



SMA Relationship Trust

Semiannual Report | June 30, 2023

Includes:

- Series M

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SMA Relationship Trust—Series M

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SMA Relationship Trust—Series M

August 8, 2023

Dear shareholder,

We present you with the semiannual report for Series M (the “Fund”), a series of SMA Relationship Trust, for the six months ended June 30, 2023 (the “reporting period”).

Portfolio performance

For six months ended June 30, 2023, the Fund returned 1.99%, compared to a 2.67% return for its benchmark, the Bloomberg Municipal Bond Index (the “Index”). For comparison purposes, the Bloomberg Municipal Managed Money Intermediate (1-17) Index returned 1.87% over the period. (Please note that the Fund’s returns do not reflect the deduction of taxes that a shareholder could pay on Fund dividends/distributions or the redemption of Fund shares, while the Index returns do not reflect the deduction of fees and expenses.). For more on the Fund’s performance, see “Performance at a glance” on page 5.

Market overview

The global economy overcame numerous headwinds and continued to expand during the reporting period. However, there are several factors that could lead to slower growth going forward. According to its April 2023 *World Economic Outlook Update*, the International Monetary Fund (the “IMF”) projected global gross domestic product (“GDP”) growth to decline from 3.4% in 2022 to 2.8% in 2023. According to the IMF, “On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia’s unprovoked war on Ukraine.... Below the surface, however, turbulence is building, and the situation is quite fragile, as the recent bout of banking instability reminded us.” The IMF forecasts 2023 GDP to expand 1.6% in the US (versus 2.1% growth in 2022) and 0.8% in the eurozone (from 3.5% growth in 2022), while contracting -0.3% in the UK (from 4.0% growth in 2022), and rising 1.3% in Japan (from 1.1% growth in 2022).

With US inflation remaining persistent and elevated, the Federal Reserve Board (the “Fed”) continued to aggressively raise interest rates over much of the reporting period. From March 2022 through May 2023, the Fed raised rates at ten consecutive meetings. This pushed the federal funds rate to a range between 5.00% and 5.25%, the highest level since 2007. The Fed then paused from raising rates in June 2023 to “...assess additional information and its implications for monetary policy.” However, with inflation running well above the central bank’s preferred target, the pause appears to be only temporary. Fed officials expect to hike rates two additional times this year, which was reinforced by hawkish comments by Fed Chairman Jerome Powell. Similar monetary policy tightening was made by the Bank of England and European Central Bank, which raised rates for the 13th and eighth consecutive time, respectively, in June 2023. With inflation remaining elevated, both central banks expect to institute additional rate hikes as the year progresses. One outlier was the Bank of Japan, as it maintained its highly accommodative stance despite rising inflation.

The overall fixed income market was weak during the reporting period. As mentioned, with inflation moving higher, the Fed aggressively raised interest rates. In the US, both short- and long-term Treasury yields moved sharply higher (bond yields and prices generally move in the opposite direction). For the 12-month period as a whole, the yield on the US 10-year Treasury rose from 2.98% to 3.81%. The overall US bond market, as measured by the

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Investment objective:

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

Portfolio managers:

Portfolio Management Team, including
Ryan Nugent
UBS Asset Management (Americas) Inc.
Oleg Morodokhin
UBS Asset Management (Americas) Inc.
Lisa DiPaolo
UBS Asset Management (Americas) Inc.

Commencement:

October 8, 2003

Dividend payments:

Monthly

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Bloomberg US Aggregate Index,¹ returned -0.94% during the 12-months ended June 30, 2023. In contrast, the municipal (“muni”) bond market, as measured by the Bloomberg Municipal Bond Index gained 3.19% over the same period.

Portfolio commentary

What worked

- From a yield curve positioning perspective, overweights to cash and the one-year portion of the curve were beneficial. An overweight to the 40-44 year year portion of the curve also contributed to performance. (The yield curve plots the interest rates, at a set point in time, of bonds having equal credit quality, but differing maturity dates.)
- An overweight to muni securities rated AA was additive for performance.

What didn't work

- Having an underweight allocation to the 22+ year portion of the municipal yield curve detracted from relative results as that portion of the yield curve outperformed the benchmark.
- An underweight to lower quality BBB-rated securities detracted from relative results as those securities outperformed their higher quality counterparts. Security selection of muni securities rated A was also negative for returns.
- Underweights in the hospital, housing and tobacco sectors were headwinds for relative performance.
- Having a shorter duration than the benchmark detracted from returns.
- The Fund did not invest in derivatives during the reporting period.

Outlook

Demand for muni securities outpaced supply during the reporting period, helping the muni market to outperform its taxable counterpart. Looking ahead, we believe the Fed is getting closer to the end of its tightening campaign, which adds clarity to the overall fixed income market. In terms of municipal credit, we are seeing the depletion of the federal support that was provided to municipalities during the pandemic. While we do not foresee a significant uptick in “credit events,” we believe security selection will become increasingly important. As such, we feel professional investment management will take on added importance going forward.

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

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

Sincerely,



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



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



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



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

This letter is intended to assist shareholders in understanding how the Fund performed during the six months ended June 30, 2023. The views and opinions in the letter were current as of August 8, 2023. They are not guarantees of future performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and we reserve the right to change our views about individual securities, sectors and markets at any time. As a result, the views expressed should not be relied upon as a forecast of the Fund's future investment intent. We encourage you to consult your financial advisor regarding your personal investment program.

