten further destabilization in the Middle East. The toll on innocent civilians, already high, is expected to increase as the conflict evolves. Volatility will likely remain high.

The combination of persistent higher inflation, an inverted yield curve and elevated geopolitical risks continue to present a challenging environment for the management of the portfolios. Notwithstanding, the Investment Adviser remains committed to seeking investment opportunities within the allowed parameters.

Sincerely,

A handwritten signature in black ink, appearing to read "Leslie Highley, Jr.", written over a horizontal line.

Managing Director
UBS Asset Managers of Puerto Rico,
a division of UBS Trust Company of
Puerto Rico, as Investment Adviser

This letter is intended to assist shareholders in understanding how the Fund performed during the 6- month period ended September 30, 2023. The views and opinions in the letter were current as of November 2, 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.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

REGISTRATION UNDER THE INVESTMENT COMPANY ACT OF 1940

The Fund is a corporation organized under the laws of the Commonwealth of Puerto Rico (the "Commonwealth" or "Puerto Rico") and is registered as a closed-end investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), as of May 14, 2021. Prior thereto, the Fund was registered under the Puerto Rico Investment Companies Act of 1954, as amended.

On May 24, 2018, the Economic Growth, Regulatory Relief, and Consumer Protection Act (Pub. L. No. 115-174) was signed into law and amended the 1940 Act to repeal the exemption from its registration of investment companies created under the laws of Puerto Rico, the U.S. Virgin Islands, or any other U.S. possession under Section 6(a)(1) thereof. The repeal of the exemption took effect on May 24, 2021. Upon registration under the 1940 Act, the Fund must now register its future offerings of securities under the Securities Act of 1933, as amended (the "1933 Act"), absent an available exception. The Fund has suspended the trading of its securities and issuance of Tax-Exempt Secured Obligations ("TSOs") pending registration under the 1933 Act.

FUND PERFORMANCE

The following table shows the Fund's performance for the period from April 1, 2023, to September 30, 2023:

	<u>Six-Month Period</u>
Based on market price	(3.88%)
Based on net asset value	0.95%

Past performance is not predictive of future results. Performance calculations do not reflect any deduction of taxes that a shareholder may have to pay on Fund distributions or any commissions payable on the sale of Fund shares.

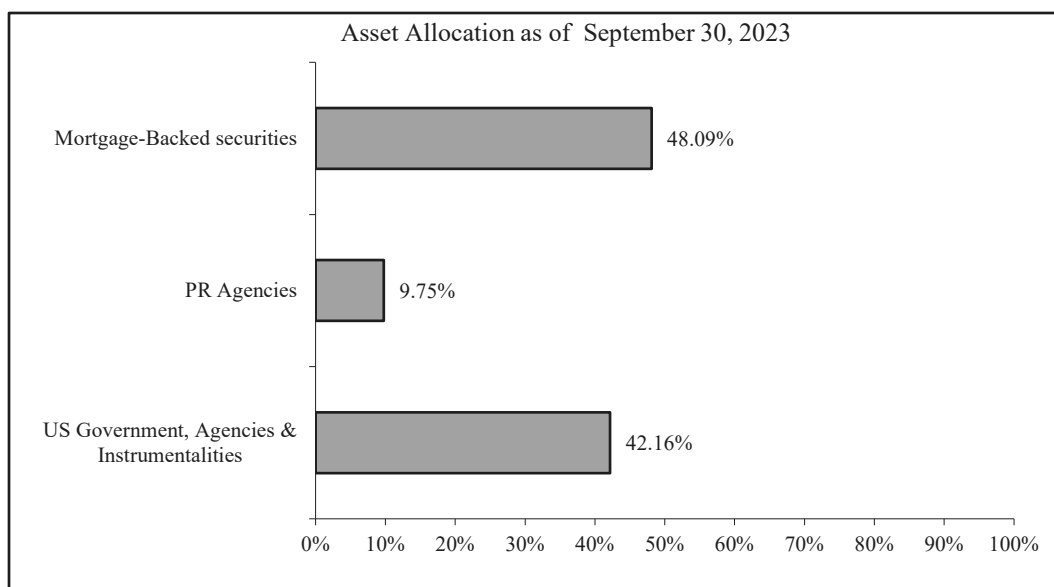
The following table provides summary data on the Fund's dividends, net asset value ("NAV") and market price as of the period-end:

Dividend yield-based on market at period-end	3.75%
Dividend yield based on NAV at period-end	2.05%
NAV as of September 30, 2023	\$3.22
Market Price as of September 30, 2023	\$1.76
Premium (discount) to NAV	(45.3%)

The Fund seeks to pay monthly dividends out of its net investment income. To permit the Fund to maintain a more stable monthly dividend, the Fund may pay dividends that are more or less than the amount of net income earned during the period. The Fund distributed all its current net investment income for the period plus approximately \$40,000 from prior years.

The majority of the Fund's investment portfolio is comprised of two investment classes consisting of Mortgage-Backed Securities ("MBS") issued and guaranteed by the Government National Mortgage Association ("GNMA") and U.S. government agency securities. The Fund also invests in Puerto Rico agency securities. UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico, (the "Investment Adviser") considers numerous characteristics of each asset class including, among other things, duration, to meet the Fund's investment objectives.

Figure 1 below reflects the breakdown of the investment portfolio as of September 30, 2023. For details of the security categories below, please refer to the enclosed Schedule of Investments.



The largest Puerto Rico holdings in the portfolio are MBS issued and guaranteed by GNMA. The MBS are comprised of residential properties in Puerto Rico. GNMA has the full faith and credit of the U.S. government. The balance of the MBS amounted to 48.09% of the total portfolio. There was a reduction in the outstanding balance from continued MBS paydowns as the pools reached maturity. The valuation of the MBS decreased as a result of the increase in interest rates.

Puerto Rico Sales Tax Financing Corporation ("COFINA") bonds represent 9.75% of the portfolio. The newly exchanged bonds are secured by 53.65% of the pledged sales and use tax through 2058, which amounts to \$511.2 million for fiscal year 2024, and a 4% increase each year, capping out at \$992.5 million in fiscal year 2041. The COFINA bonds 2022-2023 debt service reserve was fully funded during October 2022. COFINA sales tax collections have increased in Fiscal 2023-2024 versus last

year. The COFINA collection report as of September 28, 2023, reported \$446.7 million or 87.4% of the \$511.2 million required transfer of COFINA revenues had been transferred to the trustee versus \$414.3 million last year. This represents a 7.8% increase in collections year over year. The debt service reserve is expected to be fully funded during October 2023. The valuation of the COFINA bonds decreased during the period.

The U.S. holdings are composed of several U.S. agencies, which represent 42.16% of the total portfolio. One \$10,000,000 higher yielding U.S. Agency Note was purchased during the period. The U.S. agencies decreased in value based on the increase in yields during the period.

The NAV of the Fund decreased \$0.09 during the period from \$3.31 at the beginning of the period to \$3.22 at period-end. The overall portfolio decreased in value based on the increase in yields of fixed income securities. At period-end the Fund indicated market value was a 45.3% discount to its NAV, an increase from the discount of 42.6% at March 2023.

FUND HOLDINGS SUMMARIES

The following tables show the allocation of the portfolio using various metrics as of the end of the period. It should not be construed as a measure of performance for the Fund itself. The portfolio is actively managed, and holdings are subject to change.

Portfolio Composition (% of Total Portfolio)		Geographic Allocation (% of Total Portfolio)	
Sales and Use Tax	9.75%	Puerto Rico	57.84%
U.S. Agencies	42.16%	U.S.	<u>42.16%</u>
Mortgage-Backed Securities	<u>48.09%</u>	Total	100.00%
Total	100.00%		

The following table shows the ratings of the Fund's portfolio securities as of September 30, 2023. The ratings used are the highest rating given by one of the three nationally recognized rating agencies, Fitch Ratings (Fitch), Moody's Investors Service (Moody's), and S&P Global Ratings (S&P). Ratings are subject to change.

Rating (% of Total Portfolio)	Percent
AAA	90.25%
Not Rated	<u>9.75%</u>
Total	100.00%

The not-rated category is comprised of the new-issue COFINA bonds issued in 2019. The bonds were issued without a rating from any of the rating agencies pending a determination by the Board of Directors of COFINA on the appropriate timing to apply for such rating. As of September 30, 2023, the COFINA Board had not applied for a rating.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell, or hold a security or an investment strategy, and is not provided in a fiduciary capacity. The information provided does not consider the specific objectives or circumstances of any particular investor or suggest any specific course of action. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her financial advisors. The views expressed herein are those of the Investment Adviser as of the date of this report. The Fund disclaims any obligation to update publicly the views expressed herein.

FUND LEVERAGE

THE BENEFITS AND RISKS OF LEVERAGE

As its fundamental policy, the Fund may only issue senior securities, as defined in the 1940 Act ("Senior Securities"), representing indebtedness to the extent that immediately after their issuance, the value of its total assets, less all the Fund's liabilities and indebtedness that are not represented by Senior Securities being issued or already outstanding, is equal to or greater than the total of 300% of the aggregate par value of all outstanding indebtedness issued by the Fund. The Fund may only issue Senior Securities representing preferred stock to the extent that immediately after any such issuance, the value of its total assets, less all the Fund's liabilities and indebtedness that are not represented by Senior Securities being issued or already outstanding, is equal to or greater than the total of 200% of the aggregate par value of all outstanding preferred stock (not including any accumulated dividends or other distributions attributable to such preferred stock) issued by the Fund. This asset coverage requirement must also be met any time the Fund pays a dividend or makes any other distribution on its issued and outstanding shares of common stock or any shares of its preferred stock (other than a dividend or other distribution payable in additional shares of common stock) as well as any time the Fund repurchases any shares of common stock, in each case after giving effect to such repurchase of shares of common stock or issuance of preferred stock, debt securities, or other forms of leverage in order to maintain asset coverage at the required 200% level. To the extent necessary, the Fund may purchase or redeem preferred stock, debt securities, or other forms of leverage in order to maintain asset coverage at the required 200% level. In such instances, the Fund will redeem Senior Securities, as needed, to maintain such asset coverage.

Subject to the above percentage limitations, the Fund may also engage in certain additional borrowings from banks or other financial institutions through reverse repurchase agreements. In addition, the Fund may also borrow for temporary or emergency purposes, in an amount of up to an additional 5% of its total assets.

Leverage can produce additional income when the income derived from investments financed with borrowed funds exceeds the cost of such borrowed funds. In such an event, the Fund's net income will be greater than it would be without leverage. On the other hand, if the income derived from securities purchased with borrowed funds is not sufficient to cover the cost of such funds, the Fund's net income will be less than it would be without leverage.

To obtain leverage, the Fund enters into collateralized reverse repurchase agreements with major institutions in the U.S. and/or issues TSOs in the local market. Both are accounted for as collateralized borrowings in the financial statements. Typically, the Fund borrows for approximately 30-90 days at a variable borrowing rate based on

short-term rates. The TSO program was suspended in May 2021, pending registration under the 1933 Act.

As of September 30, 2023, the Fund had the following leverage outstanding:

Reverse Repurchase Agreements	\$2,975,000
Leverage Ratio*	4.6%

Refer to the Schedule of Investments for details of the securities pledged as collateral and to Note 5 to the Semi-Annual Financial Statements for further details on outstanding leverage during the period. Fund leverage decreased by \$2,625,000 during the period. The \$10,000,000 higher yielding U.S. Agency Note had not yet settled at September 30, 2023. It will be purchased with leverage on its October 2023 issue date.

* Asset Leverage ratio: The sum of (i) the aggregate principal amount of outstanding TSOs plus (ii) the aggregate principal amount of other borrowings by the Fund, including borrowings resulting from the issuance of any other series and other forms of leverage, and from the compliance date of Rule 18f-4 going forward, including borrowings in the form of reverse repurchase agreements, divided by the fair market value of the assets of the Fund on any given day.

GNMA & US Government Target Maturity Fund for Puerto Rico Residents, Inc.

The following table includes selected data for a share outstanding throughout the period and other performance information derived from the financial statements. It should be read in conjunction with the financial statements and notes thereto.

