U.S. Monthly Income Fund For Puerto Rico Residents, Inc.

2023
ANNUAL REPORT

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LETTER TO SHAREHOLDERS

January 10, 2024

Dear Shareholders:

U.S. Monthly Income Fund for Puerto Rico Residents, Inc. (the "Fund") is pleased to present this Letter to Shareholders for the fiscal year ended December 31, 2023.

The Federal Reserve Board (the "Fed") raised the Fed funds rate a total of 1.00% during the Fund's fiscal year. This was considerably lower than the increase of 4.00% during calendar year 2022. The Fed funds rate closed the year at 5.25% to 5.50%.

The Fed did not raise the Fed funds rate at any of the last three meetings of the year. Rates were unchanged at the September, November, and December 2023 meetings. The Fed statement after the December meeting cited a moderation in job gains and easing of inflation. However, the Fed indicated that job gains remained strong and inflation remained elevated and above the Fed's long-term target.

The summary of economic projections of the Fed Board members, published after the December meeting, disclosed lowered projections for interest rates and inflation in 2024 and 2025. Market participants reacted positively to the projections. Many participants now expect the Fed is done raising rates and a rate cut cycle could commence in 2024.

After trading briefly at a yield of 5% during October 2023, the yield on the 10-year Treasury Note dropped during November and December. It closed the year at 3.88%. The 2-year Treasury Note also rallied in yield to close at 4.25%. The yield curve remains inverted.

Municipal rates rallied; long-term municipal bond yields decreased approximately 1.30% in November and December. Major U.S. equity indexes also rallied, closing at or near all-time highs. The best performing index in 2023 was the technology heavy Nasdaq 100.

Geopolitical risks remain elevated. The Russia-Ukraine war remains at a standstill. The risk of the Israel-Hamas conflict extending to the region is a concern. Shipping lanes in the Red Sea have been affected by attacks on commercial ships, prompting major companies to re-route their fleets, raising shipping costs and lengthening delivery times. The recent military intervention on targets in Yemen by a coalition led by the U.S. and the U.K. has increased the odds of a spill-over of hostilities across the region.

The combination of continued higher inflation, an inverted yield curve, the timing of the end of the tightening cycle, and elevated geopolitical risks continue to present a challenging environment for the management of the Fund. Notwithstanding, the Investment Adviser remains committed to seeking investment opportunities within the allowed parameters while providing professional management services to the Fund for the benefit of its shareholders.

Sincerely,

Leslie Highley, Jr.
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 12- month period ended December 31, 2023. The views and opinions in the letter were current as of January 10, 2024. 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 ("Puerto Rico") and is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), as of May 14, 2021. The Fund's offering of securities is registered under the Securities Act of 1933, as amended (the "1933 Act").

FUND PERFORMANCE

During the fiscal year ended December 31, 2023, the Fund experienced a total return of 9.81% for Class A Shares and 9.87% for Class P Shares versus 7.96% for the Bloomberg Barclays Build America Bonds Index and 9.88% for the Bloomberg Municipal Taxable Bonds Index. Past performance does not predict future performance, and the performance information provided does not reflect the deduction of taxes that a shareholder would 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 periods of less than one year have not been annualized. Current performance may be higher or lower than the performance data quoted.

Average Annual Total Returns
(for periods ended 12/31/2023)

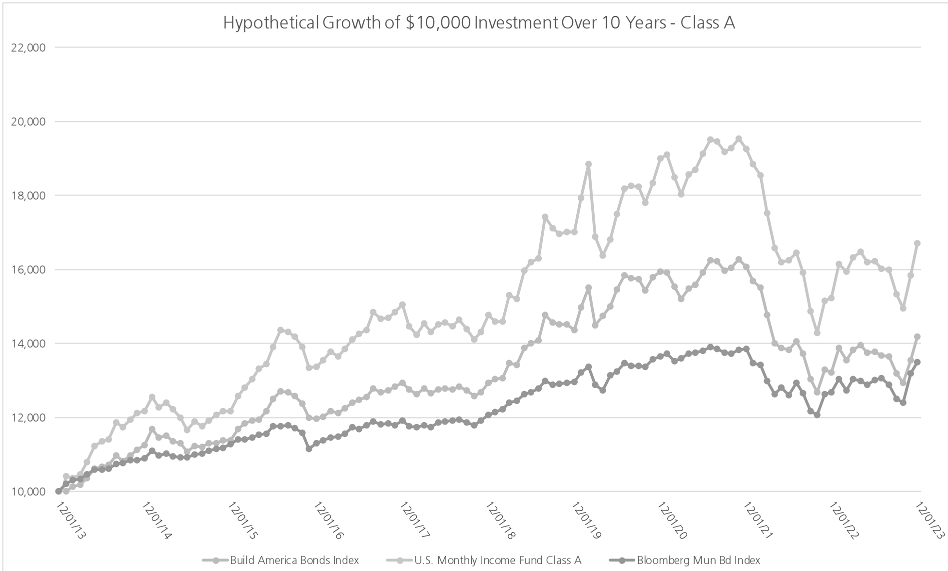
Return Before Taxes	**1 Year**	**5 Years**	**10 Years**
U.S. Monthly Income Fund for Puerto Rico Residents, Inc. Class A	9.81%	2.53%	5.64%
	1 Year	**5 Years**	**Life of Fund[1]**
U.S. Monthly Income Fund for Puerto Rico Residents, Inc. Class P	9.87%	-	-2.61%

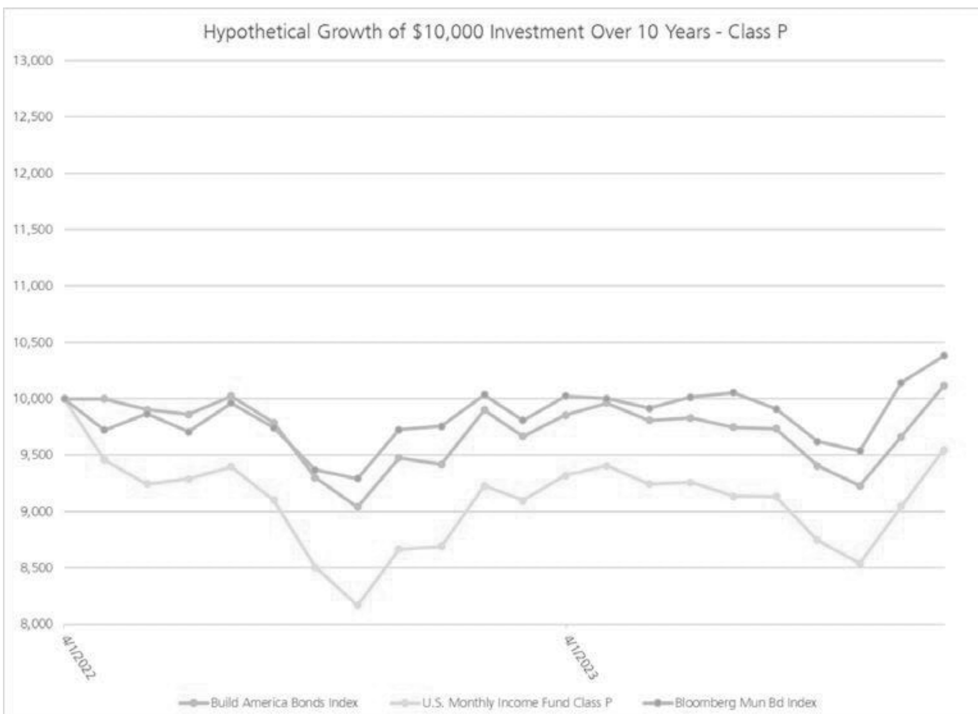
[1] Inception date of Class P shares is April 1, 2022

The annualized gross and net expense ratios, respectively, for each class of shares as in the May 1, 2023, prospectus were as follows: Class A: 2.61% and 2.09% and Class P: 2.91% and 2.35%. Net expenses reflect voluntary fee waivers and/or expense reimbursements, if any, pursuant to an agreement that is in effect to cap the expenses. The Fund and UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico, the Fund's investment advisor and administrator ("UBS TCPR" or the "Investment Advisor" or the "Administrator"), have entered into a written agreement pursuant to which the Investment Advisor has agreed to waive a portion of its advisory fees and/or the Administrator has agreed to reimburse operating expenses to the extent necessary to ensure that the Fund's net total operating expenses (excluding taxes, leverage, interest, brokerage commissions, dividends or interest expenses on short positions, acquired fund fees and expenses, and extraordinary expenses), through the period ending May 1, 2023, do not exceed 1.00% of the daily gross assets for Class A and Class P shares. Pursuant to the written agreement, UBS TCPR is entitled to recoup any fees it waived and expenses it reimbursed to the extent such recoupment is made within three years of the date on which such fee waivers and expense reimbursements were made, provided that the reimbursement of UBS TCPR by the Fund will not cause the Fund's net total expenses to exceed (i) the expense limitation at the time the fees are waived and (ii) the expense limitation in effect, if any, at the time of such reimbursement. The fee waiver/expense reimbursement agreement is effective through June 30, 2024.

The Bloomberg Barclays Build America Bond Index holds 100 CUSIPs. Taxable municipal securities issued under the Build America Bond program are one type of taxable security eligible for the US aggregate index as long as the issuer opts to receive a direct subsidy payment from the federal government reimbursing a portion of the interest costs. In this case, Build America Bonds ("BABs") are fully taxable to the investor and treated like other US Aggregate eligible taxable municipals with respect to inclusion and sector classification. BABs issued with the tax credit going to the investor are not index eligible.

The Bloomberg Municipal Taxable Bonds Index contains 3,666 CUSIPs and is a flagship measure of the US municipal taxable investment grade bond market with greater than one year to maturity. The inception date of the index is January 1, 2006.





