

# UBS CIO: Quality Equity Trust

Series 1

## A 2 Year Unit Investment Trust

### A Time for Quality

In the current environment we believe investors should focus on high quality companies. There is no standard definition of what constitutes high quality, but many think companies that generate a high return on capital should be best positioned.

In plain English, this means companies that generate high profits relative to the amount of money that is invested in the business. These types of stocks have performed well over the last 20 years. But they perform particularly well when the yield curve is relatively flat—a narrow spread between yields on 2-year and 10-year Treasuries – or the economy is in recession.<sup>1</sup>

It is noteworthy that, companies in the top third of the Russell 1000, based on return on invested capital, have outperformed the bottom third by 0.55% per month on average during environments like the current one.<sup>1</sup>

Source: (1)UBS CIO, "Time for Quality, April 12, 2022"

### Investment Strategy

The trust seeks to provide investors with total return potential. Total return may include capital appreciation and dividend income.

There is no guarantee that the investment objective of the trust will be achieved.

### Description of Portfolio

INCEPTION DATE:	August 11, 2022
TERMINATION DATE:	August 9, 2024
INITIAL OFFER PRICE	\$10.00
MINIMUM INVESTMENT	100 units (may vary by selling firm)
NUMBER OF ISSUES:	23
DISTRIBUTIONS: <sup>1</sup>	MONTHLY (if any)
HISTORICAL 12-MONTH DISTRIBUTION: <sup>2</sup>	\$0.1496 (per unit)
CUSIP (CASH):	83206R 108
CUSIP (REINVESTMENT):	83206R 116
FEE-BASED CUSIP (CASH):	83206R 124
FEE-BASED CUSIP (REINVESTMENT):	83206R 132
TICKER:	STUBAX



*You should note that the portfolio securities were selected on the basis of the criteria described in the trust's prospectus and that the portfolio will continue to hold these securities, notwithstanding the fact that UBS Financial Services Inc.'s ("UBS") Chief Investment Office Global Wealth Management ("CIO GWM") may have revised its opinions with respect to any individual securities in the report that the sponsor used as a starting point for selecting the portfolio securities. Further, it should be noted that any subsequent publication of a similar type list of stocks or an update to an existing list will not affect the composition of the trust's portfolio.*

*The trust's sponsor is solely responsible for the selection and inclusion of the stocks in the UBS CIO: Quality Equity Trust. The trust is not sponsored or endorsed by CIO GWM and CIO GWM makes no representation or warranty, express or implied, to the unitholders of the trust or any member of the public regarding the advisability of investing in units of the trust. CIO GWM has no obligation or liability in connection with the investment decisions made by the sponsor or trust or in connection with administration of the trust, including whether or not to include any given stock in the trust's portfolio.*

<sup>1</sup>Distributions, if any, will be made commencing on September 25, 2022.

<sup>2</sup>The Historical 12-Month Distribution of Trust Holdings is calculated by taking the weighted average of the regular income distributions paid by the securities included in the trust's portfolio over the 12 months preceding the trust's date of deposit reduced to account for the effects of trust fees and expenses. This historical distribution is for illustrative purposes only and is not indicative of amounts that will actually be distributed by the trust. The distributions paid by the trust may be higher or lower than the amount shown above due to factors including, but not limited to, changes in the price of trust units, changes (including reductions) in distributions paid by issuers, changes in actual trust expenses and sales of securities in the portfolio. There is no guarantee that the issuers of the securities included in the trust will pay any distributions in the future.

**Investors should consider the trust's investment objective, risks, charges and expenses carefully before investing. The prospectus contains this and other information relevant to an investment in the trust. Please read the prospectus carefully before you invest. If a prospectus did not accompany this literature, please contact SmartTrust at (888) 505-2872 to obtain a free prospectus.**

Hennion & Walsh is a member of FINRA/SIPC. 2001 Route 46, Waterview Plaza, Parsippany, NJ 07054 (888) 505-2872 www.smarttrustuit.com

NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE

## Sales Charges<sup>3</sup> (based on a \$10 public offering price)

### Standard Accounts

Transactional Sales Charge:	Initial	0.00%
	Deferred	2.25%
Creation & Development Fee <sup>4</sup> :		0.50%
Maximum Sales Charge:		2.75%

The initial sales charge is paid at the time of purchase and is the difference between the total sales charge (maximum of 2.75% of the public offering price) and the sum of the remaining deferred sales charge and the total creation and development fee. When the public offering price per unit is less than or equal to \$10, you will not pay an initial sales fee. When the public offering price per unit is greater than \$10 per unit, you will pay an initial sales fee.

The deferred sales charge is a charge of \$0.225 per unit and will be deducted in three monthly installments commencing on February 20, 2023. The initial and deferred sales fees do not apply to fee-based accounts. Please see the prospectus for sales charge details.