FINANCIAL HIGHLIGHTS

		For the period from April 1, 2023 to September 30, 2023 (Unaudited)	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2022
Increase (Decrease) in Net Asset Value:				
Per Share Operating Performance:	Net asset value applicable to common stock, beginning of period	\$ 3.31	\$ 3.75	\$ 4.94
	Net investment income (a)	0.06	0.13	0.16
	Net realized gain (loss) and unrealized appreciation (depreciation) from investments (a)	(0.08)	(0.29)	(0.23)
	Total from investment operations	(0.02)	(0.16)	(0.07)
	Less: Dividends from net investment income to common shareholders Return of capital	(0.07)	(0.14)	(0.16)
		-	(0.14)	(0.96)
	Net asset value applicable to common stock, end of period	\$ 3.22	\$ 3.31	\$ 3.75
Market value, end of period (b)	\$ 1.76	\$ 1.90	\$ 2.86	
Total Investment Return:	(b) (f) Based on market value per share	(3.88)%	(25.59)%	(17.58)%
	(f) Based on net asset value per share	0.95 %	(1.14)%	1.73 %
Ratios:	(c) (d) (e) Net expenses to average net assets applicable to common shareholders - net of waived fees	1.66%	1.64%	1.06%
	(c) (d) (e) Gross expenses to average net assets applicable to common shareholders	2.09%	2.09%	1.47%
	(c) (e) Gross operating expenses to average net assets applicable to common shareholders	1.66%	1.70%	1.46%
	(c) Interest and leverage related expenses to average net assets applicable to common shareholders	0.43%	0.39%	0.01%
	(c) (e) Net investment income to average net assets applicable to common shareholders - net of waived fees	3.83%	3.95%	3.46%
Supplemental Data:	Net assets applicable to common shareholders, end of period (in thousands)	\$ 50,918	\$ 52,424	\$ 59,338
	(g) Portfolio turnover	4.14%	21.05%	3.45%
	(g) Portfolio turnover excluding the proceeds from calls and maturities of portfolio securities and the proceeds from mortgage-backed securities paydowns	0.00%	0.00%	0.00%

- (a) Based on average outstanding common shares of 15,816,043 for the period from April 1, 2023 to September 30, 2023, and for the fiscal years ended March 31, 2023, and March 31, 2022.
- (b) Period-end market values provided by UBS Financial Services, Inc., a dealer of the Fund's shares and an affiliated party. The market values shown may reflect limited trading in shares of the Fund.
- (c) Based on average net assets applicable to common shareholders of \$52,258,517, \$54,007,248 and \$71,430,110 for the period from April 1, 2023 to September 30, 2023 and for the fiscal years ended March 31, 2023, and March 31, 2022, respectively. Ratios for the period from April 1, 2023 to September 30, 2023 were annualized using a 365 day base.
- (d) Expenses include both operating and interest and leverage related expenses.
- (e) The effect of the expenses waived for the period from April 1, 2023 to September 30, 2023, and for the fiscal years ended March 31, 2023, and March 31, 2022 was to decrease the expense ratios, thus increasing the net investment ratio to average net assets by 0.43%, 0.45%, and 0.41%, respectively.
- (f) Dividends are assumed to be reinvested at the lower of the per share market value/net asset value or the closing market price on the ex-dividend date. Investment return is not annualized for the period from April 1, 2023 to September 30, 2023.
- (g) Portfolio turnover is not annualized for the period from April 1, 2023 to September 30, 2023. For the fiscal year ended March 31, 2022, the portfolio turnover calculation excludes transactions related to the restructuring of Employees Retirement System Bonds which became effective on March 15, 2022.

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS

September 30, 2023 (Unaudited)

Face Amount		Issuer	Coupon	Maturity Date	Value
Puerto Rico Agencies Bonds and Notes - 8.40% of net assets applicable to common shareholders, total cost of \$4,761,000					
\$ 217,000	B	Puerto Rico Sales Tax	4.50%	07/01/34	\$ 208,907
109,000	B	Puerto Rico Sales Tax	4.55%	07/01/40	100,289
805,000	B	Puerto Rico Sales Tax	4.75%	07/01/53	711,670
2,035,000	B	Puerto Rico Sales Tax	5.00%	07/01/58	1,840,826
1,114,000	B	Puerto Rico Sales Tax	4.33%	07/01/40	997,770
34,000	B	Puerto Rico Sales Tax	4.54%	07/01/53	29,003
447,000	B	Puerto Rico Sales Tax	4.78%	07/01/58	390,161
<u>\$ 4,761,000</u>					<u>\$ 4,278,626</u>
Puerto Rico Agencies Zero Coupons Bonds - 3.74% of net assets applicable to common shareholder, total cost of \$2,091,540					
\$ 43,000	D	Puerto Rico Sales Tax	0.00%	07/01/24	\$ 41,627
209,000	D	Puerto Rico Sales Tax	0.00%	07/01/27	177,961
204,000	D	Puerto Rico Sales Tax	0.00%	07/01/29	158,618
263,000	D	Puerto Rico Sales Tax	0.00%	07/01/31	186,317
296,000	D	Puerto Rico Sales Tax	0.00%	07/01/33	189,662
2,817,000	D	Puerto Rico Sales Tax	0.00%	07/01/46	726,189
2,294,000	D	Puerto Rico Sales Tax	0.00%	07/01/51	424,986
<u>\$ 6,126,000</u>					<u>\$ 1,905,360</u>
Principal Outstanding Amount					
Puerto Rico GNMA Exempt - 56.89% of net assets applicable to common shareholders, total cost of \$28,671,387					
\$ 40,942		GNMA Pool 396601	6.50%	06/15/24	\$ 41,782
39,593		GNMA Pool 420141	6.50%	07/15/26	40,405
31,336		GNMA Pool 445562	6.50%	09/15/27	31,979
63,203		GNMA Pool 445572	6.50%	05/15/27	64,500
64,613		GNMA Pool 445574	6.50%	06/15/27	65,939
48,487		GNMA Pool 445575	6.50%	06/15/27	49,482
38,110		GNMA Pool 449313	6.50%	06/15/27	38,892
33,795		GNMA Pool 449314	6.50%	06/15/27	34,489
61,735		GNMA Pool 449327	6.50%	07/15/27	63,002
45,276		GNMA Pool 449334	6.50%	07/15/27	46,205
45,129		GNMA Pool 449335	6.50%	07/15/27	46,055
41,189		GNMA Pool 449336	6.50%	07/15/27	42,034
88,835		GNMA Pool 449337	6.50%	08/15/27	90,658
33,289		GNMA Pool 449341	6.50%	08/15/27	33,972
26,226		GNMA Pool 449352	6.50%	08/15/27	26,764
29,670		GNMA Pool 449365	6.50%	04/15/27	30,279
34,791		GNMA Pool 456321	6.50%	02/15/28	35,505
30,677		GNMA Pool 456369	6.50%	02/15/28	31,307
122,114		GNMA Pool 456391	6.50%	02/15/28	124,620
37,055		GNMA Pool 456382	6.50%	04/15/28	37,815
67,443		GNMA Pool 456398	6.50%	04/15/28	68,827
32,169		GNMA Pool 469500	6.50%	04/15/28	32,829
63,413		GNMA Pool 469501	6.50%	03/15/28	64,714
36,076		GNMA Pool 469524	6.50%	04/15/28	36,816
67,747		GNMA Pool 469527	6.50%	04/15/28	69,137
65,221		GNMA Pool 469532	6.50%	04/15/28	66,559
44,693		GNMA Pool 469540	6.50%	05/15/28	45,610
60,861		GNMA Pool 469544	6.50%	05/15/28	62,110
62,819		GNMA Pool 469575	6.50%	07/15/28	64,108
47,022		GNMA Pool 469579	6.50%	07/15/28	47,987
38,447		GNMA Pool 476738	6.50%	07/15/28	39,236
74,897		GNMA Pool 476753	6.50%	08/15/28	76,434
26,834		GNMA Pool 476776	6.50%	10/15/28	27,385
62,565		GNMA Pool 476777	6.50%	10/15/28	63,849
108,900		GNMA Pool 476778	6.50%	09/15/28	111,135
38,542		GNMA Pool 476809	6.50%	10/15/28	39,333
119,083		GNMA Pool 494895	6.50%	03/15/29	121,527
63,345		GNMA Pool 494925	6.00%	03/15/29	63,774
106,332		GNMA Pool 494926	6.50%	01/15/29	108,514
58,567		GNMA Pool 494927	6.50%	01/15/29	59,769
64,856		GNMA Pool 494928	6.50%	12/15/28	66,187
38,454		GNMA Pool 494929	6.50%	01/15/29	39,243
43,476		GNMA Pool 494930	6.50%	01/15/29	44,368
110,292		GNMA Pool 494941	6.50%	01/15/29	112,555
131,159		GNMA Pool 494973	6.50%	03/15/29	133,851
25,000		GNMA Pool 556254	6.50%	10/16/28	25,506
25,000		GNMA Pool 556254	6.50%	08/15/28	25,506

The accompanying notes are an integral part of these financial statements.

Principal Outstanding Amount	Issuer	Coupon	Maturity Date	Value
Puerto Rico GNMA Exempt - 56.89% of net assets applicable to common shareholders, total cost of \$28,671,387 (continued)				
\$ 37,515	GNMA Pool 448265	7.00%	04/15/27	\$ 37,816
25,000	GNMA Pool 448265	7.00%	02/15/27	25,201
25,000	GNMA Pool 449348	7.00%	06/15/27	25,201
42,294	GNMA Pool 449348	7.00%	08/15/27	42,633
25,000	GNMA Pool 453513	7.00%	05/15/27	25,201
41,034	GNMA Pool 453513	7.00%	08/15/27	41,363
25,000	GNMA Pool 453523	7.00%	05/15/27	25,201
33,817	GNMA Pool 453523	7.00%	08/15/27	34,088
25,000	GNMA Pool 453523	7.00%	07/15/27	25,201
35,474	GNMA Pool 426794	7.50%	03/16/26	35,315
33,091	GNMA Pool 426805	7.50%	08/15/26	32,943
40,761	GNMA Pool 298996	7.00%	09/15/27	41,088
44,285	GNMA Pool 401464	7.00%	10/15/24	44,640
43,919	GNMA Pool 401469	7.00%	12/15/24	44,271
47,554	GNMA Pool 417913	7.50%	09/15/25	47,341
48,046	GNMA Pool 425520	7.00%	01/15/26	48,431
49,296	GNMA Pool 425579	6.50%	06/15/26	50,308
35,459	GNMA Pool 448416	7.50%	02/15/27	35,300
45,943	GNMA Pool 449346	7.00%	08/15/27	46,312
42,244	GNMA Pool 449347	7.00%	08/15/27	42,583
25,000	GNMA Pool 449347	7.00%	06/15/27	25,201
25,000	GNMA Pool 449347	7.00%	05/15/27	25,201
25,000	GNMA Pool 449347	7.00%	03/15/27	25,201
39,070	GNMA Pool 453516	7.00%	08/15/27	39,383
25,000	GNMA Pool 453516	7.00%	06/15/27	25,201
36,419	GNMA Pool 453519	7.00%	08/15/27	36,711
25,000	GNMA Pool 453519	7.00%	06/15/27	25,201
45,895	GNMA Pool 494987	7.00%	03/15/29	46,263
72,500	GNMA Pool 494993	6.50%	03/15/29	73,988
89,019	GNMA Pool 495000	6.50%	03/15/29	90,846
123,376	GNMA Pool 495006	6.50%	03/15/29	125,908
62,943	GNMA Pool 495010	6.50%	04/15/29	64,235
37,759	GNMA Pool 495022	6.50%	05/15/29	38,534
69,276	GNMA Pool 495029	6.50%	05/15/29	70,698
31,404	GNMA Pool 495080	6.00%	09/15/29	31,617
99,576	GNMA Pool 508627	6.50%	09/15/28	101,619
45,444	GNMA Pool 528542	7.00%	12/15/30	45,809
119,918	GNMA Pool 530802	6.00%	01/15/33	120,730
69,035	GNMA Pool 530807	6.00%	02/15/33	69,502
147,027	GNMA Pool 553952	6.00%	10/15/31	148,023
346,449	GNMA Pool 553984	6.00%	06/15/31	348,795
75,406	GNMA Pool 553986	6.00%	11/15/31	75,917
121,771	GNMA Pool 544111	6.00%	03/15/33	122,596
293,683	GNMA Pool 568334	6.00%	08/15/32	295,672
152,226	GNMA Pool 607348	6.00%	06/15/33	153,257
563,463	GNMA Pool 607388	6.00%	06/15/33	567,131
370,817	GNMA Pool 607389	6.00%	08/15/33	373,328
200,484	GNMA Pool 607462	6.00%	12/15/33	201,841
499,160	GNMA Pool 607512	6.00%	05/15/34	502,410
317,304	GNMA Pool 678422	5.00%	04/15/38	315,090
356,126	GNMA Pool 681553	5.50%	09/15/38	355,866
122,101	GNMA Pool 688685	5.00%	05/15/38	121,249
245,883	GNMA Pool 688686	5.00%	05/15/38	244,167
343,943	GNMA Pool 702941	5.50%	11/15/38	343,692
197,428	GNMA Pool 702953	5.50%	12/15/38	197,284
345,724	GNMA Pool 702980	5.50%	02/15/39	345,472
41,410	GNMA Pool 426829	6.50%	05/15/27	42,260
65,707	GNMA Pool 448296	6.50%	06/15/27	67,055
65,511	GNMA Pool 449319	6.50%	07/15/27	66,855
61,038	GNMA Pool 451279	6.50%	07/15/27	62,291
32,377	GNMA Pool 451283	6.50%	07/15/27	33,041
45,748	GNMA Pool 451295	6.50%	08/15/27	46,687
85,552	GNMA Pool 451301	6.50%	08/15/27	87,308
59,431	GNMA Pool 453704	6.50%	10/15/27	60,651
46,036	GNMA Pool 460530	6.50%	01/15/28	46,981
61,004	GNMA Pool 460594	6.50%	04/15/28	62,256
54,383	GNMA Pool 471909	6.50%	04/15/28	55,499