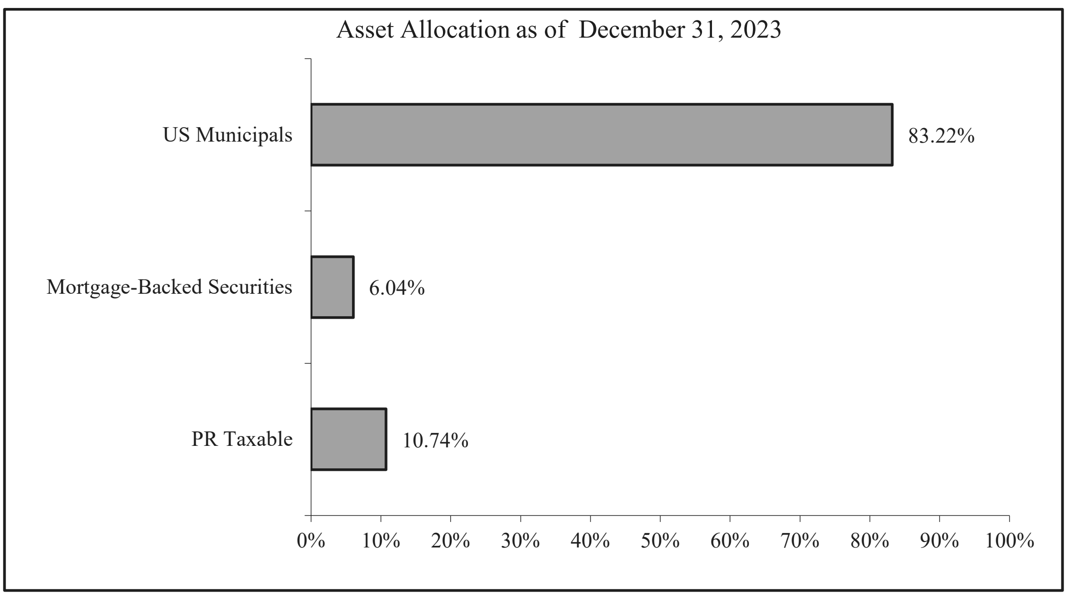
For the fiscal year ended December 31, 2023, the dividend yield computed over net asset value ("NAV") at year-end for Class A Shares and Class P Shares were 3.13% and 3.13%, respectively.

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. All dividends paid during the year for both share classes were from current net investment income. The basis of the distributions is the Fund's net investment income for tax purposes. See Note 9 of the Financial Statements for a reconciliation of book and tax income and undistributed net investment income.

The Fund's investment portfolio is comprised of various security classes. UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico, is the Fund's Investment Adviser (the "Investment Adviser") and directly manages the Puerto Rico taxable securities portion. Nuveen Asset Management, LLC is the Fund's sub-investment adviser and manages the U.S. municipal securities portion. Both advisers consider numerous characteristics of each asset class to meet the Fund's investment objective. Some of the securities in which the Fund has invested have call dates prior to maturity. Others are non-callable or have make-whole call provisions. The Mortgage-Backed Securities ("MBS") are subject to prepayments on the underlying collateral.

Many of the securities owned by the Fund are long-dated U.S. municipal securities. The maturities of the Fund's portfolio securities are included in the Schedule of Investments which forms part of the accompanying financial statements.

Figure 1 below reflects the breakdown of the investment portfolio as of December 31, 2023. For details of the security categories below, please refer to the enclosed Schedule of Investments.



The Puerto Rico investment portfolio is allocated between a corporate bond issued by Autopistas Metropolitanas ("Metropistas") and MBS collateralized with Puerto Rico mortgages and issued and guaranteed by U.S. agencies. The Metropistas bond amortized approximately $400,000 of principal during the year. It increased in value by approximately 9% during the year. The balance of the MBS decreased from the repayment on the underlying mortgages. The valuation increased approximately 1%. The yield of the 10-year U.S. Treasury note only fluctuated 0.03% at year-end.

The U.S. investment portfolio is invested in Build America and Taxable Municipal bonds. Many of these long-dated bonds have make-whole call provisions; the rest have call protections ranging from 2022 to 2030. The valuation of the U.S municipal portfolio increased approximately 4.5% as municipal bonds performed better than treasuries during the year, particularly during the last two months of the year.

The duration of the portfolio is managed with Ultra Long U.S. Treasury Bond short futures contracts. At year-end, the Fund had sixteen contracts expiring in March 2024 with a notional amount of approximately $2.1 million.

On December 31, 2023, the NAV for Class A Shares was $9.60, up $0.57 from $9.03 at the beginning of the year. The increase is mostly attributable to the increase in the valuation of the portfolio. The NAV of the Class P Shares increased $0.54, from $8.48 at the beginning of the year to $9.02 at the end of the year. The increase was also mostly attributable to an increase in the valuation of the portfolio.

FUND HOLDINGS SUMMARIES

The following tables show the allocation of the Fund's portfolio using various metrics as of the end of the fiscal year. 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)	
Puerto Rico Corporate	10.74%
Mortgage-Backed Securities	6.04%
Transportation Bonds	23.81%
Utilities Bonds	11.99%
Dedicated Tax Bonds	29.75%
Healthcare Bonds	6.48%
Educational Bonds	6.53%
Other	4.66%
Total	100.00%

Geographic Allocation (% of Total Portfolio)	
Puerto Rico	16.78%
U.S.	83.22%
Total	100.00%

The following table shows the ratings of the Fund's portfolio securities as of December 31, 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	9.76%
AA	53.15%
A	16.06%
BBB	21.03%
Total	100.00%

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 obligations 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. 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 has a $40 million line of credit with Société Generale, a French multinational banking and financial services company. Société Generale has obtained a security interest on the pledged collateral that consists of U.S. municipal bonds.

As of December 31, 2023, the Fund had the following leverage outstanding:

Borrowings under the Line of Credit	$15,700,000
Leverage Ratio*	17.1%

Refer to Schedule of Investments for details of the securities pledged as collateral and Note 6 of the Financial Statements for further details on the line of credit during the year. The leverage of the Fund decreased $6,600,000 during the year.

*Asset Leverage ratio: 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.

LIQUIDITY PROGRAM

LIQUIDITY RISK MANAGEMENT PROGRAM

The U.S. Securities and Exchange Commission ("SEC") has adopted Rule 22e-4 under the 1940 Act (the "Liquidity Rule") in order to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that the Fund will be unable to meet its redemption obligations and mitigating dilution of the interests of Fund shareholders. The Fund has adopted and implemented a liquidity risk management program in accordance with the Liquidity Rule (the "Program"). The Program is reasonably designed to assess and manage the Fund's liquidity risk, which is the risk that the Fund could not meet redemption requests without significant dilution of remaining investors' interest in the Fund.

As required by the Liquidity Rule, the Program includes policies and procedures providing for an assessment, no less frequently than annually, of the Fund's liquidity risk that takes into account as relevant to the Fund's liquidity risk: 1) the Fund's investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions; and 2) short-term and long-term cash flow projections for the Fund during both normal and reasonably foreseeable stressed conditions. The Liquidity Rule also requires the classification of the Fund's investments into categories that reflect the assessment of their relative liquidity under current market conditions. The Fund classifies its investments into one of four categories defined in the Liquidity Rule: "Highly Liquid", "Moderately Liquid", "Less Liquid", and "Illiquid." Funds that are not invested primarily in "Highly Liquid Investments" (cash or investments that are reasonably expected to be convertible into cash within three business days without significantly changing the market value of the investment) are required to establish a "Highly Liquid Investment Minimum" ("HLIM"), which is the minimum percentage of net assets that must be invested in Highly Liquid Investments. Funds with HLIMs have procedures for addressing HLIM shortfalls, including reporting to the Board of Directors (the “Board") and the SEC (on a non-public basis) as required by the Program and Liquidity Rule. In addition, the Fund may not acquire an investment if, immediately after the acquisition, over 15% of the Fund's net assets would consist of "Illiquid Investments" (an investment that cannot reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment). The Liquidity Rule, and consequently the Program, also require reporting to the Board and the SEC (on a non-public basis) if a Fund's holdings of Illiquid Investments exceed 15% of the Fund's assets.

At a meeting held on February 23, 2024, the Liquidity Risk Committee presented a report to the Board that addressed the operation of the Program and assessed the Program's adequacy and effectiveness of implementation (the "Report"). The Report covered the period from October 1, 2023, through December 31, 2023, and stated the following:

- The Program, as adopted and implemented, remained reasonably designed to assess and manage the Fund's liquidity risk and was operated effectively to achieve that goal;
- The Fund's investment strategy remained appropriate for an open-end fund;
- The Fund was able to meet requests for redemption without significant dilution of remaining investor's interests in the Fund;
- The Fund did not breach the 15% limit on Illiquid Investments; and
- The Fund primarily held Highly Liquid Investments and therefore has not adopted an HLIM.

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

FINANCIAL HIGHLIGHTS

			Class A Units		
			For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2021
Increase (Decrease) in Net Asset Value:					
Per Share Operating Performance: (a)		Net asset value applicable to common stock, beginning of period	$ 9.03	$ 11.90	$ 12.20
		Net investment income	0.31	0.37	0.43
		Net realized gain (loss) and unrealized appreciation (depreciation) from investments	0.56	(2.83)	(0.26)
		Total from investment operations	0.87	(2.46)	0.17
		Less: Dividends from net investment income to common shareholders	(0.30)	(0.41)	(0.47)
		Net asset value applicable to common stock, end of period	$ 9.60	$ 9.03	$ 11.90
Total Investment Return: (b)		Based on net asset value per share *	9.81%	(20.98%)	1.44%
Ratios:	(c) (d) (e)	Net expenses to average net assets applicable to common shareholders - net of waived fees and reimbursed expenses	2.35%	2.19%	1.86%
	(c) (d)	Gross expenses to average net assets applicable to common shareholders	3.32%	2.71%	2.47%
	(c)	Gross operating expenses to average net assets applicable to common shareholders	2.17%	1.93%	2.04%
	(c)	Interest and leverage related expenses to average net assets applicable to common shareholders	1.15%	0.78%	0.43%
	(c) (e)	Net investment income to average net assets - net of waived fees and reimbursed expenses	3.37%	3.68%	3.59%
Supplemental Data:		Net assets, end of period (in thousands)	$ 55,133	$ 58,732	$ 86,535
		Portfolio turnover	5.77%	12.28%	8.18%
		Portfolio turnover excluding the proceeds from calls of portfolio securities and the proceeds from mortgage-backed securities paydowns	5.77%	7.77%	8.18%

* *Total investment return excludes the effects of sales loads.*

(a) Based on average outstanding shares of 6,238,209, 6,862,291, and 7,395,457 for the fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively.

(b) Dividends are assumed to be reinvested at the per share net asset value on the ex-dividend date.

(c) Based on average net assets of $57,988,851, $68,273,291, and $88,329,255 for the fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively.

(d) Expenses include both operating and leverage related expenses.

(e) The effect of the expenses waived for the fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, was to decrease the expense ratios, thus increasing the net investment income ratio to average net assets by 0.97%, 0.52%, and 0.61%, respectively.