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

SMA Relationship Trust—Series M

Performance at a glance (unaudited)

Average annual total returns for periods ended 6/30/23	6 months	1 year	5 years	10 years
SMA Relationship Trust—Series M	1.99%	2.82%	2.15%	2.84%
Bloomberg Municipal Bond Index	2.67	3.19	1.84	2.68
Bloomberg Municipal Managed Money Intermediate (1-17) Index	1.87	3.20	1.80	2.43

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

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

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

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June 30, 2023 (unaudited)

Explanation of expense disclosure

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

The example below is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, January 1, 2023 to June 30, 2023.

Actual expenses

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

Hypothetical example for comparison purposes

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

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

	Beginning account value January 1, 2023	Ending account value June 30, 2023	Expenses paid during period* 01/01/23 to 06/30/23
Actual	\$1,000.00	\$1,019.90	N/A
Hypothetical (5% annual return before expenses)	1,000.00	1,024.80	N/A

* Expenses are equal to the Fund's annualized net expense ratio, multiplied by the average account value over the period, multiplied by 181 divided by 365 (to reflect the one-half year period). UBS Asset Management (Americas) Inc., the Fund's advisor, is responsible for paying expenses it incurs in providing advisory services as well as the ordinary operating expenses of the Fund (excluding extraordinary litigation expenses and any acquired fund fees and expenses).

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Portfolio statistics and diversification—June 30, 2023 (unaudited)¹

Summary of municipal securities by state as a percentage of net assets as of June 30, 2023

Municipal bonds

Alabama	2.7%
Arizona	1.3
California	3.6
Connecticut	0.8
District of Columbia	2.1
Florida	8.0
Illinois	8.8
Kentucky	0.7
Maryland	5.3
Massachusetts	5.5
Michigan	0.8
Mississippi	3.5
New Jersey	3.1
New York	22.1
North Carolina	0.6
Ohio	1.5
Oregon	0.8
Pennsylvania	2.7
South Carolina	0.6
Texas	9.0
Virginia	3.5
Washington	8.2
Wisconsin	3.2
Total municipal bonds	98.4
Short-term investments	1.0
Total investments	99.4
Other assets in excess of liabilities	0.6
Net assets	100.0%

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

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Portfolio of investments—June 30, 2023 (unaudited)

	Face amount	Value		Face amount	Value
Municipal bonds—98.4%			Municipal bonds—(continued)		
Alabama—2.7%			Florida—8.0%		
Alabama Corrections Institution Finance Authority, Corrections Institution Finance, Revenue Bonds, Series A, 5.000%, due 07/01/38	\$ 3,810,000	\$ 4,177,806	Central Florida Expressway Authority, Refunding, Revenue Bonds 5.000%, due 07/01/28	\$ 5,720,000	\$ 6,307,487
Series A, 5.250%, due 07/01/47	5,000,000	5,438,863	5.000%, due 07/01/30	2,035,000	2,324,809
		<u>9,616,669</u>	Martin County Health Facilities Authority, Martin Memorial Medical Center Obligated Group, Revenue Bonds, 5.000%, due 11/15/45 ¹	950,000	970,097
Arizona—1.3%			Miami-Dade County Transit System, Revenue Bonds, Series A, 5.000%, due 07/01/43	2,000,000	2,160,069
Salt River Project Agricultural Improvement & Power District, Arizona Electric System, Refunding, Revenue Bonds, Series A, 5.000%, due 01/01/30	2,225,000	2,439,560	Orlando Utilities Commission, Revenue Bonds, Series A, 5.000%, due 10/01/48	3,000,000	3,298,245
Series A, 5.000%, due 01/01/45	2,000,000	2,183,500	School Board of Miami-Dade County, Refunding, COP, Series B, 5.000%, due 05/01/26	1,900,000	1,944,332
		<u>4,623,060</u>	School District of Broward County, COP, Series A, 5.000%, due 07/01/31	4,595,000	5,145,339
California—3.6%			School District of Broward County, Refunding, COP, Series A, 5.000%, due 07/01/28	2,250,000	2,365,158
City of Los Angeles, Department of Airports, Refunding, Revenue Bonds, Series A, 5.000%, due 05/15/40	2,005,000	2,212,696	Series B, 5.000%, due 07/01/30	2,000,000	2,057,886
Golden State Tobacco Securitization Corp., Asset-Backed, Refunding, Revenue Bonds, Series A, 5.000%, due 06/01/32 ¹	2,200,000	2,288,047	State of Florida, Board of Education Public Education Capital Outlay, Refunding, GO Bonds, Series A, 5.000%, due 06/01/28	1,560,000	1,724,722
Series A, 5.000%, due 06/01/33 ¹	1,200,000	1,248,026			<u>28,298,144</u>
Metropolitan Water District of Southern California, Revenue Bonds, Series A, 5.000%, due 10/01/46	1,245,000	1,375,111	Illinois—8.8%		
State of California, GO Bonds 5.000%, due 12/01/43	5,000,000	5,540,326	Illinois State Toll Highway Authority, Refunding, Revenue Bonds, Series A, 5.000%, due 01/01/30	2,805,000	3,101,521
		<u>12,664,206</u>	Series A, 5.000%, due 12/01/32	2,175,000	2,263,384
Connecticut—0.8%			Series A, 5.000%, due 10/15/48	1,000,000	1,073,033
State of Connecticut, Refunding, GO Bonds, Series B, 5.000%, due 05/15/26	2,700,000	2,848,530	Series C, 5.000%, due 01/01/29	2,240,000	2,481,744
District of Columbia—2.1%			Illinois State Toll Highway Authority, Revenue Bonds, Series A, 5.000%, due 01/01/46	1,000,000	1,075,921
District of Columbia, District of Columbia Income Tax Revenue, Refunding, Revenue Bonds, Series C, 5.000%, due 10/01/27	1,765,000	1,924,880	Metropolitan Water Reclamation District of Greater Chicago, Refunding, GO Bonds, Series C, 5.000%, due 12/01/26	1,300,000	1,385,833
Washington Metropolitan Area Transit Authority Dedicated Revenue, Revenue Bonds, Series A, 5.000%, due 07/15/45	5,000,000	5,420,938	State of Illinois, GO Bonds, Series A, 5.000%, due 12/01/27	1,215,000	1,297,441
		<u>7,345,818</u>	Series A, 5.000%, due 03/01/31	2,870,000	3,203,516

