

# Annual Report 2008/2009.

**Investment Fund under Luxembourg Law**

**R.C.S. Luxembourg N° B 66 303**

**Audited annual report as of 31 October 2009**

UBS (Lux) Money Market Fund  
UBS (Lux) Money Market Fund – AUD  
UBS (Lux) Money Market Fund – CAD  
UBS (Lux) Money Market Fund – CHF  
UBS (Lux) Money Market Fund – EUR  
UBS (Lux) Money Market Fund – GBP  
UBS (Lux) Money Market Fund – USD



# Management and Administration

Annual Report as of 31 October 2009  
UBS (Lux) Money Market Fund

## Management Company

UBS Money Market Fund  
Management Company S.A.,  
33A, avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg  
R.C.S. Luxembourg N° B 66 303

## Board of Directors

*Thomas Rose*, Chairman of the Board  
Managing Director, UBS AG, Basel and Zurich

*Aloyse Hemmen*, Member  
Executive Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg

*Gilbert Schintgen*, Member  
Executive Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg

*Dirk Spiegel*, Member (until 28 February 2009)  
Executive Director, UBS AG, Basel and Zurich

*Court Tylour*, Member (since 1<sup>st</sup> March 2009)  
Director, UBS AG, Basel and Zurich

## Day to Day Manager

*Valérie Bernard* (until 25 July 2009)  
Director, UBS Fund Services (Luxembourg) S.A.,  
Luxembourg

*Frédéric Delapierre* (until 31 July 2009)  
Director, UBS Fund Services (Luxembourg) S.A.,  
Luxembourg

*Christophe Hilbert*  
Associate Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg

*Olivier Humbert* (since 31 July 2009)  
Associate Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg

*Siobhan Ronan* (since 25 July 2009)  
Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg

## Portfolio Manager

UBS AG, UBS Global Asset Management,  
Basel and Zurich  
UBS AG, Aeschenvorstadt 1, CH-4002 Basel  
UBS AG, Bahnhofstrasse 45, CH-8098 Zurich

## Custodian bank, sales agency and main paying agent

UBS (Luxembourg) S.A.,  
33A, avenue J.F. Kennedy,  
P.O. Box 2, L-2010 Luxembourg

## Administrative agent

UBS Fund Services (Luxembourg) S.A.,  
33A, avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg

## Independent Auditors of the Fund and of the Management Company

PricewaterhouseCoopers S.à r.l.,  
Réviseur d'entreprises  
400, route d'Esch, B.P. 1443, L-1014 Luxembourg

## Sale in Switzerland

*Representant*  
UBS Fund Management (Switzerland) AG,  
Brunngässlein 12, CH-4002 Basel

*Paying Agent*  
UBS AG, Aeschenvorstadt 1, CH-4002 Basel  
UBS AG, Bahnhofstrasse 45, CH-8098 Zurich  
and its offices in Switzerland

The sales prospectus and the simplified prospectuses, management regulations, annual and semi-annual reports as well as the portfolio movements of the investment fund mentioned in this publication are available free of charge from UBS AG, P.O. Box, CH-4002 Basel and from UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel.

## **Sale in the Federal Republic of Germany**

### *Sales support and information agent*

UBS Deutschland AG, Stephanstrasse 14–16,  
D-60313 Frankfurt am Main

### *Sales agent, paying and information agent*

UBS Deutschland AG, Stephanstrasse 14–16,  
D-60313 Frankfurt am Main

The sales prospectus and the simplified prospectuses, management regulations, annual and semi-annual reports as well as the portfolio movements of the investment fund mentioned in this publication are available free of charge from UBS Deutschland AG, Stephanstrasse 14–16, D-60313 Frankfurt am Main.

## **Sale in the Principality of Liechtenstein**

### *Sale agency and paying agent*

Liechtensteinische Landesbank AG,  
Städtle 44, FL-9490 Vaduz

## **Sale in the Republic of Austria**

The units of the following subfunds may be sold in the Republic of Austria:

*UBS (Lux) Money Market Fund – CHF*

*UBS (Lux) Money Market Fund – EUR*

*UBS (Lux) Money Market Fund – USD*

## **Sale in Chile\*, in Cyprus, in Denmark, in Finland, in France, in Greece, in Italy\*\*, in Japan, in Malta, in the Netherlands, in Norway, in Peru, in Singapore\*\*\*, in Spain, in Sweden, in Taiwan and in the United Kingdom**

\* only pension scheme

\*\* only P-acc units

\*\*\* Restricted foreign scheme

Units of this Fund may be sold in these countries.

