



# PACE<sup>®</sup> Government Money Market Investments

Semiannual Report | January 31, 2019



# PACE Government Money Market Investments

## Performance

The seven-day current yield for the Fund as of January 31, 2019 was 1.85% (after fee waivers/expense reimbursements).<sup>1</sup> For more information on the Fund's performance, refer to "Yields and characteristics at a glance" on page 6. Please remember that the PACE program fee is assessed outside the Portfolio at the PACE program account level. The program fee does not impact the determination of the Portfolio's net asset value per share.

## Advisor's Comments

The Fed continued to normalize monetary policy during the reporting period. For example, the Fed raised rates at its meetings in September and December 2018, for a total of four rate hikes in 2018. With its December 2018 increase, the federal funds rate moved to a range between 2.25% and 2.50%. In addition, the Fed continued reducing its balance sheet. However, at its meeting in January 2019, the Fed appeared to take a less aggressive stance on future rate hikes.

We tactically adjusted the Portfolio's weighted average maturity ("WAM") throughout the six-month review

## PACE Select Advisors Trust—PACE Government Money Market Investments

### Investment Advisor:

UBS Asset Management (Americas) Inc.

### Portfolio Manager:

Robert Sabatino

### Objective:

Current income consistent with preservation of capital and liquidity

### Investment process:

The Portfolio is a money market mutual fund and seeks to maintain a stable price of \$1.00 per share, although it may be possible to lose money by investing in this Portfolio. The Portfolio invests in a diversified portfolio of high-quality money market instruments of governmental issuers. Security selection is based on the assessment of relative values and changes in market and economic conditions.

<sup>1</sup> Class P shares held through the PACE Select Advisors Program are subject to a maximum Program fee of 2.50%, which, if included, would have reduced performance. Class P shares held through other advisory programs also may be subject to a program fee, which, if included, would have reduced performance.

# PACE Government Money Market Investments

period. When the reporting period began, the Portfolio had a WAM of 22 days. This was increased to 26 days at the end of the reporting period.

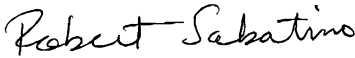
A number of adjustments were made to the Portfolio's sector and issuer positioning during the six-month period. We reduced the Portfolio's exposure to US government and agency obligations and increased its allocation to repurchase agreements. (Repurchase agreements are transactions in which the seller of a security agrees to buy it back at a predetermined time and price or upon demand.)

We thank you for your continued support and welcome any comments or questions you may have. For any additional information on the UBS family of funds,\* please contact your financial advisor, or visit us at [www.ubs.com/am-us](http://www.ubs.com/am-us).

Sincerely,



Igor Lasun  
*President*  
PACE Select Advisors Trust  
*Executive Director*  
UBS Asset Management  
(Americas) Inc.



Robert Sabatino  
*Portfolio Manager,*  
PACE Government Money Market  
Investments  
*Managing Director,*  
UBS Asset Management  
(Americas) Inc.

**\* Mutual funds are sold by prospectus only. You should read it carefully and consider a fund's investment objectives, risks, charges, expenses and other important information contained in the prospectus before investing. Prospectus for most of our funds can be obtained from your financial advisor, by calling UBS Funds at 800-647 1568 or by visiting our Website at [www.ubs.com/am-us](http://www.ubs.com/am-us).**

## PACE Government Money Market Investments

*This letter is intended to assist shareholders in understanding how the Funds performed during the six-month period ended January 31, 2019. The views and opinions in the letter were current as of March 15, 2019. They are not guarantees of future performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and we reserve the right to change our views about individual securities, sectors and markets at any time. As a result, the views expressed should not be relied upon as a forecast of the Fund's future investment intent. We encourage you to consult your financial advisor regarding your personal investment program.*

# PACE Government Money Market Investments

## Understanding your Portfolio's expenses (unaudited)

As a shareholder of the Portfolio, you incur two types of costs: (1) ongoing program fees; and (2) ongoing Portfolio costs, including management fees and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The example below is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, August 1, 2018 to January 31, 2019.

### Actual expenses

The first line in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over a period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading "Expenses paid during period" to estimate the expenses you paid on your account during this period.

### Hypothetical example for comparison purposes

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate your actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

# PACE Government Money Market Investments

## Understanding your Portfolio's expenses (unaudited) (concluded)

Please note that the expenses shown in the table are meant to highlight your ongoing Portfolio costs only and do not reflect any program fees. Therefore, the second line in the table is useful in comparing ongoing Portfolio costs only, and will not help you determine the relative total costs of owning different funds. In addition, if program fees were included, your costs would have been higher.

|   | <b>Beginning<br/>account value<br/>August 1,<br/>2018</b> | <b>Ending<br/>account value<br/>January 31,<br/>2019</b> | <b>Expenses paid<br/>during period<sup>1</sup><br/>08/01/18 to<br/>01/31/19</b> | <b>Expense<br/>ratio<br/>during the<br/>period</b> |
|---|---|--|---|--|
| Actual  | \$1,000.00  | \$1,008.00   | \$3.04  | 0.60%  |
| Hypothetical<br>(5% annual return<br>before expenses) | 1,000.00  | 1,022.18   | 3.06  | 0.60   |

<sup>1</sup> Expenses are equal to the Portfolio's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 184 divided by 365 (to reflect the one-half year period).

