



# PACE High Yield Investments

December 31, 2023

**A diversified portfolio of sub-investment grade companies, which seeks to provide an attractive yield and potential for capital appreciation.<sup>1</sup>**

**A world of opportunities.** The strategy invests in companies located across the globe in both developed and emerging markets, seeking to harness the full breadth of global opportunities while minimizing foreign currency risks.

**In-depth fundamental research.** Blending macroeconomic views with comprehensive company research to position the portfolio to perform over a market cycle.

**Attractive source of yield.** We believe high-yield securities generally offer a higher level of income and less interest-rate sensitivity than most core fixed income investments.

## Performance vs. key Indices<sup>2</sup>

	Average annual total return as of December 31, 2023 (%)						
	4Q23	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.	Since Inception
PACE High Yield Class P	6.47	12.76	12.76	1.19	4.54	3.91	6.03
PACE High Yield Class A	6.38	12.59	12.59	1.01	4.39	3.74	5.82
after maximum sales charge of 3.75%	2.40	8.32	8.32	-0.28	3.59	3.34	5.59
ICE BofA Global High Yield Index (Hedged in USD)	6.68	12.97	12.97	1.04	4.70	4.52	6.50

The Trust, with respect to the Fund, and UBS Asset Management (Americas) Inc., the Fund's investment advisor ("UBS AM (Americas)" or the "Advisor"), have entered into a written agreement pursuant to which the Advisor has agreed to waive a portion of its management fees and/or to reimburse certain expenses through the period ending November 30, 2024. For detailed information, please refer to the Fund's prospectus.

## Investment Advisor: UBS Asset Management (Americas) Inc.<sup>5</sup>

Subadvisor	Allocation (%) <sup>6</sup>
Nomura Corporate Research and Asset Management Inc.	100

The performance data quoted in this material represents past performance, which is not an indication or a guarantee or future results. 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. Due to market volatility, current performance may be significantly lower or higher than the performance quoted. Returns assume the reinvestment of all dividends and capital gains. For performance current to the most recent month-end, visit [www.ubs.com/us-mutualfundperformance](http://www.ubs.com/us-mutualfundperformance). You can lose money investing in the Fund. Class P share performance does not reflect the deduction of any program fee. If it had, performance would be lower.

## Morningstar category

High Yield bond

## Expense ratio<sup>3</sup>

	Gross (%)	Net (%)	Inception date
P shares	1.06	0.88	4/10/06
A shares	1.20	1.06	5/1/06
Y shares	0.90	0.88	12/26/08

## Share class: Ticker symbol

P: PHYPX      A: PHIAX      Y: PHDYX

## Fund characteristics

As of December 31, 2023

Net assets	\$184.6 mil.
Duration <sup>7</sup>	3.59 years
30-day SEC yield <sup>7</sup>	7.44%
30-day SEC yield, less waiver <sup>7</sup>	7.23%
Dividend yield <sup>7</sup>	0.14%
1099 Tax Reporting	Yes

**Credit rating<sup>8</sup>**

	% of the Fund	% of the Index
Above BBB	0.08	0.00
BBB	3.65	0.00
BB	46.70	56.86
B	38.02	34.16
CCC & Below	10.65	8.99
NR	0.89	0.00

**Regional exposure<sup>8</sup>**

	% of the Fund	% of the Index
United States	61.87	58.25
European	19.16	23.28
Emerging Markets	13.99	14.11

**Sector<sup>8</sup>**

	% of the Fund	% of the Index
Energy	14.69	13.62
Basic Industry	9.22	8.13
Telecommunications	6.52	7.19
Leisure	9.28	6.38
Media	5.47	6.27
Banking	3.27	5.34
Healthcare	6.42	7.09
Capital Goods	5.35	5.69
Real Estate	3.66	4.22
Financial Services	5.89	5.20
Services	6.03	5.63
Retail	4.86	5.06
Consumer Goods	4.13	3.44
Technology & Electronics	3.60	4.47
Utility	4.07	4.91
Automotive	3.66	3.12
Transportation	2.88	2.92
Insurance	0.99	1.34
Cash	0.00	0.00
Foreign Sovereign	0.00	0.00

