

UBS (Lux) Key Selection Sicav – Global Allocation (“GAF”)

The world in a single portfolio

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SECTION 1

Responding to Client Demands

UBS Global Allocation Capability

Your needs –

- ◆ You are looking for a globally diversified investment with a long standing, successful track record.
- ◆ You want to strengthen your stake in US markets while remaining globally diversified.
- ◆ You want an investment that can do well in every market environment.
- ◆ You want to achieve capital appreciation while taking only moderate risks.
- ◆ You ask for a seasoned team of investment specialists with a proven investment philosophy to manage your investment.



... our solution: UBS Global Allocation Capability.

SECTION 2

UBS Global Allocation Capability

UBS Global Allocation Capability

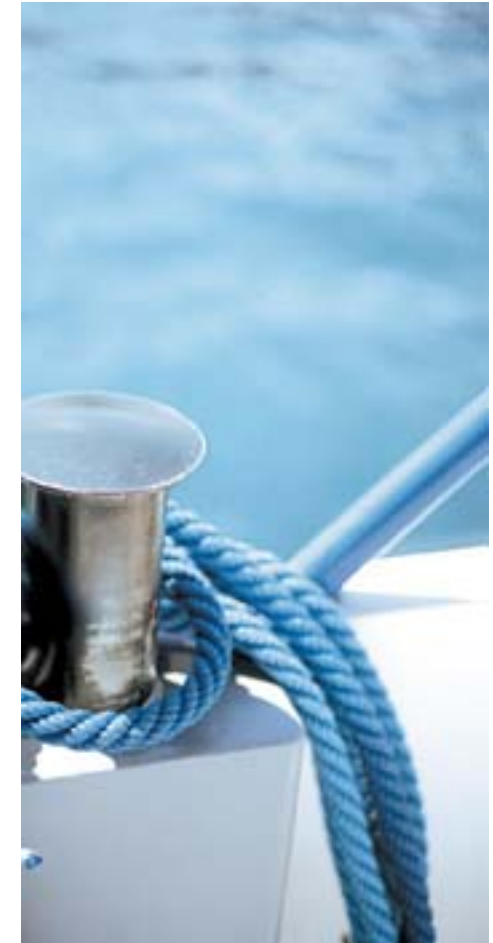
What is UBS Global Allocation Capability?

“

UBS Global Allocation Capability is invested in equities and bonds worldwide with a focus on the US market and aims to outperform its diversified benchmark through flexible asset allocation.

”

- ◆ You have privileged access to the Global Allocation Capability via the discretionary Choice Investment Portfolio mandate. The investment instruments used within the discretionary mandate to implement the Global Allocation Capability may be mainly or only UBS funds.
- ◆ Please note that the Global Allocation Capability is currently also implemented within the Global Securities Portfolio (GSP).