# PACE Government Money Market Investments

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## Yields and characteristics at a glance—January 31, 2019 (unaudited)

### Yields and characteristics

|   |         |
|---|---------|
| Seven-day current yield after fee waivers and/or expense reimbursements <sup>1</sup>    | 1.85%   |
| Seven-day effective yield after fee waivers and/or expense reimbursements <sup>1</sup>  | 1.87    |
| Seven-day current yield before fee waivers and/or expense reimbursements <sup>1</sup>   | 1.58    |
| Seven-day effective yield before fee waivers and/or expense reimbursements <sup>1</sup> | 1.60    |
| Weighted average maturity <sup>2</sup>  | 26 days |

### Portfolio composition<sup>3</sup>

|                                      |               |
|--------------------------------------|---------------|
| US government and agency obligations | 77.0%         |
| Repurchase agreements                | 25.7          |
| Other assets less liabilities        | (2.7)         |
| <b>Total</b>                         | <b>100.0%</b> |

**You could lose money by investing in PACE Government Money Market Investments. Although the portfolio seeks to preserve the value of your investment at \$1.00 per share, the portfolio cannot guarantee it will do so. An investment in PACE Government Money Market Investments is not insured or guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) or any other government agency. PACE Government Money Market Investments’ sponsor has no legal obligation to provide financial support to PACE Government Money Market Investments, and you should not expect that the portfolio’s sponsor will provide financial support to PACE Government Money Market Investments at any time.**

**Not FDIC insured. May lose value. No bank guarantee.**

<sup>1</sup> Yields will fluctuate and reflect fee waivers and/or expense reimbursements, if any, unless otherwise noted. Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be higher or lower than the performance data quoted.

<sup>2</sup> The Portfolio is actively managed and its weighted average maturity will differ over time.

<sup>3</sup> Weightings represent percentages of the Portfolio’s net assets as of the date indicated. The Portfolio is actively managed and its composition will vary over time.



# PACE Government Money Market Investments

## Portfolio of investments—January 31, 2019

(unaudited)

|  | Face<br>amount | Value       |
|--|----------------|-------------|
| <b>US government and agency obligations—77.0%</b>              |                |             |
| Federal Farm Credit Bank                                       |                |             |
| 1 mo. USD LIBOR + 0.150%,<br>2.659%, due 03/15/19 <sup>1</sup> | \$6,840,000    | \$6,841,752 |
| 1 mo. USD LIBOR - 0.085%,<br>2.417%, due 05/30/19 <sup>1</sup> | 1,000,000      | 999,984     |
| Federal Home Loan Bank   |                |             |
| 2.323%, due 02/01/19 <sup>2</sup>                              | 2,000,000      | 2,000,000   |
| 2.340%, due 02/06/19 <sup>2</sup>                              | 5,000,000      | 4,998,375   |
| 2.343%, due 02/01/19 <sup>2</sup>                              | 2,000,000      | 2,000,000   |
| 2.357%, due 02/08/19 <sup>2</sup>                              | 4,800,000      | 4,797,800   |
| 2.360%, due 02/01/19 <sup>2</sup>                              | 5,000,000      | 5,000,000   |
| 2.360%, due 03/14/19 <sup>2</sup>                              | 2,000,000      | 1,994,624   |
| 2.368%, due 02/15/19 <sup>2</sup>                              | 1,000,000      | 999,079     |
| 2.370%, due 02/13/19 <sup>2</sup>                              | 2,175,000      | 2,173,282   |
| 2.374%, due 02/20/19 <sup>2</sup>                              | 1,000,000      | 998,747     |
| 2.375%, due 02/06/19 <sup>2</sup>                              | 4,000,000      | 3,998,681   |
| 2.380%, due 02/22/19 <sup>2</sup>                              | 3,000,000      | 2,995,835   |
| 2.381%, due 03/27/19 <sup>2</sup>                              | 2,000,000      | 1,992,857   |
| 2.385%, due 02/27/19 <sup>2</sup>                              | 2,000,000      | 1,996,555   |
| 2.390%, due 02/05/19 <sup>2</sup>                              | 5,000,000      | 4,998,672   |
| 2.395%, due 03/13/19 <sup>2</sup>                              | 2,000,000      | 1,994,678   |
| 2.400%, due 03/06/19 <sup>2</sup>                              | 3,000,000      | 2,993,400   |
| 2.400%, due 03/27/19 <sup>2</sup>                              | 3,000,000      | 2,989,200   |
| 2.400%, due 04/10/19 <sup>2</sup>                              | 3,000,000      | 2,986,400   |
| 2.402%, due 05/03/19 <sup>2</sup>                              | 2,000,000      | 1,987,857   |
| 2.404%, due 03/08/19 <sup>2</sup>                              | 3,000,000      | 2,992,988   |
| 2.405%, due 03/13/19 <sup>2</sup>                              | 1,000,000      | 997,328     |
| 2.405%, due 05/15/19 <sup>2</sup>                              | 3,000,000      | 2,979,357   |
| 2.406%, due 04/24/19 <sup>2</sup>                              | 5,000,000      | 4,972,598   |
| 2.406%, due 04/26/19 <sup>2</sup>                              | 2,000,000      | 1,988,772   |
| 2.408%, due 04/22/19 <sup>2</sup>                              | 5,000,000      | 4,973,244   |
| 2.410%, due 03/11/19 <sup>2</sup>                              | 5,000,000      | 4,987,281   |
| 2.410%, due 03/22/19 <sup>2</sup>                              | 2,000,000      | 1,993,439   |