The accompanying notes are an integral part of these financial statements.

Principal Outstanding Amount	Issuer	Coupon	Maturity Date	Value
Puerto Rico GNMA Exempt - 56.89% of net assets applicable to common shareholders, total cost of \$28,671,387 (continued)				
\$ 65,103	GNMA Pool 471914	6.50%	05/15/28	\$ 66,439
31,740	GNMA Pool 471933	6.50%	06/15/28	32,391
44,106	GNMA Pool 471940	6.50%	06/15/28	45,011
68,329	GNMA Pool 471982	6.50%	08/15/28	69,731
120,381	GNMA Pool 487279	6.50%	09/15/28	122,851
54,316	GNMA Pool 487280	6.50%	09/15/28	55,431
34,526	GNMA Pool 487309	6.50%	10/15/28	35,235
47,448	GNMA Pool 487316	6.50%	10/15/28	48,422
36,798	GNMA Pool 487342	6.50%	12/15/28	37,553
184,767	GNMA Pool 487351	6.00%	07/15/31	185,933
33,629	GNMA Pool 487373	6.50%	01/15/29	34,319
49,094	GNMA Pool 487392	6.50%	02/15/29	50,101
103,923	GNMA Pool 487395	6.00%	02/15/29	104,627
193,864	GNMA Pool 487396	6.00%	08/15/31	192,967
78,665	GNMA Pool 487425	6.00%	03/15/29	79,198
43,595	GNMA Pool 487426	6.50%	03/15/29	44,490
84,944	GNMA Pool 487429	6.50%	03/15/29	86,687
42,717	GNMA Pool 487450	6.50%	04/15/29	43,594
138,057	GNMA Pool 487455	6.00%	07/15/31	138,992
42,607	GNMA Pool 487457	6.00%	04/15/29	42,895
40,934	GNMA Pool 487479	6.50%	05/15/29	41,774
42,482	GNMA Pool 487482	6.00%	05/15/29	42,770
63,167	GNMA Pool 487512	6.50%	06/15/29	64,463
83,774	GNMA Pool 487535	6.00%	06/15/29	84,341
70,468	GNMA Pool 487539	6.00%	07/15/29	70,945
44,883	GNMA Pool 487540	6.00%	07/15/29	45,187
225,778	GNMA Pool 487561	6.00%	06/15/29	224,479
96,638	GNMA Pool 500634	6.50%	07/15/29	98,621
42,389	GNMA Pool 500652	6.50%	08/15/29	43,259
66,634	GNMA Pool 509177	6.50%	02/15/32	68,001
160,570	GNMA Pool 509178	6.00%	07/15/31	159,339
221,900	GNMA Pool 509180	6.00%	08/15/31	222,347
113,268	GNMA Pool 509191	6.00%	09/15/29	114,035
34,564	GNMA Pool 509215	6.50%	09/15/29	35,273
57,891	GNMA Pool 509225	6.50%	12/15/29	59,079
273,309	GNMA Pool 509249	6.00%	08/15/29	273,393
54,869	GNMA Pool 509252	6.50%	11/15/29	55,995
43,168	GNMA Pool 509253	6.00%	11/15/29	43,460
58,693	GNMA Pool 509264	6.50%	12/15/29	59,897
484,017	GNMA Pool 515276	6.00%	10/15/29	490,036
43,183	GNMA Pool 515286	6.50%	10/15/29	44,069
64,414	GNMA Pool 515287	6.50%	09/15/29	65,736
326,475	GNMA Pool 515303	6.00%	01/15/30	327,813
80,170	GNMA Pool 515325	6.00%	03/15/30	80,713
44,931	GNMA Pool 515326	6.00%	03/15/30	45,235
312,518	GNMA Pool 515345	6.00%	01/15/30	313,800
296,237	GNMA Pool 515346	6.00%	01/15/30	296,329
47,617	GNMA Pool 515352	6.50%	04/15/30	48,594
59,088	GNMA Pool 515354	6.50%	04/15/30	60,301
42,370	GNMA Pool 515402	6.00%	06/15/30	42,657
119,461	GNMA Pool 515426	6.50%	07/15/30	121,912
53,215	GNMA Pool 515427	6.50%	06/15/30	54,307
49,809	GNMA Pool 515430	6.50%	07/15/30	50,831
523,823	GNMA Pool 515470	6.00%	08/15/30	532,732
603,390	GNMA Pool 515471	6.00%	09/15/30	618,236
113,620	GNMA Pool 515492	6.50%	10/15/30	115,952
1,094,490	GNMA Pool 515496	6.00%	09/15/30	1,125,583
61,079	GNMA Pool 515518	6.50%	11/15/30	62,332
327,757	GNMA Pool 529771	6.00%	11/15/30	329,104
299,468	GNMA Pool 529772	6.00%	11/15/30	299,563
359,506	GNMA Pool 529773	6.00%	11/15/30	360,983
304,506	GNMA Pool 529774	6.00%	11/15/30	305,757
231,955	GNMA Pool 529820	6.00%	01/15/31	230,617
235,479	GNMA Pool 529821	6.00%	12/15/30	234,121
152,904	GNMA Pool 529822	6.00%	01/15/31	154,737
182,598	GNMA Pool 529823	6.00%	01/15/31	182,846
42,252	GNMA Pool 529875	6.50%	04/15/31	43,119
172,659	GNMA Pool 529931	6.50%	05/15/31	174,022
155,226	GNMA Pool 529932	6.00%	04/15/31	158,437
67,814	GNMA Pool 556228	6.50%	09/15/31	69,206
310,970	GNMA Pool 556266	6.50%	09/15/31	317,351
355,077	GNMA Pool 556285	6.50%	10/15/31	362,364

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS

September 30, 2023 (Unaudited)

Principal Outstanding Amount	Issuer	Coupon	Maturity Date	Value
Puerto Rico GNMA Exempt - 56.89% of net assets applicable to common shareholders, total cost of \$28,671,387 (concluded)				
\$ 491,742	GNMA Pool 556286	6.50%	10/15/31	\$ 501,705
111,067	GNMA Pool 559298	6.50%	12/15/31	113,346
360,639	GNMA Pool 556322	6.50%	12/15/31	368,040
480,489	GNMA Pool 572028	6.00%	02/15/33	483,616
190,007	GNMA Pool 572043	6.00%	05/15/33	191,294
493,053	GNMA Pool 572048	6.00%	06/15/33	496,262
246,189	GNMA Pool 572063	6.00%	09/15/33	247,856
169,543	GNMA Pool 583198	6.00%	03/15/32	170,691
66,361	GNMA Pool 583219	6.50%	04/15/32	67,723
61,414	GNMA Pool 583262	6.00%	06/15/32	61,830
810,907	GNMA Pool 593715	6.00%	05/15/33	816,184
592,703	GNMA Pool 593717	6.00%	07/15/33	596,560
741,089	GNMA Pool 593733	6.00%	07/15/33	745,912
51,764	GNMA Pool 470912	6.50%	03/15/28	52,826
54,754	GNMA Pool 470937	6.50%	06/15/28	55,878
490,642	GNMA Pool 572104	6.00%	04/15/34	493,835
210,610	GNMA Pool 593682	6.00%	04/15/33	212,036
304,248	GNMA Pool 593693	6.00%	06/15/33	306,308
115,551	GNMA Pool 593759	5.50%	11/15/33	115,467
601,812	GNMA Pool 593760	6.00%	08/15/33	605,729
213,821	GNMA Pool 593777	5.50%	12/15/33	213,665
384,461	GNMA Pool 593778	6.00%	11/15/33	387,064
747,574	GNMA Pool 593789	6.00%	11/15/33	752,439
<u>\$ 28,671,340</u> A				<u>\$ 28,966,690</u>
Puerto Rico GNMA Taxable - 3.00% of net assets applicable to common shareholders, total cost of \$1,545,480				
\$ 260,766	GNMA Pool 572102	6.00%	04/15/34	\$ 260,851
127,821	GNMA Pool 572112	6.00%	06/15/34	126,668
218,042	GNMA Pool 592864	6.00%	01/15/36	216,698
23,214	GNMA Pool 647682	6.00%	06/15/37	23,189
71,568	GNMA Pool 669726	5.50%	05/15/37	69,525
59,926	GNMA Pool 669729	6.00%	05/15/37	59,354
237,986	GNMA Pool 670312	5.50%	05/15/37	232,139
93,782	GNMA Pool 678511	6.00%	11/15/37	92,881
146,745	GNMA Pool 681588	6.00%	10/15/38	145,504
48,667	GNMA Pool 681589	6.00%	10/15/38	48,199
52,472	GNMA Pool 631037	5.50%	12/15/34	50,943
204,486	GNMA Pool 678523	6.00%	12/15/37	203,225
<u>\$ 1,545,474</u> A				<u>\$ 1,529,176</u>
US Government, Agency and Instrumentalities - 52.51% of net assets applicable to common shareholders, total cost of \$30,000,000				
\$ 10,000,000	Federal Home Loan Bank	1.50%	07/20/32	\$ 7,356,990
5,000,000	Federal Home Loan Bank	5.00%	03/01/23	4,709,320
5,000,000	Federal Farm Credit Bank	4.90%	06/29/32	4,686,870
10,000,000	Federal Farm Credit Bank	6.70%	10/03/33	9,981,870
<u>\$ 30,000,000</u>				<u>\$ 26,735,050</u>
Total investments (124.54% of net assets applicable to common shareholders)				\$ 63,414,901
Other Assets and Liabilities, net (-24.54% of net assets applicable to common shareholders)				(12,496,523)
Net assets applicable to common shareholders - 100%				<u>\$ 50,918,378</u>
Securities sold under reverse repurchase agreements - 5.84% of net assets applicable to common shareholders				
\$ 2,975,000	Reverse Repurchase Agreement with South Street Securities			\$ 2,975,000
	5.65% dated September 12, 2023, due October 10, 2023 (Collateralized by US Government, Agencies and Instrumentalities with a face amount of \$5,000,000 and a fair value of \$4,686,870; 4.90%, with a maturity date of June 29, 2032)			

- A GNMA - represents mortgage-backed obligations guaranteed by the Government National Mortgage Association. They are subject to principal paydowns as a result of pre-payments or refinancing of the underlying mortgage instruments. As a result, the average life may be substantially less than the original maturity.
- B Revenue Bonds - issued by agencies and payable from revenues and other sources of income of the corresponding agency as specified in the applicable prospectus. These bonds are not obligations of the Commonwealth of Puerto Rico.
- C A portion or all of the security has been pledged as collateral for securities sold under reverse repurchase agreements.
- D Issued with a zero coupon. Income is recognized through the accretion of discount.