Underlying concept – 1

We can exploit market opportunities –

Annual Performance for Global Asset Classes
Ranked in order of Best to Worst

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Int'l Stocks	7.5%	US Stocks 36.5%	Emerging Mkt. Bonds 35.2%	US Stocks 31.3%	US Stocks 23.4%	Emerging Mkt. Stocks 66.4%	Emerging Mkt. Bonds 14.4%	US Bonds 8.5%	Int'l Bonds 22.0%	Emerging Mkt. Stocks 55.7%	Emerging Mkt. Stocks 26.0%	Emerging Mkt. Stocks 34.5%	Emerging Mkt. Stocks 32.2%
Int'l Bonds	6.0%	Emerging Mkt. Bonds 26.4%	US Stocks 21.2%	High Yield 12.8%	Int'l Stocks 18.7%	Int'l Stocks 27.8%	US Bonds 11.6%	High Yield 6.2%	Emerging Mkt. Bonds 13.1%	Int'l Stocks 39.5%	Int'l Stocks 20.4%	Int'l Stocks 14.5%	Int'l Stocks 25.7%
US Stocks	-0.1%	UBS Global Allocation 26.0%	UBS Global Allocation 15.3%	Emerging Mkt. Bonds 12.0%	Int'l Bonds 17.8%	Emerging Mkt. Bonds 24.2%	UBS Global Allocation 6.6%	UBS Global Allocation 3.4%	US Bonds 10.1%	US Stocks 31.6%	UBS Global Allocation 15.1%	Emerging Mkt. Bonds 10.7%	US Stocks 15.7%
UBS Global Allocation	-0.8%	High Yield 19.9%	High Yield 11.1%	UBS Global Allocation 11.8%	UBS Global Allocation 9.8%	US Stocks 23.6%	Int'l Bonds -2.6%	Emerging Mkt. Bonds 1.4%	High Yield -1.1%	High Yield 30.6%	Int'l Bonds 12.1%	UBS Global Allocation 7.4%	UBS Global Allocation 15.0%
High Yield	-1.2%	Int'l Bonds 19.6%	Int'l Stocks 7.1%	US Bonds 9.6%	US Bonds 8.7%	UBS Global Allocation 2.7%	High Yield -3.8%	Emerging Mkt. Stocks -2.4%	UBS Global Allocation -2.3%	UBS Global Allocation 29.9%	US Stocks 12.0%	US Stocks 6.1%	High Yield 11.6%
US Bonds	-2.9%	US Bonds 18.5%	Emerging Mkt. Stocks 6.0%	Int'l Stocks 2.1%	High Yield 3.7%	High Yield 1.6%	US Stocks -10.9%	Int'l Bonds -3.5%	Emerging Mkt. Stocks -6.3%	Emerging Mkt. Bonds 28.8%	Emerging Mkt. Bonds 11.7%	High Yield 2.9%	Emerging Mkt. Bonds 9.9%
Emerging Mkt. Bonds	-3.2%	Int'l Stocks 11.7%	Int'l. Bonds 4.1%	Int'l Bonds -4.3%	Emerging Mkt. Bonds -11.5%	US Bonds -0.8%	Int'l Stocks -13.5%	US Stocks -11.0%	Int'l Stocks -15.8%	Int'l Bonds 18.5%	High Yield 10.8%	US Bonds 2.6%	Int'l Bonds 6.9%
Emerging Mkt. Stocks	-7.3%	Emerging Mkt. Stocks -5.2%	US Bonds 3.6%	Emerging Mkt. Stocks -11.6%	Emerging Mkt. Stocks -25.3%	Int'l Bonds -5.1%	Emerging Mkt. Stocks -30.6%	Int'l Stocks -21.4%	US Stocks -20.9%	US Bonds 4.2%	US Bonds 4.3%	Int'l Bonds -9.2%	US Bonds 4.3%

Source: UBS Global Asset Management Data, as of 12/06

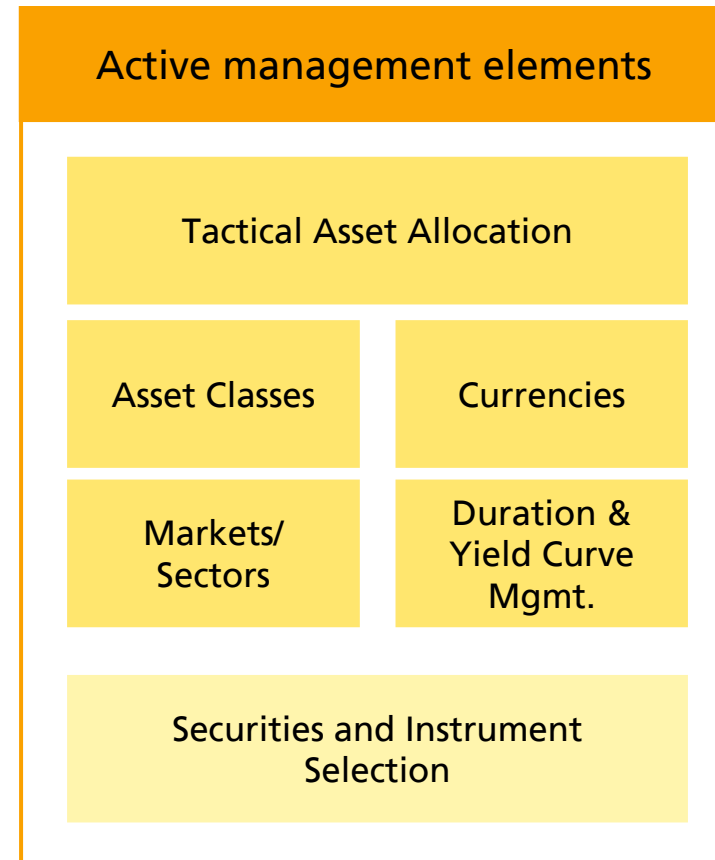
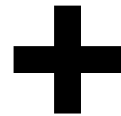
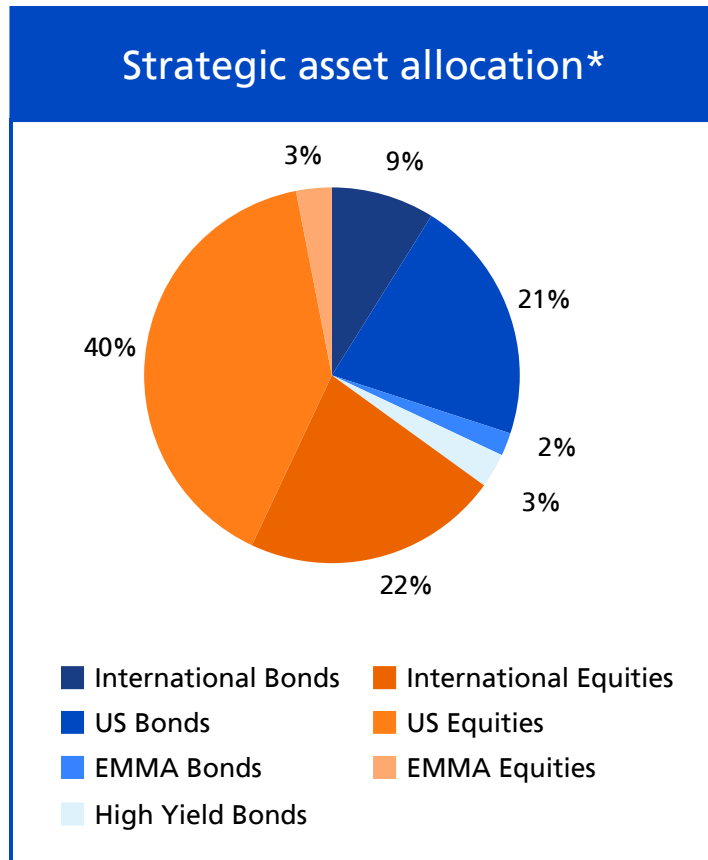
* Data: Global Securities Portfolio composite, performance is gross of fee, in USD.