PACE Government Money Market Investments  
Portfolio of investments—January 31, 2019  
(unaudited)

|  | Face<br>amount | Value       |
|--|----------------|-------------|
| <b>US government and agency obligations—(continued)</b>        |                |             |
| 2.413%, due 03/08/19 <sup>2</sup>                              | \$5,000,000    | \$4,988,270 |
| 2.418%, due 02/22/19 <sup>2</sup>                              | 2,000,000      | 1,997,179   |
| 2.430%, due 04/03/19 <sup>2</sup>                              | 1,200,000      | 1,195,059   |
| 2.430%, due 04/09/19 <sup>2</sup>                              | 2,500,000      | 2,488,694   |
| 2.435%, due 04/05/19 <sup>2</sup>                              | 3,000,000      | 2,987,216   |
| 2.435%, due 05/01/19 <sup>2</sup>                              | 2,500,000      | 2,484,950   |
| 2.460%, due 07/05/19 <sup>2</sup>                              | 1,000,000      | 989,477     |
| 2.465%, due 06/05/19 <sup>2</sup>                              | 3,000,000      | 2,974,528   |
| 1 mo. USD LIBOR - 0.045%,<br>2.458%, due 07/03/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.055%,<br>2.459%, due 01/14/20 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 1 mo. USD LIBOR - 0.065%,<br>2.448%, due 10/18/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.070%,<br>2.440%, due 02/25/19 <sup>1</sup> | 1,000,000      | 1,000,027   |
| 1 mo. USD LIBOR - 0.070%,<br>2.441%, due 10/09/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.080%,<br>2.422%, due 09/27/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.080%,<br>2.423%, due 03/19/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 1 mo. USD LIBOR - 0.080%,<br>2.427%, due 02/04/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 1 mo. USD LIBOR - 0.085%,<br>2.418%, due 06/03/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 1 mo. USD LIBOR - 0.085%,<br>2.418%, due 06/21/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.090%,<br>2.423%, due 04/05/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.090%,<br>2.426%, due 09/10/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 1 mo. USD LIBOR - 0.100%,<br>2.403%, due 08/21/19 <sup>1</sup> | 2,000,000      | 2,000,000   |

PACE Government Money Market Investments  
Portfolio of investments—January 31, 2019  
(unaudited)

|  | Face<br>amount | Value       |
|--|----------------|-------------|
| <b>US government and agency obligations—(continued)</b>        |                |             |
| 1 mo. USD LIBOR - 0.105%,<br>2.397%, due 07/26/19 <sup>1</sup> | \$2,000,000    | \$2,000,000 |
| 1 mo. USD LIBOR - 0.105%,<br>2.398%, due 02/22/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 1 mo. USD LIBOR - 0.105%,<br>2.398%, due 07/19/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.105%,<br>2.398%, due 08/20/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.110%,<br>2.404%, due 08/13/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.115%,<br>2.388%, due 07/19/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.115%,<br>2.395%, due 02/25/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 1 mo. USD LIBOR - 0.120%,<br>2.389%, due 02/15/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.125%,<br>2.385%, due 07/16/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.130%,<br>2.373%, due 03/22/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.130%,<br>2.378%, due 04/17/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| 1 mo. USD LIBOR - 0.130%,<br>2.390%, due 03/01/19 <sup>1</sup> | 4,000,000      | 4,000,000   |
| 1 mo. USD LIBOR - 0.130%,<br>2.391%, due 02/08/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 1 mo. USD LIBOR - 0.135%,<br>2.378%, due 02/05/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 3 mo. USD LIBOR - 0.160%,<br>2.517%, due 05/24/19 <sup>1</sup> | 1,000,000      | 1,000,487   |
| 3 mo. USD LIBOR - 0.340%,<br>2.439%, due 04/24/19 <sup>1</sup> | 1,000,000      | 1,000,000   |
| 3 mo. USD LIBOR - 0.340%,<br>2.443%, due 04/10/19 <sup>1</sup> | 2,000,000      | 2,000,000   |
| SOFR + 0.065%,<br>2.465%, due 11/15/19 <sup>1</sup>            | 1,000,000      | 1,000,000   |

