

PACESM Portfolio Profile

December 31, 2002

UBS PACE Global Fixed Income Investments

Investment Goal

High total return

Investment Management

Rogge Global Partners plc and Fischer Francis Trees & Watts, Inc. (FFTW) each manages 50% of the Portfolio's assets. UBS Global Asset Management may change this allocation at any time. The relative values of each investment advisor's share of the Portfolio's assets may change over time. The investment advisors invest primarily in high-grade bonds of government and private issuers in the United States and developed foreign countries.

Investment Strategy

Rogge Global Partners seeks to invest in bonds of issuers in financially healthy countries. These investments may produce the highest bond and currency returns over time. The selection process includes top-down analysis of countries to find value and to forecast interest and currency exchange rates over a one-year horizon, and bottom-up analysis for specific security selection. Rogge generally sells a security when it no longer meets these selection criteria, when it identifies more attractive investment opportunities or to adjust the duration of the Portfolio.

FFTW seeks to invest through an active bond selection process that relies on, identifying the most attractive sectors, individual securities within those sectors, and monitoring portfolio risk with risk management tools. FFTW divides the investment universe into three major blocs (Europe, United States and Japan) and analyzes each bloc's trends in economic growth, inflation, monetary and fiscal policies. FFTW generally sells securities when it has identified more attractive investment opportunities.

Manager Selection Process

In selecting investment advisors for the UBS PACE Portfolios, a selection committee seeks investment advisors best positioned to deliver strong, consistent performance in a particular investment style or market capitalization range, while managing risk appropriately.

The selection process utilizes stringent statistical measures of performance that include:

- Investment returns over short- and long-term periods
- Risk-adjusted performance relative to the market index that serves as the benchmark for the investment style.

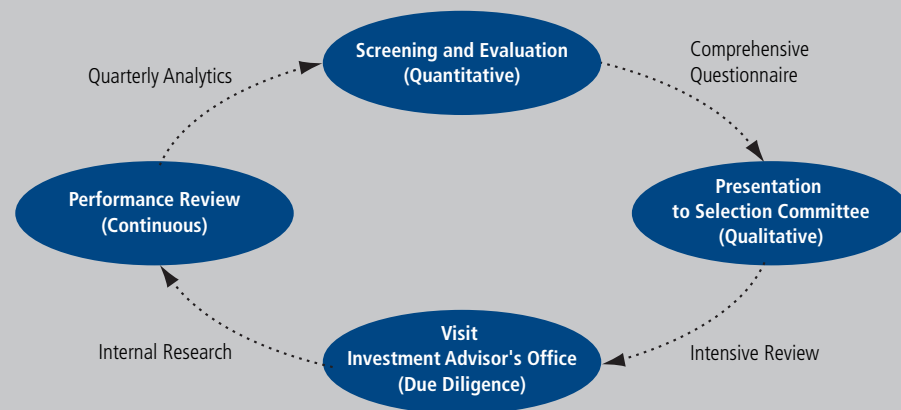
The next phase includes office visits and

extensive interviews, which evaluate key factors for each candidate's:

- Investment philosophy and discipline
- Adherence to investment style
- Experience and continuity of key personnel
- Client service capabilities, infrastructure and financial and organizational stability.

The final phase is the ongoing monitoring of advisor performance. PACE Portfolio advisors can be considered for replacement if they are judged to no longer meet the standards that led to their original selection.

Our investment manager selection process offers investors access to an exclusive group of investment advisors.



Performance vs. The Benchmarks¹

	Average Annual Return			
	1 Yr.	3 Yrs.	5 Yrs.	Life
Class B Shares ²	16.15%	N/A	N/A	6.45%
after maximum sales charge	11.15%	N/A	N/A	4.44%
Class P Shares ²	17.42%	4.63%	4.44%	4.65%
after maximum sales charge	15.68%	3.07%	2.88%	3.09%
Salomon Brothers World Gov't Bond Index	19.49%	6.32%	5.82%	N/A
Morningstar International Bond Average	13.56%	6.03%	4.74%	N/A

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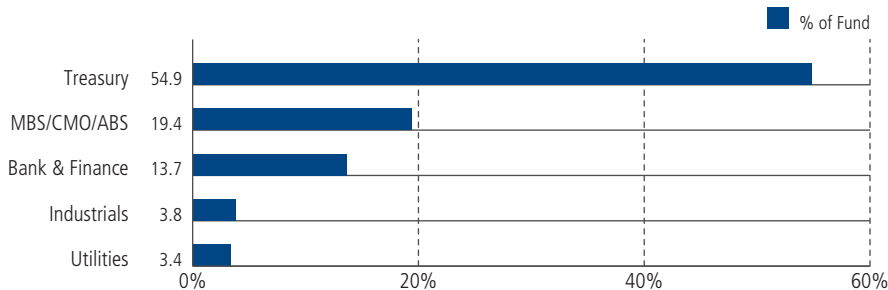
Morningstar Data

Style Box™ Category Risk

Interest Rate Sensitivity			Credit Quality
SHORT	MEDIUM	LONG	
			HIGH
			MEDIUM
			LOW

LOW
BELOW AVERAGE
AVERAGE
ABOVE AVERAGE
HIGH

Sector Weightings³



Country Exposure

Region	% of Portfolio
North America	42.7
Europe	31.9
Asia/Pacific Basin	15.1
Scandinavia	6.4
Eastern Europe	0.5

30-day SEC Yield*

Class A	2.22%
Class P	2.55%

*This reflects waivers that are currently in effect; without waivers, yields would be lower. Prices and yields will fluctuate. Other share classes are available.

