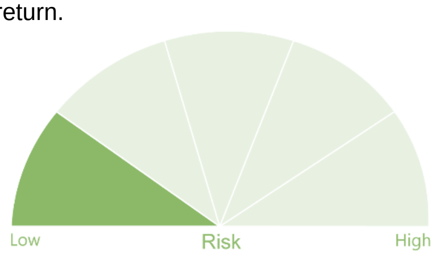
UPS 401(k) Savings Plan

Q2 2024 | Stable Value Fund

Fund Characteristics
(as of 6/30/2023)

Assets:	$346.0m[1]
Yield:	5.27%
Duration:	3.28 years
Average Credit Quality:	AA[2]
Market-to-Book Ratio:	100.42%[3]

Fund Objectives[4]
The objective of the UPS 401(k) Savings Plan Stable Value Fund ("Fund") is to preserve your principal investment and generate a stable rate of return.



Risk represents expected volatility of return relative to other plan investment options.

Fee Disclosures

Net Annual Expense Ratio: 0.194% (as of 6/30/2024)

The expense ratio includes the stable value management fee of 5.0 basis points (bps) for the Fund's investment manager (Insight). The expense ratio also includes product fees for synthetic wrap contracts of 13.7 bps and underlying asset management and contract administration fees of 0.7 bps, which are embedded in the net crediting rate.

For a $1,000 investment in the Fund, this would equate to a $1.94 charge each year.

Fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions. The cumulative effect of fees and expenses can substantially reduce the growth of a participant's retirement account.

Contact Information

The Stable Value Fund is not a mutual fund; therefore, it does not have a ticker symbol or CUSIP. It is a separately managed account solely for the benefit of UPS employees, and only participants of the UPS 401(k) Savings Plan can invest in the Fund.

Performance Results

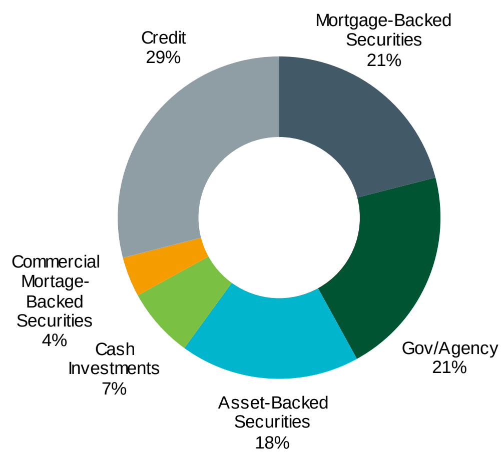
As of June 30, 2024	3 month	Year-to-date	Inception[5]
Stable Value Fund[5]	1.27%	2.58%	4.35%
ICE BofA US 3-Month Treasury Bill Index[6]	1.32%	2.63%	4.51%

Past performance is no assurance of future returns. Investment in any strategy involves a risk of loss.

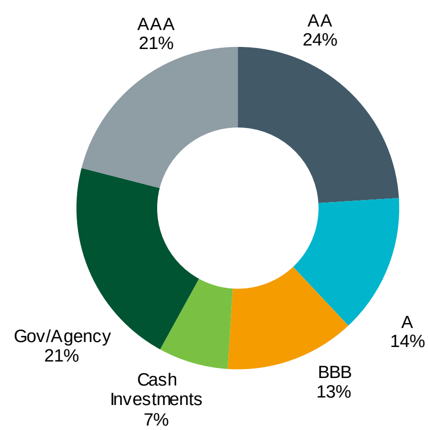
Portfolio Diversification
Diversification helps to reduce portfolio risk by decreasing sector and company-specific exposure. Fund assets are managed in an effort to diversify across many fixed income asset sectors and, within those sectors, to diversify among multiple issuers. However, diversification does not ensure a profit or guarantee against a loss.

Portfolio Guideline Standards
The Fund's projected initial sector diversification and credit quality breakdown are as follows:

Sector Diversification



Credit Quality[2]



[1] Based on book value.
[2] Credit quality for portfolio shown using middle of three ratings provided by Standard & Poor's, Moody's and Fitch. External managers may be used as part of the overall investment strategy; their credit rating methodology and data may be used to calculate the average credit quality of their portion of the portfolio and/or of the overall portfolio.
[3] Measures total market value of the Fund's assets relative to book value.
[4] There is no assurance these objectives will be met.
[5] Returns are shown after the deduction of investment management fees and net of wrap fees. Inception of Stable Value Fund performance is September 1, 2023 (inception of the Fund is August 18, 2023). Individual participant returns may vary slightly.
[6] The ICE BofA US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date. While the index will often hold the Treasury Bill issued at the most recent 3-month auction, it is also possible for a seasoned 6-month Bill to be selected.