SMA Relationship Trust—Series M

Portfolio of investments—June 30, 2023 (unaudited)

	Face amount	Value		Face amount	Value
Municipal bonds—(continued)			Municipal bonds—(continued)		
Illinois—(concluded)			Michigan—0.8%		
Series D, 5.000%, due 11/01/23	\$ 3,320,000	\$ 3,333,806	Michigan Finance Authority, Hospital Trinity Health Credit Group, Refunding, Revenue Bonds, Series A, 5.000%, due 12/01/25	\$ 1,615,000	\$ 1,678,604
Series D, 5.000%, due 11/01/27	5,450,000	5,812,043	Series A, 5.000%, due 12/01/37	1,000,000	1,050,113
State of Illinois, Refunding, GO Bonds					<u>2,728,717</u>
Series C, 4.000%, due 03/01/31	3,500,000	3,623,388			
Series D, 5.000%, due 07/01/33	2,000,000	2,248,743	Mississippi—3.5%		
		<u>30,900,373</u>	Mississippi Business Finance Corp., Chevron USA, Inc. Project, Revenue Bonds, Series G, 3.800%, due 11/01/35 ²	1,550,000	1,550,000
Kentucky—0.7%			Mississippi Business Finance Corp., Chevron USA, Inc., Revenue Bonds, Series A, 3.650%, due 12/01/30 ²	900,000	900,000
Louisville and Jefferson County Metropolitan Sewer District, Refunding, Revenue Notes 4.000%, due 10/06/23	2,500,000	2,502,499	Series K, 3.800%, due 11/01/35 ²	10,000,000	10,000,000
Maryland—5.3%					<u>12,450,000</u>
County of Anne Arundel, GO Bonds			New Jersey—3.1%		
5.000%, due 10/01/32	3,995,000	4,776,591	New Jersey Transportation Trust Fund Authority, Refunding, Revenue Bonds, Series A, 5.000%, due 06/15/30	2,000,000	2,230,834
5.000%, due 10/01/32	1,155,000	1,380,967	New Jersey Transportation Trust Fund Authority, Revenue Bonds, Series BB, 5.000%, due 06/15/33	2,450,000	2,757,646
County of Baltimore MD, Consolidated Public Improvement, GO Bonds 5.000%, due 03/01/30	5,240,000	6,003,308	New Jersey Turnpike Authority, Refunding, Revenue Bonds, Series G, 5.000%, due 01/01/35	2,095,000	2,265,493
State of Maryland, GO Bonds, Series A, 5.000%, due 08/01/30	2,000,000	2,262,444	New Jersey Turnpike Authority, Revenue Bonds, Series A, 5.000%, due 01/01/30	3,500,000	3,555,556
Series A, 5.000%, due 08/01/34	3,540,000	4,128,641			<u>10,809,529</u>
		<u>18,551,951</u>	New York—22.1%		
Massachusetts—5.5%			City of New York, GO Bonds, Series A, 5.000%, due 08/01/43	4,320,000	4,639,756
City of Quincy, GO Notes 5.000%, due 07/05/24	3,000,000	3,040,745	Series B-1, 5.000%, due 10/01/36	1,950,000	2,144,792
Commonwealth of Massachusetts, Consolidated Loan, GO Bonds, Series A, 5.000%, due 07/01/45	2,005,000	2,167,847	Series D-1, 5.000%, due 12/01/40	3,000,000	3,217,143
Commonwealth of Massachusetts, GO Bonds, Series A, 5.000%, due 01/01/40	2,700,000	2,872,965	Subseries D-1, 5.500%, due 05/01/46	6,000,000	6,865,043
Commonwealth of Massachusetts, Refunding, GO Bonds, Series A, 5.000%, due 07/01/30	2,260,000	2,395,168	Subseries F-1, 5.000%, due 04/01/40	1,940,000	2,064,450
Series E, 5.000%, due 11/01/27	4,505,000	4,923,891	Metropolitan Transportation Authority, Refunding, Revenue Bonds, Series B, 5.000%, due 11/15/23	3,130,000	3,143,367
Massachusetts Bay Transportation Authority Sales Tax Revenue, Revenue Bonds 4.000%, due 05/01/25	1,730,000	1,756,959			
4.000%, due 05/01/25	145,000	147,543			
Massachusetts Water Resources Authority, Revenue Bonds, Series B, 5.000%, due 08/01/44	2,000,000	2,181,631			
		<u>19,486,749</u>			

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Portfolio of investments—June 30, 2023 (unaudited)

