

PACE Large Co Value Equity Investments

Fund Activity Update

This update is intended to provide an overview of the current positioning in PACE Large Co Value 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 Large Cap Value Equity Investments Fund (PCLVX, P-share) and require no action on your part.

Overview

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

- Termination of Pzena Investment Management, LLC ("Pzena"; -10%)
- Appointment of Hotchkis and Wiley Capital Management, LLC ("H&W"; +10%) to provide the Large Cap Diversified Value strategy out of assets previously allocated to Pzena.

*The trade was effective as of the close of business on April 14, 2023.

Rationale

The PACE Portfolio Management Team ("PM Team") is seeking to enhance the Fund's exposure to exceed the benchmark's returns more consistently in various market environments.

Pzena has been a longstanding sub-advisor to the Fund, providing a deep value strategy intended to act as a high beta, deep value diversifier for the Fund. Specifically, Pzena seeks to uncover valuation opportunities through a sector based fundamental research approach. Pzena is expected to perform best during markets driven by reflationary and/or recovery dynamics, when the value factor and cyclical companies tend to be in favor.

While Pzena's performance has been reasonable when properly contextualized, Pzena did not manage to add value consistently via stock selection and the strategy experienced significant benchmark relative drawdowns over time.

H&W is a deep value manager that employs a research-driven, fundamental approach that attempts to add value by purchasing stocks at a significant discount to intrinsic value. H&W's investment philosophy is based on the belief that market participants extrapolate current trends and economic conditions into the future, favoring popular investments regardless of valuation. H&W believes that the consistent, disciplined application of the team's independent research can identify mispriced assets and generate alpha over the long term. The team has applied the investment approach in a disciplined manner across multiple cycles and different environments. Furthermore, H&W has a stable firm that has developed and retained a strong team of sector specialists who have a passion for value investing.

Funding the proposed allocation of Fund assets to H&W through the termination of Pzena is expected to improve the risk adjusted returns of the Fund.

Mutual funds are sold by Prospectus. Investors should carefully read and carefully consider a Fund's investment objectives, risks, charges, expenses and other matters of interest before investing. The prospectus contains this and other information about the Fund. Contact your Financial Advisor, or UBS Asset Management (US) Inc., the Distributor, at 888-793 8637 for a current Fund prospectus or summary prospectus for PACE Alternative Strategies Investments.

Performance quoted is past performance and no guarantee of future results. Results assume the reinvestment of all dividends and capital gains. Due to market volatility, current returns may be significantly higher or lower than those shown. See www.ubs.com/us-mutualfundperformance for current month-end performance. Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. You can lose money investing in the Fund.

The values of the PACE Select Portfolios 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 companies or issuers** in whose securities the Portfolios invest. 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 fund's investments in **foreign securities** may fall due to adverse political, social and economic developments abroad. Investments in **foreign government bonds** involve special risks because the fund may have limited legal recourse in the event of default. However, because the fund's foreign investments must be denominated in US dollars, it generally is not subject to the risk of changes in currency valuations. These risks are greater for investments in **emerging market issuers** than for issuers in more developed countries. **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 **fixed income** investments, including interest rate risk, derivative risk, futures risk and credit risk. There are certain risks associated with investing in **real estate** investments, including sensitivity to economic downturns, interest rates, 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. There are certain unique risks associated with the use of **short sales** strategies. When selling a security short, a fund will sell a security it does not own at the then-current market price and then borrow the security to deliver to the buyer. A fund is then obligated to buy the security on a later date so it can return the security to the lender. Short sales, therefore, involve the risk that a fund will incur a loss by subsequently buying a security at a higher price than the price at which the fund previously sold the security short. **Derivatives** involve risks different from, and possibly greater than, the risks associated with investing directly in securities and other instruments. If an investment advisor incorrectly forecasts the value of securities, currencies, interest rates or other economic factors in using derivatives, a fund might have been in a better position if the fund had not entered into the derivatives. While some strategies involving derivatives can protect against the risk of loss, the use of derivatives can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in other fund investments. Derivatives also involve the risk of mispricing or other improper valuation, the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate, index or overall securities markets, and counterparty and credit risk (the risk that the other party to a swap agreement or other derivative will not fulfill its contractual obligations, whether because of bankruptcy or other default). Gains or losses involving some options, futures and other derivatives may be substantial (for example, for some derivatives, it is possible for a fund to lose more than the amount the fund invested in the derivatives). Some derivatives tend to be more volatile than other investments, resulting in larger gains or losses in response to market changes. Derivatives are subject to a number of other risks, including liquidity risk (the possible lack of a secondary market for derivatives and the resulting inability of a fund to sell or otherwise closeout the derivatives) and interest rate risk (some derivatives are more sensitive to interest rate changes and market price fluctuations). Finally, a fund's use of derivatives may cause the fund to realize higher amounts of short-term capital gains (generally taxed at ordinary income tax rates) than if the fund had not used such instruments. There are certain risks involved in investing in certain open- or closed-end **investment companies**. The shares of other investment companies are subject to the management fees and other expenses of those companies, and the purchase of shares of some investment companies requires the payment of sales loads and (in the case of closed-end investment companies) sometimes substantial premiums above the value of such companies' portfolio securities).

Please see the prospectus for a more complete discussion of the risks associated with the PACE Select Funds.

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

The PACESM 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 PACESM 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-4170 5/23

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