Fund Manager

The UPS 401(k) Savings Plan Administrative Committee has selected Insight North America LLC (Insight), a registered investment advisory firm, to manage the assets in the Fund. Located in San Francisco, Insight's stable value team manages approximately $19.3 billion[7] in stable value assets. Insight is a global asset manager and a leader in liability-driven investment (LDI) and fixed income solutions. Insight manages $838.1 billion across risk management, alpha generation and liquidity management fixed income strategies.

[7] As of June 30, 2024. Where applicable, includes assets managed by investment personnel acting in their capacity as officers of affiliated entities.

Market Commentary

Inflation concerns remained elevated, if not further heightened, as the second quarter began. April inflation indications failed to show requisite progress toward the Federal Reserve's 2.0% target. With this development, interest rates moved higher. In May, however, the Federal Reserve's preferred core personal consumption expenditures (PCE - less food and energy) index posted a meager 0.1% increase and measured 2.6% on an annualized basis. This was the lowest annual rate since March 2021. A more favorable outlook on inflation recalibrated the market's expectations for two cuts in the target federal funds rate this year, even as the Federal Reserve signaled only one move. After the spike in April, interest rates moved lower but failed to reach the levels at the end of Q1. For the quarter, the yield of the 2-year US Treasury note increased 13 basis points to 4.75%, the 5-year note increased 16 basis points to 4.37%, while the 10-year note increased 19 basis points to 4.39%. The target federal funds rate remains in a range of 5.25% to 5.50% (unchanged since last July). On the employment front, indications point toward weakness as the unemployment rate has risen steadily over the past 14 months from a 54-year low of 3.4% in April 2023 to 4.1% in June (the first time the rate has been above 4.0% since November 2021). Related, wage growth is slowing. On an annual basis, wages increased 3.9% - the smallest gain in wages since June 2021. Wage growth of 3.0% to 3.5% is consistent with the Federal Reserve's 2.0% inflation target. GDP (Gross Domestic Product) is showing additional signs of weakness. Following 3.4% annualized growth in the final quarter of 2023, growth slowed to 1.4% in Q1. This breaks a streak of six consecutive quarters in which the economy grew at an annual rate above 2.0%. Taken together, a weakening employment picture, slowing wage growth and moderating GDP should give the Federal Reserve enough tangible data points to reduce the target federal funds rate this year, but only if inflation continues to contract.

Investment Strategy

The Fund pursues its objective by investing primarily in a diversified portfolio of fixed income investments which may include investment contracts issued by creditworthy life insurance companies and banks that are intended to minimize market volatility. Underlying investments will include high quality debt securities such as US treasury and agency, mortgage-backed, commercial mortgage backed, asset-backed and corporate securities. The Fund may invest in collective funds or group trusts that invest in such fixed income instruments. A portion of the Fund may be invested in a money market fund.

Additional Disclosures

This presentation is provided for general information only and should not be construed as investment advice or a recommendation. You should consult with your advisor to determine whether any particular investment strategy is appropriate.

The Fund may compare its return to a benchmark index. Any indices are trademarks used for comparative purposes only. None of the owners of the trademarks sponsor, endorse, sell or promote the Fund, or make any representation regarding the advisability of investing in the products or strategies described. Redistribution of this information may be prohibited by the terms of the Fund's and/or the Fund Manager's licensing agreement with the index provider.

The expense ratio and performance include any internally charged and accrued fees and expenses of the Fund. They may include external management fees that are charged to the Fund. In addition, the Fund's expense ratio and performance may not reflect external fees and expenses borne by the Plan that reduce the Plan participant's investment in the Fund (e.g., externally negotiated fees, custodial expenses, legal expenses, accounting expenses, transfer agent expenses, recordkeeping fees, administrative fees, separate account expenses, etc.). It is the Plan's obligation under Rule 404a-5 to incorporate the impact of those fees and expenses and report the results to Plan participants.

The expense ratio and performance information herein has been presented by Insight at the request of the UPS 401(k) Savings Plan. Please note that this presentation alone does not comply with all of the disclosure requirements for an ERISA "section 404(c) plan," as described in the Department of Labor regulations under section 404(c), nor does it contain all of the disclosure required by Rule 404a-5. Plan sponsors subject to those regulations will need to provide the plan participants with additional information.

Summary of Principal Risks

The Fund is not a deposit of, and is not insured or guaranteed by, any bank, financial institution, the FDIC or any other governmental agency, and participants may lose money. Also, a Fund unit's principal value and investment return will fluctuate, so that when a unit is redeemed, it may be worth more or less than the original investment.

The Fund's performance data represents past performance and should not be considered indicative of how the Fund will perform in the future. You should not assume that future investment decisions will be profitable or will equal past investment performance. The Fund does not promise or guarantee that it's performance will achieve a participant's objective or retirement needs. Fund portfolio statistics and asset allocations change over time.