	Face amount	Value		Face amount	Value
Municipal bonds—(continued)			Municipal bonds—(continued)		
New York—(continued)			New York—(concluded)		
New York City Municipal Water Finance Authority, Refunding, Revenue Bonds, Series BB-1, 5.000%, due 06/15/44	\$ 5,300,000	\$ 5,825,170	Triborough Bridge & Tunnel Authority, Metropolitan Transportation Authority Payroll Mobility Tax Revenue, Revenue Bonds, Series C, 5.000%, due 05/15/47	\$ 3,000,000	\$ 3,269,982
New York City Municipal Water Finance Authority, Revenue Bonds 3.600%, due 06/15/43 ²	2,400,000	2,400,000			<u>77,656,779</u>
New York City Municipal Water Finance Authority, Second General Resolution, Refunding, Revenue Bonds, Series EE, 5.000%, due 06/15/36	2,760,000	2,800,883	North Carolina—0.6%		
Series EE, 5.000%, due 06/15/40	3,000,000	3,195,465	County of Wake, Revenue Bonds 5.000%, due 03/01/24	2,065,000	2,090,308
Series FF, 5.000%, due 06/15/39	2,195,000	2,354,980	Ohio—1.5%		
New York City Transitional Finance Authority Future Tax Secured Revenue, Refunding, Revenue Bonds, Series A-1, 5.000%, due 11/01/25	4,000,000	4,179,440	State of Ohio, Common Schools, Refunding, GO Bonds, Series B, 5.000%, due 09/15/27	5,000,000	5,445,666
New York City Transitional Finance Authority Future Tax Secured, Revenue Bonds, Series A-2, 5.000%, due 08/01/38	3,000,000	3,183,818	Oregon—0.8%		
Series A-2, 5.000%, due 08/01/39	1,445,000	1,530,716	Tri-County Metropolitan Transportation District of Oregon, Revenue Bonds, Series A, 5.000%, due 09/01/43 ¹	2,500,000	2,722,595
New York State Dormitory Authority, Refunding, Revenue Bonds, Series A, 5.000%, due 03/15/40	2,500,000	2,678,137	Pennsylvania—2.7%		
Series A, 5.000%, due 03/15/44	6,000,000	6,535,911	City of Philadelphia, Refunding, GO Bonds 5.000%, due 08/01/24	2,000,000	2,036,347
Series A, 5.000%, due 03/15/46	3,000,000	3,271,452	Pennsylvania Turnpike Commission Oil Franchise Tax Revenue, Refunding, Revenue Bonds, Series B, 5.000%, due 12/01/46	2,000,000	2,137,229
New York State Dormitory Authority, Revenue Bonds, Series A, 5.000%, due 03/15/43	3,500,000	3,717,456	Pennsylvania Turnpike Commission, Refunding, Revenue Bonds 5.000%, due 12/01/23	1,000,000	1,006,715
New York State Dormitory Authority, State of New York Personal Income Tax Revenue, Refunding, Revenue Bonds, Series A, 5.000%, due 03/15/33	1,185,000	1,255,737	Pennsylvania Turnpike Commission, Revenue Bonds, Series A-1, 5.000%, due 12/01/46	2,000,000	2,034,838
New York State Thruway Authority, Revenue Bonds, Series N-1, 5.000%, due 01/01/39	1,000,000	1,084,207	Series A-2, 5.000%, due 12/01/36	2,220,000	2,399,648
New York State Thruway Authority, State of New York Personal Income Tax Revenue, Refunding, Revenue Bonds 5.000%, due 03/15/42	4,145,000	4,610,229			<u>9,614,777</u>
New York State Urban Development Corp., Refunding, Revenue Bonds, Series A, 5.000%, due 03/15/41	3,420,000	3,688,645	South Carolina—0.6%		
			South Carolina Public Service Authority, Refunding, Revenue Bonds, Series A, 5.000%, due 12/01/24	2,000,000	2,040,511
			Texas—9.0%		
			Alamo Community College District, GO Bonds 5.000%, due 08/15/24	1,440,000	1,470,139
			Argyle Independent School District, GO Bonds 5.000%, due 08/15/47	5,000,000	5,424,552
			Austin Community College District, GO Bonds 5.000%, due 08/01/30 ¹	1,000,000	1,037,230
			Dallas and Fort Worth International Airport, Refunding, Revenue Bonds, Series A, 5.000%, due 11/01/29	2,500,000	2,812,436

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Portfolio of investments—June 30, 2023 (unaudited)