The accompanying notes are an integral part of these financial statements.

GNMA & US GOVERNMENT TARGET MATURITY FUND FOR PUERTO RICO RESIDENTS, INC.**STATEMENT OF ASSETS AND LIABILITIES****September 30, 2023 (Unaudited)**

Assets:	Investments in securities:		
	Securities pledged as collateral on reverse repurchase agreements, at value, which has the right to be repledged (identified cost - \$3,321,000)		\$ 3,113,019
	Other securities at value (identified cost - \$63,748,402)		60,301,882
			<u>\$ 63,414,901</u>
	Cash		594,683
	Interest receivable		323,324
	Prepaid expenses and other assets		19,491
	Total assets		<u>64,352,399</u>

Liabilities:	Securities sold under reverse repurchase agreements		2,975,000
	Payable for investment purchased		10,000,000
	Dividends payable to common shareholders		173,976
	Directors fee payable		6,000
	Payables:		
	Interest and leverage expenses	8,871	
	Investment advisory fees	18,144	
	Administration, custody, and transfer agent fees	6,465	33,480
	Accrued expenses and other liabilities		245,565
	Total liabilities		<u>13,434,021</u>

Net Assets Applicable to Common Shareholders: \$ 50,918,378

**Net Assets Applicable to
Common Shareholders
consist of:**

Paid-in-Capital (\$0.01 par value, 88,000,000 shares authorized, 15,816,043 shares issued and outstanding)	\$ 63,872,242
Total Distributable Earnings (Loss) (See Notes 1 and Note 9)	(12,953,864)
Net assets applicable to common shareholders	<u>\$ 50,918,378</u>
Net asset value applicable to common shares - per share; 15,816,043 shares outstanding	<u>\$ 3.22</u>

The accompanying notes are an integral part of these financial statements.

GNMA & US GOVERNMENT TARGET MATURITY FUND FOR PUERTO RICO RESIDENTS, INC.

STATEMENT OF OPERATIONS

For the period from
April 1, 2023 to
September 30, 2023
(Unaudited)

Investment Income: Interest \$ 1,438,518

Expenses:

Interest and leverage related expenses	112,961
Investment advisory fees	213,738
Administration, custody, and transfer agent fees	54,522
Professional fees	82,990
Directors' fees and expenses	15,179
Insurance expense	19,668
Reporting fees	29,888
Other	19,581
Total expenses	<u>548,527</u>
Waived investment advisory, administration, custodian, and transfer agent fees	<u>(113,994)</u>
Net expenses after waived fees by investment adviser, administration, custodian, and transfer agent	<u>434,533</u>

Net Investment Income: 1,003,985

Unrealized Appreciation Change in unrealized appreciation (depreciation) on investments (1,465,652)
(Depreciation) on Investments: Total net unrealized appreciation (depreciation) on investments (1,465,652)

Net increase (decrease) in net assets resulting from operations \$ (461,667)

The accompanying notes are an integral part of these financial statements.

GNMA & US GOVERNMENT TARGET MATURITY FUND FOR PUERTO RICO RESIDENTS, INC.

STATEMENT OF CHANGES IN NET ASSETS

		For the period from April 1, 2023 to September 30, 2023 (Unaudited)	For the fiscal year ended March 31, 2023
Increase (Decrease) in Net Assets:			
	Net investment income	\$ 1,003,985	\$ 2,133,460
	Net realized gain (loss) on investments	-	1,090
	Change in unrealized appreciation (depreciation) on investments	(1,465,652)	(4,659,300)
	Net increase (decrease) in net assets resulting from operations	<u>(461,667)</u>	<u>(2,524,750)</u>
Dividends to Common Shareholders From:			
	Net investment income	(1,043,859)	(2,174,706)
	Return of capital	-	(2,214,246)
	Total distributions	<u>(1,043,859)</u>	<u>(4,388,952)</u>
Capital Share Transactions:			
	Repurchase of common shares	<u>-</u>	<u>-</u>
Net Assets:			
	Net increase (decrease) in net assets applicable to common shareholders	(1,505,526)	(6,913,702)
	Net assets at the beginning of the period/year	<u>52,423,904</u>	<u>59,337,606</u>
	Net assets at the end of the period/year	<u>\$ 50,918,378</u>	<u>\$ 52,423,904</u>

The accompanying notes are an integral part of these financial statements.

GNMA & US GOVERNMENT TARGET MATURITY FUND FOR PUERTO RICO RESIDENTS, INC.**STATEMENT OF CASH FLOWS****For the period from
April 1, 2023 to
September 30, 2023
(Unaudited)****Increase (Decrease) in Cash**

Cash Provided by Operations:	Net increase (decrease) in net assets from operations	\$	(461,667)
	Adjusted by:		
	Calls and paydowns of portfolio securities		2,304,165
	Change in unrealized (appreciation) depreciation on investments		1,465,652
	Accretion of discounts on investments		(52,381)
	Amortization of premiums on investments		235
	Decrease in interest receivable		11,713
	Decrease in prepaid expenses and other assets		223,162
	Decrease in interest payable		(10,185)
	Decrease in investment advisory fees payable		(1,700)
	Decrease in administration, custody, and transfer agent fees payable		(1,740)
	Decrease in accrued expenses and other liabilities		(59,180)
	Total cash provided by operations		<u>3,418,074</u>

Cash Used in

Financing Activities:	Securities sold under reverse repurchase agreements proceeds		23,950,000
	Securities sold under reverse repurchase agreements repayments		(26,575,000)
	Dividends to common shareholders paid in cash		(1,043,859)
	Total cash used in financing activities		<u>(3,668,859)</u>

Cash:	Net increase (decrease) in cash for the period		(250,785)
	Cash at the beginning of the period		<u>845,468</u>
	Cash at the end of the period	\$	<u>594,683</u>

Cash Flow

Information:	Cash paid for interest and leverage related expenses	\$	<u>123,146</u>
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The accompanying notes are an integral part of these financial statements.

GNMA & US Government Target Maturity Fund for Puerto Rico Residents, Inc.
Notes to Financial Statements
For the period from April 1, 2023 to September 30, 2023 (Unaudited)

1. Reporting Entity and Significant Accounting Policies

GNMA & US Government Target Maturity Fund for Puerto Rico Residents, Inc. (the "Fund") is a non-diversified closed-end management investment company. The Fund is a corporation organized under the laws of the Commonwealth of Puerto Rico (the "Commonwealth" or "Puerto Rico") and is registered as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act") as of May 14, 2021. Prior to such date and since inception, the Fund was registered and operated under the Puerto Rico Investment Companies Act of 1954. The Fund was incorporated on April 16, 2003 and commenced operations on May 15, 2003. UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico ("UBSTC"), is the Fund's Investment Adviser (the "Investment Adviser"). UBSTC is also the Fund's Administrator ("Administrator").

The Fund's investment objective is to provide current income, consistent with the preservation of capital.

On May 24, 2018, the Economic Growth, Regulatory Relief, and Consumer Protection Act (Pub. L. No. 115-174) was signed into law and amended the 1940 Act, to repeal the exemption from its registration of investment companies created under the laws of Puerto Rico, the U.S. Virgin Islands, or any other U.S. possession under Section 6(a)(1) thereof. The repeal of the exemption took effect on May 24, 2021. Upon the Fund's registration under the 1940 Act, it must now register its future offerings of securities under the Securities Act of 1933, as amended (the "1933 Act"), absent an available exception. The Fund has suspended the current offering of its securities pending its registration under 1933 Act.

The Fund is expected to be liquidated on or about December 31, 2043 (the "Target Date"). The Fund intends to distribute to shareholders during the period commencing May 16, 2013 and ending approximately on the Target Date, an amount at least equal, in the aggregate, to the initial offering price of \$10 per share. As a result, the Fund has established a restricted account within undistributed net investment income for tax purposes, to recoup amounts paid in connection with its initial public offering. As a fundamental policy, the securities purchased by the Fund will not have an expected maturity date subsequent to December 31, 2033, in the case of securities which are not mortgage-backed securities, and December 31, 2043, in the case of mortgage-backed securities. However, due to the Puerto Rico Sales Tax Financing Corporation ("COFINA") debt restructuring and corresponding bond exchange, the Fund now holds new COFINA bonds in its investment portfolio with maturity dates beyond December 31, 2033.

Certain charter provisions of the Fund might be void and unenforceable under the 1940 Act including, without limitation, provisions (i) permitting indemnification of officers and directors to the fullest extent permitted by Puerto Rico law, (ii) setting forth the required vote for changes to fundamental policies of the Fund, and (iii) stating that, to the fullest extent permitted by Puerto Rico law, no officer or director will be liable to the Fund or shareholders.

The following is a summary of the Fund's significant accounting policies:

Use of Estimates in Financial Statements Preparation

The Fund is an investment company that applies the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services-Investment Companies (ASC 946). The financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), which requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the

GNMA & US Government Target Maturity Fund for Puerto Rico Residents, Inc.
Notes to Financial Statements
For the period from April 1, 2023 to September 30, 2023 (Unaudited)

date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Net Asset Value Per Share

The net asset value ("NAV") per share of the Fund is determined by the Administrator on Wednesday of each week after the close of trading on the New York Stock Exchange (NYSE) or, if such day is not a business day in New York or Puerto Rico, on the next succeeding business day, and at month-end if such date is not a Wednesday. The NAV per share is computed by dividing the total assets of the Fund, less its liabilities, by the total number of outstanding shares of the Fund.

Valuation of Investments

All securities are valued by UBSTC on the basis of valuations provided by pricing services or by dealers which were approved by Fund management and the Board of Directors. In arriving at their valuation, pricing sources may use both a grid matrix of securities values as well as the evaluations of their staff. The valuation, in either case, could be based on information concerning actual market transactions and quotations from dealers or a grid matrix performed by an outside vendor that reviews certain market and security factors to arrive at a bid price for a specific security. Certain Puerto Rico obligations have a limited number of market participants and thus, might not have a readily ascertainable market value and may have periods of illiquidity. Certain securities of the Fund for which quotations are not readily available from any source are valued at fair value by or under the direction of the Investment Adviser utilizing quotations and other information concerning similar securities obtained from recognized dealers. The Investment Adviser can override any price that it believes is not consistent with market conditions. Valuation adjustments are limited to those necessary to ensure that the financial instrument's fair value is adequately representative of the price that would be received or paid in the marketplace. These adjustments include amounts that reflect counterparty credit quality, constraints on liquidity, and unobservable parameters that are applied consistently.

The Investment Adviser has established a Valuation Committee (the "Committee") which is responsible for overseeing the pricing and valuation of all securities held in the Fund. The Committee operates under pricing and valuation policies and procedures established by the Investment Adviser and approved by the Board of Directors. These policies and procedures set forth the mechanisms and processes to be employed on a weekly basis related to the valuation of portfolio securities for the purpose of determining the NAV of the Fund. The Committee reports to the Board of Directors on a regular basis. At September 30, 2023, no security's fair value was determined by the Committee.

GAAP provides a framework for measuring fair value and expands disclosures about fair value measurements and requires disclosures surrounding the various inputs that are used in determining the fair value of the Fund's investments. These inputs are summarized in three (3) broad levels listed below:

- Level 1 - Quoted prices in active markets for identical assets and liabilities at the measurement date. An active market is one in which transactions for the assets occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Significant inputs other than quoted prices that are observable (including quoted prices for similar securities, interest rates, pre-payment speeds, credit risk, etc.), either directly or indirectly.
- Level 3 - Significant unobservable inputs, for example, inputs derived through extrapolation that cannot be corroborated by observable market data. These will be developed based on the best information available in the circumstances, which might include UBSTC's own data. Level 3

GNMA & US Government Target Maturity Fund for Puerto Rico Residents, Inc.
Notes to Financial Statements
For the period from April 1, 2023 to September 30, 2023 (Unaudited)

inputs will consider the assumptions that market participants would use in pricing the asset, including assumptions about risk (e.g., credit risk, model risk, etc.).