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

FINANCIAL HIGHLIGHTS (continued)

			Class P Units	
			For the fiscal year ended December 31, 2023	For the period from April 1, 2022* to December 31, 2022
Increase (Decrease) in Net Asset Value:				
Per Share Operating Performance: (a)		Net asset value applicable to common stock, beginning of period	$ 8.48	$ 10.00
		Net investment income	0.29	0.25
		Net realized gain (loss) and unrealized appreciation (depreciation) from investments	0.53	(1.56)
		Total from investment operations	0.82	(1.31)
		Less: Dividends from net investment income to common shareholders	(0.28)	(0.21)
		Net asset value applicable to common stock, end of period	$ 9.02	$ 8.48
Total Investment Return: (b)		Based on net asset value per share **	9.87%	(13.10%)
Ratios:	(c) (d) (e)	Net expenses to average net assets applicable to common shareholders - net of waived fees and reimbursed expenses	2.35%	1.76%
	(c) (d)	Gross expenses to average net assets applicable to common shareholders	3.34%	2.18%
	(c)	Gross operating expenses to average net assets applicable to common shareholders	2.19%	1.42%
	(c)	Interest and leverage related expenses to average net assets applicable to common shareholders	1.15%	0.76%
	(c) (e)	Net investment income to average net assets - net of waived fees and reimbursed expenses	3.38%	2.77%
Supplemental Data:		Net assets, end of period (in thousands)	$ 20,292	$ 16,230
	(f)	Portfolio turnover	5.77%	12.28%
	(f)	Portfolio turnover excluding the proceeds from calls of portfolio securities and the proceeds from mortgage-backed securities paydowns	5.77%	7.77%

* *Effective on April 1, 2022, the Fund began offering Class P shares.*
** *Total investment return excludes the effects of sales loads.*

(a) Based on average outstanding shares of 2,025,506, and 1,707,047 for the fiscal year ended December 31, 2023, and for the period from April 1, 2022, to December 31, 2022, respectively.

(b) Dividends are assumed to be reinvested at the per share net asset value on the ex-dividend date. Investment return is not annualized for the period from April 1, 2022, to December 31, 2022.

(c) Based on average net assets of $17,665,862, and $15,101,684 for the fiscal year ended December 31, 2023, and for the period from April 1, 2022, to December 31, 2022, respectively. Ratios for the period from April 1, 2022, to December 31, 2022 were not annualized.

(d) Expenses include both operating and leverage related expenses.

(e) The effect of the expenses waived for the fiscal year ended December 31, 2023, and for the period from April 1, 2022, to December 31, 2022, was to decrease the expense ratios, thus increasing the net investment income ratio to average net assets by 0.99% and 0.42%, respectively.

(f) Portfolio turnover is not annualized for the period from April 1, 2022, to December 31, 2022.

U.S. MONTHLY INCOME FUND FOR PUERTO RICO RESIDENTS, INC.

SCHEDULE OF INVESTMENTS — December 31, 2023

Face Amount		Issuer	Coupon	Maturity Date	Value
Puerto Rico Taxable Obligations - 12.75% of net assets applicable to common shareholders, total cost of $9,557,229					
$ 9,557,229	A	Autopistas Metropolitanas de Puerto Rico, 144A security	6.75%	06/30/35	$ 9,619,391
Puerto Rico FNMA Taxable - 7.17% of net assets applicable to common shareholders, total cost of $5,783,841					
$ 676,642		FNMA Pool AP1207	3.50%	02/01/43	$ 639,295
1,275,886		FNMA Pool AR5155	3.50%	04/01/43	1,201,774
1,193,635		FNMA Pool AV7070	3.00%	06/01/45	1,090,315
173,443		FNMA Pool 850032	5.50%	05/01/36	177,382
2,455,001		FNMA Pool AR5162	3.50%	05/01/43	2,298,703
$ 5,774,607	B				$ 5,407,469
US Municipals - 97.43% of net assets applicable to common shareholders, total cost of $80,274,742					
$ 630,000	C E D	Alameda County Joint Powers Authority	7.05%	12/01/44	$ 761,203
1,000,000	C	Atlanta & Fulton County Recreation Authority	5.10%	12/01/47	997,751
1,000,000	C E	Bay Area Toll Authority	7.04%	04/01/50	1,265,782
700,000	E	California State General Obligation	7.55%	04/01/39	883,826
1,000,000	E D	California State General Obligation	7.63%	03/01/40	1,255,097
1,000,000	E	California State General Obligation	7.35%	11/01/39	1,214,590
1,000,000	C D	California Statewide Communities Development Authoriy	4.82%	08/01/45	819,499
1,705,000	C E D	Chicago O'Hare International Airport	6.40%	01/01/40	1,938,050
1,000,000	C	Chicago O'Hare International Airport	4.57%	01/01/54	955,726
750,000	C E D	Chicago Transportation Authority	6.20%	12/01/40	814,762
250,000	C D	Chicago Transit Authority	3.91%	12/01/40	216,382
1,000,000	C E	Chicago Wastewater Transmission	6.90%	01/01/40	1,150,254
1,685,000	C E D	Colorado Bridge Enterprise	6.08%	12/01/40	1,825,748
1,000,000	C E D	Dallas Convention Center Hotel Development Corp.	7.09%	01/01/42	1,139,785
1,000,000	C D	Escambia County Health Facilities Authority	3.61%	08/15/40	804,626
1,000,000	C D	Golden State Tobacco	3.12%	06/01/38	811,425
1,500,000	C D	Idaho Health Facilities Authority	5.02%	03/01/48	1,424,049
1,000,000	C E D	Indianapolis Public Improvement Bond Bank	6.12%	01/15/40	1,088,327
250,000	D	Inglewood California Taxable Pension Obligation	4.35%	09/01/47	207,529
285,000	C D	Kentucky County Airport	4.69%	01/01/49	255,449
955,000	C E	Los Angeles California Department Airports	6.58%	05/15/39	1,053,989
660,000	C E	Los Angeles California Department of Water and Power	5.72%	07/01/39	708,148
315,000	C E D	Los Angeles County Public Works Financing Authority	7.62%	08/01/40	389,229
1,000,000	C	Louisville & Jefferson County Metropolitan Sewer District	4.76%	05/15/42	911,147
1,865,000	C E D	Louisville & Jefferson County Metropolitan Sewer District	6.25%	05/15/43	2,125,470
375,000	C	Maryland Economic Development Corp.	4.13%	06/01/29	349,017
150,000	C	Maryland Economic Development Corp.	4.25%	06/01/31	135,826
500,000	C	Maryland Stadium Authority Bonds	3.71%	03/01/39	439,720
2,000,000	C E D	Metropolitan Transportation Authority	7.34%	11/15/39	2,481,678
1,120,000	C E D	Metropolitan Transportation Authority	6.81%	11/15/40	1,240,930
1,000,000	C	Metropolitan Transportation Authority	5.18%	11/15/49	974,963
1,500,000	C D	Michigan State University	4.50%	08/15/48	1,441,529
2,203,000	C E	Municipal Electric Authority of Georgia	7.06%	04/01/57	2,460,705
1,490,000	C E	New Jersey Turnpike Authority	7.10%	01/01/41	1,801,242
600,000	C D	New Jersey State Education	3.84%	09/01/36	523,331
1,000,000	E D	New York General Obligations Bonds	5.99%	12/01/36	1,066,752
1,000,000		New York General Obligations Bonds	5.83%	10/01/53	1,127,282
1,055,000	C	New York City Industrial Development Agency	6.03%	01/01/46	1,088,888
1,710,000	C E	New York City Transitional Finance Authority Building Aid Revenue	6.83%	07/15/40	1,952,750
910,000	C E	New York City Transitional Finance Authority	5.77%	08/01/36	943,002
1,000,000	C E	New York City Transitional Finance Authority	5.51%	08/01/37	1,030,492
1,000,000	C D	New York Dormitory Authority	4.95%	08/01/48	913,835
1,000,000	C	New York Transportation and Development Corp.	3.67%	07/01/30	912,979
1,620,000	C E D	New York Urban Development Corp.	5.77%	03/15/39	1,667,986
1,000,000	C	New York State Thruway Authority	3.50%	01/01/42	837,071
750,000	C	Nashville & Davidson County Metropolitan Government Sports Stadium	5.59%	07/01/56	812,561
1,000,000	E	North Las Vegas General Obligation	6.57%	06/01/40	1,128,833
1,000,000	C E D	North Texas Tollway Authority	6.72%	01/01/49	1,233,856
1,000,000	C E D	Northern California Power Agency Bond	7.31%	06/01/40	1,162,931
500,000	C	Oklahoma State Development Finance Authority	5.45%	08/15/28	495,184
1,210,000	C E D	Pennsylvania Turnpike Commission	5.56%	12/01/49	1,303,699
1,250,000	C D	Port Authority of New York & New Jersey	5.65%	11/01/40	1,332,459
2,000,000	C	Port of Morrow	2.54%	09/01/40	1,508,178
1,200,000	C D	Port of Portland	4.06%	07/01/39	1,060,405
865,000	C E	Public Power Generation Agency Bond	7.24%	01/01/41	972,960
1,250,000	C E	Regional Transportation District	5.84%	11/01/50	1,367,043
1,815,000	C E D	Rutgers The State University of New Jersey	5.67%	05/01/40	1,931,140
1,160,000	C E D	Sacramento Municipal Utility District	6.16%	05/15/36	1,260,368
1,140,000	C	San Francisco City & County Redevelopment Agency	8.41%	08/01/39	1,440,944
750,000	C D	Spartanburg Regional Health Services District	4.23%	04/15/38	653,869
1,000,000	C	Spartanburg Regional Health Services District	3.55%	04/15/50	697,058
1,715,000	C D	Texas Private Activity Bond	3.92%	12/31/49	1,388,563
1,785,000	C E D	University of California	5.95%	05/15/45	1,956,633
1,070,000	C E D	Utah Transit Authority	5.94%	06/15/39	1,165,702
1,845,000	C E	Washington State Convention Center Public Facilities District	6.79%	07/01/40	2,008,502
240,000	C	Wisconsin Center District	4.17%	12/15/50	194,567
$ 70,328,000					$ 73,483,276

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

US Municipals Zero Coupon - 1.38% of net assets applicable to common shareholders, total cost of $954,278					
$ 1,595,000	C	Alameda Corridor Transportation Authority	0.00%	10/01/31	$ 1,039,440

Total investments (118.73% of net assets)	$ 89,549,576
Other assets less liabilities (-18.73% of net assets)	(14,124,541)
Net assets applicable to common shareholders - 100%	$ 75,425,035

Purchased	Issuer	Expiration Date	Underlying Notional Amount at Value	Unrealized Appreciation (Depreciation)
Futures Contracts - total cost of $1,947,279				
16 Contracts	Ultra Long Term U.S. Treasury Bond Futures	03/19/24	$ 2,130,000	$ (182,721)

The underlying notional amount at value of short futures purchased is 2.82% of net assets applicable to common shareholders.

A Private Placement under rule 144A.

B FNMA - represents mortgage-backed obligations guaranteed by the Federal 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.

C Revenue Bonds - issued by agencies and payable from revenues and other sources of income of the agency as specified in the applicable prospectus.

D A portion or all of the security has been pledged as collateral for line of credit.

E BABs - these securities are Build America Bonds ("BAB"), which are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder.