Participants should consult their financial adviser to determine their investment risk and tolerance, and to evaluate if the Fund is suitable for their retirement needs.

Depending on the Fund's investment allocations, the Fund is exposed to varying degrees of the following principal investment risks, each of which may adversely affect the Fund's unit value, its performance and the ability to achieve its investment objective:

Asset-backed securities risk. General downturns in the economy could cause the value of asset-backed securities to fall. In addition, asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may provide the Fund with a less effective security interest in the related collateral than do mortgage-backed securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

Call risk. Some bonds give the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer "calls" its bond during a time of declining interest rates, the Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of "callable" issues are subject to increased price fluctuation.

Counterparty risk. The risk that counterparties in an agreement could fail to honor the terms of its agreement.

Credit risk. Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a security, can cause the security's price to fall, potentially lowering the value of your investment. Although the Fund invests only in high quality debt securities, any of the Fund's holdings could have its credit rating downgraded or could default. The credit quality of the securities held by the Fund can change rapidly in certain market environments, and the default of a single holding could have the potential to cause significant deterioration of the value of your investment.

Government securities risk. Not all obligations of the US government, its agencies and instrumentalities are backed by the full faith and credit of the US Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Any guarantee by the US government or its agencies or instrumentalities of a security held by the Fund does not apply to the market value of such security. A security backed by the US Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of US government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.

Indexing strategy risk. The Fund may use an indexing strategy for a portion of its assets by investing in underlying collective investment funds that seek to track the investments or performance of an index. It does not attempt to manage market volatility, use defensive strategies or reduce the effects of any long-term periods of poor index performance. The correlation between Fund and index performance may be affected by the Fund's expenses and use of sampling techniques, changes in securities markets, changes in the composition of the index and the timing of purchases and sales.

Interest rate risk. Prices of bonds, including mortgage-related and other debt securities, tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect bond prices and, accordingly, the value of your account. The longer the effective maturity and duration of the Fund's portfolio, the more the value of your investment is likely to react to interest rates. Mortgage-related securities can have a different interest rate sensitivity than other bonds, however, because of prepayments and other factors. The longer the effective maturity and duration of the Fund's portfolio, the more the value of your investment is likely to react to interest rates.

Issuer risk. The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

Liquidity risk. When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Market and credit risk. Ginnie Maes and other securities backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate.

Market risk. The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Prepayment and extension risk. When interest rates fall, the principal on mortgage-backed and certain asset-backed securities may be prepaid. The loss of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the Fund's potential price gain in response to falling interest rates and reduce the value of your investment. When interest rates rise, the effective duration of the Fund's mortgage-related and other asset-backed securities may lengthen due to a drop in prepayments of the underlying mortgages or other assets. This is known as extension risk and would increase the Fund's sensitivity to rising interest rates and its potential for price declines.

Sector risk. A substantial part of the Fund's investments may be issued or wrapped by insurance companies or companies with similar characteristics. As a result, the Fund will be more susceptible to any economic, business, political or other developments that generally affect these entities. Developments affecting insurance companies or companies with similar characteristics might include changes in interest rates, changes in economic cycle affecting credit losses, adverse claims experience, regulatory changes and industry consolidation.

US Treasury securities risk. A security backed by the US Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate. Because US Treasury securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.

Additional risks. As a separate account, the Fund and its units are not registered under federal and state securities laws in reliance upon applicable exemptions. Because the Fund is not a mutual fund, it is governed by different regulations, restrictions and disclosure requirements. The Fund is intended to be a long-term investment vehicle rather than a means of speculating on short-term market movements that may be disruptive to the management of the Fund.

Fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions. The cumulative effect of fees and expenses can substantially reduce the growth of a participant's retirement account; participants can visit the Department of Labor's Employee Benefit Security Administration's Web site @ dol.gov/ebsa for retirement savings education. Participants invested in the Stable Value Fund are prohibited from directing investments into the Government Short-Term Investment Fund without first investing in a non-competing fund for at least ninety (90) days. A non-competing option would include any equity or a debt option with a duration greater than three and one-half years.

The comments provided herein are a general market overview and do not constitute investment advice, are not predictive of any future market performance, are not provided as a sales or advertising communication, and do not represent an offer to sell or a solicitation of an offer to buy any security. These views are current as of the date of this communication and are subject to rapid change as economic and market conditions dictate. Though these views may be informed by information from publicly available sources that we believe to be accurate, neither Insight Investment LLC nor The Bank of New York Mellon can make any representation as to the accuracy of such sources nor the completeness of such information. There can be no guarantee that the Fund's objective will be achieved, and current investments are subject to potential loss if the issuing institutions suffer insolvency. Portfolio composition is subject to change, and past performance is no indication of future performance.