Securities and other assets that cannot be priced according to the methods described above are valued based on policies and procedures approved by the Committee. In the event that unobservable inputs are used when determining such valuations, the securities will be classified as Level 3 in the fair value hierarchy. Altering one or more unobservable inputs may result in a significant change to a Level 3 security's fair value measurement. The Fund maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Fair value is based upon quoted market prices when available.

The estimated fair value may be subjective in nature and may involve uncertainties and matters of significant judgment for certain financial instruments. Changes in the underlying assumptions used in calculating fair value could significantly affect the results. Therefore, the estimated fair value may materially differ from the value that could actually be realized on sale.

The inputs and methodology used for valuing securities or level assigned are not necessarily an indication of the risk associated with investing in those securities.

Following is a description of the Fund's valuation methodologies used for assets and liabilities measured at fair value:

Puerto Rico Agencies, Bonds, and Notes: Obligations of Puerto Rico and political subdivisions are segregated and those with similar characteristics are then divided into specific sectors. The values for these securities are obtained from third-party pricing service providers that use a pricing methodology based on observable market inputs. Market inputs used in the evaluation process include all or some of the following: trades, bid price or spread, quotes, benchmark curves (including, but not limited to, Treasury benchmarks and swap curves), and discount and capital rates. These bonds are classified as Level 2.

Mortgage and Other Asset-Backed Securities: Fair value for these securities is mostly obtained from third-party pricing service providers that use a pricing methodology based on observable market inputs. Certain agency mortgage and other asset-backed securities ("MBS") are priced based on a bond's theoretical value from similar bonds, the term "similar" being defined by credit quality and market sector. Their fair value incorporates an option adjusted spread. The agency MBS are classified as Level 2.

Obligations of U.S. Government Sponsored Entities, State, and Municipal Obligations: The fair value of obligations of U.S. Government sponsored entities, state, and municipal obligations is obtained from third-party pricing service providers that use a pricing methodology based on an active exchange market and based on quoted market prices for similar securities. These securities are classified as Level 2. U.S. agency notes are priced based on a bond's theoretical value from similar bonds defined by credit quality and market sector, and for which the fair value incorporates an option adjusted spread in deriving their fair value. These securities are classified as Level 2.

The following is a summary of the portfolio by inputs used as of September 30, 2023, in valuing the Fund's investments carried at fair value:

GNMA & US Government Target Maturity Fund for Puerto Rico Residents, Inc.
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	Investment in Securities			Balance 09/30/23
	Level 1	Level 2	Level 3	
Puerto Rico Agencies, Bonds, and Notes	\$ -	\$ 6,183,985	\$ -	\$ 6,183,985
Puerto Rico GNMA Exempt	-	28,966,690	-	28,966,690
Puerto Rico GNMA Taxable	-	1,529,176	-	1,529,176
US Government, Agencies, and Instrumentalities	-	26,735,050	-	26,735,050
	<u>\$ -</u>	<u>\$ 63,414,901</u>	<u>\$ -</u>	<u>\$ 63,414,901</u>

There were no Level 3 securities for the period from April 1, 2023 to September 30, 2023.

There were no transfers into or out of Level 3 during the period from April 1, 2023 to September 30, 2023.

Temporary cash investments are valued at amortized cost, which approximates market value. There were no temporary cash investments as of September 30, 2023.

Taxation

As a registered investment company under the 1940 Act, the Fund will not be subject to Puerto Rico income tax for any taxable year if it distributes at least 90% of its taxable net investment income for such year, as determined for these purposes pursuant to section 1112.01(a)(2) of the Puerto Rico Internal Revenue Code of 2011, as amended. Accordingly, as the Fund intends to meet this distribution requirement, the income earned by the Fund is not subject to Puerto Rico income tax at the Fund level.

The Fund can invest in taxable and tax-exempt securities. In general, distributions of taxable income dividends, if any, to Puerto Rico individuals, estates, and trusts are subject to a withholding tax of 15% in the case of dividends distributed, if certain requirements are met. Moreover, distribution of capital gains dividends, if any, to (a) Puerto Rico individuals, estates, and trusts are subject to a tax of 15% in the case of dividends distributed, and (b) Puerto Rico corporations are subject to a tax of 20% of dividends distributed. Tax withholdings are effected at the time of payment of the corresponding dividend. Individual shareholders may be subject to alternate basic tax on certain fund distributions. Certain Puerto Rico entities receiving taxable income dividends are entitled to claim an 85% dividends received deduction. Fund shareholders are advised to consult their own tax advisers.

An investment in the Fund is designed solely for Puerto Rico residents, due to the Fund's specific tax features. The Fund does not intend to qualify as a Regulated Investment Company ("RIC") under Subchapter M of the U.S. Internal Revenue Code of 1986, as amended, and consequently an investor that is not (i) an individual who has his or her principal residence in Puerto Rico or (ii) a person, other than an individual, that has its principal office and principal place of business in Puerto Rico will not receive the tax benefits of an investment in typical U.S. mutual fund (such as RIC tax treatment, i.e., availability of pass-through tax status for non-Puerto Rico residents) and may have adverse tax consequences for U.S. federal income tax purposes. When United States holders (which includes, but is not limited to, (i) citizens and residents of the United States who are not Puerto Rico individuals and (ii) domestic corporations) invest in the Fund, such United States holders generally will be taxed on any dividend or interest paid by the Fund as ordinary income at the time such holders receive the dividend or interest or when it accrues, depending on such holder's method of accounting for tax purposes. Additionally, United States holders will be taxed on any gain on the sale of an investment in the Fund.

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Accounting Standards Codification Topic 740, Income Taxes (ASC 740) requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as a tax expense in the current year. Management has analyzed the Fund's tax positions taken on its Puerto Rico income tax returns for all open tax years (prior four tax years) and has concluded that there are no uncertain tax positions. On an ongoing basis, management will monitor the Fund's tax position to determine if adjustments to this conclusion are necessary. The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expenses in the Statement of Operations. During the period from April 1, 2023 to September 30, 2023, the Fund did not incur any interest or penalties.

Statement of Cash Flows

The Fund issues its shares, invests in securities, and distributes dividends from net investment income and net realized gains which are paid in cash. These activities and additional information on cash receipts and payments are presented in the Statement of Cash Flows.

Accounting practices that do not affect the reporting of activities on a cash basis include carrying investments at fair value and amortizing premiums or discounts on debt obligations.

Dividends and Distributions to Shareholders

Dividends from net investment income are declared and paid monthly. The Fund may at times pay out less than the entire amount of net investment income earned in any particular period and may at times pay out such accumulated undistributed income earned in other periods, in order to permit the Fund to have a more stable level of distribution. The capital gains realized by the Fund, if any, may be retained by the Fund, as permitted by the Puerto Rico Internal Revenue Code of 2011, as amended, unless the Fund's Board of Directors, acting through the Dividend Committee, determines that the net capital gains will also be distributed. The Fund records dividends on the ex-dividend date.

The Fund's principal distributions commenced on May 16, 2013. Distributions made during prior years amounted to \$96,778,979, representing a total of \$5.46 per share. For the period from April 1, 2023 to September 30, 2023, principal distributions amounted to \$2,214,246, representing \$0.14 per share. The NAV and market price for the Fund shares were reduced by these amounts. The Fund's remaining principal for distribution as of period ended September 30, 2023 amounts to \$4.40. The dividend payments are based on the remaining principal balance at the time of payment.

Derivative Instruments

In order to attempt to hedge various portfolio positions, to manage its costs, or to enhance its return, the Fund may invest in certain instruments which are considered derivatives. Because of their increased volatility and potential leveraging effect, derivative instruments may adversely affect the Fund. The use of these instruments for income enhancement purposes subjects the Fund to risks of losses which would not be offset by gains on other portfolio assets or acquisitions. There is no assurance that the Investment Adviser will employ any derivative strategy and even where such derivatives investments are used for hedging purposes, there can be no assurance that the hedging transactions will be successful or will not result in losses.

The Fund is a party to International Swap and Derivatives Association, Inc. (ISDA) Master Agreements ("Master Agreements") with certain counterparties that govern over-the-counter derivative contracts entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations, representations, agreements, collateral requirements, events of default, and early termination. Generally, collateral can be in the

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form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the Fund and the applicable counterparty. Collateral requirements are determined based on the Fund's net position with each such counterparty. Termination events applicable to the Fund may occur in certain instances specified in the Master Agreements, which may include, among other things, a specified decline in the Fund's NAV, not complying with eligible collateral requirements, or the termination of the Fund's Investment Adviser. In each case, upon occurrence, the counterparty may elect to terminate the swap early and cause the settlement of all or some of the derivative contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the Fund's counterparties to elect early termination could impact the Fund's future derivative activity. There were no derivative instruments held during the period from April 1, 2023 to September 30, 2023.

Reverse Repurchase Agreements

Under these agreements, the Fund sells portfolio securities, receives cash in exchange, and agrees to repurchase the securities at a mutually agreed upon date and price. Ordinarily, those counterparties with which the Fund enters into these agreements require delivery of collateral, nevertheless, the Fund retains effective control over such collateral through the agreement to repurchase the collateral on or by the maturity of the reverse repurchase agreement. These transactions are treated as financings and recorded as liabilities. Therefore, no gain or loss is recognized on the transaction, and the securities pledged as collateral remain recorded as assets of the Fund. The Fund enters into reverse repurchase agreements that do not have third-party custodians, with the collateral delivered directly to the counterparty. Pursuant to the terms of the standard Securities Industry and Financial Markets Association ("SIFMA") Master Repurchase Agreement, the counterparty is free to repledge or rehypothecate the collateral, provided it is delivered to the Fund upon maturity of the reverse repurchase agreement. This arrangement allows the Fund to receive better interest rates and pricing on the reverse repurchase agreements. While the Fund cannot monitor the rehypothecation of collateral, it does monitor the market value of the collateral versus the repurchase amount, that the income from the collateral is paid to the Fund on a timely basis, and that the collateral is returned at the end of the reverse repurchase agreement. These agreements involve the risk that the market value of the securities purchased with the proceeds from the sale of securities received by the Fund may decline below the price of the securities that the Fund is obligated to repurchase, and that the value of the collateral posted by the Fund increases in value and the counterparty does not return it. Because the Fund borrows under reverse repurchase agreements based on the estimated fair value of the pledged assets, the Fund's ongoing ability to borrow under its reverse repurchase facilities may be limited and its lenders may initiate margin calls in the event of adverse changes in the market. A decrease in market value of the pledged assets may require the Fund to post additional collateral or otherwise sell assets at a time when it may not be in the best interest of the Fund to do so.

Short-Term and Medium-Term Notes

The Fund has a short-term and medium-term notes payable program as a funding vehicle to increase the amounts available for investments. The short-term and medium-term notes may be issued from time to time in denominations of \$1,000 or as may otherwise be specified in a supplement to the registration statements. The notes are collateralized by the pledge of certain securities of the Fund. The pledged securities are held by UBSTC, as agent for the Fund, for the benefit of the holders of the notes. The Fund suspended the current offerings of its securities, including notes, pending the registration of the securities under the 1933 Act absent an available exception. There were no short-term or medium-term notes outstanding as of September 30, 2023.

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Paydowns

Realized gains or losses on mortgage-backed security paydowns are recorded as an adjustment to interest income. During the period from April 1, 2023 to September 30, 2023, the Fund had no realized gains/losses on mortgage-backed securities paydowns. The Fund declares and pays monthly dividends from net investment income. For purposes of compliance with the 90% distribution threshold for the Fund's tax exemption, gains and losses related to mortgage-backed security paydowns are not included in net investment income. See Note 9 for a reconciliation between taxable and book net investment income.

Preferred Shares

Pursuant to the Fund's Certificate of Incorporation, as amended and supplemented, the Fund's Board of Directors is authorized to issue up to 12,000,000 preferred shares with a par value of \$25, in one or more series. During the period from April 1, 2023 to September 30, 2023, no preferred shares were issued or outstanding.

Other

Security transactions are accounted for on the trade date (the date on which the order to buy or sell is executed). Realized gains and losses on security transactions are determined on the identified cost method. Premiums and discounts on securities purchased are amortized using the interest method over the life or the expected life of the respective securities. Premiums are amortized at the earliest call date for any applicable securities. Income from interest and dividends from cumulative preferred shares is accrued, except when collection is not expected. Expenses are recorded as they are incurred.