	Face amount	Value		Face amount	Value
Municipal bonds—(continued)			Municipal bonds—(concluded)		
Texas—(concluded)			Washington—(concluded)		
Dallas Independent School District, GO Bonds			State of Washington, GO Bonds,		
5.000%, due 02/15/33	\$ 1,440,000	\$ 1,605,027	Series 2020-A,		
5.000%, due 02/15/41	1,010,000	1,125,404	5.000%, due 08/01/43	\$ 3,070,000	\$ 3,307,638
5.000%, due 02/15/48	2,000,000	2,193,689	Series A,		
Series A,			5.000%, due 08/01/43	5,000,000	5,490,037
5.000%, due 02/15/25	1,000,000	1,031,121	Series B,		
Garland Independent School District,			5.000%, due 02/01/36	5,000,000	5,815,752
Refunding, GO Bonds			State of Washington, Refunding, GO Bonds,		
5.000%, due 02/15/26	2,235,000	2,348,517	Series 2016-C,		
Harris County Cultural Education Facilities			5.000%, due 07/01/33	1,000,000	1,048,086
Finance Corp., Houston Methodist Hospital			Series B,		
Obligated Group, Refunding, Revenue Bonds,			5.000%, due 08/01/33	1,080,000	1,136,422
Series B,			Washington State Health Care Facilities Authority,		
3.650%, due 12/01/59 ²	2,000,000	2,000,000	Providence Health & Services, Revenue Bonds,		
Lower Colorado River Authority, LCRA			Series A,		
Transmission Services, Refunding, Revenue Bonds			5.000%, due 10/01/25	1,435,000	1,436,136
5.000%, due 05/15/31	1,000,000	1,112,269			<u>28,985,641</u>
North Texas Municipal Water District Water System			Wisconsin—3.2%		
Revenue, Refunding, Revenue Bonds,			State of Wisconsin, Refunding, Revenue Bonds,		
Series A,			Series B,		
4.000%, due 09/01/30	2,130,000	2,296,237	5.000%, due 05/01/31 ¹	1,500,000	1,581,197
Texas Transportation Commission State			Wisconsin Health & Educational Facilities		
Highway Fund, Revenue Bonds,			Authority, Marshfield Clinic Health System, Inc.,		
Series A,			Revenue Bonds,		
5.000%, due 04/01/33 ¹	7,000,000	7,091,442	Series A,		
		<u>31,548,063</u>	3.750%, due 02/15/50 ²	9,600,000	9,600,000
Virginia—3.5%					<u>11,181,197</u>
County of Fairfax VA, Refunding, GO Bonds,			Total municipal bonds		
Series A,			(cost—\$360,620,256)		346,440,128
5.000%, due 10/01/29	5,000,000	5,681,228			
County of Henrico VA Water & Sewer Revenue,					
Revenue Bonds					Number of
4.000%, due 05/01/39 ¹	1,000,000	1,007,307			shares
Virginia Public Building Authority, Revenue Bonds,			Short-term investments—1.0%		
Series A,			Investment companies—1.0%		
5.000%, due 08/01/29	5,000,000	5,639,811	State Street Institutional U.S. Government		
		<u>12,328,346</u>	Money Market Fund, 5.028% ³		
Washington—8.2%			(cost—\$3,585,960)	3,585,960	3,585,960
King County School District No 210 Federal Way,			Total investments		
GO Bonds			(cost—\$364,206,216)—99.4%		350,026,088
5.000%, due 12/01/29	2,430,000	2,745,166			
5.000%, due 12/01/30	3,135,000	3,605,856	Other assets in excess of liabilities—0.6%		2,092,251
King County School District No. 414			Net assets—100.0%		\$352,118,339
Lake Washington, Refunding, GO Bonds					
4.000%, due 12/01/27	4,205,000	4,400,548			

SMA Relationship Trust—Series M

Portfolio of investments—June 30, 2023 (unaudited)

Fair valuation summary

The following is a summary of the fair valuations according to the inputs used as of June 30, 2023 in valuing the Fund's investments. In the event a Fund holds investments for which fair value is measured using the NAV per share practical expedient (or its equivalent), a separate column will be added to the fair value hierarchy table; this is intended to permit reconciliation to the amounts presented in the Portfolio of investments:

Description	Unadjusted quoted prices in active market for identical investments (Level 1)	Other significant observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
Assets				
Municipal bonds	\$—	\$ 346,440,128	\$—	\$ 346,440,128
Short-term investments	—	3,585,960	—	3,585,960
Total	\$—	\$350,026,088	\$—	\$350,026,088

At June 30, 2023, there were no transfers in or out of Level 3.

Portfolio footnotes

- ¹ Security is prerefunded or escrowed to maturity. The maturity date shown is the earlier of the reset date or the date of the prerefunded call.
- ² Floating or variable rate securities. The rates disclosed are as of June 30, 2023. For securities based on a published reference rate and spread, the reference rate and spread are indicated within the description. Variable rate securities with a floor or ceiling feature are disclosed at the inherent rate, where applicable. Certain variable rate securities are not based on a published reference rate and spread, but are determined by the issuer or agent and are based on current market conditions; these securities do not indicate a reference rate and spread in the description.
- ³ Rates shown reflect yield at June 30, 2023.

Portfolio acronyms

COP Certificate of Participation
GO General Obligation

See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Statement of assets and liabilities June 30, 2023 (unaudited)

Assets:

Investments, at value (cost—\$364,206,216)	\$350,026,088
Receivable for fund shares sold	1,403,663
Receivable for interest and dividends	4,265,727

Total assets	355,695,478
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Liabilities:

Payable for investments purchased	3,043,230
Payable for fund shares redeemed	533,909

Total liabilities	3,577,139
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Net assets	\$352,118,339
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Net assets consist of:

Beneficial interest	\$369,682,390
Distributable earnings (accumulated losses)	(17,564,051)

Net assets	\$352,118,339
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Shares outstanding	32,728,204
Net asset value, offering and redemption proceeds per share	\$10.76

See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Statement of operations For the six months ended June 30, 2023 (unaudited)

Investment income:

Interest	\$4,428,587
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Net realized and unrealized gains (loss) from investment activities:

Net realized gain (loss) on investments	(2,657,563)
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Net change in unrealized appreciation (depreciation) from investments	5,977,954
---	-----------

Net realized and unrealized gain (loss)	3,320,391
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Net increase (decrease) in net assets resulting from operations	\$7,748,978
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See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Statement of changes in net assets

	For the six months ended June 30, 2023 (unaudited)	For the year ended December 31, 2022
From operations:		
Net investment income (loss)	\$4,428,587	\$6,496,528
Net realized gain (loss)	(2,657,563)	(696,926)
Net change in unrealized appreciation (depreciation)	5,977,954	(31,603,782)
Net increase (decrease) in net assets resulting from operations	7,748,978	(25,804,180)
Total distributions	(4,415,357)	(6,539,192)
From beneficial interest transactions:		
Proceeds from shares sold	65,746,798	218,472,255
Cost of shares redeemed	(96,635,408)	(183,872,274)
Net increase (decrease) in net assets from beneficial interest transactions	(30,888,610)	34,599,981
Net increase (decrease) in net assets	(27,554,989)	2,256,609
Net assets:		
Beginning of period	379,673,328	377,416,719
End of period	\$352,118,339	\$379,673,328