STATEMENT OF ASSETS AND LIABILITIES — December 31, 2023

Assets:	Investments in securities:		
	Securities pledged as collateral on line of credit, at value, which has the right to be repledged (identified cost - $44,129,547)		$ 39,662,294
	Other securities, at value (identified cost - $52,440,543)		49,887,282
			89,549,576
	Cash		1,763
	Cash restricted for futures contracts		309,221
	Due from affiliate		387,370
	Interest receivable		1,355,339
	Variation margin receivable		14,500
	Receivable for investment paydowns		120,771
	Receivable for operating expenses to be reimbursed		49,811
	Prepaid expenses and other assets		6,051
	Total assets		91,794,402
Liabilities:	Line of credit		15,700,000
	Redemption payable		11,762
	Due to broker		197,221
	Directors fees payable		7,500
	Payables:		
	Interest expenses	8,212	
	Investment advisory fees	38,499	
	Administration fee	11,550	58,261
	Accrued expenses and other liabilities		394,623
	Total liabilities		16,369,367
Net Assets Applicable to Common Shareholders:			$ 75,425,035
Net Assets Applicable to Common Shareholders consist of:			
	Paid-in-Capital ($0.01 par value, 88,000,000 shares authorized)		$ 78,271,800
	Total Distributable Earnings (Accumulated Loss)		(2,846,765)
	Net assets applicable to common shareholders		$ 75,425,035
	Net assets per class:		
	Class A units		$ 55,133,029
	Class P units		20,292,006
	Net assets applicable to common shareholders		$ 75,425,035
	Shares issued and outstanding at end of period:		
	Class A units		5,741,342
	Class P units		2,248,986
	Net asset value per unit:		
	Class A units		$ 9.60
	Class P units		$ 9.02

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

STATEMENT OF OPERATIONS

		For the fiscal year ended December 31, 2023
Investment Income:	Interest	$ 4,328,890
Expenses:	Interest and leverage related expenses	868,098
	Investment advisory fees	681,107
	Administration fees	136,222
	Custodian fees	16,246
	Sub transfer agent fees	17,450
	Professional fees	489,297
	Directors' fees and expenses	28,294
	Insurance expense	67,563
	Reporting fees	182,702
	Other	24,417
	Total expenses	2,511,396
	Waived investment advisory fees and reimbursable expenses*	(734,211)
	Net expenses after waived fees by investment adviser and reimbursable expenses	1,777,185
Net Investment Income:		2,551,705
Realized Gain (Loss) and Unrealized Appreciation (Depreciation) on Investments and Future Contracts:	Net realized gain (loss) on investments	(1,687,673)
	Net realized gain (loss) on futures contracts	539,198
	Change in unrealized appreciation (depreciation) on investments	6,215,759
	Change in unrealized appreciation (depreciation) on futures contracts	(525,628)
	Total net realized and unrealized gain (loss) on investments and futures contracts	4,541,656
	Net increase (decrease) in net assets resulting from operations	$ 7,093,361

* Refer to Note 2 for expenses subject to future reimbursement by the Fund.

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

U.S. Monthly Income Fund for Puerto Rico Residents, Inc.

STATEMENT OF CHANGES IN NET ASSETS

		For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2022
Increase (Decrease) in Net Assets:			
	Net investment income	$ 2,551,705	$ 2,932,025
	Net realized gain (loss) on investments	(1,687,673)	(468,291)
	Net realized gain (loss) on futures contracts	539,198	2,485,248
	Change in unrealized appreciation (depreciation) on investments	6,215,759	(24,569,539)
	Change in unrealized appreciation (depreciation) on futures contracts	(525,628)	389,076
	Net increase (decrease) in net assets resulting from operations	7,093,361	(19,231,481)
Dividends to Common Shareholders From Net Investment Income:	Class A	(1,884,849)	(2,831,926)
	Class P	(569,175)	(362,628)
		(2,454,024)	(3,194,554)
Share Transactions-net:	Class A	(7,123,844)	(7,797,713)
	Class P	2,947,703	18,650,842
		(4,176,141)	10,853,129
Net Assets:			
	Net increase (decrease) in net assets applicable to common shareholders	463,196	(11,572,906)
	Net assets at the beginning of the year	74,961,839	86,534,745
	Net assets at the end of the year	$ 75,425,035	$ 74,961,839

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

U.S. Monthly Income Fund for Puerto Rico Residents, Inc.

STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash			For the fiscal year ended December 31, 2023
Cash Provided by Operations:	Net increase (decrease) in net assets from operations	$	7,093,361
	Adjusted by:		
	Purchases of portfolio securities		(5,119,646)
	Proceeds from sale of portfolio securities		10,933,936
	Calls and paydowns of portfolio securities		2,789,483
	Net realized loss on investments		1,687,673
	Change in unrealized (appreciation) depreciation on investments		(6,215,759)
	Change in unrealized (appreciation) depreciation on futures contracts		525,628
	Accretion of discounts on investments		(90,326)
	Amortization of premiums on investments		669,378
	Decrease in interest receivable		143,680
	Increase in due from affiliate		(387,370)
	Increase in receivable for investment paydowns		(120,771)
	Decrease in prepaid expenses and other assets		731
	Increase in receivable for operating expenses to be reimbursed		(8,305)
	Increase in interest and leverage expenses payable		1,695
	Decrease in investment advisory fees payable		(4,320)
	Decrease in administration fees payable		(1,296)
	Increase in accrued expenses and other liabilities		89,585
	Total cash provided by operations		11,987,357
Cash Used in Financing Activities:	Line of credit proceeds		14,500,000
	Line of credit repayments		(21,100,000)
	Proceeds from shares sold		3,705,129
	Dividends to common shareholders paid in cash		(1,533,687)
	Payment for redemption of common shares, net of change in redemptions payable		(8,791,158)
	Total cash used in financing activities		(13,219,716)
Cash:	Net increase (decrease) in cash and restricted cash for the year		(1,232,359)
	Cash and restricted cash at the beginning of the year		1,543,343
	Cash and restricted cash at the end of the year	$	310,984
Cash Flow Information:	Cash paid for interest and leverage related expenses	$	866,403
	Non-cash activities-dividends reinvested by common shareholders	$	920,337

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

1. Reporting Entity and Significant Accounting Policies

U.S. Monthly Income Fund for Puerto Rico Residents, Inc. (the "Fund") is a non-diversified, open-end management investment company. The Fund is a corporation organized under the laws of the Commonwealth of 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, as amended. The Fund's offerings of securities are registered under the Securities Act of 1933, as amended. The Fund was incorporated on September 27, 2012, and commenced operations on January 18, 2013.

The Fund is divided into a Puerto Rico taxable securities portion and a U.S. portion (consisting primarily of United States municipal securities). 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") and directly manages the Puerto Rico taxable securities portion. Nuveen Asset Management, LLC is the sub-investment adviser (the "Sub-Adviser") managing the U.S. portion. UBSTC is also the Fund's Administrator (the "Administrator") and the Transfer Agent (the "Transfer Agent").

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

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 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 daily by the Administrator 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. The NAV per share is computed by dividing the total assets of the Fund less its liabilities, by the total number of shares outstanding.

Valuation of Investments

The Fund's assets 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 (the "Board"). 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. If the Fund has securities for which quotations are not readily available from any source, they will be fair valued 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 by the Fund. The Committee operates under pricing and valuation policies and procedures established by the Investment Adviser and approved by the Board. The policies and procedures set forth the mechanisms and processes to be employed on a daily basis related to the valuation of portfolio securities for the purpose of determining the NAV of the Fund. The Committee reports to the Board on a regular basis. At December 31, 2023, no security's fair value was determined by the Committee. Additionally, one U.S. municipal security representing 1.16% of the total investment portfolio was fair valued using the average of two independent valuation providers.

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 included in Level 1 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 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 Taxable Obligations: Prices for these securities are obtained from third-party service providers. Third-party service providers use a pricing methodology based on observable market inputs. These securities trade in over-the-counter markets. Quoted prices are based on recent trading activity for similar instruments. This note is 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.

U.S. Municipal Obligations: The fair value of U.S. 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.

Futures contracts: Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade and are classified as Level 1.

The following is a summary of the portfolio by inputs used as of December 31, 2023, in valuing the Fund's assets carried at fair value:

	Investments in Securities and Futures Contracts			
	Level 1	Level 2	Level 3	Balance 12/31/2023
Puerto Rico Taxable Obligations	$ -	$ 9,619,391	$ -	$ 9,619,391
Puerto Rico FNMA Taxable	-	5,407,469	-	5,407,469
US Municipals	-	74,522,716	-	74,522,716
Subtotal	$ -	$ 89,549,576	$ -	$ 89,549,576
Futures Contracts*	(182,721)	-	-	(182,721)
Total	$ (182,721)	$ 89,549,576	$ -	$ 89,366,855

* Includes cumulative appreciation/depreciation of futures contracts as reported in the Schedule of Investments. Only the current day's variation margin is reported within the Statement of Assets and Liabilities in variation margin receivable, while the remaining amount is presented as due to broker.

There were no Level 3 securities during the fiscal year ended December 31, 2023.

There were no transfers into or out of Level 3 during the fiscal year ended December 31, 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% of the 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% of the dividends distributed, and (b) Puerto Rico corporations are subject to a tax of 20% of the 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 a 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. If 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) corporations organized in the United States) 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.

Income Taxes (Accounting Standards Codification 740) requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax return 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 benefit or 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 (the 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 fiscal year ended December 31, 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 are reported in the Statement of Changes in Net Assets. Additional information on cash receipts and payments is presented in the Statement of Cash Flows.

The following table provides a reconciliation of cash and restricted cash reported within the Statement of Assets and Liabilities that sum to the total of the same such amounts shown in the statement of cash flows:

		12/31/2023
Cash	$	1,763
Cash restricted for future contracts		309,221
Total cash and restricted cash shown in the statement of cash flows	$	310,984

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. Cash, as presented on the Statement of Assets and Liabilities, does not include short-term investments.

Dividends and Distributions to Shareholders
The Fund intends to distribute to its shareholders substantially all of its net investment income. However, the Fund may elect to distribute less of its net investment income if, in the judgment of the Investment Adviser, such reduced distribution is in the best economic interests of the Fund's shareholders. Such distributions, if any, shall be paid by the Fund on no less than a monthly basis. Distributions on shares will be reinvested at the NAV per share determined on the ex-dividend date.

Futures Contracts
Futures contracts provide for the future exchange of a specified security at a specified future time and at a specified price. Upon entering into a financial futures contract, the Fund is required to pledge to a Futures Commission Merchant (FCM), an amount per contract as determined by an exchange of cash, U.S. government securities, or other assets, otherwise known as "initial margin". Subsequent payments, known as variation margin, are made or received by the Fund each day, depending on the daily fluctuations in the price of the futures contract. The Fund recognizes an unrealized gain or loss equal to the aggregate daily variation margin until the contract is closed out, at which time the Fund realizes a gain or loss. There are several risks accompanying the utilization of futures contracts. First, positions in futures contracts may be closed only on an exchange. While the Fund plans to utilize futures contracts only if there exists an active market for such contracts, there is no guarantee that a liquid market will exist for the contracts at a specified time.