The sales prospectus and the simplified prospectuses, management regulations, annual and semi-annual reports as well as the portfolio movements of the investment fund mentioned in this publication are available free of charge at the sales agencies and at the registered office of the Management Company.

# Features of the Fund

Annual Report as of 31 October 2009  
UBS (Lux) Money Market Fund

UBS (Lux) Money Market Fund (hereinafter called the "Fund") offers investors a range of different subfunds ("umbrella construction") which invest in accordance with the investment policy described in the sales prospectus. The sales prospectus contains specific details on each subfund and will be updated each time a new subfund is issued.

UBS (Lux) Money Market Fund was established as an open-ended investment fund without legally independent status in the form of a collective investment fund (fonds commun de placement, FCP) pursuant to Part I of the Luxembourg law relating to Undertakings for Collective Investment of 20 December 2002. It was originally established under the title UBS (Lux) Money Market Invest in compliance with the Management Regulations approved by the Board of Directors of UBS Money Market Fund Management Company S.A. (formerly UBS Money Market Invest Management Company S.A.) on 20 October 1988. The Regulations were published on 19 November 1988 and amendments were published on 7 January 1990, 7 September 1991, 11 March 1992, 27 April 1993, 15 September 1993, 30 December 1995, 29 March 1996, 15 March 1997, 28 November 1997, 30 September 1998, 6 May 1999, 8 October 1999, 1st July 2000, 30 March 2001 and by way of a notice of deposit on 23 February 2004 in the Luxembourg "Mémorial".

The Management Regulations may be changed in observance of the provisions of the law. Each time a revision is deposited it is announced in the "Mémorial". The new Management Regulations come into force on the date they are deposited with the Commercial and Company Register of the District Court in Luxembourg. The consolidated version is deposited at the Commercial and Company Register of the District Court in Luxembourg for inspection.

The Fund has no legal personality as an investment fund. The entire assets of each subfund are the undivided property of all investors who have equal rights in proportion to the number of units which they hold. These assets are separate from the assets of the Management Company. The securities and other assets of the Fund are managed by UBS Money Market Fund Management Company S.A. as in-house funds in the interest and for the account of the unitholders.

The Management Regulations give the Management Company the authority to establish different subfunds for the Fund as well as different unit classes with specific characteristics within these subfunds. The sales prospectus will be updated each time a new subfund or an additional unit class is issued.

So far, the following subfunds are available:

UBS (Lux) Money Market Fund	Currency
- AUD	AUD
- CAD	CAD
- CHF	CHF
- EUR	EUR
- GBP	GBP
- USD	USD

At the moment, the following unit classes are available:

- Units in classes with "P" in their name are available to all investors. Unit class "P" differs from unit classes "H" and "K-1" with regard to the level of the flat fee. Only bearer units are issued.
- Units in classes with "N" in their name (units with restrictions on the distribution partners or countries) are issued exclusively through Distributors domiciled in Spain, Italy, Portugal and Germany authorised by UBS AG, as well as, where appropriate, through Distributors in further distribution countries, provided this has been decided by the Board of Directors. Only bearer units are issued.
- Units in classes with "H" in their name are available to all investors. Unit class "H" differs from unit classes "P" and "K-1" with regard to the level of the flat fee. Only bearer units are issued.
- Units in classes with "K-1" in their name are available to all investors. Unit class "K-1" differs from unit classes "P" and "H" with regard to the level of the flat fee. Only bearer units are issued.
- Units in classes with "K-2" in their name are exclusively reserved for investors who have concluded a written asset management mandate or a written consulting mandate with UBS AG or one of its authorised counterparties, and who envisage a minimum investment of CHF 10,000,000 or a countervalue corresponding to this amount in the reference currency of the portfolio assigned to the asset management mandate or consulting mandate. Only registered units are issued.
- Units in classes with "F" in their name may be issued only to investors who have concluded a written asset management mandate with UBS AG or one of its selected banking subsidiaries. Upon termination of the mandate, investors lose the right to hold units in the Fund. UBS AG or its selected banking subsidiaries may return these units to the Fund at the prevailing net asset value and at no charge. Only registered units are issued.