PACE Government Money Market Investments  
 Portfolio of investments—January 31, 2019  
 (unaudited)

|   | Face<br>amount | Value         |
|---|----------------|---------------|
| <b>US government and agency obligations—(concluded)</b>   |                |               |
| US Treasury Bill<br>2.412%, due 02/12/19 <sup>2</sup>   | \$2,000,000    | \$1,998,552   |
| Total US government and agency obligations (cost—\$160,727,224)   |                | 160,727,224   |
| <b>Repurchase agreements—25.7%</b>  |                |               |
| Repurchase agreement dated 01/31/19 with<br>Fixed Income Clearing Corp., 2.550% due 02/01/19,<br>collateralized by \$140,000 US Treasury Note,<br>2.625% due 02/28/23; (value—\$142,221);<br>proceeds: \$136,010  | 136,000        | 136,000       |
| Repurchase agreement dated 01/31/19 with<br>Goldman Sachs & Co., 2.510% due 02/01/19,<br>collateralized by \$6,145,000 Federal Farm Credit Bank<br>obligation, 3.000% due 05/16/36, \$1,020,000 Federal<br>Home Loan Bank obligations, 2.625% to 3.000% due<br>10/01/20 to 12/13/24, \$3,378,000 Federal National Mortgage<br>Association obligation, 2.125% due 04/24/26 and \$52,369,195<br>US Treasury Bond STRIP, zero coupon due 02/15/25;<br>(value—\$54,570,000); proceeds: \$53,503,730 | 53,500,000     | 53,500,000    |
| Total repurchase agreements (cost—\$53,636,000)   |                | 53,636,000    |
| Total investments (cost—\$214,363,224 which approximates<br>cost for federal income tax purposes)—102.7%  |                | 214,363,224   |
| Liabilities in excess of other assets—(2.7)%  |                | (5,697,433)   |
| Net assets—100.0%   |                | \$208,665,791 |

# PACE Government Money Market Investments Portfolio of investments—January 31, 2019 (unaudited)

## Fair valuation summary

The following is a summary of the fair valuations according to the inputs used as of January 31, 2019 in valuing the Portfolio's investments. In the event a Portfolio holds investments for which fair value is measured using the NAV per share practical expedient (or its equivalent), a separate column will be added to the fair value hierarchy table; this is intended to permit reconciliation to the amounts presented in the Portfolio of investments:

| Description                          | Unadjusted<br>quoted prices<br>in active<br>markets for<br>identical<br>investments<br>(Level 1) | Other<br>significant<br>observable<br>inputs<br>(Level 2) | Unobservable<br>inputs<br>(Level 3) | Total         |
|--------------------------------------|--|---|-------------------------------------|---------------|
| US government and agency obligations | \$—  | \$160,727,224   | \$—                                 | \$160,727,224 |
| Repurchase agreements                | —  | 53,636,000  | —                                   | 53,636,000    |
| Total                                | \$—  | \$214,363,224   | \$—                                 | \$214,363,224 |

At January 31, 2019, there were no transfers between Level 1 and Level 2.

## Portfolio footnotes

<sup>1</sup> Variable or floating rate security. The interest rate shown is the rate in effect as of period end and changes periodically.

<sup>2</sup> Rate shown is the discount rate at the date of purchase unless otherwise noted.

## Portfolio acronyms

|       |   |
|-------|---|
| LIBOR | London Interbank Offered Rate                                       |
| SOFR  | Secured Overnight Financing Rate                                    |
| STRIP | Separate Trading of Registered Interest and Principal of Securities |

# PACE Government Money Market Investments

## Statement of assets and liabilities—January 31, 2019

(unaudited)

### Assets:

|  |               |
|--|---------------|
| Investments, at value (cost—\$160,727,224)                     | \$160,727,224 |
| Repurchase agreements, at value (cost—\$53,636,000)            | 53,636,000    |
| Total investments in securities, at value (cost—\$214,363,224) | 214,363,224   |
| Cash   | 995           |
| Receivable for shares of beneficial interest sold              | 565,708       |
| Receivable for interest  | 78,875        |
| Other assets   | 10,395        |
| Total assets   | 215,019,197   |

### Liabilities:

|   |             |
|---|-------------|
| Payable for shares of beneficial interest repurchased | 3,900,358   |
| Payable for investments purchased                     | 1,987,857   |
| Dividends payable to shareholders                     | 179,746     |
| Payable to affiliate                                  | 16,039      |
| Payable to custodian                                  | 4,049       |
| Accrued expenses and other liabilities                | 265,357     |
| Total liabilities                                     | 6,353,406   |
| Net assets  | 208,665,791 |

### Net assets:

|   |               |
|---|---------------|
| Beneficial interest shares of \$0.001 par value (unlimited amount authorized) | \$208,667,475 |
| Distributable earnings (losses)   | (1,684)       |
| Net assets  | \$208,665,791 |
| Shares outstanding  | 208,666,273   |
| Net asset value   | \$ 1.00       |

# PACE Government Money Market Investments

## Statement of operations

**For the  
six months ended  
January 31, 2019  
(unaudited)**

|   |             |
|---|-------------|
| <b>Investment income:</b>   |             |
| Interest  | \$2,274,940 |
| <b>Expenses:</b>  |             |
| Investment management and administration fees                                     | 361,437     |
| Transfer agency and related services fees   | 424,435     |
| Professional services   | 55,473      |
| Reports and notices to shareholders   | 33,844      |
| State registration fees   | 11,530      |
| Trustees' fees  | 10,715      |
| Custody and accounting fees   | 3,844       |
| Insurance expense   | 1,449       |
| Other expense   | 19,723      |
|   | 922,450     |
| Fee waivers and/or expense reimbursements by investment manager and administrator | (302,844)   |
| Net expenses  | 619,606     |
| Net investment income   | 1,655,334   |
| Net realized gain   | 14          |
| Net increase in net assets resulting from operations                              | \$1,655,348 |

