

PACE International Emerging Markets Equity Investments

Fund Activity Update

This update is intended to provide an overview of the current positioning in PACE International Emerging Markets Equity Investments (the "Fund") and inform you of changes within the Fund, including subadvisor additions and terminations. Please note that the subadvisor changes described below have already been implemented in the PACE International Emerging Markets Equity Investments Fund (PCEMX, P-share, PWEAX, A-share; PWEYX, Y-share)) and require no action on your part.

Overview

The PACE Portfolio Management Team made the following subadvisor changes*:

- Terminate Mondrian Investment Partners Limited (Mondrian; -15%)
- Reallocation of assets to existing subadvisors ARGA Investment Management, LP (ARGA; +7.5% to 32.5% allocation) and William Blair Investment Management, LLC (William Blair; +7.5% to 42.5%) with the proceeds

*The termination of Mondrian as subadvisor to the Fund was effective as of the close of business on March 28, 2023.

Rationale

The PACE Portfolio Management Team ("PM Team") continues to look for opportunities to further improve the Fund's expected alpha by increasing exposure to existing high conviction managers, while maintaining a similar risk profile.

Mondrian, a longstanding subadvisor in the Fund, seeks to uncover valuation opportunities by identifying businesses with a strong competitive advantage, sustainable free cash flow, and a resilient balance sheet. Mondrian provides a value strategy that was intended to protect capital and generate attractive relative returns in down markets.

Mondrian outperformed the Fund's benchmark recently and over long-term trailing periods. However, the magnitude as well as the consistency of its outperformance did not meet the PM Team's expectations. Furthermore, Mondrian managed the portfolio with a conservative approach focused primarily on dividend yield and future real growth. However, more recently, Mondrian articulated a willingness to invest in high quality businesses that justify higher valuation by looking beyond headline multiples and current dividend yield, within the team's existing valuation methodology. The modification resulted in a more core orientation, compared to its prior process that was more value-focused. Mondrian's role and the benefits of the strategy for the Fund became less clear subsequent to its process change. Given Mondrian's modified process, the PM Team believes March was an opportunistic time to terminate Mondrian following a period its good performance.

The PM Team mimicked the exposure that Mondrian provided while also enhancing the Fund's return characteristics by increasing the allocation to ARGA and William Blair. Both managers generated attractive benchmark relative results over time. ARGA, a deep value manager, augments the Fund's value exposure while William Blair, a quality growth manager, provides downside protection.

Disclosures

For more information

Mutual funds are sold by prospectus. Investors should carefully read and consider a mutual fund's investment objectives, risks, charges and expenses before investing. The prospectus contains this and other information about a mutual fund. To obtain a free prospectus or summary prospectus for , PACE International Emerging Markets Equity Investments please contact UBS Asset Management at 877-312 4813 or visit www.ubs.com/am-us for a current prospectus.

Special considerations

PACE International Emerging Markets Equity Investments may be appropriate for long-term investors seeking to diversify a portion of their assets. Investors should be willing to withstand short-term fluctuations in the equity markets in return for potentially higher returns over the long term. The value of the Portfolio changes every day and can be affected by changes in general market conditions, and other political, social and economic developments, as well as specific matters relating to the companies or issuers in whose securities the Portfolio invests. In addition, investments in smaller-/medium-capitalization companies and foreign issuers are subject to special risks. Small and mid cap companies are typically subject to a greater degree of change in earnings and business prospects than are larger, more established companies. Therefore, they are considered to have a higher level of volatility and risk. 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 US dollar. These risks are greater for investments in emerging market issuers than for issuers in more developed countries. PACE International Emerging Markets Equity Investments may invest heavily in derivatives, which may rise or fall more rapidly than other investments PACE International Emerging Markets Equity Investments may also employ strategies including short sales and leverage, which may accelerate the velocity of potential losses. High yield securities are subject to higher risks than investment grade securities, including greater price volatility and a greater risk of loss of principal and nonpayment of interest. There are certain risks associated with investing in real estate investments, including sensitivity to economic downturns, declines in property values and variation in property management. It is important to note that an investment in a Portfolio is only one component of a balanced investment plan.

Diversification does not ensure gains nor guarantee against loss.

The value of the Fund's portfolios changes every day and can be affected by changes in general market conditions, as well as specific matters relating to the issuers and companies in whose securities the Fund invests. The value of a Fund'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 US dollar. These risks are greater for investments in emerging market issuers than for issuers in more developed countries. The use of derivatives, leverage and shorting strategies may increase a Fund's price fluctuation, and it may be possible for a Fund to lose more than the principal amount invested in instruments that utilize these strategies. The use of derivatives, leverage and shorting strategies may accelerate the velocity of potential losses. Please see the Fund's prospectus for a complete discussion of these risks. It is important to note that an investment in the Fund is only one component of a balanced investment plan. Shares of the Fund are not guaranteed, and an investment in the Fund may result in loss of principal. Shares are not FDIC-insured.

The PACE Select Advisors Program (Applicable to PACE Program Participants Only)

The PACE Select Advisors Program is an investment advisory service pursuant to which UBS Financial Services Inc. provides clients with personalized investment allocation recommendations. UBS Financial Services Inc. does not have any investment discretion over your client's PACE Select Advisors Program account. Clients will make all the investment decisions.

Under the PACE Select Advisors Program, Financial Advisors assist clients in:

- identifying client financial characteristics, including their risk tolerance and investment objectives; and
- completing an Investor Profile Questionnaire, which clients may update from time to time with Financial Advisors' assistance.

UBS Financial Services Inc. uses an investment profile evaluation and asset allocation methodology to translate this information into a suggested allocation of a client's assets among different funds. Financial Advisors present the recommended allocation to clients initially. Financial Advisors also may, if clients so request, review with clients the monthly account statements and other information, such as quarterly performance data. Financial Advisors also monitor any changes in a client's financial characteristics that clients identify through a revised Investor Profile Questionnaire and communicates these changes to UBS Financial Services Inc. for reevaluation of a client's investment profile.

Investors who no longer participate in the PACE Select Advisors Program but continue to hold Class P shares will not be entitled to any of the services described in this section.

For the services provided to clients under the PACE Select Advisors Program, clients will pay UBS Financial Services Inc. a quarterly Program Fee at an annual rate of up to 2.50% of the value of the shares of the funds held in their account under the PACE Select Advisors Program. This quarterly fee is generally charged to your UBS Financial Services Inc. account.

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AMT-3968 4/23

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