Furthermore, because, by definition, futures contracts reflect expectations of projected reference instrument or index price levels, and not necessarily current market levels, circumstances may result in discrepancies between changes in the price of the futures contract and the movement in the reference instrument or index. The absence of a perfect price correlation between the futures contract and its underlying instrument or index could stem from, among other things, changing assumptions regarding the financing cost of the underlying instrument or index, changing assumptions regarding the implied volatility of the underlying index or instrument, and / or changing assumptions regarding the ease of sourcing the instrument or index for eventual delivery into the futures contract.

The Fund utilizes U.S. treasury short futures contracts that are traded at the Chicago Mercantile Exchange (CME), a registered futures exchange. By investing in short futures contracts, the Investment Adviser seeks to alter the interest rate sensitivity, also known as duration, of the Fund. The relationship between interest rates on the underlying assets of the Fund and on the value of short futures contracts may or may not remain constant. As a result, the use of short futures may or may not alter the interest rate sensitivity of the Fund as expected by the Investment Advisor and may result in unexpected gains or losses.

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. There were no reverse repurchase agreements outstanding as of December 31, 2023.

Paydowns
Realized gains or losses on mortgage-backed security paydowns are recorded as an adjustment to interest income. During the fiscal year ended December 31, 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 is authorized to issue up to 12,000,000 preferred shares with a par value of $25, in one or more series. During the fiscal year ended December 31, 2023, no preferred shares were issued or outstanding.

Other
Security transactions are accounted for on a trade date plus one basis for daily NAV calculations. However, for financial reporting purposes, investment transactions are reported on trade date. 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. Interest and dividend income is accrued on a daily basis, except when collection is not expected.

2. Investment Advisory, Administration, Custody, and Transfer Agency Agreements, and Other Transactions with Affiliates

Advisory Fees:

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, the Fund receives investment advisory services in exchange for a fee. The investment advisory fee will not exceed 0.75% of the Fund's average daily gross assets (including assets purchased with the proceeds of leverage). For the fiscal year ended December 31, 2023, investment advisory fees amounted to $681,107. The Investment Advisor voluntarily waived investment advisory fees in the amount of $227,036, for a net fee of $454,071. The investment advisory fees payable amounted to $38,499 as of December 31, 2023.

Sub-Advisory Fees:

The Advisory Agreement authorizes the Investment Adviser to retain one or more sub-advisers for the management of the Fund. The Investment Adviser has entered into a sub-advisory agreement (the "Sub-Advisory Agreement") with Nuveen Asset Management (the "Sub-Adviser") on behalf of the Fund. Pursuant to the Sub-Advisory Agreement, and under the supervision of the Investment Adviser and the Board, the Sub-Adviser will be responsible for the day-to-day investment of primarily U.S. municipal securities. The Investment Adviser will pay the Sub-Adviser an annual fee not to exceed 0.25% of the average daily gross assets.

Administration, Custodian and Transfer Agent Fees:

UBSTC also provides administrative, custody, and transfer agency services pursuant to Administration, Custody, and Transfer Agency, Registrar, and Shareholder Servicing Agreements (the "Transfer Agency Agreement"), respectively. UBSTC, as Custodian, has engaged JP Morgan to act as the sub-custodian for the Fund. UBSTC, as Transfer Agent, has engaged Bank of New York Mellon Investment Servicing ("BNYM") to act as recordkeeping and shareholder servicing agent for the Fund. The compensation paid by the Fund to the Transfer Agent under the Transfer Agency Agreement is equal to the compensation that the Transfer Agent is required to pay BNYM for services to the Fund up to a maximum amount of 0.05% of the Fund's average net assets, payable monthly. UBSTC provides facilities and personnel to the Fund for the performance of its administration duties. For the fiscal year ended December 31, 2023, the gross fee for administration services amounted to $136,222. The administrative, custody, and transfer agency fees payable amounted to $11,550 as of December 31, 2023.

Expense Limitation and Reimbursement Agreement:

UBSTC and the Fund have entered into an agreement whereby UBSTC agrees to reduce its compensation as set forth in the Investment Advisory Agreement and to assume all or a portion of the ordinary operating expenses of the Fund, including but not limited to shareholder services, custodian and transfer agency fees, legal, regulatory, and accounting fees, printing costs and registration fees ("Other Expenses"), subject to future reimbursement by the Fund, in order to ensure that total annual Fund operating expenses do not exceed 1.00% of the Fund's daily gross assets per annum with respect to both Class A and Class P Shares, as set forth in the Prospectus. The Fund will reimburse UBSTC for reduced compensation and/or Other Expenses paid by UBSTC when net total expenses for the Fund fall below 1.00% for the annual period, provided that such reimbursement is made within three years after UBSTC reduced compensation and/or paid the expenses and does not cause annual operating expenses to exceed 1.00%. The agreement is effective through June 30, 2024, and may be renewed for successive one-year periods. The agreement may be terminated upon 30 days' notice by a majority of the non-interested directors of the Fund or by a vote of a majority of the outstanding voting securities of the Fund. For Class A, the excess expenses potentially reimbursable to UBSTC at December 31, 2023, amounted to $732,670, of which $385,781 expires at December 31, 2026, $128,660 expires at December 31, 2025, and $218,229 expires at December 31, 2024. For Class P, the excess expenses potentially reimbursable to UBSTC at December 31, 2023, amounted to $147,231, of which $121,394 expires at December 31, 2026, and $25,837 expires at December 31, 2025.

Director Fees:

Certain Fund officers and directors are also officers and directors of UBSTC. The six independent directors of the Fund's Board are paid based upon an agreed fee up to $1,000 per fund per Board meeting, plus expenses, and $500 per fund for each quarterly Audit Committee meeting, plus expenses. For the fiscal year ended December 31, 2023, the independent directors of the Fund were paid an aggregate compensation and expenses of $28,294. The Directors fees payable amounted to $7,500 as of December 31, 2023.

Affiliate-Other:

The Fund has cash due from UBSTC amounting to $387,370, consisting of a cash portion that is invested in an overnight swift account for operational purposes.

3. Capital Share Transactions

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

Effective as of April 1, 2022, the Fund began issuing Class P Shares. Also, effective as of April 1, 2022, Class A Shares are no longer being offered except as part of the Fund's dividend reinvestment plan or in exchange for Class A of certain affiliated funds.

Capital share transactions for the fiscal years ended December 31, 2023, and December 31, 2022, for Class A and Class P were as follows:

Class A:

Common Shares	2023	2022
Reinvestment of dividends	$ 442,250	$ 625,866
Shares redeemed	(7,566,094)	(8,423,579)
	$ (7,123,844)	$ (7,797,713)

Class P:

Common Shares	2023	2022
Shares sold	$ 3,705,129	$ 19,257,182
Reinvestment of dividends	478,087	328,452
Shares redeemed	(1,235,513)	(934,792)
	$ 2,947,703	$ 18,650,842

Transactions in common shares for the fiscal years ended December 31, 2023, and December 31, 2022, for Class A and Class P were as follows:

Class A:

Common shares	**2023**	**2022**
Beginning common shares	6,505,502	7,271,491
Reinvestment of dividends	47,756	61,970
Shares redeemed	(811,916)	(827,959)
Ending common shares	5,741,342	6,505,502

Class P:

Common shares	**2023**	**2022**
Beginning common shares	1,913,283	-
Shares sold	423,427	1,981,883
Reinvestment of dividends	55,045	37,114
Shares redeemed	(142,769)	(105,714)
Ending common shares	2,248,986	1,913,283

4. Investment Transactions

The cost of unaffiliated U.S. obligations securities purchased was $5,119,646 and the proceeds for the sale of unaffiliated U.S. obligations securities was $10,933,936 for the fiscal year ended December 31, 2023. Proceeds from calls of unaffiliated U.S. obligations securities was $1,850,169 and proceeds from calls and paydowns of unaffiliated Puerto Rico securities was $939,314 for a total of $2,789,483 for the fiscal year ended December 31, 2023.

5. Futures Contracts

The Fund engaged in the following transactions during the fiscal year ended December 31, 2023, related to short futures contracts:

	No. of Contracts	Notional Amount at Cost	Net Unrealized Gain (Loss)	Variation Margin Asset	Variation Margin Liability
Balance at beginning of the year	71	$ 9,819,192	$ 342,907	$ 106,500	$ -
Purchases	100	13,146,447			
Sales	(155)	(21,018,360)			
Balance at end of the year*	16	$ 1,947,279	$ (182,721)	$ 14,500	$ -

* As of December 31, 2023, the Fund had 16 Ultra Long Term U.S. Treasury Bond short futures contracts that expire on March 19, 2024.

The daily average underlying notional amount of short futures contracts during the fiscal year ended December 31, 2023, amounted to $4,466,149.

At December 31, 2023, cash amounting to $309,221 was pledged as collateral for short futures contracts.

The following tables present the effect of short futures contracts on the Statement of Operations for the fiscal year ended December 31, 2023:

Amount of realized gain (loss) on short futures contracts recognized in income:

Derivative Contract		Realized Gain (Loss)
Ultra Long Term U.S. Treasury Bond Short Futures	$	539,198

Amount of change in unrealized appreciation (depreciation) on short futures contracts recognized in income:

Derivative Contract		Unrealized Appreciation (Depreciation)
Ultra Long Term U.S. Treasury Bond Short Futures	$	(525,628)

6. Line of Credit

Effective on August 5, 2015, the Fund granted Societe Generale, a French multinational banking and financial services company with headquarters in Paris, a security interest pursuant to the Credit Agreement between the Fund and Societe Generale (the "Credit" Agreement"). The Fund agrees to provide and at all times maintain adequate margin in the account pursuant to the terms and conditions of the Credit Agreement. Upon notice from Societe Generale that the value of the pledged assets is less than the margin required by Societe Generale under the Credit Agreement, the Fund shall deposit in the account additional property acceptable to Societe Generale with a value sufficient to remedy such deficiency. For the fiscal year ended December 31, 2023, the Fund had a line of credit amounting to $40,000,000. The related debt outstanding at December 31, 2023 was $15,700,000. The amount of unused credit, subject to the Credit Agreement, at December 31, 2023, was $24,300,000 and related information is as follows:

Weighted average interest rate at end of the year	6.29%
Maximum aggregate balance outstanding at any time of the year	$ 23,300,000
Average balance outstanding during the year	$ 14,549,041
Average interest rate during the year	5.88%

During the fiscal year ended December 31, 2023, interest rates on the line of credit ranged from 5.26% to 6.29%.

At December 31, 2023, investment securities amounting to $39,662,294 were pledged as collateral for the line of credit. Interest payable on the line of credit with Societe Generale amounted to $8,212 at December 31, 2023.