# PACE Government Money Market Investments

## Statement of changes in net assets

|   | For the<br>six months ended<br>January 31, 2019<br>(unaudited) | For the<br>year ended<br>July 31, 2018 |
|---|--|--|
| <b>From operations:</b>   |  |  |
| Net investment income   | \$ 1,655,334   | \$ 1,702,668                           |
| Net realized gain   | 14   | 6                                      |
| Net increase in net assets resulting from operations                        | 1,655,348  | 1,702,674                              |
| Total distributions <sup>1</sup>  | (1,655,334)  | (1,702,668)                            |
| Net increase (decrease) in net assets from beneficial interest transactions | 19,871,791   | (10,791,379)                           |
| Net increase (decrease) in net assets                                       | 19,871,805   | (10,791,373)                           |
| <b>Net assets:</b>  |  |  |
| Beginning of period   | 188,793,986  | 199,585,359                            |
| End of period   | \$208,665,791  | \$188,793,986                          |

<sup>1</sup> Distribution balances are presented in total to conform with SEC Regulation S-X amendments, effective November 5, 2018. For the year ended July 31, 2018, all distributions were made from net investment income.



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# PACE Government Money Market Investments

## Financial highlights

Selected financial data throughout each period is presented below:

|   | Six months ended<br>January 31, 2019<br>(unaudited) |
|---|---|
| <b>Net asset value, beginning of period</b>               | \$1.00  |
| Net investment income                                     | 0.008   |
| Net realized gains (losses)                               | 0.000 <sup>1</sup>                                  |
| Net increase from operations                              | 0.008   |
| Dividends from net investment income                      | (0.008)   |
| Distributions from net realized gains                     | —   |
| Total dividends and distributions                         | (0.008)   |
| <b>Net asset value, end of period</b>                     | \$1.00  |
| <b>Total investment return<sup>2</sup></b>                | 0.80%   |
| <b>Ratios to average net assets:</b>                      |   |
| Expenses before fee waivers and/or expense reimbursements | 0.89% <sup>4</sup>                                  |
| Expenses after fee waivers and/or expense reimbursements  | 0.60% <sup>4</sup>                                  |
| Net investment income                                     | 1.60% <sup>4</sup>                                  |
| <b>Supplemental data:</b>                                 |   |
| Net assets, end of period (000's)                         | \$208,666   |

<sup>1</sup> Amount represents less than \$0.0005 per share.

<sup>2</sup> Total investment return is calculated assuming a \$10,000 investment on the first day of each period reported, reinvestment of all dividends and other distributions, if any, at net asset value on the payable dates, and a sale at net asset value on the last day of each period reported. The figures do not include program fees; results would be lower if these fees were included. The investment return for period of less than one year has not been annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions.

<sup>3</sup> In August 2013, UBS AM made a voluntary cash payment of \$2,340 to the Portfolio in order to address a differential between the number of shares outstanding and the Portfolio's net assets. The differential was attributable to historical embedded capital losses that were experienced by the Portfolio over several years prior to credit crisis of 2008. Payment from investment advisor had no impact on the Portfolio's total investment return and represents less than \$0.0005 per share.

<sup>4</sup> Annualized.

| Years ended July 31, |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
| \$1.00               | \$1.00               | \$1.00               | \$1.00               | \$1.00               |
| 0.008                | 0.00 <sup>1</sup>    | 0.000 <sup>1</sup>   | 0.000 <sup>1</sup>   | 0.000 <sup>1</sup>   |
| 0.000 <sup>1</sup>   | (0.000) <sup>1</sup> | 0.000 <sup>1</sup>   | —                    | 0.000 <sup>1</sup>   |
| 0.008                | 0.001                | 0.000 <sup>1</sup>   | 0.000 <sup>1</sup>   | 0.000 <sup>1</sup>   |
| (0.008)              | (0.001)              | (0.000) <sup>1</sup> | (0.000) <sup>1</sup> | (0.000) <sup>1</sup> |
| —                    | —                    | (0.000) <sup>1</sup> | —                    | (0.000) <sup>1</sup> |
| (0.008)              | (0.001)              | (0.000) <sup>1</sup> | (0.000) <sup>1</sup> | (0.000) <sup>1</sup> |
| \$1.00               | \$1.00               | \$1.00               | \$1.00               | \$1.00               |
| 0.83%                | 0.11%                | 0.01%                | 0.01%                | 0.01% <sup>3</sup>   |
| 0.89%                | 0.95%                | 0.96%                | 0.93%                | 0.91%                |
| 0.60%                | 0.52%                | 0.26%                | 0.14%                | 0.14%                |
| 0.82%                | 0.12%                | 0.01%                | 0.01%                | 0.01%                |
| \$188,794            | \$199,585            | \$182,977            | \$168,503            | \$212,025            |

# PACE Government Money Market Investments

## Notes to financial statements (unaudited)

### **Organization and significant accounting policies**

PACE Government Money Market Investments (the “Portfolio”) is registered with the US Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as a diversified series of PACE Select Advisors Trust (the “Trust”), an open-end management investment company organized as a Delaware statutory trust under the laws of the State of Delaware by Certificate of Trust dated September 9, 1994, as amended June 9, 1995 and thereafter. The trustees of the Trust have authority to issue an unlimited number of shares of beneficial interest, par value \$0.001 per share.