2. Investment Advisory, Administrative, Custodian, and Transfer Agency Agreements, and Other Transactions with Affiliates

Pursuant to an investment advisory contract (the "Advisory Agreement") with UBS Asset Managers of Puerto Rico, a division of UBSTC, and subject to the supervision of the Board of Directors, the Fund receives investment advisory services in exchange for a fee. The investment advisory fees will not exceed 0.75% of the Fund's average weekly gross assets (including assets purchased with the proceeds of leverage). For the period from April 1, 2023 to September 30, 2023, investment advisory fees amounted to \$213,738. The Investment Advisor voluntarily waived investment advisory fees in the amount of \$99,745, for a net fee of \$113,993. The investment advisory fees payable amounted to \$18,144 as of September 30, 2023.

UBSTC also provides administrative, custody, and transfer agency services pursuant to Administration, Custodian, and Transfer Agency, Registrar, and Shareholder Servicing Agreements, respectively. UBSTC has engaged JP Morgan Chase Bank, N.A. to act as the sub-custodian for the Fund. UBSTC provides facilities and personnel to the Fund for the performance of its administration duties. The Administration Agreement and Transfer Agency, Registrar, and Shareholder Servicing Agreement fees will not exceed 0.15% and 0.05%, respectively of the Fund's average weekly gross assets. The Custody fees are solely sub-custodian costs and out of pocket expenses reimbursements. For the period from April 1, 2023 to September 30, 2023, the administrative, custody, and transfer agency services fee amounted to \$54,522. The administrator, custodian, and transfer agent voluntarily waived service fees in the amount of \$14,249, for a net fee of \$40,273. The administrative, custody, and transfer agent fees payable amounted to \$6,465 as of September 30, 2023.

Certain Fund officers and directors are also officers and directors of UBSTC. The six independent directors of the Fund's Board of Directors are paid based upon an agreed fee of \$1,000 per Fund per Board meeting, plus expenses, and \$500 per Fund for each quarterly Audit Committee meeting, plus

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expenses. For the period from April 1, 2023 to September 30, 2023, the independent directors of the Fund were paid an aggregate compensation and expenses of \$15,179. The Directors fees payable amounted to \$6,000 as of September 30, 2023.

3. Capital Share Transactions

The Fund is authorized to issue up to 88,000,000 common shares, par value \$0.01 per share.

There were no capital share transactions for the period from April 1, 2023 to September 30, 2023, and for the fiscal year ended March 31, 2023.

There were no share repurchase transactions during the period from April 1, 2023 to September 30, 2023, and for the fiscal year ended March 31, 2023.

4. Investment Transactions

The cost of unaffiliated U.S. obligations securities purchased was \$10,000,000 for the period from April 1, 2023 to September 30, 2023. Proceeds from calls and paydowns of Puerto Rico securities for the period from April 1, 2023 to September 30, 2023, amounted to \$2,304,165.

5. Securities Sold Under Reverse Repurchase Agreements

The Fund enters into repurchase agreements that do not have third-party custodians, with the collateral delivered directly to the counterparty. Pursuant to the terms of the standard SIFMA Master Repurchase Agreement, the counterparty is free to repledge or rehypothecate the collateral, provided it is delivered to the Fund upon maturity of the reverse repurchase agreement. This arrangement allows the Fund to receive better interest rates and pricing on the reverse repurchase agreements. While the Fund cannot monitor the rehypothecation of collateral, it does monitor the market value of the collateral versus the repurchase amount, that the income from the collateral is paid to the Fund on a timely basis, and that the collateral is returned at the end of the reverse repurchase agreement.

Securities sold under reverse repurchase agreements amounted to \$2,975,000 at September 30, 2023, and related information is as follows:

Weighted average interest rate at the end of the period	<u>5.65 %</u>
Maximum aggregate balance outstanding at any time of the period	<u>\$ 5,600,000</u>
Average balance outstanding during the period	<u>\$ 4,090,845</u>
Average interest rate during the period	<u>5.43 %</u>

At September 30, 2023, the interest rate on securities sold under reverse repurchase agreements was 5.65% with a maturity date of October 10, 2023.

At September 30, 2023, investment securities amounting to \$3,113,019 were pledged as collateral for securities sold under reverse repurchase agreements. Interest payable on securities sold under reverse repurchase agreements amounted to \$8,871 at September 30, 2023.

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The total amount of unaffiliated originations or proceeds of securities sold under reverse repurchase agreements during the period from April 1, 2023 to September 30, 2023 amounted to \$23,950,000.

The following table presents the Fund's reverse repurchase agreements by counterparty and the related collateral pledged by the Fund at September 30, 2023:

Counterparty	Gross Amount of Securities Sold Under Reverse Repurchase Agreements Presented in the Statement of Assets and Liabilities	Securities Sold Under Reverse Repurchase Agreements Available for Offset	Collateral Posted (a)	Net Amount Due To Counterparty (not less than zero)
South Street, New York	\$ 2,975,000	\$ -	\$ 2,975,000	\$ -

(a) Collateral received or posted is limited to the net securities sold under reverse repurchase agreements liability amounts. See above for actual collateral received and posted.

6. Short-Term Financial Instruments

The fair value of short-term financial instruments, which includes \$2,975,000 of securities sold under reverse repurchase agreements, are substantially the same as the carrying amount reflected in the Statement of Assets and Liabilities as these are reasonable estimates of fair values given the relatively short period of time between origination of the instrument and their expected realization. The securities sold under reverse repurchase agreements are classified as Level 2.

7. Concentration of Credit Risk

Concentration of credit risk that arises from financial instruments exists for groups of customers or counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The major concentration of credit risk arises from the Fund's investment securities in relation to the location of the issuers of such investment securities. For calculating concentration, all securities guaranteed by the U.S. Government or any of its subdivisions are excluded. At September 30, 2023, the Fund had investments with an aggregate fair value of approximately \$6,183,985, which were issued by entities located in the Commonwealth and not guaranteed by the Commonwealth.

8. Investment and Other Requirements and Limitations

The Fund is subject to certain requirements and limitations related to investments and leverage. Some of these requirements and limitations are imposed by statute or by regulation, while others are imposed by procedures established by the Board of Directors. The most significant requirements and limitations are discussed below.

While the Fund intends to comply with the 67% investment requirement as market conditions permit, the Fund's ability to procure sufficient Puerto Rico securities which meet the Fund's investment criteria may, in the opinion of the Investment Adviser, be constrained, due to the volatility affecting the Puerto Rico bond market since 2013 and the fact that the Puerto Rico Government remains in the process of restructuring its outstanding debt under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") as well as undertaking other fiscal measures to stabilize the Puerto Rico's economy in accordance with the requirements of PROMESA, and this inability may continue for an indeterminate period of time. To the extent that the Fund is unable to procure sufficient amounts of such Puerto Rico securities, the Fund may acquire investments in securities of non-Puerto Rico issuers which satisfy the Fund's investment policies. While the Fund will seek to invest at least an average of 20% of its total assets on an annual basis in

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Puerto Rico securities even in adverse market conditions, there is no guarantee that it will be able to do so if there are insufficient Puerto Rico securities which meet the Fund's investment criteria.

The Fund invests, except where the Fund is unable to procure sufficient Puerto Rico Securities that meet the Fund's investment criteria, in the opinion of the Investment Adviser, or other extraordinary circumstances, up to 33% of its total assets in securities issued by non-Puerto Rico entities. These include securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities, non-Puerto Rico mortgage-backed and asset-backed securities, corporate obligations and preferred stock of non-Puerto Rico entities, municipal securities of issuers within the U.S., and other non-Puerto Rico securities that the Investment Adviser may select, consistent with the Fund's investment objectives and policies.

As its fundamental policy, the Fund may not (i) issue senior securities, as defined in the 1940 Act, except to the extent permitted under the 1940 Act and except as otherwise described in the prospectus, or (ii) borrow money from banks or other entities, in excess of 33 1/3% of its total assets (including the amount of borrowings and debt securities issued); except that, the Fund may borrow from banks or other financial institutions for temporary or emergency purposes (including, among others, financing repurchases of notes and tender offers), in an amount of up to an additional 5% of its total assets.

The Fund may issue preferred stock, debt securities and other forms of leverage to the extent that immediately after their issuance, the value of the Fund's total assets less all the Fund's liabilities and indebtedness which are not represented by preferred stock, debt securities, or other forms of leverage being issued or already outstanding, is equal to or greater than 300% of the aggregate par value of all outstanding preferred stock (not including any accumulated dividends or other distributions attributable to such preferred stock) and the total amount outstanding of debt securities and other forms of leverage.

9. Tax Basis of Distributions and Components of Distributable Earnings (Accumulated Losses)

During the period, there were no reclassification of gains and losses related to mortgage-backed security paydowns or reclassifications of swap periodic collections, therefore, the net investment income for tax purposes equals the net investment income per book.

The amount of net unrealized appreciation/(depreciation) and the cost of investment securities for tax purposes was as follows:

Cost of investments for tax purposes	\$ 67,069,402
Gross appreciation	308,438
Gross depreciation	(3,962,939)
Net appreciation (depreciation)	<u>\$ (3,654,501)</u>

The Fund's policy, as stated in its prospectus, is to distribute substantially all net investment income. In order to maintain a stable level of dividends, however, the Fund may at times pay more or less than the net investment income earned in a particular year.

For the period from April 1, 2023 to September 30, 2023, and for the fiscal year ended March 31, 2023, the Fund had distributed from ordinary income \$1,043,859 and \$2,174,706 for tax purposes, respectively. The undistributed net investment income at September 30, 2023, and March 31, 2023, was as follows:

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September 30, 2023:

Undistributed net investment income for tax purposes at the beginning of the period	\$ 21,455,307
Net investment income for tax purposes	1,003,985
Dividends paid to common shareholders	<u>(1,043,859)</u>
Undistributed net investment income for tax purposes at the end of the period	<u>\$ 21,415,433</u>

March 31, 2023:

Undistributed net investment income for tax purposes at the beginning of the period	\$ 21,496,553
Net investment income for tax purposes	2,133,460
Dividends paid to common shareholders	<u>(2,174,706)</u>
Undistributed net investment income for tax purposes at the end of the period	<u>\$ 21,455,307</u>

The undistributed net investment income and components of total distributable earnings (accumulated losses) on a tax basis at September 30, 2023, were as follows:

Undistributed net investment income for tax purposes at the end of the period	\$ 21,415,433
Accumulated net realized gain (loss) from investment	(30,714,796)
Unrealized net appreciation (depreciation) from investment	<u>(3,654,501)</u>
Total Distributable Earnings (Accumulated Loss)	<u>\$ (12,953,864)</u>

10. Risks and Uncertainties

The Fund is exposed to various types of risks, such as geographic concentration, industry concentration, non-diversification, interest rate, and credit risks, among others.

Puerto Rico Risk. The Fund's assets are invested primarily in securities of Puerto Rico issuers. Consequently, the Fund in general is more susceptible to economic, political, regulatory or other factors adversely affecting issuers in Puerto Rico than an investment company that is not so concentrated in Puerto Rico issuers. In addition, securities issued by the Government of Puerto Rico or its instrumentalities are affected by the central government's finances. That includes, but is not limited to, general obligations of Puerto Rico and revenue bonds, special tax bonds, or agency bonds. Over the past few years, many Puerto Rico government bonds as well as the securities issued by several Puerto Rico financial institutions have been downgraded as a result of several factors, including without limitation, the downturn experienced by the Puerto Rico economy and the strained financial condition of the Puerto Rico government. Currently, the Puerto Rico bond market is experiencing a period of volatility, with Puerto Rico bonds trading at historically lower prices and higher yields.

Conflicts of Interest. The investment advisory fee payable to the Investment Adviser during periods in which the Fund is utilizing leverage will be higher than when it is not doing so because the fee is calculated as a percentage of average weekly gross assets, including assets purchased with leverage. Because the asset base used for calculating the investment advisory fee is not reduced by aggregate indebtedness incurred in leveraging the Fund, the Investment Adviser may have a conflict

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of interest in formulating a recommendation to the Fund as to whether and to what extent to use leverage. This could impact the Fund's ability to pay in the future.