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 December 31, 2023, the Fund had investments with an aggregate fair value of approximately $9,619,391, which were issued by corporate entities located in the Commonwealth of Puerto Rico and are not guaranteed by the Puerto Rico Government, the U.S. Government or any of its subdivisions. Also, at December 31, 2023, the Fund had investments with an aggregate fair value amounting to $74,522,716, which were issued by various municipalities located in the United States and not guaranteed by the U.S. Government.

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. The most significant requirements and limitations are discussed below.

Under normal circumstances, the Fund will invest at least 20% of its total assets in taxable securities issued by Puerto Rico issuers. In addition, up to 80% of its total assets will be invested primarily in United States municipal securities.

As a fundamental policy, the Fund may not borrow money, except as permitted under the 1940 Act, or issue senior securities to the extent such issuance would violate the 1940 Act. The 1940 Act permits the Fund to borrow money in amounts of up to one-third of the Fund's total assets from banks for any purpose, and to borrow up to 5% of the Fund's total assets from banks or other lenders for temporary purposes, including to finance redemptions. The 1940 Act requires the Fund to maintain at all times an "asset coverage" of at least 300% of the amount of its borrowings.

As its investment policy, under normal conditions at least 95% of the Fund's total assets will be invested in securities which, at the time of purchase, are rated investment grade by a nationally recognized statistical rating organization, or which are determined by the Fund's Investment Adviser or Sub-Adviser to be of comparable credit quality.

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

During the fiscal year ended December 31, 2023, 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	$ 96,570,090
Gross appreciation	471,084
Gross depreciation	(7,674,319)
Net appreciation (depreciation)	$ (7,203,235)

The Fund's policy 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 fiscal years ended December 31 2023, and December 31, 2022, the Fund had distributed from ordinary income $2,454,024 and $3,194,554 for tax purposes, respectively. The undistributed net investment income at December 31, 2023, and December 31, 2022, was as follows:

2023:

Undistributed net investment income for tax purposes at the beginning of the period	$ 2,469,844
Net investment income for tax purposes	2,551,705
Dividends paid to common shareholders - Class A and Class P	(2,454,024)
Undistributed net investment income for tax purposes at the end of the period	$ 2,567,525

2022:

Undistributed net investment income for tax purposes at the beginning of the period	$ 2,732,373
Net investment income for tax purposes	2,932,025
Dividends paid to common shareholders - Class A and Class P	(3,194,554)
Undistributed net investment income for tax purposes at the end of the period	$ 2,469,844

The undistributed net investment income and components of total distributable earnings (accumulated losses) on a tax basis at December 31, 2023 were as follows:

Undistributed net investment income for tax purposes at the end of the period	$ 2,567,525
Accumulated net realized gain (loss) from investment	1,788,945
Unrealized net appreciation (depreciation) from investment	(7,203,235)
Total Distributable Earnings	$ (2,846,765)

10. Risks and Uncertainties

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

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. All securities may be subject to adverse market trends. The value and liquidity of the Fund's portfolio holdings may fluctuate in response to events specific to the companies or stock or bond markets in which a Fund invests, as well as economic, political, or social events in the United States, Puerto Rico or abroad. Markets can be volatile, and values of individual securities and other investments at times may decline significantly and rapidly. This may cause the Fund's portfolio to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer or the market as a whole. As a result, a portfolio of such securities may underperform the market as a whole. Recent market conditions and events, including a global public health crisis and actions taken by governments in response, may exacerbate such volatility and may continue to negatively affect the value and liquidity of individual securities, national economies and global markets generally. Rapid changes in value or liquidity, which often are not anticipated and can relate to events not connected to particular investments, may limit the ability of the Fund to dispose of its assets at the value or time of its choosing and can result in losses. Because the Fund invests in investment securities, the Fund's NAV may fluctuate due to market conditions and as a result you may experience a decline in the value of your investment in the Fund and you may lose money.

An investment in shares of the Fund is designed primarily for, and is suitable only for long-term investors, and is not suitable for all investors.

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., 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.

Counterparty Risk. The Fund may engage in financial transactions directly with other counterparties. This subjects the Fund to the credit risk that a counterparty will default on an obligation to the Fund. Such a risk contrasts with transactions done through exchange markets, wherein credit risk is reduced through the collection of variation margin and through the interposition of a clearing organization as the guarantor of all transactions. Clearing organizations transform the credit risk of individual counterparties into the more remote risk of the failure of the clearing organization.

Fixed Income Securities Generally. The yield on fixed income securities such as those in which the Fund may invest 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, and 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. Such changes in the

Fund's NAV, in particular, also might affect the price of the shares. The unique characteristics of certain types of securities may also make them more sensitive to changes in interest rates.

Extension Risk. Extension risk is the risk that 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) making it more sensitive to changes in interest rates and reduce the value of the security. As a result, in a period of rising interest rates, securities may exhibit additional volatility and may lose value.

Prepayment Risk. Prepayment risk is the risk that during periods of declining interest rates, the issuer of a security may exercise its option to pay principal earlier than scheduled in order to refinance at lower interest rates, forcing the Fund to reinvest in lower yielding securities. Prepayment reduces the yield to maturity and the average life of the security and also increases price fluctuation. 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.

Municipal Securities Market Risk. Municipal securities are obligations, often bonds and notes, issued by or on behalf of states, territories and possessions of the United States and the District of Columbia and their political subdivisions, agencies, authorities, and instrumentalities, the interest on which is typically exempt from federal income tax. Under normal circumstances, up to 80% of the Fund's net assets, plus the amount of any borrowings for investment purposes, will be invested in U.S. municipal securities, which may include investments in Build America Bonds ("BABs") and taxable municipal securities (i.e., municipal securities that are generally taxable to non-Puerto Rico residents). From time to time, proposals to restrict or eliminate the federal income tax exemption from interest on municipal securities are introduced before Congress. Proposals also may be introduced before state legislatures. If such proposals were enacted, the availability of municipal securities and their value would be affected.

Municipal bonds are generally considered riskier investments than Treasury securities. The prices and yields on municipal securities are subject to change from time to time and depend upon a variety of factors, including general money market conditions, the financial condition of the issuer (or other entities whose financial resources are supporting the municipal security), general conditions in the market for tax-exempt obligations, the size of a particular offering and the maturity of the obligation and the rating(s) of the issue. Contrary to historical trends, in recent years, the market has encountered downgrades, increased rates of default, and lower yields on municipal bonds. This is a product of significant reductions in revenues for many states and municipalities as well as residual effects of a generally weakened economy.

Municipal securities risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities. Certain municipal securities, including private activity bonds, are not backed by the full faith, credit, and taxing power of the issuer. Additionally, if events occur after the security is acquired that impact the security's tax-exempt status, the Fund and its shareholders could be subject to substantial tax liabilities.

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 (including certain bonds offered by the Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority), 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.

The amount of public information available about the municipal securities in the Fund's portfolio is generally less than that for corporate equities or bonds, and the Fund's investment performance may therefore be more dependent on the Investment Adviser's and Sub-Adviser's analytical abilities. The secondary market for municipal securities, particularly the below investment grade municipal securities in which the Fund may invest, also tends to be less developed or liquid than many other securities markets, which may adversely affect the Fund's ability to sell its municipal securities at attractive prices.

BABs Risk. The BABs market is smaller and less diverse than the broader municipal securities market. In addition, BABs may experience less liquidity than other types of municipal securities. The number of BABs available in the market is limited and there can be no assurance that BABs will be actively traded. Reduced liquidity may negatively affect the value of the BABs.

Because issuers of direct-pay BABs held in the Fund's portfolio receive reimbursement from the U.S. Treasury with respect to interest payment on bonds, there is a risk that those municipal issuers will not receive timely payment from the U.S. Treasury and may remain obligated to pay the full interest due on direct pay BABs held by the Fund. Furthermore, it is possible that a municipal issuer may fail to comply with the requirements to receive the direct-pay subsidy or that a future Congress may terminate the subsidy altogether.

Certain aspects of the BABs program may be subject to additional federal or state level guidance or subsequent legislation. For example, the U.S. Internal Revenue Service ("IRS") or U.S. Treasury could impose restrictions or limitations on the payments received. Aspects of the BABs program for which the IRS and the U.S. Treasury have solicited public comment include, but have not been limited to, methods for making direct payments to issuers, the tax procedural framework for such payments, and compliance safeguards. It is not known what additional procedures will be implemented with respect to direct-pay BABs, if any, nor is it known what effect such possible procedures would have on the BABs market.

The Fund may invest significantly in BABs, and if it does, the Fund's NAV may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. Because BABs do not include certain industries or types of municipal bonds (i.e., tobacco bonds or private activity bonds), there may be less diversification than with a broader pool of municipal securities.

Collateralized Mortgage Obligations ("CMO") Risk. CMOs exhibit similar risks to those of mortgage-backed securities but also present certain special risks. CMOs are created by dividing the principal and interest payments collected on a pool of mortgages into several revenue streams ("tranches") with different priority rights to portions of the underlying mortgage payments. Certain CMO tranches may represent a right to receive interest only (IOs), principal only (POs) or an amount that remains after floating-rate tranches are paid (an inverse floater). CMO classes may be specially structured in a manner that provides a variety of investment characteristics, such as yield, effective maturity and interest rate sensitivity. As market conditions change, however, particularly during periods of rapid or unanticipated changes in interest rates, the ability of a CMO class to provide the anticipated investment characteristics and performance may be significantly reduced. If the Fund invests in CMO tranches (including CMO tranches issued by government agencies) and interest rates move in a manner not anticipated by Fund management, it is possible that the Fund could lose all or substantially all of its investment. These changes may result in volatility in the market value, and in some instances reduced liquidity, of the CMO class.

Asset-Backed Securities Risk. Asset-backed securities represent interests in "pools" of assets, including consumer loans or receivables held in trust. The receivables supporting asset-backed securities are generally automobile and credit card receivables but may also consist of other types of obligations. Asset-backed securities and the underlying receivables are not generally insured or guaranteed by any government agency. However, in certain cases, such securities are collateralized by loans guaranteed by the U.S. Small Business Administration ("SBA"). The SBA is an independent agency of the United States. Asset-backed securities present risks similar to those of mortgage-backed securities. However, in the case of many asset-backed securities, the prepayment rates on the underlying assets have historically been less influenced by market interest rate fluctuations and therefore, have been more stable. The frequent absence of a government guarantee creates greater exposure to the credit risk on the underlying obligations and depending on the structure, the credit risk of the sponsor of such obligations.

Asset-backed securities entail certain risks not presented by mortgage-backed securities, including the risk that in certain states it may be difficult to perfect the liens securing the collateral backing certain asset-backed securities. In addition, certain asset-backed securities are based on loans that are unsecured, which means that there is no collateral to seize if the underlying borrower defaults.