The Trust has fifteen series available for investment, each having its own investment objectives and policies. The financial statements for the other series of the Trust are not included herein. Shares of the Portfolio currently are available only to participants in the PACE<sup>SM</sup> Select Advisors Program and the PACE<sup>SM</sup> Multi Advisor Program.

UBS Asset Management (Americas) Inc. (“UBS AM”) serves as the investment manager, investment advisor and administrator for the Portfolio. UBS AM is an indirect wholly owned subsidiary of UBS Group AG. UBS Group AG is an internationally diversified organization with headquarters in Zurich, Switzerland. UBS Group AG operates in many areas of the financial services industry.

The Trust accounts separately for the assets, liabilities and operations of each Portfolio. Expenses directly attributable to each Portfolio are charged to that Portfolio’s operations; expenses which are applicable to all Portfolios are allocated among them on a pro rata basis.

In the normal course of business, the Portfolio may enter into contracts that contain a variety of representations that provide indemnification for certain liabilities. The Portfolio’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Portfolio that have not yet occurred. However, the Portfolio has not had any prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

# PACE Government Money Market Investments

## Notes to financial statements (unaudited)

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) is the exclusive reference of authoritative US generally accepted accounting principles (“US GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative US GAAP for SEC registrants. The Portfolio’s financial statements are prepared in accordance with US GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

In March 2017, the FASB issued Accounting Standards Update 2017-08, Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): “Premium Amortization On Purchased Callable Debt Securities” (“ASU 2017-08”). The update provides guidance related to the amortization period for certain purchased callable debt securities held at a premium. ASU 2017-08 will be effective for annual periods beginning after December 15, 2018. Management is currently assessing the potential impact of these changes to future financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”). The update introduces new fair value disclosure requirements, eliminates some prior fair value disclosure requirements, and modifies certain existing fair value disclosure requirements. ASU 2018-13 will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Management is currently assessing the potential impact of these changes to future financial statements.

The following is a summary of significant accounting policies:

**Valuation of investments**—Under Rule 2a-7 under the 1940 Act, as amended (“Rule 2a-7”) the Portfolio has adopted a policy to operate as a “government money market fund”. Under Rule 2a-7, a

# PACE Government Money Market Investments

## Notes to financial statements (unaudited)

“government money market fund” invests 99.5% or more of its total assets in cash, government securities, and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash and/or government securities). As a “government money market fund”, the Portfolio values its investments at amortized cost unless the Portfolio’s Board of Trustees (the “Board”) determines that this does not represent fair value. Periodic review and monitoring of the valuation of the securities held by the Portfolio is performed in an effort to ensure that amortized cost approximates market value.

US GAAP requires disclosure regarding the various inputs that are used in determining the value of the Portfolio’s investments. These inputs are summarized into the three broad levels listed below:

Level 1—Unadjusted quoted prices in active markets for identical investments.

Level 2—Other significant observable inputs, including but not limited to, quoted prices for similar investments, interest rates, prepayment speeds and credit risks.

Level 3—Unobservable inputs inclusive of the Portfolio’s own assumptions in determining the fair value of investments.

A fair value hierarchy table has been included near the end of the Portfolio’s Portfolio of investments.

**Constant net asset value per share**—The Portfolio attempts to maintain a stable net asset value of \$1.00 per share. There is no assurance, however, that the Portfolio will be able to maintain a stable net asset value of \$1.00 per share. The Portfolio has adopted certain investment, portfolio valuation and dividend/distribution policies in an attempt to enable it to do so. The Portfolio has adopted a policy to operate as a “government money market fund” and as such the Portfolio is permitted to seek to maintain a stable price per share.

**Liquidity fee and/or redemption gates**—By operating as a “government money market fund,” the Portfolio is exempt from requirements that permit the imposition of a liquidity fee and/or

# PACE Government Money Market Investments

## Notes to financial statements (unaudited)

temporary redemption gates. While the Board may elect to subject the Portfolio to liquidity fee and gate requirements in the future, the Board has not elected to do so at this time.

**Repurchase agreements**—The Portfolio may purchase securities or other obligations from a bank or securities dealer (or its affiliate), subject to the seller's agreement to repurchase them at an agreed upon date (or upon demand) and price. The Portfolio maintains custody of the underlying obligations prior to their repurchase, either through its regular custodian or through a special "tri-party" custodian or sub-custodian that maintains a separate account for both the Portfolio and its counterparty. The underlying collateral is valued daily in an effort to ensure that the value, including accrued interest, is at least equal to the repurchase price.