See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Financial highlights

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

	Six months ended June 30, 2023 (unaudited)	Years ended December 31,				
		2022	2021	2020	2019	2018
Net asset value, beginning of period	\$10.68	\$11.66	\$11.81	\$11.57	\$11.07	\$11.22
Net investment income (loss) ¹	0.13	0.19	0.18	0.26	0.28	0.27
Net realized and unrealized gain (loss)	0.08	(0.98)	(0.07)	0.39	0.56	(0.15)
Net increase (decrease) from operations	0.21	(0.79)	0.11	0.65	0.84	0.12
Dividends from net investment income	(0.13)	(0.19)	(0.18)	(0.26)	(0.28)	(0.27)
Distributions from net realized gains	—	—	(0.08)	(0.15)	(0.06)	—
Total dividends and distributions	(0.13)	(0.19)	(0.26)	(0.41)	(0.34)	(0.27)
Net asset value, end of period	\$10.76	\$10.68	\$11.66	\$11.81	\$11.57	\$11.07
Total investment return²	1.99%	(6.76)%	0.96%	5.71%	7.66%	1.12%
Ratios to average net assets:						
Net investment income (loss)	2.46% ³	1.77%	1.55%	2.22%	2.47%	2.48%
Supplemental data:						
Net assets, end of period (000's)	\$352,118	\$379,673	\$377,417	\$252,218	\$253,468	\$237,215
Portfolio turnover ⁴	17%	21%	18%	29%	39%	24%

¹ Calculated using the average shares method.

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

³ Annualized.

⁴ The calculation of the portfolio turnover rate excludes transactions involving variable-rate demand notes, which are considered short-term instruments due to the ability to demand immediate repayment.

See accompanying notes to financial statements.

SMA Relationship Trust—Series M

Notes to financial statements (unaudited)

Organization and significant accounting policies

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

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

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

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

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

The following is a summary of significant accounting policies:

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

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

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

Valuation of investments

The Fund generally calculates its net asset value on days that the New York Stock Exchange ("NYSE") is open. The Fund calculates net asset value as of the close of regular trading on the NYSE (generally, 4:00 p.m., Eastern time). The NYSE normally is not open, and the Fund does not price its shares, on most national holidays and Good Friday.

SMA Relationship Trust—Series M

Notes to financial statements (unaudited)

To the extent that the Fund's assets are traded in other markets on days when the NYSE is not open, the value of the Fund's assets may be affected on those days. If trading on the NYSE is halted for the day before 4:00 p.m., Eastern time, the Fund's net asset value per share generally will still be calculated as of the close of regular trading on the NYSE. The time at which the Fund calculates its net asset value and until which purchase, sale or exchange orders are accepted may be changed as permitted by the SEC.

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

Investments traded in the over-the-counter ("OTC") market and listed on The NASDAQ Stock Market, Inc. ("NASDAQ") normally are valued at the NASDAQ Official Closing Price. Other OTC securities are valued at the last bid price on the valuation date available prior to valuation. Investments which are listed on US and foreign stock exchanges normally are valued at the market closing price, the last sale price on the day the securities are valued or, lacking any sales on such day, at the last available bid price. Investments listed on foreign stock exchanges may be fair valued based on significant events that have occurred subsequent to the close of the foreign markets. In cases where investments are traded on more than one exchange, the investments are valued on the exchange designated as the primary market by UBS AM. If a market value is not readily available from an independent pricing source for a particular investment, that investment is valued at fair value as determined in good faith by UBS AM as the valuation designee appointed by the Fund's Board of Trustees (the "Board") pursuant to Rule 2a-5 under the 1940 Act. Foreign currency exchange rates are generally determined as of the close of the NYSE.

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

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

The Board has designated UBS AM as the valuation designee pursuant to Rule 2a-5 under the 1940 Act and delegated to UBS AM the responsibility for making fair value determinations with respect to portfolio holdings. UBS AM, as the valuation designee, is responsible for periodically assessing any material risks associated with the determination of the fair value of investments; establishing and applying fair value methodologies; testing the appropriateness of fair value methodologies; and overseeing and evaluating third party pricing services. UBS AM has engaged the Equities, Fixed Income and Multi-Asset Valuation Committee (the "VC") to assist with its designated responsibilities as valuation designee. Fair valuation determinations are subject to review at least monthly by the VC during scheduled meetings. Pricing decisions, processes, and controls over fair value determinations are subject to internal and external reviews, including annual internal compliance reviews and periodic internal audit reviews.

The types of investments for which such fair value pricing may be necessary include, but are not limited to: foreign investments under some circumstances; securities of an issuer that has entered into a restructuring; investments whose trading has been halted or suspended; fixed income securities that are in default and for which there is no current market value quotation; and investments that are restricted as to transfer or resale. The need to fair value a

SMA Relationship Trust—Series M

Notes to financial statements (unaudited)

Fund's portfolio investments may also result from low trading volume in foreign markets or thinly traded domestic investments, and when a security that is subject to a trading limit or collar on the exchange or market on which it is primarily traded reaches the "limit up" or "limit down" price and no trading has taken place at that price. Various factors may be reviewed in order to make a good faith determination of an investment's fair value. These factors include, but are not limited to, fundamental analytical data relating to the investment; the nature and duration of restrictions on disposition of the investment; and the evaluation of forces which influence the market in which the investment is purchased and sold. Valuing investments at fair value involves greater reliance on judgment than valuing investments that have readily available market quotations. Fair value determinations can also involve reliance on quantitative models employed by a fair value pricing service.