- The offer of unit classes with “Q” in their name is restricted to certain distribution partners and countries. It is exclusively directed towards professionals of the financial sector in Italy, Spain and Portugal (including their domestic and foreign subsidiaries and group companies as well as any group companies or subsidiaries of UBS AG), who have been authorised by UBS AG and meet one of the following criteria: subscribing on their own behalf or authorised by the regulator to invest
  - (i) either on behalf of their clients within a discretionary mandate; or
  - (ii) for their own products (e.g. fund of funds).
 Admission of investors in further distribution countries shall be decided by the Board of Directors. Only bearer units are issued.
- Units in classes with “I-18”, “I-15” and “I-12” in their name are exclusively reserved for institutional investors. Only bearer units are issued.
- Units in classes with “I-3.5” in their name are exclusively reserved for institutional investors who have signed a portfolio management contract, an advisory agreement or an agreement on investing in Subfunds of the umbrella fund with UBS AG or one of its authorised counterparties. A fee covering the costs for Fund administration (comprising the costs of the Management Company, Administrative Agent and Custodian Bank) is charged directly to the Subfund. The costs for asset management and distribution are charged to investors under the aforementioned agreements. Only registered units are issued.
- Units in classes with “I-X” in their name are exclusively reserved for institutional investors who have signed a portfolio management contract, an advisory agreement or an agreement on investing in Subfunds of the umbrella fund with UBS AG or one of its authorised counterparties. The costs for asset management, Fund administration (comprising the costs of the Management Company, Administrative Agent and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Only registered units are issued.
- Units in classes with “U-X” in their name are exclusively reserved for institutional investors who have signed a portfolio management contract, an advisory agreement or an agreement on investing an amount defined in the prospectus in Subfunds of the umbrella fund with UBS AG or one of its authorised counterparties. The costs for asset management, Fund administration (comprising the costs of the Management Company, Administrative Agent and Custodian Bank) and distribution are charged

to investors under the aforementioned agreements. This unit class is exclusively geared towards financial products (i.e. fund of funds or other pooled structures in accordance with different legislation). Only registered units are issued.

The Fund is subject to no restrictions with regard to the size of its net assets, the number of units, number of subfunds and unit classes and duration of the Fund and its subfunds.

The Fund forms a legal entity. With respect to the unitholders, each subfund is regarded as being separate from the others. The assets of a subfund can only be used to offset the liabilities which the subfund concerned has assumed.

The acquisition of Fund units implies acceptance of the Management Regulations by the unitholder.

The Management Regulations do not provide for a general meeting of the unitholders.

The financial year of the Fund ends on the last day of October.

Information on whether a Subfund of UBS (Lux) Money Market Fund (hereinafter called the “Fund”) is listed on the Luxembourg Stock Exchange can be obtained from the Administrative Agent or the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)).

The issue and redemption of units of UBS (Lux) Money Market Fund are subject to the regulations prevailing in the country concerned.

Only the information contained in the sales prospectus, in the simplified prospectus and in one of the documents referred to therein shall be deemed to be valid.

The annual and semi-annual reports are available free of charge to unitholders at the registered office of the Management Company and the Custodian Bank.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current prospectus accompanied by the latest annual report and the latest semi-annual report if available.

# Independent Auditor's Report

Annual Report as of 31 October 2009  
UBS (Lux) Money Market Fund



**PricewaterhouseCoopers**  
**Société à responsabilité limitée**  
**Réviseur d'Entreprises**  
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[info@lu.pwc.com](mailto:info@lu.pwc.com)

To the Unitholders of

## **UBS (Lux) Money Market Fund**

We have audited the accompanying financial statements of UBS (Lux) Money Market Fund and of each of its subfunds, which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 October 2009 and the statement of operations and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### **Board of Directors of the Management Company's responsibility for the financial statements**

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, these financial statements give a true and fair view of the financial position of UBS (Lux) Money Market Fund and of each of its subfunds as of 31 October 2009, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.



### **Other matters**

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Luxembourg, 22 February 2010

PricewaterhouseCoopers S.à r.l.  
Réviseur d'entreprises  
Represented by

Jean-Robert Lentz

# UBS (Lux) Money Market Fund

Annual Report as of 31 October 2009

## Consolidated Statement of Net Assets

	USD
<b>Assets</b>	<b>31.10.2009</b>
Investments in securities, cost	19 536 534 495.92
Investments in securities, unrealized appreciation (depreciation)	-33 345 415.75
Total investments in securities (Note 1)	19 503 189 080.17
Cash at banks, deposits on demand and deposit accounts	101 280 750.81
Time deposits and fiduciary deposits	76 866 675.14
Interest receivable on securities	33 677 847.90
Interest receivable on liquid assets	3.28
Other receivables	6 995.39
<b>Total Assets</b>	<b>19 715 021 352.69</b>
<b>Liabilities</b>	
Bank overdraft	-1 681.75
Interest payable on bank overdraft	-939.04
Other liabilities	-24 511 031.20
Provisions for flat fee (Note 2)	-4 668 499.51
Provisions for taxe d'abonnement (Note 3)	-647 527.42
Total provisions	-5 316 026.93
<b>Total Liabilities</b>	<b>-29 829 678.92</b>
<b>Net assets at the end of the financial year</b>	<b>19 685 191 673.77</b>