Repurchase agreements carry certain risks not associated with direct investments in securities, including a possible decline in the market value of the underlying obligations. If their value becomes less than the repurchase price, plus any agreed-upon additional amount, the counterparty must provide additional collateral so that the collateral is at least equal to the repurchase price plus any agreed-upon additional amount. The difference between the total amount to be received upon repurchase of the obligations and the price that was paid by a Portfolio upon acquisition is accrued as interest and included in its net investment income. In the event of default of the obligation to repurchase, the Portfolio generally has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. Repurchase agreements secured by obligations that are not eligible for direct investment under Rule 2a-7 of the 1940 Act or a Portfolio's investment strategies and limitations may require the Portfolio to promptly dispose of such collateral if the seller or guarantor becomes insolvent. If the seller (or seller's guarantor, if any) becomes insolvent, the Portfolio may suffer delays, costs and possible losses in connection with the disposition or retention of the collateral. Under certain circumstances, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings. The Portfolio intends to enter into

# PACE Government Money Market Investments

## Notes to financial statements (unaudited)

repurchase agreements only in transactions with counterparties believed by UBS AM to present minimal credit risks.

The Portfolio may participate in joint repurchase agreement transactions with other Portfolios managed, advised or subadvised by UBS AM. Under certain circumstances, the Portfolio may engage in a repurchase agreement transaction with a yield of zero in order to invest cash amounts remaining in its portfolio at the end of the day in order to avoid having the Portfolio potentially exposed to a fee for uninvested cash held in a business account at a bank.

**Investment transactions and investment income**—Investment transactions are recorded on the trade date. Realized gains and losses from investment transactions are calculated using the identified cost method. Interest income is recorded on an accrual basis. Discounts are accreted and premiums are amortized as adjustments to interest income and the identified cost of investments.

**Dividends and distributions**—Dividends and distributions to shareholders are recorded on the ex-dividend date. The amount of dividends and distributions are determined in accordance with US federal income tax regulations, which may differ from US GAAP. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

**Concentration of risk**—The ability of the issuers of debt securities held by the Portfolio to meet their obligations may be affected by economic and political developments particular to a specific industry, country, state or region.

### **Investment management and administration fees and other transactions with affiliates**

The Portfolio’s Board has approved an investment management and administration contract (“Management Contract”) with UBS AM. In



# PACE Government Money Market Investments

## Notes to financial statements (unaudited)

accordance with the Management Contract, the Portfolio pays UBS AM an investment management and administration fee, which is accrued daily and paid monthly, at an annual rate of 0.35% of the Portfolio's average daily net assets. At January 31, 2019, UBS AM is owed \$16,039 from the Portfolio, representing investment management and administration fees net of fee waivers/expense reimbursements.

UBS AM has contractually undertaken to waive a portion of the Portfolio's investment management and administration fees and/or reimburse a portion of the Portfolio's other expenses, when necessary, to maintain the total ordinary annual operating expenses (excluding borrowing costs and interest expense, if any) through November 30, 2019 at a level not to exceed 0.60%. For the period ended January 31, 2019, UBS AM waived \$199,576 in investment management and administration fees. The Portfolio will make a payment to UBS AM for any previously waived fees/reimbursed expenses during the following three fiscal years to the extent that operating expenses are otherwise below the expense cap.

At January 31, 2019, the Portfolio had remaining fee waivers/expense reimbursements subject to repayment to UBS AM and respective dates of expiration as follows:

| <b>Fee waivers/expense reimbursements subject to repayment</b> | <b>Expires July 31, 2019</b> | <b>Expires July 31, 2020</b> | <b>Expires July 31, 2021</b> | <b>Expires July 31, 2022</b> |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| \$1,986,479  | \$706,786                    | \$670,937                    | \$409,180                    | \$199,576                    |

No amount was repaid back to UBS AM in the past year.

### **Additional information regarding compensation to affiliate of a board member**

Professor Meyer Feldberg serves as a senior advisor to Morgan Stanley, a financial services firm with which the Portfolio may conduct transactions, resulting in him being an interested trustee of the Portfolio. The Portfolio has been informed that Professor Feldberg's role at Morgan Stanley does not involve matters directly affecting any

# PACE Government Money Market Investments

## Notes to financial statements (unaudited)

UBS funds. Portfolio transactions are executed through Morgan Stanley based on that firm's ability to provide best execution of the transactions.

During the period ended January 31, 2019, the Portfolio did not purchase or sell certain securities (e.g., fixed income securities) in principal trades with Morgan Stanley. If any such transactions had occurred, Morgan Stanley would have received compensation in connection with such trades, which may have been in the form of a "mark-up" or "mark-down" of the price of the securities or some other form of compensation. Although the precise amount of this compensation is not generally known by the Master Fund's investment manager, it is believed that under normal circumstances it represents a small portion of the total value of the transactions.

### **Transfer agency and related services fees**

UBS Financial Services Inc. provides certain services to the Portfolio pursuant to a delegation of authority from BNY Mellon Investment Servicing (US) Inc. ("BNY Mellon"), the Portfolio's transfer agent, and is compensated for these services by BNY Mellon, not the Portfolio.