### Fee/Wrap Accounts

Creation & Development Fee <sup>4</sup> :	0.50%
Maximum Sales Charge:	0.50%

<sup>3</sup>Percentages are based on a \$10.00 per unit offering price. For unit prices other than \$10.00, percentages of initial sales charge, creation and development fee, and deferred sales charges will vary. Early redemption will still cause payment of the deferred sales charge. The table above shows the initial offering period sales charges only.

<sup>4</sup>The creation and development fee is a charge of \$.050 per unit collected at the end of the initial offering period. If the price you pay exceeds \$10 per unit, the creation and development fee will be less than 0.50%; if the price you pay is less than \$10 per unit, the creation and development fee will exceed 0.50%. In addition to the sales charges listed, UITs are subject to annual operating expenses and organization costs.

## Portfolio Holdings as of August 11, 2022:

<b>EQUITY SECURITIES – 100.00%</b>	
<b>Communication Services – 8.69%</b>	
GOOGL	Alphabet Inc.
META	Meta Platforms, Inc.
<b>Consumer Discretionary – 8.82%</b>	
MCD	McDonald's Corporation
ORLY	O'Reilly Automotive, Inc.
<b>Consumer Staples – 8.71%</b>	
KO	The Coca-Cola Company
COST	Costco Wholesale Corporation
<b>Energy – 4.34%</b>	
EOG	EOG Resources, Inc.
<b>Financials – 8.62%</b>	
ICE	Intercontinental Exchange, Inc.
MMC	Marsh & McLennan Companies, Inc.
<b>Health Care – 17.39%</b>	
ABBV	AbbVie Inc.
JNJ	Johnson & Johnson
MRK	Merck & Co., Inc.
UNH	UnitedHealth Group Incorporated
<b>Industrials – 12.92%</b>	
EMR	Emerson Electric Co.
HON	Honeywell International Inc.
LMT	Lockheed Martin Corporation
<b>Information Technology – 17.6%</b>	
ADBE	Adobe Inc.
LRCX	Lam Research Corporation
ORCL	Oracle Corporation
V	Visa Inc.
<b>Materials – 4.33%</b>	
APD	Air Products and Chemicals, Inc.
<b>Real Estate – 4.27%</b>	
AMT	American Tower Corporation
<b>Utilities – 4.31%</b>	
AEP	American Electric Power Company, Inc.

## Risk Considerations

Unitholders can lose money by investing in this trust. An investment in units of the trust should be made with an understanding of the risks related to the trust, such as the following:

- Security prices will fluctuate. The value of your investment may fall over time. The potential economic impacts of the novel form of coronavirus disease first detected in 2019 (“COVID-19”), which spread rapidly around the globe which led the World Health Organization to declare the COVID-19 outbreak a pandemic in March 2020, are not fully known. The COVID-19 pandemic, or any future public health crisis, are impossible to predict and could result in adverse market conditions which may negatively impact the performance of the securities in the portfolio and the trust.
- The financial condition of an issuer may worsen or its credit ratings may drop, resulting in a reduction in the value of your units. This may occur at any point in time, including during the initial offering period.
- The issuer of a security may be unwilling or unable to declare dividends in the future or may reduce the level of dividends declared. This may reduce the level of distributions the trust pays which could reduce your income and cause the value of your units to fall. The COVID-19 pandemic has resulted in a decline in economic activity and caused many companies to reduce the level of dividends declared and many companies may be unwilling or unable to declare dividends for the foreseeable future. It is also possible that current or future government aid programs could limit companies from paying dividends as a condition to receiving government aid or discourage companies from doing so.
- There is no assurance that the equity securities included in the “Time for quality” stock list by CIO GWM or selected for the trust’s portfolio by the sponsor will perform well even though CIO GWM believes the companies included in its report are relatively better positioned given the likelihood of a slowdown in business activity.
- The trust may invest in securities of small and mid-size companies. These securities are often more volatile and have lower trading volumes than securities of larger companies. Small and mid-size companies may have limited products or financial resources, management inexperience and less publicly available information.
- The trust is not actively managed. Except in limited circumstances, the trust will hold, and continue to buy, shares of the same securities even if their market value declines.
- The sponsor may offer successive Trusts with similar portfolios thereby allowing the investor to pursue the same strategy over a number of years. Investors should consider their ability to pursue investing in successive Trusts, if available. There may be tax consequences associated with investing in the Trust and rolling over an investment from one Trust to the next.

**DISCLAIMER.** UBS Financial Services Inc. is a subsidiary of UBS AG. UBS and Hennion & Walsh, Inc., the sponsor of the portfolio, are not affiliated.