UBS Asset Managers of Puerto Rico, UBS Financial Services Inc. ("UBSFS"), and their affiliates have engaged and may engage in business transactions with or related to any one of the issuers of the Fund's investment assets, or with competitors of such issuers, as well as provide them with investment banking, asset management, trust, or advisory services, including merger and acquisition advisory services. These activities may present a conflict between any such affiliated party and the interests of the Fund. Any such affiliated party may also publish or may have published research reports on one or more of such issuers and may have expressed opinions or provided recommendations inconsistent with the purchasing or holding of the securities of such issuers. While the Fund has engaged in transactions with affiliates in the past, all transactions among Fund affiliates from the date of the Fund's registration under the 1940 Act going forward will be done in compliance with the 1940 Act rules and prohibitions regarding affiliated transactions, or any exemptive relief granted by the SEC in respect thereof.

Investment and Market Risk. The Fund's investments may be adversely affected by the performance of U.S. and Puerto Rico investment securities markets, which, in turn, may be influenced by a number of factors, including, among other things, (i) the level of interest rates, (ii) the rate of inflation, (iii) political decisions, (iv) fiscal policy, and (v) current events in general. Because the Fund invests in investment securities, the Fund's NAV may fluctuate due to market conditions.

Puerto Rico and other countries and regions in which the Fund may invest where the Investment Adviser has offices or where the Fund or the Investment Adviser otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane), epidemics/pandemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or epidemic/pandemic could, directly or indirectly, adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic/pandemic) and could adversely affect the Fund's investment program or the Investment Adviser's ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which the Fund invests or could affect the countries and regions in which the Fund invests, where the Investment Adviser has offices or where the Fund or the Investment Adviser otherwise do business. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which the Fund invests.

In addition, turbulence in financial markets and reduced liquidity in equity and/or fixed-income markets may negatively affect the Fund. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain and could affect companies worldwide. An outbreak of an infectious disease or serious environmental or public health concern could have, a significant negative impact on economic and market conditions, could exacerbate pre-existing political, social and economic risks in certain countries or regions and could trigger a prolonged period of global economic slowdown, which may impact the Fund. To the extent the Fund is overweight in certain countries, regions, companies, industries or market sectors, such positions will increase the risk of loss from adverse developments affecting those countries, regions, companies, industries or sectors.

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Credit Risk. Credit risk is the risk that debt securities or preferred stock will decline in price or fail to make dividend or interest payments when due because the issuer of the security experiences a decline in its financial condition or it otherwise decides to suspend, delay or reduce payments. The Fund's investments are subject to credit risk. The risk is greater in the case of securities that are rated below investment grade or rated in the lowest investment grade category.

Fixed Income Securities Generally. The yield on fixed income securities that the Fund may invest in depends on a variety of factors, including general market conditions for such securities, the financial condition of the issuer, the size of the particular offering, the maturity, credit quality and rating of the security. Generally, the longer the maturity of those securities, the higher its yield and the greater the changes in its yields both up and down. The market value of fixed income securities normally will vary inversely with changes in interest rates. The unique characteristics of certain types of securities also may make them more sensitive to changes in interest rates.

Certain issuers of fixed income securities are subject to the provisions of bankruptcy, insolvency, and other laws affecting the rights and remedies of creditors that may result in delays and costs to the Fund if a party becomes insolvent. It is also possible that, as a result of litigation or other conditions, the power or ability of such issuers to meet their obligations for the repayment of principal and payment of interest, respectively, may be materially and adversely affected.

Municipal Obligations Risk. Certain of the municipal obligations in which the Fund may invest present their own distinct risks. These risks may depend, among other things, on the financial situation of the government issuer, or in the case of industrial development bonds and similar securities, on that of the entity supplying the revenues that are intended to repay the obligations. It is also possible that, as a result of litigation or other conditions, the power or ability of issuers or those other entities to meet their obligations for the repayment of principal and payment of interest may be materially and adversely affected. See "Puerto Rico Risk" above.

Mortgage-Backed Securities Risk. Mortgage-backed securities (residential and commercial) represent interests in "pools" of mortgages. Mortgage-backed securities have many of the risks of traditional debt securities but, in general, differ from investments in traditional debt securities in that, among other things, principal may be prepaid at any time due to prepayments by the obligors on the underlying obligations. As a result, the Fund may receive principal repayments on these securities earlier or later than anticipated by the Fund. In the event of prepayments that are received earlier than anticipated, the Fund may be required to reinvest such prepayments at rates that are lower than the anticipated yield of the prepaid obligation. The rate of prepayments is influenced by a variety of economic, geographic, demographic, and other factors, including, among others, prevailing mortgage interest rates, local and regional economic conditions, and homeowner mobility. Generally, prepayments will increase during periods of declining interest rates and decrease during periods of rising interest rates. The decrease in the rate of prepayments during periods of rising interest rates results in the extension of the duration of mortgage-backed securities, which makes them more sensitive to changes in interest rates and more likely to decline in value (this is known as extension risk). Since a substantial portion of the assets of the Fund may be invested in mortgage-backed securities, the Fund may be subject to these risks and other risks related to such securities to a significant degree, which might cause the market value of the Fund's investments to fluctuate more than otherwise would be the case. In addition, mortgage-backed or other securities issued or guaranteed by FNMA, FHLMC or a Federal Home Loan Bank are supported only by the credit of these entities and are not supported by the full faith and credit of the U.S. Government.

Concentration Risk. The Fund may concentrate its investments in mortgage-related assets, which means that its performance may be closely tied to the performance of a particular market segment. The Fund's concentration in these securities may present more risks than if it were broadly

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diversified over numerous industries and sectors of the economy. A downturn in these securities would have a larger impact on the Fund than on a fund that does not concentrate in such securities. At times, the performance of these securities will lag the performance of other industries or the broader market as a whole.

Illiquid Securities. Illiquid securities are securities that cannot be sold within a reasonable period of time, not to exceed seven days, in the ordinary course of business at approximately the amount at which the Fund has valued the securities. There presently are a limited number of participants in the market for certain Puerto Rico securities or other securities or assets that the Fund may own. That and other factors may cause certain securities to have periods of illiquidity. Illiquid securities include, among other things, securities subject to legal or contractual restrictions on resale that hinder the marketability of the securities. Certain of the securities in which the Fund intends to invest, such as shares of preferred stock, may be substantially less liquid than other types of securities in which the Fund may invest. Illiquid securities may trade at a discount from comparable, more liquid investments.

There are no limitations on the Fund's investment in illiquid securities. The Fund may also continue to hold, without limitation, securities or other assets that become illiquid after the Fund invests in them. To the extent the Fund owns illiquid securities or other illiquid assets, the Fund may not be able to sell them easily, particularly at a time when it is advisable to do so to avoid losses.

Valuation Risk. The price the Fund could receive upon the sale of any particular investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets, including Puerto Rico, or that are valued using a fair valuation methodology or a price provided by an independent pricing service. As a result, the price received upon the sale of an investment may be less than the value ascribed by the Fund, and the Fund could realize a greater than expected loss or lesser than expected gain upon the sale of the investment. Pricing services that value fixed-income securities generally utilize a range of market-based and security-specific inputs and assumptions, as well as considerations about general market conditions, to establish a price. Pricing services generally value fixed-income securities assuming orderly transactions of an institutional round lot size, but such securities may be held or transactions may be conducted in smaller, odd lot sizes. Odd lots may trade at lower prices than institutional round lots. The Fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third-party service providers.

Interest Rate Risk. Interest rate risk is the risk that interest rates will rise, so that the value of the securities issued by the Fund or the Fund's portfolio investments will fall. Also, the Fund's yield will tend to lag behind changes in prevailing short-term interest rates. In addition, during periods of rising interest rates, the average life of certain types of securities may be extended because of the right of the issuer to defer payments or make slower than expected principal payments. This may lock in a below market interest rate, increase the security's duration (the estimated period until the security is paid in full) and reduce the value of the security. This is known as extension risk. The Fund is subject to extension risk. Conversely, during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled in order to refinance at lower interest rates, forcing the Fund to reinvest in lower yielding securities. This is known as prepayment risk. Prepayment risk applies also to the securities issued by the Fund to the extent they are redeemable by the Fund. The Fund is subject to prepayment risk. This tendency of issuers to refinance debt with high interest rates during periods of declining interest rates may reduce the positive effect of declining interest rates on the market value of the Fund's securities. Finally, the Fund's use of leverage by the issuance of preferred stock, debt securities, and other instruments may increase the risks described above.

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Leverage Risk. Some transactions may give rise to a form of economic leverage. These transactions may include, among others, derivatives, and may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet applicable requirements of the 1940 Act and the rules thereunder. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.

Risks of Reverse Repurchase Agreements. The Fund may engage in reverse repurchase agreements which are collateralized loan transactions in which the Fund sells a portfolio security to a counterparty in exchange for cash and agrees to buy it back at a specified time and price in a specified currency. The counterparty can repledge or rehypothecate the collateral securities to a third party, provided they are delivered to the Fund upon maturity of the reverse repurchase agreement. Reverse repurchase agreements involve various risks to the Fund. Reverse repurchase agreements are subject to counterparty risk that the buyer of the securities sold by the Fund, or the counterparty to which the buyer rehypothecates the collateral securities, may be unable to deliver the securities at the agreed upon terms when the Fund seeks to repurchase the collateral. In that case, the Fund may be unable to purchase the securities on the open market or only at a higher cost, possibly resulting in an investment loss to the Fund. The collateral securities in the reverse repurchase agreement are also subject to market risk. An increase in interest rates that causes a decrease in the market value of the securities can lead the lenders to require the Fund to post additional collateral at a time when it may not be in the best interest of the Fund to do so.

Special Risks of Hedging Strategies. The Fund may use a variety of derivatives instruments including securities options, financials futures contracts, options on futures contracts and other interest rate protection transactions such as swap agreements, to attempt to hedge its portfolio of assets and enhance its return. In particular, the Fund generally uses derivative instruments to hedge against variations in the borrowing cost of the Fund's leverage program. Successful use of most derivatives instruments depends upon the Investment Adviser's ability to predict movements of the overall securities and interest rate markets. There is no assurance that any particular hedging strategy adopted will succeed or that the Fund will employ such strategy with respect to all or any portion of its portfolio. Some of the derivative strategies that the Fund may use to enhance its return are riskier than its hedging transactions and have speculative characteristics. Such strategies do not attempt to limit the Fund's risk of loss.

SEC Rule 18f-4. The SEC has adopted a rule to regulate the use of derivatives by registered investment companies. The rule limits the ability of the Fund to invest or remain invested in covered call options, to the extent that covered call options are deemed to involve derivatives. From its compliance date going forward, the rule also limits the Fund's ability to utilize reverse repurchase agreements. The compliance period for Rule 18f-4 commenced on August 19, 2022. Since the Fund does not hold any derivatives as of September 30, 2023, Rule 18f-4 has no impact on the Fund.

11. Commitments and Contingencies

The Fund, its Board of Directors, UBSFS, and UBSTC are subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is currently not determinable, management does not expect that the ultimate outcome of these matters will have a material adverse effect on the Fund's financial position, results of operations or cash flows. Management of UBSFS and UBSTC have informed the Fund of its belief that the resolution of such matters is not likely to have a material adverse effect on the ability of UBS Asset Managers of Puerto Rico and UBSTC to perform under their respective contracts with the Fund.

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12. Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses for indemnification and expects the risk of loss to be remote.

13. Subsequent Events

Events and transactions from October 1, 2023, through November 29, 2023 (the date the semi-annual financial statements were available to be distributed), have been evaluated by management for subsequent events. Management has determined that there were no material events that would require adjustment to or additional disclosure in the Fund's financial statements through this date, except as disclosed below.

Dividends:

On October 31, 2023, the Board of Directors, acting through the Dividend Committee, declared an ordinary net investment income dividend of \$0.01100 per common share, totaling \$173,976 and payable on November 13, 2023, to common shareholders of record as of October 31, 2023.