UBS Financial Services Inc. has voluntarily agreed to waive a portion of the fee that it would otherwise have received from BNY Mellon with respect to PACE Government Money Market Investments so that BNY Mellon would correspondingly reduce the fees it would have charged to that Portfolio. For the period ended January 31, 2019, the amount of the reduction in transfer agency and related services fees charged by BNY Mellon to the Portfolio was \$103,268, which reflected an equal amount of compensation that was voluntarily waived by UBS Financial Services Inc. Voluntary fee waiver/expense reimbursement arrangements may end at any time.

For the period ended January 31, 2019, UBS Financial Services Inc. received from BNY Mellon, not the Portfolio, \$159,952 of the total transfer agency and related services fees paid by the Portfolio to BNY Mellon.

# PACE Government Money Market Investments

## Notes to financial statements (unaudited)

### Shares of beneficial interest

There is an unlimited amount of \$0.001 par value shares of beneficial interest authorized. Transactions in shares of beneficial interest, at \$1.00 per share, were as follows:

|   | For the<br>six months ended<br>January 31, 2019 | For the<br>year ended<br>July 31, 2018 |
|---|---|--|
| Shares sold                                   | 167,249,955                                     | 153,320,074                            |
| Shares repurchased                            | (148,796,463)                                   | (165,625,042)                          |
| Dividends reinvested                          | 1,418,299                                       | 1,513,589                              |
| Net increase (decrease) in shares outstanding | 19,871,791                                      | (10,791,379)                           |

### Federal tax status

The Portfolio intends to distribute substantially all of its income and to comply with the other requirements of the Internal Revenue Code applicable to regulated investment companies. Accordingly, no provision for federal income taxes is required. In addition, by distributing during each calendar year substantially all of its net investment income, net realized capital gains and certain other amounts, if any, the Portfolio intends not to be subject to a federal excise tax.

The tax character of distributions paid to shareholders by the Portfolio during the fiscal year ended July 31, 2018 was ordinary income in the amount of \$1,702,668.

The components of accumulated earnings (deficit) on a tax basis for the current fiscal year will be determined after the Portfolio's fiscal year ending July 31, 2019.

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses recognized by the Portfolio after December 22, 2010, may be carried forward indefinitely, and retain their character as short-term and/or long-term losses. The Act requires post-enactment net capital losses be used before pre-enactment net capital losses. At July 31, 2018, the Portfolio had post-enactment short-term capital loss carryforwards of \$1,106. During the fiscal year

## PACE Government Money Market Investments Notes to financial statements (unaudited)

ended July 31, 2018, the Portfolio utilized \$6 of capital loss carryforwards to offset current year realized gains.

ASC 740-10 "Income Taxes-Overall" sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken. The Portfolio has analyzed and concluded as of January 31, 2019, that there are no significant uncertain tax positions taken or expected to be taken that would require recognition in the financial statements. The Portfolio recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended January 31, 2019, the Portfolio did not incur any interest or penalties.

Each of the tax years in the four year period ended July 31, 2018, remains subject to examination by the Internal Revenue Service and state taxing authorities.

# PACE Government Money Market Investments

## General information (unaudited)

### **Monthly and quarterly portfolio holdings disclosure**

The Portfolio will file its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Portfolio's Forms N-Q are available on the SEC's Web site at <http://www.sec.gov>. The Portfolio's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC 0330. Additionally, you may obtain copies of Forms N-Q from the Portfolio upon request by calling 1-800-647 1568.

In addition, the Portfolio discloses, on a monthly basis: (a) a complete schedule of its portfolio holdings; and (b) information regarding its weighted average maturity and weighted average life on UBS's Web site at the following internet address: [www.ubs.com/usmoneymarketfunds](http://www.ubs.com/usmoneymarketfunds). In addition, at this location, you will find a link to more detailed Portfolio information appearing in filings with the SEC on Form N-MFP.

### **Proxy voting policies, procedures and record**

You may obtain a description of the Portfolio's (1) proxy voting policies, (2) proxy voting procedures and (3) information regarding how the Portfolio voted any proxies related to portfolio securities during the most recent 12-month period ended June 30 for which an SEC filing has been made, without charge, upon request by contacting the Portfolio directly at 1-800-647 1568, online on the Portfolio's Web site: [www.ubs.com/ubsam-proxy](http://www.ubs.com/ubsam-proxy), or on the EDGAR Database on SEC's Web site (<http://www.sec.gov>).

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**Trustees**

Meyer Feldberg

*Chairman*

Alan S. Bernikow

Richard R. Burt

Bernard H. Garil

Heather R. Higgins

**Principal Officers**

Igor Lasun

*President*

Mark F. Kemper

*Vice President and Secretary*

Joanne M. Kilkeary

*Vice President, Treasurer and  
Principal Accounting Officer*

Robert Sabatino

*Vice President*

**Investment Manager and  
Administrator**

UBS Asset Management  
(Americas) Inc.

1285 Avenue of the Americas  
New York, New York 10019-6028

**Principal Underwriter**

UBS Asset Management (US) Inc.

1285 Avenue of the Americas  
New York, New York 10019-6028

This report is not to be used in connection with the offering of shares of the Portfolio unless accompanied or preceded by an effective prospectus.

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PRESORTED  
STANDARD  
U.S. POSTAGE  
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COMPUTERSHARE