Past performance is no guarantee of future trends. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming units.

... through a traditional approach.

Underlying concept – 2

A diversified portfolio of stocks and bonds worldwide –



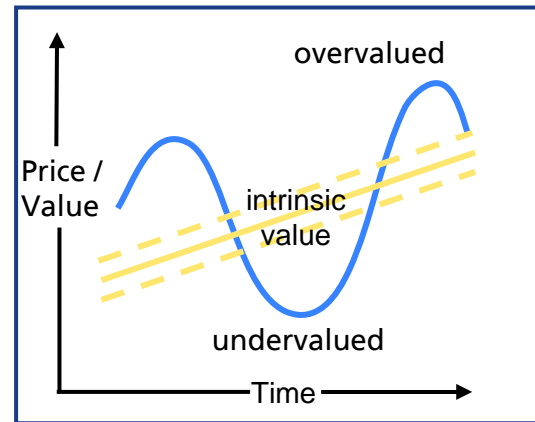
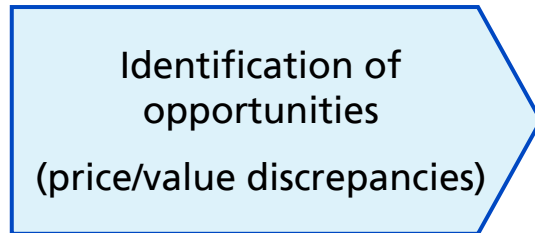
* The strategic asset allocation of the the Global Allocation Capability is based on the Global Securities Markets Index (GSMI). The asset classes, the asset allocation and the investment instruments are indicative only and can be changed at any time at UBS' absolute discretion.

... complemented with active management elements.

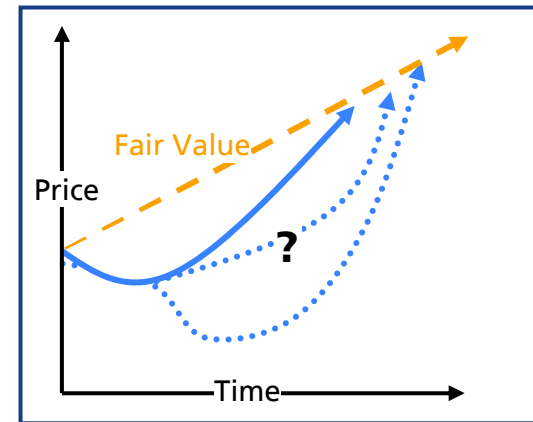
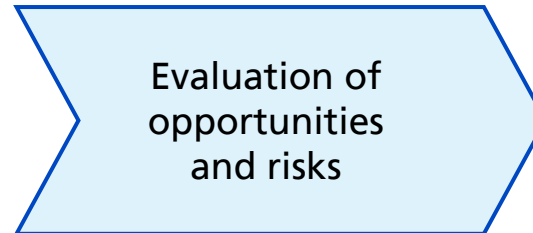
Investment philosophy

A value based investment philosophy –

Fundamental anchor



Market behavior analysis



Strategy implementation



Asset Allocation (top-down)	Security Selection (bottom-up)
<ol style="list-style-type: none">1. Market strategy2. Currency strategy3. Risk positioning	

... is the anchor of the portfolio construction.