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

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

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

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

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

Investments

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

Investment advisory and administration fees and other transactions with affiliates

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

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

The Fund may invest in shares of certain affiliated investment companies also advised or managed by the Advisor. Investments in affiliated investment companies for the period ended June 30, 2023, if any, have been included near the end of the Fund's Portfolio of investments.

Securities lending

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

SMA Relationship Trust—Series M

Notes to financial statements (unaudited)

value for domestic securities, and 103% for foreign securities, the borrower must provide additional cash, U.S. government securities, and irrevocable letters of credit so that the total securing the loan is at least 102% of the market value for domestic securities and 105% of the market value for foreign securities.

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

At June 30, 2023, the Fund did not have any securities on loan.

Bank line of credit

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

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

For the period ended June 30, 2023, the Fund did not borrow under the Committed Credit Facility.

Purchases and sales of securities

For the period ended June 30, 2023, aggregate purchases and sales of portfolio securities, excluding short-term securities, were \$55,413,273 and \$73,486,238, respectively. The calculation of the purchases and sales proceeds excludes transactions involving variable-rate demand notes, which are considered short-term instruments due to the ability to demand immediate repayment.

During the period ended June 30, 2023, the Fund engaged in purchase and sale transactions where an affiliate was underwriter. In such cases, the affiliate underwriter was not compensated.

Shares of beneficial interest

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

	Period Ended June 30, 2023	Year Ended December 31, 2022
Shares Sold	6,088,165	20,233,489
Shares repurchased	(8,923,447)	(17,047,163)
Net increase (decrease) in shares outstanding	(2,835,282)	3,186,326

SMA Relationship Trust—Series M

Notes to financial statements (unaudited)

Federal tax status

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

The tax character of distributions paid during the fiscal year ended December 31, 2022 was as follows:

Distribution paid from:

Tax-exempt income	\$6,507,670
Ordinary Income	31,522

The tax character of distributions paid and the components of accumulated earnings (deficit) on a tax basis for the current fiscal year will be determined after the Fund's fiscal year ending December 31, 2023.

Aggregate cost for federal income tax purposes, including derivatives (if any), was \$364,206,216; and net unrealized appreciation (depreciation) consisted of:

Gross unrealized appreciation	\$ 716,882
Gross unrealized depreciation	(14,897,010)
Net unrealized appreciation (depreciation)	(14,180,128)

Net capital losses recognized by the Fund may be carried forward indefinitely, and retain their character as short-term and/or long-term losses. At December 31, 2022, the Fund had net capital losses that will be carried forward indefinitely are as follows:

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

ASC 740-10 "Income Taxes—Overall" sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken. The Fund has conducted an analysis and concluded as of June 30, 2023, that there are no significant uncertain tax positions taken or expected to be taken that would require recognition in the financial statements. It is the Fund's policy to record any significant foreign tax exposures in the financial statements. The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of operations. During the period ended June 30, 2023, the Fund did not incur any interest or penalties.

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

SMA Relationship Trust—Series M

General information (unaudited)

Quarterly portfolio schedule

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

Proxy voting policies, procedures and record

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

Liquidity Risk Management Program

Pursuant to Rule 22e-4 under the 1940 Act, SMA Relationship Trust (the “Trust”) has adopted a liquidity risk management program (the “program”) with respect to its series (the “Fund”). UBS Asset Management (Americas) Inc. (“UBS AM”) has been designated by the Trust’s Board to administer the program, and UBS AM has delegated the responsibility to carry out certain functions described in the program to an internal group which is comprised of representatives of various investment and non-investment areas of the firm. Liquidity risk is defined as the risk that the Fund could not meet redemption requests without significant dilution of remaining shareholders’ interests in the Fund. The program is intended to provide a framework for the assessment, management and periodic review of the Fund’s liquidity risks, taking into consideration, as applicable, the Fund’s investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions; short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions; and holdings of cash and cash equivalents, as well as borrowing arrangements and other funding sources. The provisions of the program shall be administered for the Fund in a manner that is appropriately tailored to reflect the Fund’s particular liquidity risks. UBS AM’s process of determining the degree of liquidity of the Fund’s investments is supported by a third-party liquidity assessment vendor. In June 2022, UBS AM provided the Board with a report addressing the operation of the program and assessing its adequacy and effectiveness of implementation (the “report”). The report covered the period from May 2, 2022 through May 1, 2023.

UBS AM’s report concluded that the program was reasonably designed to assess and manage the Fund’s liquidity risk, including during periods of market volatility and net redemptions. UBS AM reported that the program, including the Fund’s highly liquid investment minimum (“HLIM”), operated adequately and that the implementation of the program, including the HLIM, was effective to manage the Fund’s liquidity risk.

There can be no assurance that the program will achieve its objectives in the future. Please refer to the Fund’s prospectus for more information regarding the Fund’s exposure to liquidity risk and other risks to which an investment in the Fund may be subject.

SMA Relationship Trust—Series M

Board approval of investment advisory agreement (unaudited)

At the meeting of the Board of Trustees (the “Board”) of SMA Relationship Trust (the “Trust”), held on June 8 and 9, 2023 (the “Meeting”), the Board, including those Trustees who are not “interested persons” (as defined in the Investment Company Act of 1940, as amended (the “1940 Act”)) of the Trust or UBS Asset Management (Americas) Inc. (the “Advisor”) and its affiliates (together, the “Independent Trustees”), considered the continuation of the investment advisory agreement (the “Advisory Agreement”) between the Trust and the Advisor for Series M, a series of the Trust (the “Fund”). Prior to the Meeting, the Independent Trustees’ counsel had sent to the Advisor a request detailing the information that the Independent Trustees wished to receive in connection with their consideration of the continuation of the Advisory Agreement. The Independent Trustees met with their independent counsel, as well as an independent consultant engaged by the Board to assist in the annual Advisory Agreement review process, on June 1 and June 8, 2023 to discuss the materials provided to them in response to the information request, including materials prepared by the Advisor, as well as reports prepared by Broadridge Financial Solutions, Inc. (“Broadridge Reports”), an independent statistical compilation company, providing comparative expense and performance information for the Fund. The Independent Trustees also reviewed information provided in response to their request for additional information from the Advisor in connection with the Advisory Agreement. The Board also made reference to information and material that had been provided to the Independent Trustees throughout the year at Board meetings.