Asset Allocation³

Asset Type	% of Portfolio
Government Bonds	55.0
Corporate Bonds	22.0
Mortgage-Backed	11.8
Asset Backed	6.7
Cash & Cash Equivalents	4.5

Fund Facts³

Inception Dates: December 11, 2000 (Class A) February 05, 2001 (Class B) December 01, 2000 (Class C) January 16, 2001 (Class Y) August 24, 1995 (Class P)			
Net Assets: \$324.9 million			
Expense Ratio*/Ticker Symbol:			
A Shares	B Shares	C Shares	P Shares
1.24%	2.01%	1.76%	0.95%
PWFAX	PWFBX	PWFCX	PCGLX

*This reflects waivers that are currently in effect.

Portfolio Characteristics vs.

Salomon Brothers World Gov't Bond Index³

	Fund	Index
Beta*	1.00	1.00
Sharpe Ratio*	0.05	0.28
Standard Deviation*	7.62%	7.44%
Average Coupon	4.84%	4.50%
Average Credit Quality	A	AA
Duration	5.48 Years	5.65 Years
Weighted Average Maturity	7.63 Years	7.39 Years
Yield to Maturity	3.58%	2.64%

*For three years

Beta: Measures volatility. A benchmark generally has a beta of 1.0. An investment with a beta under 1.0 is considered less volatile. **Sharpe Ratio:** Measures reward vs. risk. A higher number is more favorable. **Standard Deviation:** The degree by which returns move relative to the average return. The higher the standard deviation, the greater the variability of an investment.

Special Considerations

The Portfolio may be appropriate for long-term investors seeking high total return and who are able to withstand short-term fluctuations in the fixed income markets in return for potentially high returns over the long term. The yield and value of the Portfolio change every day and can be affected by changes in interest rates, general market conditions and other political, social and economic developments, as well as specific matters relating to the issuers in which the Portfolio invests. It is important to note that an investment in the Portfolio is only one component of a balanced investment plan. The value of the Portfolio's investments in foreign securities may fall due to adverse political, social and economic developments abroad and due to decreases in foreign currency values relative to the U.S. dollar. These risks are greater for investments in emerging market issuers than for issuers in more developed countries.

For More Information

Contact your financial advisor or Client Services at 800-647 1568 for a current Fund prospectus, which includes a discussion of risks, all charges, expenses and other matters of interest. Please read it carefully before investing. It's important you have all the information you need to make a sound investment decision.

Source: Morningstar, Inc.; as of 12/31/02. Used with permission. The Fixed-Income Style Box placement is based on a fund's average effective maturity or duration and the average credit rating of the bond portfolio. "Medium-quality" funds are those with an average credit rating that is less than AA, but greater than or equal to BBB. "Medium" funds are bond portfolios with duration (a measure of a bond fund's interest-rate sensitivity) greater than or equal to 3.5 years but less than or equal to six years. The Style Box does not necessarily represent an exact assessment of the Fund's investment strategies; for more information, see the Fund's current prospectus. Style Box placement may vary over different time periods.

Category Risk is based on Class P shares. Category Risk for other share classes may vary. Category Risk is an assessment of the variations in a fund's monthly returns in comparison to other funds in its Morningstar category, with an emphasis on downward variation. The risk rating expresses how risky the Fund is relative to the average fund in its Morningstar Category. If two funds have the exact same return, the one with greater variations in its return is given the larger risk score. In each Morningstar Category, the 10% of funds with the lowest measured risk are described as Low Risk, the next 22.5% Below Average, the middle 35% Average, the next 22.5% Above Average, and the top 10% High. Morningstar Risk is measured for up to three time periods (three, five, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the fund. Funds with less than three years of performance history are not rated. Risk ratings may change monthly; past ratings are no guarantee of future volatility and performance.

1. As of 12/31/02. The Morningstar Category Average is the average of the funds that exist for the time period divided by the number of funds that exist for that time period; used with permission. Rankings for other classes may vary. Except where noted, comparative fund performance does not account for the deduction of sales charges, and would be different if sales charges were included. The investment 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 gains. Returns would be lower if certain expense waivers had not been in effect. The maximum program fee for the Class P shares is 1.50%. Class A shares are subject to a maximum 4.5% initial sales charge, plus an ongoing 12b-1 service fee of 0.25%. There is a 1% contingent deferred sales charge ("CDSC") for redemptions of purchases of \$1 million or more made within one year. Please refer to the Fund's prospectus for information on risks, charges and expenses. Performance is historical and does not represent future performance. The Salomon Smith Barney World Government Bond Index represents the broad global fixed income markets and includes debt issues of U.S. and most developed non-U.S. governments, governmental entities and supranationals. Fischer Francis Trees & Watts assumed responsibility for managing a portion of the Fund's assets on October 10, 2000.

2. Other share classes are offered and their returns will vary depending on expenses and sales charges.

3. As of 12/31/02. The Fund's portfolio is actively managed, and its composition will differ over time.

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