Asset allocation team

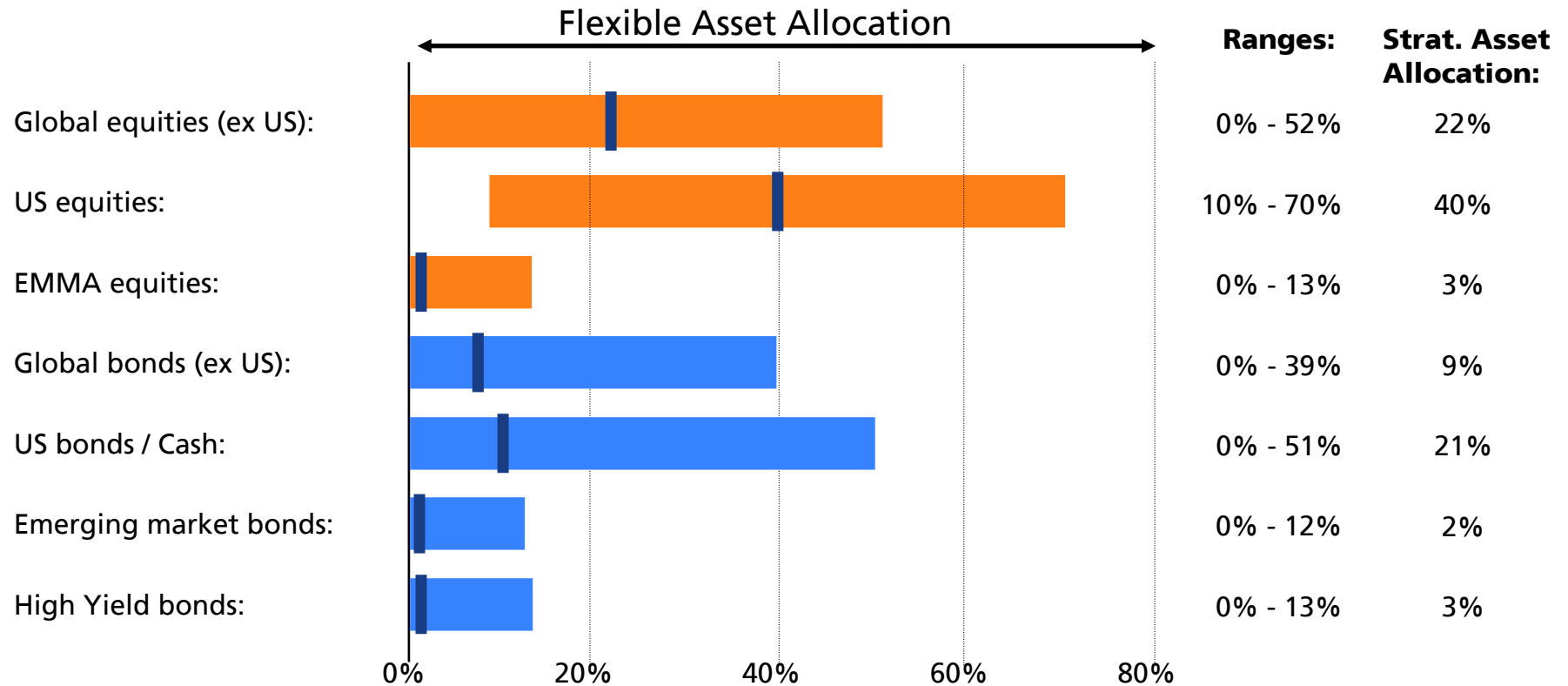
A highly skilled core team –

	Name	Title	Years of Investing Experience
	Brian Singer, CFA	Head, Global Investment Solutions Member of UBS Group Managing Board	23
	Tom Madsen, CFA	Global Head of Equities Member of UBS Group Managing Board	26
	John Penicook, Jr., CFA, CPA	Global Head of Fixed Income Chairman Global Investment Committee Managing Director	23
	Neil Williams, CFA	Head of Asset Allocation Managing Director	15

... and over 50 seasoned investment specialists.