OTHER INFORMATION (Unaudited)

Shareholder Meeting for fiscal year ended March 31, 2023

The Annual Meeting of Shareholders was held on July 17, 2023 (the “Annual Meeting”). The voting results for the proposals considered at the Annual Meeting are as follows:

1. Election of Directors. The stockholders of the Fund elected Agustín Cabrer, Vicente J. León and Clotilde Pérez to the Board of Directors to serve for a term expiring on the date of which the annual meeting of stockholders is held in 2026, 2026 and 2026, respectively, or until their successors are elected and qualified.

Name of Director	Votes cast “For”	Votes “Against/Withheld”
Agustín Cabrer	10,007,844	5,599,974
Vicente J. León	10,007,844	5,599,974
Clotilde Pérez	10,007,844	5,599,974

Statement Regarding Availability of Quarterly Portfolio Schedule

Until the registration under the 1933 Act becomes effective, the Fund is not required to submit Form N-PORT with the SEC. After registration becomes effective, the Fund will file its complete schedule of portfolio holdings with the 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 will be available on the SEC's website at <http://www.sec.gov>. The quarterly schedule of portfolio holdings will be made available upon request by calling 787-250-3600.

Statement Regarding Availability of Proxy Voting Policies and Procedures and Record

A description of the Fund's policies and procedures that are used by the Investment Adviser to vote proxies relating to the Fund's portfolio securities and information regarding how the Investment Adviser voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 are available, without charge, upon request by calling 787-250-3600 and on the SEC's website at <http://www.sec.gov>.

Statement Regarding Basis for Approval of Investment Advisory Contract

The Board of the Fund met on May 11, 2023 (the “Meeting”) to consider the approval of the Investment Advisory Agreement (the “Advisory Agreement”) by and between the Fund and UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico (the “Investment Adviser”). At such meeting, the Board participated in comparative performance reviews with the portfolio managers of the Investment Adviser, in conjunction with other Fund service providers, and considered various investment and trading strategies used in pursuing the Fund’s investment objective. The Board also evaluated issues pertaining to industry and regulatory developments, compliance procedures, fund governance, and other issues with respect to the Fund and received and participated in reports and presentations provided by the Investment Adviser with respect to such matters.

The independent members of the Board (the “Independent Directors”) were assisted throughout the contract review process by Willkie Farr & Gallagher LLP, as their independent legal counsel. The Board relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating the Advisory Agreement and the weight to be given to each such factor. The conclusions reached with respect to the Advisory Agreement were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each Director may have placed varying emphasis on particular factors in reaching conclusions with respect to the Advisory Agreement. In evaluating the Advisory Agreement, including the specific fee structures, and other terms, the Board was informed by multiple years of analysis and discussion amongst themselves and the Investment Adviser. The Board, including a majority of Independent Directors, concluded that the terms of the Advisory Agreement for the Fund were fair and reasonable and that the Investment Adviser’s fees were reasonable in light of the services provided to the Fund.

Nature, Extent and Quality of Services. In evaluating the Advisory Agreement, the Board considered, in relevant part, the nature, extent and quality of the Investment Adviser’s services to the Fund.

The Board considered the vast array of management, oversight, and administrative services the Investment Adviser provides to manage and operate the Fund, the increases of such services over time due to new or revised market, regulatory or other developments (e.g.; liquidity management and cybersecurity programs, and the resources and capabilities necessary to provide these services. The Independent Directors recognized that the Investment Adviser provides portfolio management services for the Fund, and additionally, the Board considered the wide range of administrative and/or “non-advisory” services the Investment Adviser provides to manage and operate the Fund (complimentary to those provided by other third parties). These services include, but are not limited to, administrative services (e.g.; providing the employees and officers necessary for the Fund’s operations); operational expertise (e.g.; providing portfolio accounting and addressing complex pricing issues, corporate actions, foreign registrations and foreign filings, as may be necessary); oversight of third-party service providers (e.g.; coordinating and evaluating the services of the Fund’s Custodian, Transfer Agent and other intermediaries); Board support and administration (e.g.; overseeing the organization of Board and committee meetings and preparing or overseeing the timely preparation of various materials and/or presentations for such meetings); fund share transactions (monitoring daily purchases and redemptions); shareholder communications (e.g.; overseeing the preparation of annual and semi-annual and other periodic shareholder reports); tax administration; and compliance services (e.g.; helping to maintain and update the Fund’s compliance program and related policies and procedures as necessary or appropriate to meet new or revised regulatory requirements and reviewing such program annually, overseeing the preparation of the Fund’s registration statements and regulatory filings, overseeing the valuation of portfolio securities and daily pricing, helping to ensure the Fund complies with its portfolio limitations and restrictions, voting proxies on behalf of the Fund; monitoring the liquidity of the portfolios, providing compliance training for personnel, and evaluating the compliance programs of the Fund’s service providers). In evaluating such services, the Board considered, among

other things, whether the Fund has operated in accordance with its investment objective(s) and the Fund's record of compliance with its investment restrictions and regulatory requirements.

In addition to the services provided by the Investment Adviser, the Independent Directors also considered the risks borne by the Investment Adviser in managing the Fund in a highly regulated industry, including various material entrepreneurial, reputational, and regulatory risks. Based on their review, the Independent Directors found that, overall, the nature, extent and quality of services provided under the Advisory Agreement was satisfactory on behalf of the Fund.

Investment Performance of the Fund. In evaluating the quality of the services provided by the Investment Adviser, the Board also received and considered the investment performance of the Fund. In this regard, the Board received and reviewed a report prepared by Broadridge which generally provided the Fund's performance data for the one, three, five, and ten-year periods ended December 31, 2022 (or for the periods available for the Fund that did not exist for part of the foregoing timeframe) on an absolute basis and as compared to the performance of unaffiliated comparable funds (the "*Broadridge Peer Group*"). The Board was provided with information describing the methodology Broadridge used to create the Broadridge Peer Group. The performance data prepared for the review of the Advisory Agreement supplements the performance data the Board received throughout the year as the Board regularly reviews and meets with portfolio manager(s) and/or representatives of the Investment Adviser to discuss, in relevant part, the performance of the Fund.

Fees and Expenses. As part of its review, the Board also considered, among other things, the contractual management fee rate, and the net management fee rate (*i.e.*, the management fee after taking into account expense reimbursements and/or voluntary fee waivers, if any) paid by the Fund to the Investment Adviser in light of the nature, extent and quality of the services provided. The Board also considered the net total expense ratio of the Fund in relation to those of a comparable group of funds (the "*Broadridge Expense Group*"). The Board considered the net total expense ratio of the Fund (expressed as a percentage of average net assets) as the expense ratio is more reflective of the shareholder's costs in investing in the Fund.

In evaluating the management fee rate, the Board considered the Investment Adviser's rationale for proposing the management fee rate of the Fund which included its evaluation of, among other things, the value of the potential services being provided (*i.e.*, the expertise of the Investment Adviser with the proposed strategy), the competitive marketplace (*e.g.*, the uniqueness of the Fund and the fees of competitor funds) and the economics to the Investment Adviser (*e.g.*, the costs of operating the Fund). The Board considered, among other things, the expense limitations and/or voluntary fee waivers, if applicable, proposed by the Investment Adviser to keep expenses at or below certain levels and reviewed the amounts the Investment Adviser had waived or reimbursed over the last fiscal years, if applicable, and the costs incurred and resources necessary in effectively managing mutual funds, particularly given the costs in attracting and maintaining quality and experienced portfolio managers and research staff. The Board further considered the Fund's net management fee and net total expense ratio in light of its performance history.

Profitability. In conjunction with their review of fees, the Independent Directors reviewed information reflecting the Investment Adviser's financial condition. The Independent Directors reviewed the consolidated financial statements of the Investment Adviser for the year ended December 31, 2022. The Independent Directors also considered the overall financial condition of the Investment Adviser and the Investment Adviser's representations regarding the stability of the firm, its operating margins, and the manner in which it funds its future financial commitments, such as employee deferred compensation programs. The Independent Directors also reviewed the profitability information for the Investment Adviser derived from its relationship with the Fund

for the most recent fiscal year end available on the date of the meeting on an actual and adjusted basis, as described below. The Independent Directors evaluated, among other things, the Investment Adviser's revenues, expenses, net income (pre-tax and after-tax), and the net profit margins (pre-tax and after-tax). The Independent Directors also reviewed the level of profitability realized by the Investment Adviser including and excluding distribution expenses incurred by the Investment Adviser from its own resources.

Economies of Scale and Whether Fee Levels Reflect These Economies of Scale. In evaluating the reasonableness of the investment advisory fees, the Board considered the existence of any economies of scale in the provision of services by the Investment Adviser and whether those economies are appropriately shared with the Fund. In its review, the Independent Directors recognized that economies of scale are difficult to assess or quantify, particularly on a fund-by-fund basis, and certain expenses may not decline with a rise in assets. The Independent Directors further considered that economies of scale may be shared in various ways including breakpoints in the management fee schedule, voluntary fee waivers and/or expense limitations, pricing of the Fund at scale at inception or other means.

The Board considered that not all funds have breakpoints in their fee structures and that breakpoints are not the exclusive means of sharing potential economies of scale. The Board and the Independent Directors considered the Investment Adviser's statement that it believes that breakpoints would not be appropriate for the Fund at this time given uncertainties regarding the direction of the economy, rising inflation, increasing costs for personnel and systems, and growth or contraction in the Fund's assets, all of which could negatively impact the profitability of the Investment Adviser. In addition, the Investment Adviser noted that since the Fund is a closed-end fund, and based upon the Fund's current operating policies, the ability to raise additional assets is limited. Considering the factors above, the Independent Directors concluded the absence of breakpoints in the management fee was acceptable and that any economies of scale that exist are adequately reflected in the Investment Adviser's fee structure.

Indirect Benefits. The Independent Directors received and considered information regarding indirect benefits the Investment Adviser may receive as a result of its relationship with the Fund. The Independent Directors further considered the reputational and/or marketing benefits the Investment Adviser may receive as a result of its association with the Fund. The Independent Directors took these indirect benefits into account when assessing the level of advisory fees paid to the Investment Adviser and concluded that the indirect benefits received were reasonable.

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ADMINISTRATOR, TRANSFER AGENT, AND CUSTODIAN

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DIRECTORS AND OFFICERS

Carlos V. Ubiñas
Director, Chairman of the Board and President

Agustín Cabrer-Roig
Director

Carlos Nido
Director

Vicente J. León
Director

Luis M. Pellot-González
Director

Clotilde Pérez
Director

José J. Villamil
Director

José Arias*
Senior Executive Vice President

Leslie Highley, Jr.
Senior Vice President

William Rivera

First Vice President and Treasurer

Javier Rodríguez

Assistant Vice President and Assistant Treasurer

Heydi Cuadrado

Assistant Vice President

Gustavo Romanach

Assistant Vice President

Liana Loyola, Esq.

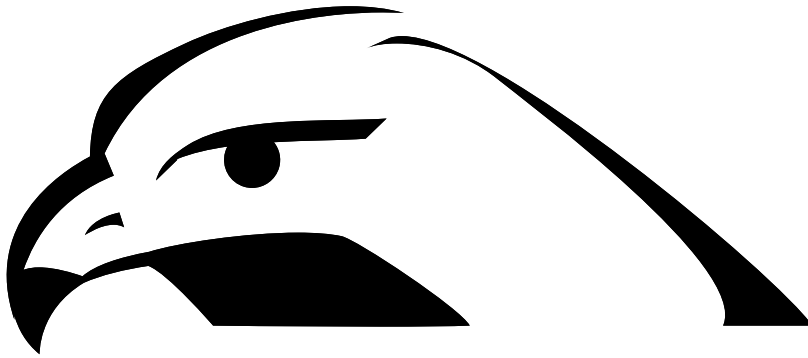
Secretary

Remember that:

- Mutual Fund's units are not bank deposits or FDIC insured.
- Mutual Fund's units are not obligations of or guaranteed by UBS Financial Services Incorporated of Puerto Rico or any of its affiliates.
- Mutual Fund's units are subject to investment risks, including possible loss of the principal amount invested.

* Jose Arias retired from his position as Senior Executive Vice President effective on September 30, 2023.

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GNMA & US GOVERNMENT

TARGET MATURITY FUND

FOR PUERTO RICO RESIDENTS, INC.