## Consolidated Statement of Operations

	USD
<b>Income</b>	<b>1.11.2008-31.10.2009</b>
Interest on liquid assets	13 324 712.76
Interest on securities	152 148 504.41
Other income	70.83
Income on securities lending (Note 4)	55 455.90
<b>Total income</b>	<b>165 528 743.90</b>
<b>Expenses</b>	
Flat fee (Note 2)	-119 860 869.61
Taxe d'abonnement (Note 3)	-1 838 491.75
Interest on cash liquidity and bank overdraft	-3 456 629.81
Other expenses	-234.46
<b>Total expenses</b>	<b>-125 156 225.63</b>
<b>Net income (loss) on investments</b>	<b>40 372 518.27</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	-6 486 447.71
Realized gain (loss) on yield-evaluated securities and money market instruments	217 858 423.84
Total realized gain (loss) on investments	211 371 976.13
<b>Total realized gain (loss)</b>	<b>211 371 976.13</b>
<b>Net realized gain (loss) of the financial year</b>	<b>251 744 494.40</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	-17 164 401.74
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	-65 612 631.32
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>-82 777 033.06</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>168 967 461.34</b>



# UBS (Lux) Money Market Fund – CHF

Annual Report as of 31 October 2009

## Three-year comparison

Date	ISIN	31.10.2009	31.10.2008	31.10.2007
Net assets in CHF		2 920 956 379.88	3 232 579 707.80	1 897 716 179.39
<b>Class P-acc</b>	<b>LU0033502740</b>			
Units outstanding		2 407 176.9170	2 768 815.3270	1 657 719.0800
Net asset value per unit in CHF		1 170.56	1 167.50	1 144.78
<b>Class K-1-acc<sup>1</sup></b>	<b>LU0395198798</b>			
Units outstanding		5 8000		
Net asset value per unit in CHF		5 020 886.58		
<b>Class U-X-acc<sup>2</sup></b>	<b>LU0395200107</b>			
Units outstanding		7 398.8160		
Net asset value per unit in CHF		10 013.42		

<sup>1</sup> Initial subscription: 20.11.2008

<sup>2</sup> Initial subscription: 14.7.2009

## Performance

	Currency	2008/2009	2007/2008	2006/2007
Class P-acc	CHF	0.37%	2.0%	1.5%
Class K-1-acc	CHF	-	-	-
Class U-X-acc	CHF	-	-	-
Benchmark:				
JP Morgan Cash (CHF) (customized)	CHF	1.2%	2.8%	2.2%

Historical performance is no indicator of current or future performance.

The performance data does not take account of any commissions and costs charged when subscribing and redeeming units.

The performance data were not audited.

## Report of the Portfolio Manager

Interest rates on the Swiss money market fell in the reporting year (1 November 2008 – 31 October 2009) from around 2.7% to around 0.26% (three-month Libor). The Swiss National Bank cut its benchmark interest rate in four stages by a total of 225 basis points to 0.25%, easing monetary conditions.

The performance of the fund during the reporting period was in line with that of defensive money market investments. The significant spread between Libor and returns on real investments led to lower returns versus the benchmark (JP Morgan Cash (CHF) cust.).

## Structure of the Securities Portfolio

<b>Geographical Breakdown as a % of net assets</b>	
United Kingdom	22.82
Netherlands	14.79
France	13.71
Germany	10.65
Ireland	7.08
Denmark	5.99
Sweden	5.65
Australia	4.29
Finland	4.19
United States	3.45
Austria	3.14
Luxembourg	1.88
Belgium	1.37
Spain	0.55
Norway	0.03
<b>Total</b>	<b>99.59</b>

<b>Economic Breakdown as a % of net assets</b>	
Banks & credit institutions	79.82
Finance & holding companies	13.00
Countries & central governments	2.26
Pharmaceuticals, cosmetics & medical products	1.74
Mortgage & funding institutions	1.06
Miscellaneous unclassified companies	0.86
Public, non-profit institutions	0.51
Miscellaneous services	0.34
<b>Total</b>	<b>99.59</b>