Asset allocation ranges

Broad ranges for asset allocation

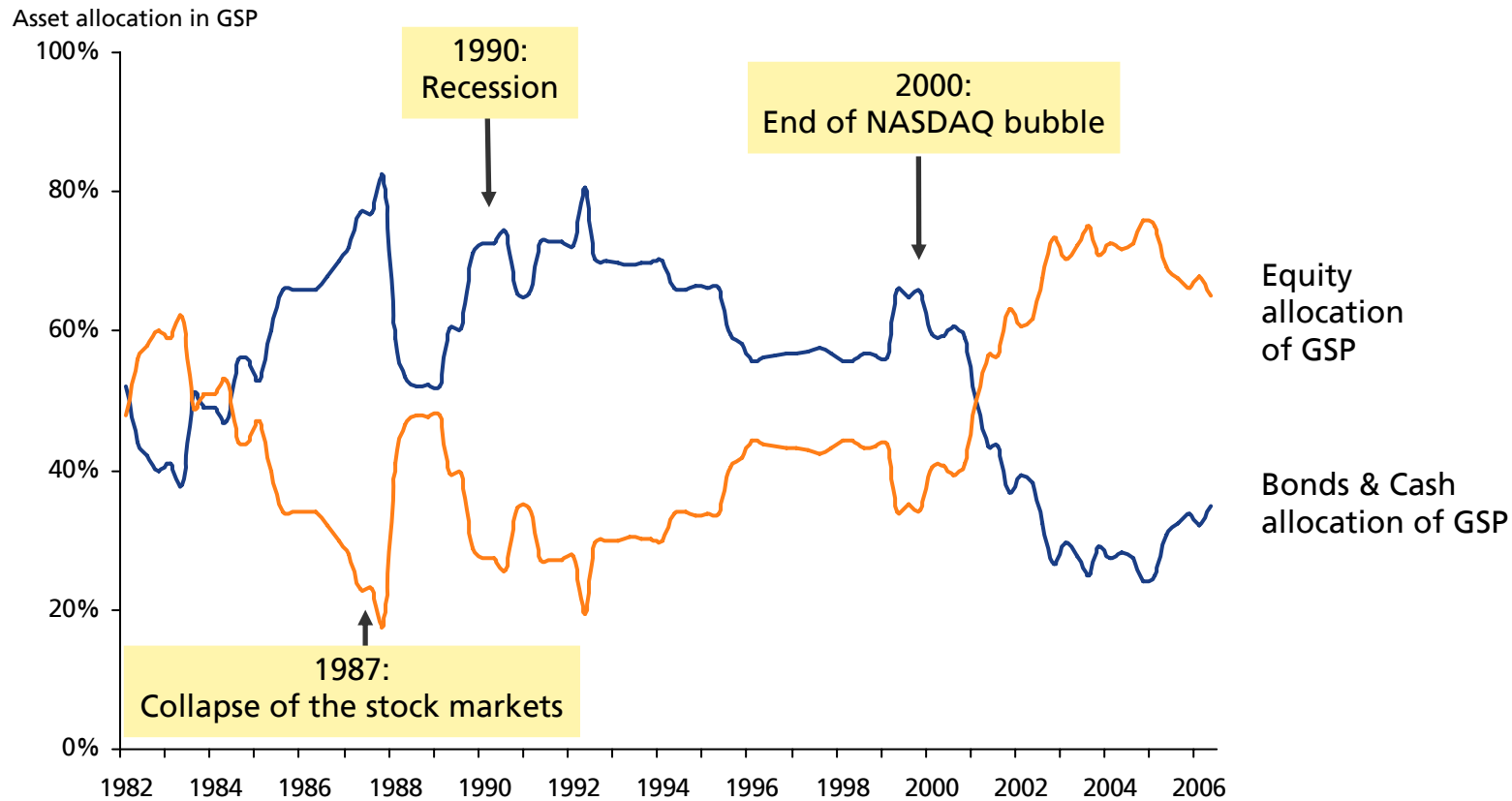


Benchmark weights (strategic asset allocation)
 Total equity quota: 65% (ca. 40% US); total bond quota: 35%