At the Meeting, the Board considered a number of factors in connection with its deliberations concerning the continuation of the Advisory Agreement for the Fund, including: (i) the nature, extent, and quality of the services provided by the Advisor to the Fund; (ii) the performance of the Fund and the Advisor; (iii) the Fund’s expenses, costs of the services to be provided and profits to be realized by the Advisor and its affiliates from the relationship with the Fund; and (iv) whether economies of scale are realized by the Advisor with respect to the Fund, as it grows larger, and the extent to which the economies of scale are reflected in the level of the management fees charged.

Nature, extent, and quality of services. In considering the nature, extent, and quality of the services provided by the Advisor to the Fund, the Board reviewed the material presented by the Advisor describing the various services provided to the Fund. The Board noted that in addition to investment management services, the Advisor provides the Fund with operational, legal, and compliance support. The Board also considered the scope and depth of the Advisor’s organization and the experience and expertise of the professionals currently providing investment management and other services to the Fund. The Board considered that the Advisor was a well-established investment management organization employing investment personnel with significant experience in the investment management industry. The Board also considered the Advisor’s in-house research capabilities, as well as other research services available to it, including research services available to the Advisor as a result of securities transactions effected for its clients, and noted that the Advisor had extensive global research capabilities.

The Board also evaluated the Advisor’s portfolio management process for the Fund, including the use of risk management techniques and the proprietary technologies utilized to structure the Fund’s portfolio. The Board noted that various presentations had been made by investment personnel at Board meetings throughout the year concerning the Fund’s investment performance and investment strategies, including the derivative strategies permitted to be utilized by the Fund. The Board also noted and discussed the services that the Advisor and its affiliates provide to the Fund under other agreements with the Trust, including administration services provided by the Advisor and underwriting services provided by UBS Asset Management (US) Inc.

In connection with the non-investment management services, the Board also considered the quarterly reports that the Advisor provides to the Board throughout the year pertaining to portfolio valuations, among other matters. The Board noted management’s continuing endeavors and expenditures to address areas of heightened concern in the mutual fund industry and comply with new regulations applicable to the Fund. After analyzing the services provided by the Advisor to the Fund, both quantitatively and qualitatively, including the impact of these services on investment performance, the Board concluded that the nature, extent, and quality of services provided to the Fund were consistent with the operational requirements of the Fund, and met the needs of the Fund’s shareholders.

SMA Relationship Trust—Series M

Board approval of investment advisory agreement (unaudited)

Performance. In evaluating the performance of the Fund, the Board analyzed the Broadridge Reports, which compared the performance of the Fund with other funds in its peer universe over various time periods. The Board also reviewed the memoranda provided by the Advisor providing an analysis of the markets and the Fund's performance during the past year. In reviewing the Broadridge Reports, the Board noted that Series M had appeared in the second performance quintile and had annualized total return above the median of its peer universe for the one-year performance period ended February 28, 2023.

The Board determined, after analyzing the performance data, that the performance of the Fund was acceptable as compared with relevant performance standards, given the investment strategies and risk profile of the Fund, the expectations of the shareholder base and the current market environment.

Costs and expenses. The Board noted that the Fund does not pay advisory fees to the Advisor under the Advisory Agreement and that the Advisor assumes all the ordinary operating expenses for the Fund.

Profitability. In considering the profitability of the Fund to the Advisor and its affiliates, the Board noted that neither the Advisor nor its affiliates receive any compensation for providing advisory or administrative services to the Fund. The Board also considered "fall-out" or ancillary benefits to the Advisor or its affiliates as the result of their relationship with the Fund; for example, the ability to attract other clients due to the Advisor's role as investment advisor to the Fund, including the investment by wrap fee clients in the Fund as a means to deliver certain investment styles. Upon closely examining the information provided concerning the Advisor's profitability, the Board concluded that the level of profits realized by the Advisor and its affiliates with respect to the Fund, if any, was reasonable in relation to the nature and quality of the services that were provided.

Economies of scale. The Board also discussed whether economies of scale are realized by the Advisor with respect to the Fund as it grows larger, and the extent to which this is reflected in the level of advisory fees charged. The Board concluded that economies of scale and the reflection of such economies of scale in the level of advisory fees charged were inapplicable to the Fund because the Fund was not charged an advisory fee under its Advisory Agreement.

After full consideration of the factors discussed above, with no single factor identified as being of paramount importance, the Board, including a majority of the Independent Trustees, with the assistance of independent counsel, concluded that the continuation of the Advisory Agreement for the Fund was in the interests of the Fund and its shareholders.

Trustees

Adela Cepeda

Chairperson

Muhammad Gigani

Abbie J. Smith

**Investment Advisor and
Administrator**

UBS Asset Management (Americas) Inc.

787 Seventh Avenue

New York, New York 10019

The financial information included herein is taken from the records of the Fund without examination by independent registered public accountants who do not express an opinion thereon.

This report is sent to the shareholders of the Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.

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UBS Asset Management (Americas) Inc.
787 Seventh Avenue
New York, NY 10019-6028

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