Leverage Risk. The Fund borrows money from banks to buy securities and pledges its assets in connection with the borrowing. If the interest expense of the borrowing is greater than the return on the securities bought, the use of leverage will decrease the return to shareholders in the Fund. Use of leverage also tends to magnify the volatility of the Fund's returns. The greater the use of leverage by the Fund, the greater the risk of the volatility of the Fund's returns. In addition, because the fees received by the Investment Adviser and Sub-Adviser are based on the average daily gross assets (including any assets attributable to borrowings), the Investment Adviser and the Sub-Adviser have a financial incentive for the Fund to use certain forms of leverage, which may create a conflict of interest between the Investment Adviser and the Sub-Adviser on the one hand, and the shareholders on the other hand.

Puerto Rico Risk. At least 20% of the Fund's total assets are expected to be invested in securities of Puerto Rico issuers. As a result, the Fund's NAV and cash flow may fluctuate due to market conditions affecting these securities. In addition, securities issued by the government of the Commonwealth 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. Any future developments in this respect could result in additional interruptions in cash flow on debt payments, which may result in more price volatility across Puerto Rico securities. There can be no assurance that any additional defaults by the Commonwealth and other Commonwealth instrumentalities will not have an additional adverse impact on the Fund's net investment income.

The Fund's ability to achieve its investment objective depends in part on the availability of Puerto Rico obligations. If those obligations are unavailable or are only available at a price unreasonably above their market value or at interest rates inconsistent with the Fund's investment objective, it may harm the Fund's performance.

There presently are a limited number of participants in the market for certain securities of Puerto Rico issuers. In addition, certain Puerto Rico securities may have periods of illiquidity. These factors may affect the Fund's ability to acquire or dispose of such securities, as well as the price paid or received upon such acquisition or disposition.

Interest Rate Risk. The value of fixed income securities, such as those in which Fund may invest, generally fall when interest rates rise and rise when interest rates fall. Interest rate risk is the risk that interest rates will rise, and that as a result, the value of the Fund's investments will fall. Prices of intermediate and long-term fixed income securities generally change more in response to interest rate changes than prices of shorter-term fixed income securities. To the extent the Fund invests primarily in intermediate and long-term fixed income securities, the NAV of the Fund's Shares will fluctuate more in response to changes in market interest rates than if the Fund invested primarily in shorter-term fixed income securities. A general rise in interest rates has the potential to cause investors to move out of fixed-income securities on a large scale, which may increase redemptions from mutual funds that hold large amounts of fixed-income securities. Heavy redemptions could cause the Fund to sell assets at inopportune times or at a loss or depressed value and could hurt the Fund's performance.

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. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.

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.

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).

Illiquid Securities. The Fund may invest up to an aggregate amount of 15% of its net assets in illiquid investments. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less, without the dispositions significantly changing the market value of the investment. 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.

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. Successful use of most derivatives instruments depends upon the Investment Adviser's or Sub-Adviser's ability to predict movements of the overall securities and interest rate markets. There can be 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.

*Derivatives Risk***.** The Fund's use of derivatives increases the Fund's exposure to the following risks:

§ *Volatility Risk* — A risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate with the overall securities markets.

§ *Counterparty Risk* — Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation.

§ *Illiquid Securities Risk* — The possible lack of a liquid secondary market for derivatives and the resulting inability of the Fund to sell or otherwise close a derivatives position could expose the Fund to losses and could make derivatives more difficult for the Fund to value accurately.

§ *Valuation Risk* — Valuation may be more difficult in times of market turmoil since many investors and market makers may be reluctant to purchase complex instruments or quote prices for them.

§ *Tax Risk* — Certain aspects of the tax treatment of derivative instruments, including swap agreements, are currently unclear and may be affected by changes in legislation, regulations or other legally binding authority. Such treatment may be less favorable than that given to a direct investment in an underlying asset and may adversely affect the timing, character and amount of income the Fund realizes from its investments.

§ *Regulatory Risk* — Derivative contracts, including, without limitation, swaps, currency forwards and non-deliverable forwards, are subject to regulation under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") in the United States and under comparable regimes in Europe, Asia and other non-U.S. jurisdictions. Under the Dodd-Frank Act, certain derivatives are subject to margin requirements and swap dealers are required to collect margin from the Fund with respect to such derivatives. Specifically, regulations are now in effect that require swap dealers to post and collect variation margin (comprised of specified liquid instruments and subject to a required haircut) in connection with trading of over-the-counter ("OTC") swaps with the Fund. Shares of investment companies (other than certain money market funds) may not be posted as collateral under these regulations. Requirements for posting of initial margin in connection with OTC swaps will be phased-in through at least 2021. In addition, regulations adopted by global prudential regulators that are now in effect require certain bank-regulated counterparties and certain of their affiliates to include in certain financial contracts, including many derivatives contracts, terms that delay or restrict the rights of counterparties, such as the Fund, to terminate such contracts, foreclose upon collateral, exercise other default rights or restrict transfers of credit support in the event that the counterparty and/or its affiliates are subject to certain types of resolution or insolvency proceedings. The implementation of these requirements with respect to derivatives, as well as regulations under the Dodd-Frank Act regarding clearing, mandatory trading and margining of other derivatives, may increase the costs and risks to the Fund of trading in these instruments and, as a result, may affect returns to investors in the Fund.

The SEC has adopted new regulations governing the use of derivatives by registered investment companies ("Rule 18f-4"). Rule 18f-4 imposes limits on the amount of derivatives a fund can enter into, eliminates the asset segregation framework currently used by the funds to comply with Section 18 of the 1940 Act, treats derivatives as senior securities so that a failure to comply with the proposed limits would result in a statutory violation, and requires funds whose use of derivatives is more than a limited specified exposure amount to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

11. 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.

12. Subsequent Events

Events and transactions from January 1, 2024, through February 29, 2024 (the date the financial statements were available to be issued) 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.

Class A Dividends:

On January 2, 2024, the Board, acting through the Dividend Committee, declared an ordinary net investment income dividend of $0.02660 per common share, totaling $152,720 and payable on January 10, 2024, to common shareholders of record as of December 29, 2023.

On February 1, 2024, the Board, acting through the Dividend Committee, declared an ordinary net investment income dividend of $0.02620 per common share, totaling $149,716 and payable on February 12, 2024, to common shareholders of record as of January 31, 2024.

Class P Dividends:

On January 2, 2024, the Board, acting through the Dividend Committee, declared an ordinary net investment income dividend of $0.02497 per common share, totaling $56,157 and payable on January 10, 2024, to common shareholders of record as of December 29, 2023.

On February 1, 2024, the Board, acting through the Dividend Committee, declared an ordinary net investment income dividend of $0.02460 per common share, totaling $55,513 and payable on February 12, 2024, to common shareholders of record as of January 31, 2024.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of U.S. Monthly Income Fund for Puerto Rico Residents, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of U.S. Monthly Income Fund for Puerto Rico Residents, Inc. (the “Fund”), including the schedule of investments, as of December 31, 2023, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the three years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at December 31, 2023, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the three years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2023, by correspondence with the custodian, brokers and others. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst + Young LLP

We have served as the auditor of one or more UBS investment companies since 1978.

New York, New York
February 29, 2024

OTHER INFORMATION (Unaudited)

Management of the Fund

Management Information. The business affairs of the Fund are overseen by its Board of Directors. Certain biographical and other information relating to the Directors and officers of the Fund are set forth below, including their ages and their principal occupations for at least five years.

The Fund's Statement of Additional Information includes additional information about the Directors and is available free of charge upon request by calling the Fund at 787-250-3600.

Name, Address*, and Age	Position(s) Held with the Fund	Term of Office and Length of Time Served**	Principal Occupation(s) During Past Five Years	Number of Affiliated Funds Overseen***	Public Directorships
Independent Directors					
Agustin Cabrer (75)	Director	Director since 2003	President of Antonio Roig Sucesores (land holding enterprise with commercial properties) since 1995; President of Libra Government Building, Inc. (administration of court house building) since 1997; President of Cabrer Consulting (financial services business); President of CC Development, LLC (construction supervision and management consulting) for the last five years; President of CC Development, LLC (construction supervision and management consulting) since 2021; and Director of V. Suarez & Co. (food and beverage distribution company) since 2002.	17 funds	None
Vicente J. León (84)	Director	Director since 2021	Independent business consultant since 1999;	17 funds	None
Carlos Nido (59)	Director	Director since 2007	President of Green Isle Capital LLC, a Puerto Rico Venture Capital Fund under law 185 investing primarily in feature films and healthcare since 2016.	24 funds	None
Luis M. Pellot (75)	Director	Director since 2003	President of Pellot-González, Tax Attorneys & Counselors at Law, PSC (legal services business), since 1989.	24 funds	None
Clotilde Pérez (72)	Director	Director since 2009	Consultant for Corporate Development of V. Suarez & Co., Inc. since 2022; Vice President Corporate Development Officer of V. Suarez & Co., Inc. (food and beverage wholesale distribution business) from 1999 until 2022.	24 funds	None
José J. Villamil (84)	Director	Director since 2021	Chairman of the Board and Chief Executive Officer of Estudios Técnicos, Inc. (consulting business) since 2005.	17 funds	None
Interested Director					

Name, Address*, and Age	Position(s) Held with the Fund	Term of Office and Length of Time Served**	Principal Occupation(s) During Past Five Years	Number of Affiliated Funds Overseen***	Public Directorships
Carlos V. Ubiñas (69)****	Director, Chairman of the Board of Directors, and President	President since 2015; Chairman of the Board of Directors since 2012; and Director since 2003	Managing Director, Vice Chairman of Wealth Management and President of UBS Trust Company of Puerto Rico; Chief Executive Officer of UBS Financial Services Inc of Puerto Rico from 2009 to 2021; President of UBS Financial Services Inc. of Puerto Rico since 2005; Managing Director, Head of Asset Management and Investment Banking of UBS Financial Services Inc of Puerto Rico. since 2014.	17 funds	None
Officers					
Leslie Highley (77)	Senior Vice President	Senior Vice President since 2005	Managing Director of UBS Trust PR; Senior Vice-President of UBS Financial Services Inc.; Senior Vice President of the Puerto Rico Residents Tax-Free Family of Funds; President of Dean Witter Puerto Rico, Inc. since 1989 and Executive Vice President of the Government Development Bank for Puerto Rico.	Not applicable	None
William Rivera (65)	First Vice President and Treasurer	First Vice President since 2005 and Treasurer since 2015	Executive Director of UBS Asset Managers since 2011; Director of UBS Asset Managers from 2006 to 2010; Assistant Portfolio Manager for UBS Asset Managers; First Vice President of Trading of UBS Trust PR since January 2002 and of UBS Financial Services Puerto Rico since 1987. UBS Asset Managers, UBS Trust PR and UBS Financial Services Inc. are affiliates of the Fund.	Not applicable	None
Javier Rodríguez (50)	Assistant Vice President and Assistant Treasurer	Assistant Vice President and Assistant Treasurer since 2005	Divisional Assistant Vice President, trader, and portfolio manager of UBS Trust PR since 2003; financial analyst with UBS Trust PR from 2002 to 2003; financial analyst with Popular Asset Management from 1998 to 2002. Management from 1998 to 2002. UBS Trust PR is an affiliate of the Fund.	Not applicable	None
Liana Loyola (62)	Secretary	Secretary since 2014	Attorney in private practice since 2009.	Not applicable	None
Luz Colon (49)	Chief Compliance Officer	Chief Compliance Officer since 2013	Executive Director and Chief Compliance Officer of UBS Asset Managers of Puerto Rico and the Funds; CCO for UBS Fund Advisor (RIA for private equity funds) from 2019 to 2022; Co-CCO for the Puerto Rico Investors Family of Funds, which is co-managed by UBS Asset Managers of Puerto Rico and Banco Popular of Puerto Rico, from 2013 to 2021.	Not applicable	None
Heydi Cuadrado (43)	Assistant Vice President	Assistant Vice President since 2019	Director of UBS Trust Company since March 2012. Trader and Assistant Portfolio Manager for UBS Asset Managers of Puerto Rico since 2008.	Not applicable	None
Gustavo Romañach (49)	Assistant Vice President	Assistant Vice	Director of UBS Asset Managers of Puerto Rico since 2013; Associate Director Portfolio analyst & trader of UBS Asset Managers of	Not applicable	None

Name, Address*, and Age	Position(s) Held with the Fund	Term of Office and Length of Time Served**	Principal Occupation(s) During Past Five Years	Number of Affiliated Funds Overseen***	Public Directorships
		President since 2019	Puerto Rico since 2009; Assistant Vice-President of UBS Asset Managers of PR since 2003.		