Source: UBS Global Asset Management
 Data: as of 31 March 2007

Historical asset allocation of GSP

Shifts in asset allocation demonstrate ability –

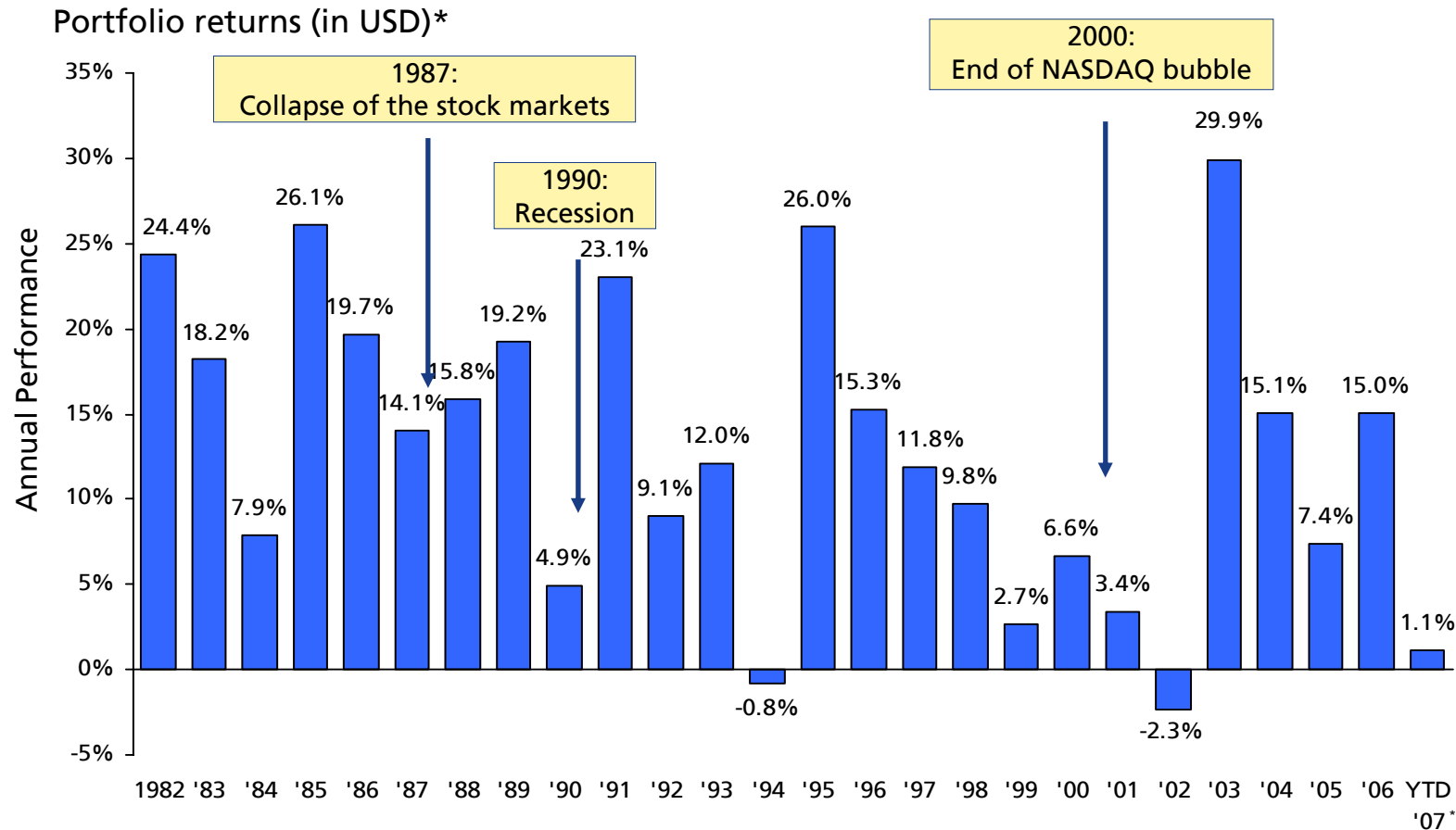


Source: UBS Global Asset Management
Data: Global Securities Portfolio composite, performance is gross of fee, in USD, 1982 – 3/2007.

... to exploit different market environments.

UBS Global Allocation Capability track record

Strong track record –



Source: UBS Global Asset Management.

