

# PACE<sup>SM</sup> Portfolio Profile

March 31, 2002

## UBS PACE Government Securities Fixed Income Investments

### Investment Goal

Current income

### Investment Management

Pacific Investment Management Company, LLC (PIMCO), the investment advisor, establishes duration targets for the Portfolio based on its expectations for changes in interest rates and then positions the Portfolio to take advantage of yield curve shifts. PIMCO decides to buy or sell specific bonds based on analysis of their values relative to other similar bonds.

### Investment Strategy

PIMCO invests primarily in mortgage-backed securities issued or guaranteed by U.S. government agencies and in other U.S. government securities of varying maturities, but normally limits its portfolio "duration" between one and seven years. "Duration" is a measure of the Portfolio's exposure to interest rate risk. A longer duration means that changes in market interest rates are likely to have a larger effect on the value of the assets in the Portfolio.

### 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.

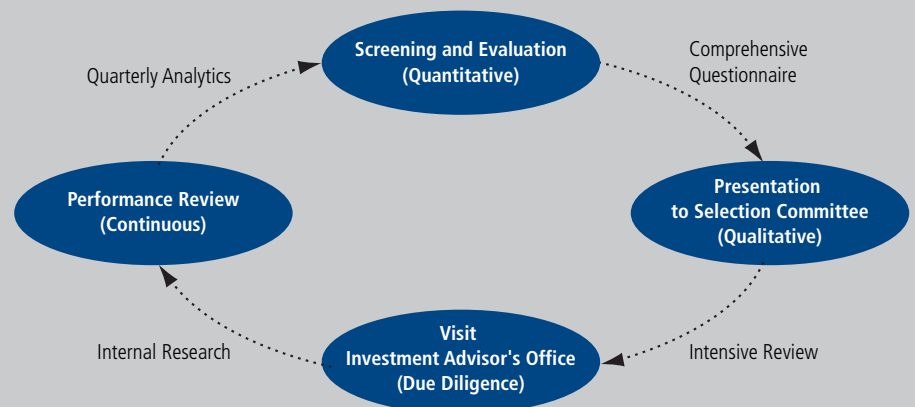
The next phase includes office visits and

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 Benchmarks<sup>1</sup>

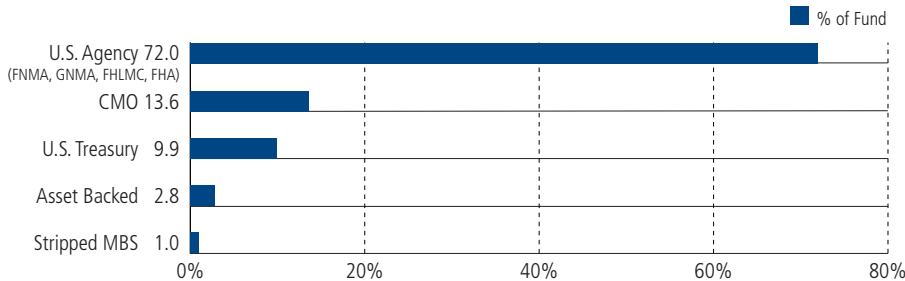
	YTD	Average Annual Return			
		1 Yr	3 Yrs	5 Yrs	Life
Class A Shares <sup>2</sup>	0.64%	6.00%	N/A	N/A	6.41%
after maximum sales charge	-3.87	1.22	N/A	N/A	2.26
Class P Shares <sup>2</sup>	0.78	6.39	7.27%	7.66%	7.17
after maximum program fee	0.40	4.80	5.67	6.05	5.57
Lehman Brothers Mortgage Backed Securities Index	0.99	6.39	7.01	7.68	N/A
Morningstar Long Government Average	-0.52	2.64	4.98	6.99	N/A

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## Morningstar Data

Style Box™	Category Risk					
N/A	<table border="1"> <tr><td>LOW</td></tr> <tr><td>BELOW AVERAGE</td></tr> <tr><td>AVERAGE</td></tr> <tr><td>ABOVE AVERAGE</td></tr> <tr><td>HIGH</td></tr> </table>	LOW	BELOW AVERAGE	AVERAGE	ABOVE AVERAGE	HIGH
LOW						
BELOW AVERAGE						
AVERAGE						
ABOVE AVERAGE						
HIGH						

## Top Five Sector Weightings<sup>3</sup>



## Top 10 Holdings<sup>3</sup>

Company	% of Portfolio
GNMA (04/15/2032)	13.5
U.S. Treasury (08/15/2013)	5.6
FNMA (10/15/2002)	4.4
FNMA (04/15/2003)	4.1
FNMA (05/15/2016)	4.1
FHLMC (03/18/2008)	3.4
GNMA (05/20/2030)	3.2
GNMA (10/01/2026)	2.8
FNMA (1.1/18/2022)	2.7
FNMA (04/29/2002)	2.1

## Credit Quality<sup>3</sup>

Treasuries	9.1
Agencies	14.5
AAA	67.1
AA	2.1
A	0.6
BAA	6.0
Other	6.6

## 30-Day SEC Yield<sup>4</sup>

Class P	5.25%
Class A	4.80%

## Fund Facts<sup>3</sup>

Inception Dates: January 31, 2001 (Class A)				
August 24, 1995 (Class P)				
Total Net Assets: \$660.9 Million				
Number of Holdings: 594				
Expense Ratio*/Ticker Symbol:				
Class A	Class B	Class C	Class P	
0.96%	1.77%	1.48%	0.74%	
PFXAX	PFXBX	PFXCX	PCGTX	

\*This reflects waivers that are currently in effect.

## Portfolio Characteristics

	Fund
Duration	3.94 Years
Average Coupon	6.97%
Yield to Maturity	5.59%

## Special Considerations

The Portfolio may be appropriate for long-term investors seeking current income 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.

## 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 3/31/02. Used with permission. Category Risk evaluates a Fund's downside volatility relative to the other funds in its Morningstar category. To calculate risk, Morningstar concentrates on those months during which the Fund underperformed the average return of a three-month Treasury bill. Morningstar adds up the amounts by which the Fund fell short of the Treasury bill's return and divides the result by the total number of months in the rating period. The Fund's average monthly loss is then compared with the average monthly loss for the Fund's Morningstar category. The resulting risk rating expresses how risky the Fund is relative to the average fund in its Morningstar category. The 10% of funds with the least risk in each Morningstar category earn a Low category risk rating, 22.5% earn Below Average, 35% Average, 22.5% Above Average, and 10% High. Unlike the overall Morningstar Risk statistic, category risk is calculated only for a three-year period.

1. As of 3/31/02. 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%. Purchases of \$1 million or more are not subject to an initial sales charge, however, 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 Lehman Brothers Mortgage-Backed Securities Index is composed of all fixed-rate, securitized mortgage pools by GNMA, FNMA, and the FHLMC, including GNMA graduated payment mortgages.

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

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

4. As of 3/31/02. Prices and yields will fluctuate. The Fund's SEC yield represents its investment income net of expenses as an annualized percentage of the maximum offering price.