

PaineWebber

Strategy Fund

The Fund seeks
long-term
appreciation
investing
the PaineWebber
Highlight

This brochure contains a prospectus, which describes in detail the Fund's investment objective, investment policies, risks, sales charges, fees and other matters of interest. Please read the prospectus carefully before you invest.

**GOVERNMENT
EXHIBIT
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Crim. No. H-04-25 (S-2)

'By spotting major trends before they become well-recognized, we aim to provide clients with specific investment opportunities that offer superior performance.'

Edward M. Iversen,

Chief Investment Strategist, PaineWebber

For more than a decade, PaineWebber's Investment Strategy Group has analyzed emerging social, economic and political trends in order to develop broad investment themes. Identifying such themes before they become widely recognized has provided investors with insight into emerging trends and their impact on the financial markets.

The Fund seeks long-term capital appreciation by investing in stocks on the PaineWebber *Highlighted Stocks* list.

Thematic investing is a hallmark of PaineWebber's Investment Strategy Group as well as the strategy behind PaineWebber Strategy Fund.

A Thematic Approach to Investing



September 1988

Thematic Investing Timeline 1988 to 1999

The Beauty of Bonds When the 30-year Treasury bond yielded 9.3% in the fall of 1988, PaineWebber gauged that bonds offered compelling value. As it turned out, that call was made at a time when bond yields had reached their highest levels in recent years, with interest rates declining steadily from that peak.

Led by Edward M. Kerschner, PaineWebber's Chief Investment Strategist, the Investment Strategy Group analyzes economic, social and political data to spot emerging trends and identify investment themes based on those trends. PaineWebber's Investment Strategy Group maintains a *Highlighted Stocks* list of companies believed most likely to benefit from the identified investment themes. Individual investors can participate in the potential of this thematic approach by investing in PaineWebber Strategy Fund.

PaineWebber Strategy Fund offers investors the only way to purchase, in one mutual fund, all the securities on the PaineWebber *Highlighted Stocks* list.

