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SEC... COMMISSION
Washington, D.C. 20549

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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
8- 21901

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: UBS Global Asset Management (US) Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
51 West 52nd Street

OFFICIAL USE ONLY
FIRM ID. NO.

New York New York 10019-6114
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Robert Wolfangel (212) 882-5090
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Ernst & Young LLP

5 Times Square New York NY 10036
(Address) (City) (State) (Zip Code)

- CHECK ONE:
 Certified Public Accountant
 Public Accountant
 Accountant not resident in United States or any of its possessions.

PROCESSED
MAR 25 2004
THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, _____, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of _____, as of _____, 20_____, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature

Title

Notary Public

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A or Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent auditor's report on internal accounting control.
- (p) Schedule of segregation requirements and funds in segregation – customers' regulated commodity futures account pursuant to Rule 171-5

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

OATH OR AFFIRMATION

To the best of our knowledge and belief, the accompanying consolidated statement of financial condition of UBS Global Asset Management (US) Inc., as of December 31, 2003, is true and correct. We further affirm that neither the Company nor any principal officer or director thereof has any proprietary interest in any account classified solely as that of a client.

Brian M. Storms

(Name) Brian M. Storms
(Title) Chief Executive Officer,
UBS Global Asset Management (US) Inc.

Robert P. Wolfangel, Jr.

(Name) Robert P. Wolfangel, Jr.
(Title) Chief Financial Officer
UBS Global Asset Management (US) Inc.

Subscribed and sworn
To before me this

2/25/04
Suzanne L. Solferino

Suzanne L. Solferino
Notary Public, State of New York
No. 01S06096091
Qualified in Nassau County
Commission Expires *7/21/07*

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

UBS Global Asset Management (US) Inc.
(A subsidiary of UBS Americas Inc.)

December 31, 2003
with Report of Independent Auditors

UBS Global Asset Management (US) Inc.

Consolidated Statement of Financial Condition

December 31, 2003

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Report of Independent Auditors

The Board of Directors
UBS Global Asset Management (US) Inc.

We have audited the accompanying consolidated statement of financial condition of UBS Global Asset Management (US) Inc. (the "Company") as of December 31, 2003. This consolidated statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated statement of financial condition based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated statement of financial condition presentation. We believe that our audit of the consolidated statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the consolidated statement of financial condition referred to above presents fairly, in all material respects, the consolidated financial position of UBS Global Asset Management (US) Inc. as of December 31, 2003 in conformity with accounting principles generally accepted in the United States.



January 23, 2004

UBS Global Asset Management (US) Inc.

Consolidated Statement of Financial Condition

December 31, 2003

(In thousands of dollars, except share and per share amounts)

Assets

Cash	\$ 2,481
Investment in commercial paper	102,945
Receivable from clients	19,101
Receivable from affiliates	29,675
Deferred distribution costs	20,374
Office equipment and leasehold improvements, net of accumulated depreciation and amortization of \$6,010	13,729
Deferred income taxes	603
Other assets	8,279
Total assets	<u>\$ 197,187</u>

Liabilities and Stockholder's equity

Accrued compensation and benefits	\$ 18,915
Payable to affiliates	18,263
Other accrued liabilities and accounts payable	12,944
Total liabilities	<u>50,122</u>

Commitments and contingencies

Stockholder's equity:

Common stock, \$1 par value, 1,000 shares authorized, issued and outstanding	1
Additional paid-in-capital	35,572
Retained earnings	111,492
Total stockholder's equity	<u>147,065</u>
Total liabilities and stockholder's equity	<u>\$ 197,187</u>

See notes to consolidated statement of financial condition.

UBS Global Asset Management (US) Inc.

Notes to Consolidated Statement of Financial Condition

December 31, 2003
(In thousands of dollars)

Organization

The consolidated statement of financial condition includes the accounts of UBS Global Asset Management (US) Inc. and its wholly-owned subsidiary, Decision Services Incorporated ("DSI") (collectively the "Company"). All material intercompany balances and transactions have been eliminated. Effective January 1, 2004, DSI became a wholly-owned subsidiary of UBS Americas Inc. ("UBS Americas") through a non-cash dividend.

The Company is a wholly-owned subsidiary of UBS Americas, a wholly-owned subsidiary of UBS AG ("UBS"). The Company has material transactions with UBS Americas and its subsidiaries and affiliates.

The Company is engaged in the business of providing investment advisory and portfolio management services to individuals, institutions, trusts, pensions, endowments and mutual funds.

Summary of Significant Accounting Policies

The consolidated statement of financial condition is prepared in conformity with accounting principles generally accepted in the United States, which require management to make estimates, and assumptions that affect the amounts reported in the consolidated statement of financial condition and accompanying notes. Actual results could differ from those estimates.

The Company depreciates office equipment using the straight-line method over estimated useful lives of three to ten years. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the remaining term of the lease.