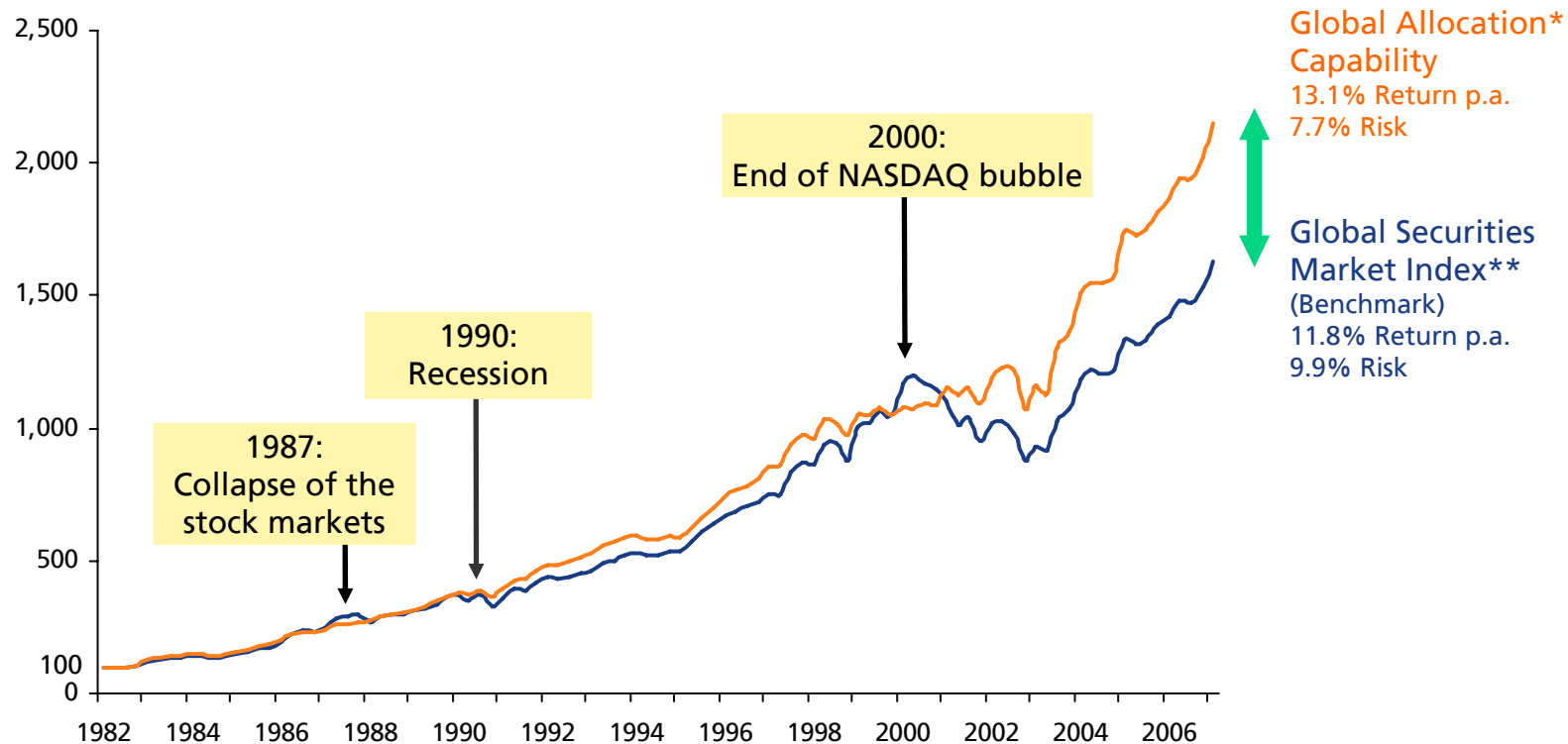
* Data: Global Securities Portfolio composite, in USD as of 31/03/07.

Past performance is no guarantee of future trends. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming units.

... across all business cycles.

Historical asset allocations

Asset allocations successfully shifted –



Source: UBS Global Asset Management.