- Diversification and asset allocation strategies do not guarantee profit nor ensure against loss.
- As of December 31, 2023. Except where noted, comparative fund performance does not account for the deduction of sales charges and would be different if sales charges were included. Returns would be lower if certain expense waivers had not been in effect. Class A shares are subject to a maximum 3.75% front-end sales charge. They are subject to an ongoing 12b-1 service fee of 0.25%. Purchases of \$1 million or more are not subject to a front-end sales charge; however, there is a 1.00% contingent deferred sales charge if redeemed within one year of the purchase date. Other share classes are offered and their returns will vary depending on expenses and sales charges. Life returns for an index are as of the nearest month-end of the inception date of the Fund. The ICE BofA Merrill Lynch Global High Yield Index (hedged in USD) tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or eurobond markets. Index performance does not reflect deduction of fees and expenses.
- Expense ratios are as of the Fund's most recent prospectus dated November 28, 2023. The Fund and UBS AM have entered into a written fee waiver/expense reimbursement agreement pursuant to which UBS AM is contractually obligated to: 1) waive its management fees through November 30, 2024 to the extent necessary to offset the cost savings to UBS AM for allocating a portion of the Fund's assets to other unaffiliated pooled investment vehicles and index futures; and 2) waive a portion of its management fees and/or reimburse expenses through November 30, 2024 so that the Fund's ordinary total operating expenses (excluding dividend expense, borrowing costs and interest expense relating to short sales, and expenses attributable to investment in other investment companies, interest, taxes, brokerage commissions and extraordinary expenses) would not exceed 1.06% for Class A, 0.88% for Class Y and 0.91% for Class P. For information, please refer to the Fund's summary prospectus and prospectus.
- Duration is a measure of a portfolio's sensitivity to changes in interest rates and is typically measured in years. Each year of duration represents the approximate expected percentage change in the value of a security or portfolio that will result from a 1% change in interest rates. Generally speaking, as interest rates rise, the value of a fixed income security declines.
- The fund is managed by UBS Asset Management's Multi-Manager Solutions (MMS) team which consists of 10 dedicated investment professionals with over 130 years of cumulative experience and an average of 14 years of industry experience.
- Represents the target allocation for the investment manager as of December 31, 2023. Investment managers and their allocations are subject to change.
- Calculated on the P-Share class. Morningstar defines the 30-day SEC Yield as a calculation based on a 30-day period ending on the last of the previous month. Morningstar computes this yield by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. Morningstar defines the Dividend Yield as the 12-Month Yield, also known as a distribution yield and computes this figure by summing the trailing 12-month's income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.
- The Fund's portfolio is actively managed, and its composition will differ over time. Holdings, credit rating (which is specific to the securities in the Fund) and sector weightings, portfolio characteristics, and allocations are subject to change, and are as of December 31, 2023. Percentage totals may not equal 100% due to rounding. Ratings are based on Moody's, S&P or Fitch, as applicable. When calculating the credit quality, the middle rating of the agencies is selected when all three agencies rate a security. The lower of the two ratings is selected if only two agencies rate a security.

**Special considerations:**

Investors in the Fund should be able to withstand short-term fluctuations in fixed income markets in return for potentially higher returns over the long term. The value of the Fund changes every day and may 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 and companies in whose securities the Fund invests. The value of the 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. Shares of Funds are not deposits or obligations of any bank or government agency and are not guaranteed by the FDIC or any other agency. Additional risks and considerations are noted in the Fund's prospectus.

**Risk Disclosure:**

**Primary Risks:** Investing in the Fund may expose your portfolio to the following risks. This list is not exhaustive and may be subject to change. Please refer to the prospectus and SAI for a more complete discussion of the risks involved in investing in this Fund.

**High yield securities ("junk bonds") risk:** Lower rated securities (the issuers of which are typically in poorer financial health) are subject to higher risks than investment grade securities. For example, lower rated securities may be (1) subject to a greater risk of loss of principal and non-payment of interest (including default by the issuer); (2) subject to greater price volatility; and (3) less liquid than investment grade securities. The prices of such securities may be more vulnerable to bad economic news, or even the expectation of bad news, than higher rated fixed income securities.

**Credit risk:** The risk that the fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to or guarantor of a derivative contract or

**For more information:**

**Contact your financial advisor or UBS Asset Management at 888-793 8637 for a current prospectus. Consider carefully the Fund's investment objectives, risks, charges, expenses and other matters of interest set forth in the prospectus. The prospectus contains this and other information about the Fund. Please read it carefully and consider them before investing. It is important you have all the information you need to make a sound investment decision. An investment in a fund is only one component of a balanced investment plan.**

transaction, is unable or unwilling to meet its financial obligations. This risk is likely greater for lower quality investments than for investments that are higher quality.

**Interest rate risk:** An increase in prevailing interest rates typically causes the value of fixed income securities to fall. Changes in interest rates will likely affect the value of longer-duration fixed income securities more than shorter-duration securities and higher quality securities more than lower quality securities. When interest rates are falling, some fixed income securities provide that the issuer may repay them earlier than the maturity date, and if this occurs the fund may have to reinvest these repayments at lower interest rates. The fund may face a heightened level of interest rate risk due to certain changes in monetary policy, such as certain types of interest rate changes by the Federal Reserve. During periods when interest rates are low or there are negative interest rates, the fund's performance may be negatively impacted, and the fund may experience increased volatility of its net asset value per share.

UBS Asset Management (US) Inc. is an indirect wholly owned subsidiary of UBS Group AG. PACE is a service mark of UBS Financial Services Inc.