The Company is included in the consolidated federal income tax return and certain combined state and local tax returns of UBS Americas. Federal, state and local taxes are provided on a separate return basis.

The Company's financial instruments are carried at fair value or amounts approximating fair value. Investments in commercial paper are carried at amortized cost, which approximates fair value. Certain receivables and payables and other assets and liabilities are carried at fair value or contracted amounts approximating fair value.

Investment in Commercial Paper

The ability of the issuers of the commercial paper held to meet their obligations may be affected by economic developments, including those particular to a specific industry or region.

UBS Global Asset Management (US) Inc.

Notes to Consolidated Statement of Financial Condition (continued)

December 31, 2003

(In thousands of dollars, except share and per share amounts)

Related Party Transactions

The Company clears all transactions for its clients through UBS Financial Services Inc. ("UBS FSI") and other brokers on a fully disclosed basis. UBS FSI carries the accounts of certain of the Company's clients and maintains and preserves books and records pertaining thereto as required by Rules 17a-3 and 17a-4 of the Securities Exchange Act of 1934.

Deferred Distribution Costs

The Company is responsible for distribution of shares of certain mutual funds to which it provides investment advisory services and certain other mutual funds. In connection with the distribution of certain classes of shares, the Company pays UBS FSI and other third-party brokers a fee based on the value of the fund shares sold by UBS FSI and other third-party brokers. The fees paid to UBS FSI and other third-party brokers are deferred and amortized over the period during which the fund shares are outstanding, but not to exceed six years.

Contingent Liabilities

As of December 31, 2003, the Company was contingently liable under an unsecured letter of credit arrangement of \$809.

Stockholder's Equity

There are 1,000 shares authorized, issued and outstanding of \$1 par value common stock. Included as a direct increase to stockholder's equity is the net tax benefit resulting from the exercise and vesting of employees' UBS stock options and restricted stock. The Company declared and paid a dividend in the amount of \$100,000 to UBS Americas, during the year.

Regulatory Requirements

The Company is subject to the Securities and Exchange Commission ("SEC") Uniform Net Capital Rule. Under the alternative method of computing capital requirements, the Company's net capital shall not be less than \$250. As of December 31, 2003 the Company's net capital, as defined, was \$58,585, which exceeded the minimum net capital required by \$58,335.

Dividend payments, equity withdrawals and advances are subject to certain notification and other provisions of the net capital rules of the SEC and other regulatory bodies.

UBS Global Asset Management (US) Inc.

Notes to Consolidated Statement of Financial Condition (continued)

December 31, 2003
(In thousands of dollars)

Employee Incentive Awards

Employees of the Company are covered under various UBS stock option and award plans that provide for the granting of stock options, cash and restricted stock awards, and other stock based awards. Eligible employees are granted nonqualified stock options to purchase shares of UBS common stock at a price not less than the fair market value of the stock on the date the option is granted. The rights generally expire within seven to ten years after the date of grant.

Restricted stock awards are granted to eligible employees whereby shares of UBS common stock are awarded in the name of the employee, who has all rights of a stockholder, subject to certain sale and transfer restrictions. The awards generally contain restrictions on sales and transfers ranging from one to three years. The restricted stock awards are subject to forfeiture if the employee terminates prior to the end of the prescribed restriction period.

Employee Benefit Plans

The Company provides health and welfare benefits to employees.

The Company participates with affiliates in a non-contributory defined benefit pension plan that provides retirement benefits to eligible employees. Effective December 2, 2001, the defined benefit pension plan was closed to new participants, and new employees were automatically enrolled into the new defined contribution plan and will earn retirement contributions based on 4% of eligible compensation, subject to certain limitations prescribed by the Internal Revenue Code, beginning January 1, 2002. In addition, existing employees as of December 1, 2001 made an election either to participate in the new defined contribution plan as of January 1, 2002 or to remain in the defined benefit pension plan.

The Company participates with affiliates in postretirement medical, dental, and life insurance coverage. Postretirement medical and dental is contributory, with retiree contributions adjusted annually, and contain other cost sharing features such as deductibles and coinsurance. The postretirement life insurance plan is non-contributory. With respect to postretirement medical and dental, the affiliates' policy is to fund the liability in amounts determined at the discretion of management. With respect to postretirement life insurance, the affiliates' policy is to pay premiums as required by the carrier.

The Company also participates in a defined contribution 401(k) plan.

UBS Global Asset Management (US) Inc.

Notes to Consolidated Statement of Financial Condition (continued)

December 31, 2003
(In thousands of dollars)

Income Taxes

Deferred income taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. For financial reporting purposes, there is a net deferred tax asset ("DTA") of \$603, which is reflected without reduction for a valuation allowance. The net DTA is composed of a DTA of \$1,153, which is primarily attributable to depreciation and employee benefits, offset by a deferred tax liability of \$550, which is primarily attributable to valuation of trading assets.