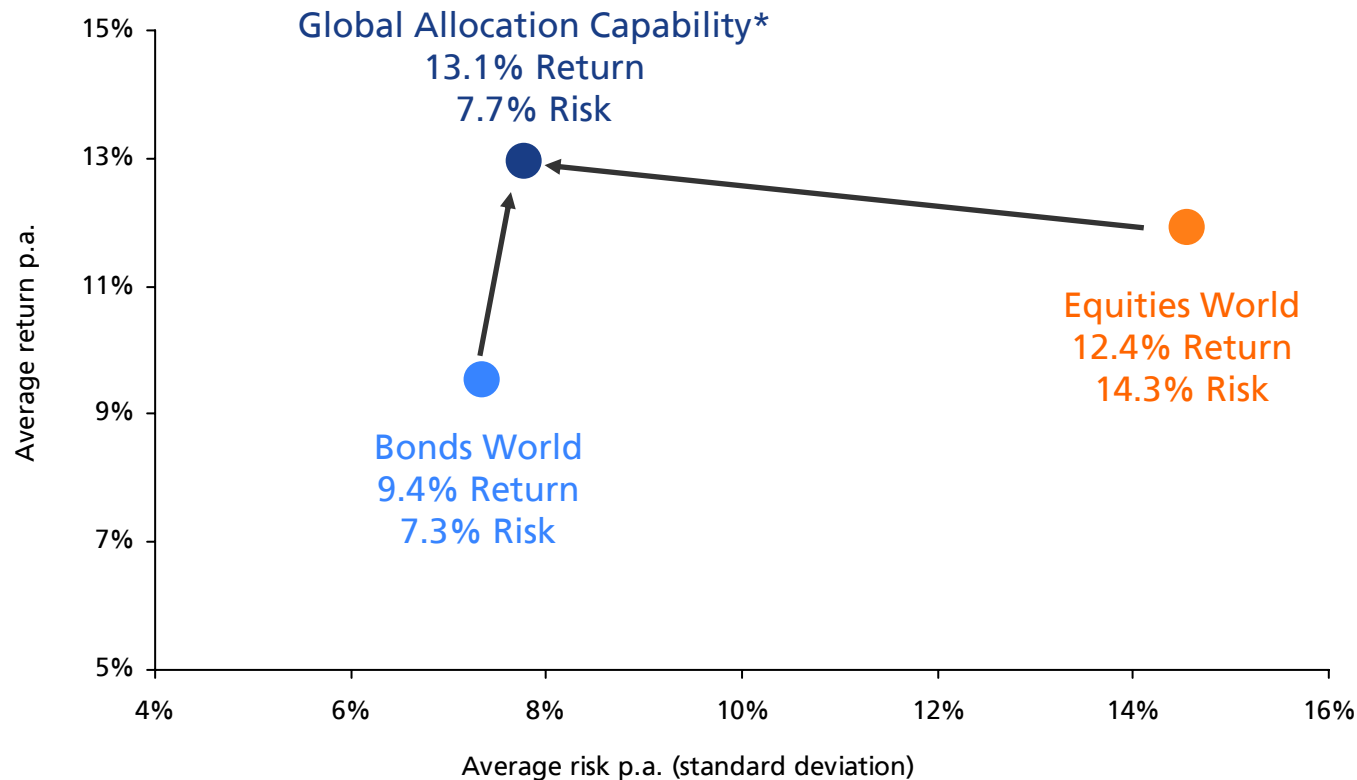
* The Global Allocation Capability is based on the Global Securities Portfolio. Data: Global Securities Portfolio, performance is gross of fee, in USD. Time period: 1982–12/2006.

** The Global Securities Markets Index (GSMI) was constructed by UBS Global Asset Management and comprises a broad range of asset classes representing a well-diversified global investment portfolio, Equities World: MSCI World, Bonds World: Citigroup World Government Bond Index; All data gross of fees. Past performance is no guarantee of future trends. The performance shown does not take account of any commissions and cost charged when subscribing and redeeming units.

... to profit from different market environments.

Comparison of risk and return results

Exploiting the return potential –



Source: UBS Global Asset Management.

* The Global Allocation Capability is based on the Global Securities Portfolio. Data: Global Securities Portfolio composite, performance is gross of fee, in USD, 1982 – 12/2006.

Equities World: MSCI World, in USD; Bonds World: Citigroup World Government Bond Index.

Past performance is no guarantee of future trends. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming units

... while efficiently managing risks.

UBS Global Allocation Capability

Your benefits at a glance –

Proven investment philosophy

You profit from a seasoned team of investment specialists with a proven investment philosophy.

Strong track record

With UBS Global Allocation Capability you can take comfort from a strong track record of over 23 years.

High performance potential

UBS Global Allocation Capability exploits many sources of added value to meet your financial needs and goals.

Global diversification

You benefit from a well-diversified portfolio of seven major global equity and bond classes.

Privileged access

You have privileged access to an institutional capability and the expertise of a leading asset manager.

Confidence & security

With UBS, the world's largest asset manager, you can be confident your wealth is in safe hands.

... take advantage.

Our Expertise in Asset Allocation

- ◆ **25+**

For over 25 years, UBS Global Asset Management has managed money in the form of the Global Securities Portfolio where we have investment discretion and apply active asset allocation

- ◆ **120+ billion**

UBS Global Asset Management manages over USD 120 billion for a great number of clients with a balanced, i.e. active asset allocation approach, worldwide

- ◆ **1,000+**

Over 1,000 institutional clients have entrusted UBS Global Asset Management to manage mandates with a balanced, i.e. active asset allocation approach

SECTION 3

Fund Features

Fund Features

- ◆ Name: UBS (Lux) Key Selection Sicav– Global Allocation B
- ◆ Benchmark: Global Securities Market Index (UBS Customized)
- ◆ Fund Currency: USD/EUR/GBP/CHF/EUR(CAD hedged)/EUR(SGD hedged)
- ◆ Inception Date: USD/EUR/GBP/CHF – 24 September 2004
EUR(CAD hedged) – 3 June 2005
EUR(SGD hedged) – 30 March 2007
- ◆ Liquidity: Daily
- ◆ Minimum Subscription: 1 unit
- ◆ Income Distribution: None, reinvested
- ◆ All-in-Fee: 2.04% p.a.

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