* The address of each Director and officer is UBS Trust Company of Puerto Rico, American International Plaza – Tenth Floor, 250 Muñoz Rivera Avenue, San Juan, Puerto Rico 00918.

** Each Director holds his or her office from the time of their election and qualification until the election meeting for the year in which his or her term expires and until his or her successor shall have been elected and shall have qualified, or until his or her death, or until December 31 of the year in which he or she shall have reached eighty-five (85) years of age, or until he or she shall have resigned or been removed. Each Officer is annually elected by and serves at the pleasure of the Board of Directors.

*** The Affiliated Funds consist of GNMA & US Government Target Maturity Fund for Puerto Rico Residents, Inc.; Multi-Select Securities Fund for Puerto Rico Residents; Short Term Investment Fund for Puerto Rico Residents, Inc.; Tax Free Fund for Puerto Rico Residents, Inc.; Tax Free Fund II for Puerto Rico Residents, Inc.; Tax Free Target Maturity Fund for Puerto Rico Residents, Inc.; Tax-Free Fixed Income Fund for Puerto Rico Residents, Inc.; Tax-Free Fixed Income Fund II for Puerto Rico Residents, Inc.; Tax-Free Fixed Income Fund III for Puerto Rico Residents, Inc.; Tax-Free Fixed Income Fund IV for Puerto Rico Residents, Inc.; Tax-Free Fixed Income Fund V for Puerto Rico Residents, Inc.; Tax-Free Fixed Income Fund VI for Puerto Rico Residents, Inc.; Tax-Free High Grade Portfolio Bond Fund for Puerto Rico Residents, Inc.; Tax-Free High Grade Portfolio Bond Fund II for Puerto Rico Residents, Inc.; Tax-Free High Grade Portfolio Target Maturity Fund for Puerto Rico Residents, Inc.; U.S. Monthly Income Fund for Puerto Rico Residents, Inc.; and US Mortgage-Backed & Income Fund for Puerto Rico Residents, Inc. (the "UBS Family of Funds"); and Puerto Rico Residents Tax-Free Fund, Inc.; Puerto Rico Residents Tax-Free Fund Inc. II; Puerto Rico Residents Tax-Free Fund III, Inc.; Puerto Rico Residents Tax-Free Fund IV, Inc.; Puerto Rico Residents Tax-Free Fund V, Inc.; Puerto Rico Residents Tax-Free Fund VI, Inc.; and Puerto Rico Residents Bond Fund I (the "Co-Advised Family of Funds," and together with the UBS Family of Funds, the "Affiliated Funds"). The UBS Family of Funds is managed by UBS Asset Managers of Puerto Rico ("UBS Asset Managers"), a division of UBS Trust Company of Puerto Rico. The Co-Advised Family of Funds is co-advised by UBS Asset Managers and Popular Asset Management, a division of Banco Popular de Puerto Rico. Messrs. Nido and Pellot and Ms. Perez also serve on the Board of Directors of each of the investment companies comprising the Co-Advised Family of Funds.

**** Considered an "Interested Director" of the Fund as that term is defined in Section 2(a)(19) of the 1940 Act as a result of his employment with the Fund's Investment Adviser, or an affiliate thereof.

Shareholder Meeting for fiscal year ended December 31, 2022

The Annual Meeting of Shareholders (the "2022 Annual Meeting") was originally convened on June 29, 2023 and was subsequently adjourned to July 7, 2023, to provide the Fund with additional time to solicit proxies from its shareholders to achieve quorum at the 2022 Annual Meeting. The voting results for the proposals considered at the 2022 Annual Meeting are as follows:

1. Election of Directors. The stockholders of the Fund elected Carlos Ubiñas, Carlos Nido, Clotilde Pérez, Agustin Cabrer, and Luis Pellot to the Board of Directors to serve for a term expiring on the date of which the annual meeting of stockholders is held in 2024, 2025, 2025, 2026, and 2026, respectively, or until their successors are elected and qualified.

Name of Director	Votes cast "For"	Votes "Against/Withheld"
Carlos Ubiñas	6,955,543	1,256,117
Carlos Nido	7,097,572	1,114,088
Clotilde Pérez	7,083,943	1,127,717
Agustin Cabrer	7,097,572	1,114,088
Luis Pellot	6,955,543	1,256,117

2. Amendment to the By-Laws of the Fund. The stockholders of the Fund approved an amendment to the By-laws of the Fund to increase the mandatory retirement age of directors to 85 years old.

Proposal	Votes cast "For"	Votes "Against/ Withheld"
Increase the mandatory retirement age of directors to 85 years old	2,475,456	355,006

3. Amendment to the By-Laws of the Fund. The stockholders of the Fund approved an amendment to the By-laws of the Fund to classify the Board of Directors.

Proposal	Votes cast "For"	Votes "Against/ Withheld"
Classify the Board of Directors	2,537,284	293,178

Disclosure of Fund Expenses

We believe it is important for you to understand the impact of fees regarding your investment. All mutual funds have operating expenses. As a shareholder of a mutual fund, you incur ongoing costs, which include costs for fund management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a mutual fund's gross income, directly reduce the investment return of a mutual fund. A mutual fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing fees (in dollars) of investing in the Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the one-half year period shown and held for the entire period (July 1, 2023 to December 31, 2023).

The table below illustrates the Fund's costs in two ways.

- **Actual fund return.** This section helps you to estimate the actual expenses after fee waivers that you paid over the period. The "Ending Account Value" shown is derived from the Fund's actual return, and the fourth column shows the dollar amount that would have been paid by an investor who started with $1,000 in the Fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the year. To do so, 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 given for your Fund under the heading "Expenses Paid During Period."

- **Hypothetical 5% return.** This section is intended to help you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had a return of 5% before expenses during the year, but that the expense ratio is unchanged. In this case, because the return used is not the Fund's actual return, the results do not apply to your investment. The example is useful in making comparisons because the SEC requires all mutual funds to calculate expenses based on a 5% return. You can assess your Fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other mutual funds.

NOTE: Because the return is set at 5% for comparison purposes — NOT your Funds' actual return — the account values shown do not apply to your specific investment.

CLASS A	**Beginning Account Value 07/01/2023**	**Ending Account Value 12/31/2023**	**Expense Ratio Six Month**	**Expenses Paid During the Period***
Actual Fund Return	$ 1,000.00	$ 1,098.10	1.54%	8.10
Hypothetical 5% Return	$ 1,000.00	$ 1,017.35	1.54%	$ 7.70

*Expenses are equal to the Fund's six months expense ratio multiplied by the average account value over the period, multiply by 183/365 (to reflect the one-half year period).

CLASS P	**Beginning Account Value 07/01/2023**	**Ending Account Value 12/31/2023**	**Expense Ratio Six Month**	**Expenses Paid During the Period***
Actual Fund Return	$ 1,000.00	$ 1,098.70	1.56%	8.21
Hypothetical 5% Return	$ 1,000.00	$ 1,017.25	1.56%	$ 7.80

*Expenses are equal to the Fund's six months expense ratio multiplied by the average account value over the period, multiply by 183/365 (to reflect the one-half year period).

Privacy Notice

The Fund is committed to protecting the personal information that it collects about individuals who are prospective, former, or current investors.

If you are located in a jurisdiction where specific laws, rules or regulations require the Fund to provide you with additional or different privacy-related rights beyond what is set forth below, then the Fund will comply with those specific laws, rules, or regulations.

The Fund collects personal information for business purposes to process requests and transactions and to provide customer service. Personal information is obtained from the following sources:

- *Investor applications and other forms,*
- *Written and electronic correspondence,*
- *Telephone contacts,*
- *Account history* (including information about Fund transactions and balances in your accounts with the Distributor or our affiliates, other fund holdings in the UBS family of funds, and any affiliation with the Distributor and its affiliates),
- *Website visits,*
- *Consumer reporting agencies*

The Fund limits access to personal information to those employees who need to know that information in order to process transactions and service accounts. Employees are required to maintain and protect the confidentiality of personal information. The Fund maintains physical, electronic, and procedural safeguards to protect personal information.

The Fund may share personal information described above with their affiliates for business purposes, such as to facilitate the servicing of accounts. The Fund may share the personal information described above for business purposes with a non-affiliated third party only if the entity is under contract to perform transaction processing, servicing, or maintaining investor accounts on behalf of the Fund. The Fund may share personal information with its affiliates or other companies who are not affiliates of the Fund that perform marketing services on the Fund's behalf or to other financial institutions with whom it has marketing agreements for joint products or services. These companies are not permitted to use personal information for any purposes beyond the intended use (or as permitted by law). The Fund does not sell personal information to third parties for their independent use. The Fund may also disclose personal information to regulatory authorities or otherwise as permitted by law.

Statement Regarding Availability of Quarterly Portfolio Schedule.

The Fund files 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. Additionally, 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 upon request by calling 787-250-3600 and on the SEC's website at http://www.sec.gov.

INVESTMENT ADVISER

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ADMINISTRATOR, TRANSFER AGENT, AND CUSTODIAN

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INDEPENDENT AUDITORS

Ernst & Young LLP
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New York, NY 10001

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

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 Inc. or any of its affiliates.
- Mutual Fund's units are subject to investment risks, including possible loss of the principal amount invested.

U.S. Monthly Income Fund
For Puerto Rico Residents, Inc.