## Statement of Net Assets

	CHF
<b>Assets</b>	<b>31.10.2009</b>
Investments in securities, cost	2 908 966 404.90
Investments in securities, unrealized appreciation (depreciation)	131 278.29
Total investments in securities (Note 1)	2 909 097 683.19
Cash at banks, deposits on demand and deposit accounts	12 850 390.55
Interest receivable on securities	1 477 838.37
Other receivables	2 056.64
<b>Total Assets</b>	<b>2 923 427 968.75</b>
<b>Liabilities</b>	
Other liabilities	-2 248 600.00
Provisions for flat fee (Note 2)	-122 854.61
Provisions for taxe d'abonnement (Note 3)	-100 134.26
Total provisions	-222 988.87
<b>Total Liabilities</b>	<b>-2 471 588.87</b>
<b>Net assets at the end of the financial year</b>	<b>2 920 956 379.88</b>

## Statement of Operations

	CHF
<b>Income</b>	<b>1.11.2008-31.10.2009</b>
Interest on liquid assets	1 025 634.81
Interest on securities	6 606 302.65
Other income	33.43
Income on securities lending (Note 4)	1 213.14
<b>Total income</b>	<b>7 633 184.03</b>
<b>Expenses</b>	
Flat fee (Note 2)	-15 316 184.28
Taxe d'abonnement (Note 3)	-331 122.75
Interest on cash liquidity and bank overdraft	-505 527.45
<b>Total expenses</b>	<b>-16 152 834.48</b>
<b>Net income (loss) on investments</b>	<b>-8 519 650.45</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	1 149 818.30
Realized gain (loss) on yield-evaluated securities and money market instruments	26 385 120.93
Total realized gain (loss) on investments	27 534 939.23
<b>Total realized gain (loss)</b>	<b>27 534 939.23</b>
<b>Net realized gain (loss) of the financial year</b>	<b>19 015 288.78</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	2 619 250.00
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	-12 695 604.09
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>-10 076 354.09</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>8 938 934.69</b>

## Statement of Changes in Net Assets

	CHF
	1.11.2008-31.10.2009
Net assets at the beginning of the financial year	3 232 579 707.80
Subscriptions	1 726 986 067.43
Redemptions	-2 047 548 330.04
Total net subscriptions (redemptions)	-320 562 262.61
Net income (loss) on investments	-8 519 650.45
Total realized gain (loss)	27 534 939.23
Total changes in unrealized appreciation (depreciation)	-10 076 354.09
Net increase (decrease) in net assets as a result of operations	8 938 934.69
<b>Net assets at the end of the financial year</b>	<b>2 920 956 379.88</b>

## Development of the outstanding units

	1.11.2008-31.10.2009
<b>Class</b>	<b>P-acc</b>
Number of units outstanding at the beginning of the financial year	2 768 815.3270
Number of units issued	1 376 762.9300
Number of units redeemed	-1 738 401.3400
<b>Number of units outstanding at the end of the financial year</b>	<b>2 407 176.9170</b>
<b>Class</b>	<b>K-1-acc</b>
Number of units outstanding at the beginning of the financial year	0.0000
Number of units issued	8.7000
Number of units redeemed	-2.9000
<b>Number of units outstanding at the end of the financial year</b>	<b>5.8000</b>
<b>Class</b>	<b>U-X-acc</b>
Number of units outstanding at the beginning of the financial year	0.0000
Number of units issued	7 398.8160
Number of units redeemed	0.0000
<b>Number of units outstanding at the end of the financial year</b>	<b>7 398.8160</b>

## Statement of Investments in Securities and other Net Assets as of 31 October 2009

Description	Quantity/ Nominal	Valuation in CHF Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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### Transferable securities and money market instruments listed on an official stock exchange

#### Notes, floating rate

CHF				
CHF	GENERAL ELECTRIC CAPITAL CORP 3M LIBOR+9BP 07-05.11.09	15 000 000.00	14 980 500.00	0.52
CHF	POHJOLA BANK PLC 3M LIBFLAT 06-02.11.09	4 500 000.00	4 499 268.21	0.15
Total CHF			19 479 768.21	0.67

<b>Total Notes, floating rate</b>			<b>19 479 768.21</b>	<b>0.67</b>
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#### Medium term notes, fixed rate

CHF				
CHF	AUSTRALIA & NEW ZEALAND BANKING GROUP 1.75000% 05-04.10.10	43 780 000.00	44 233 183.90	1.51
CHF	BAYERISCHE LANDESBANK 2.00000% 03-10.02.10	11 000 000.00	11 052 360.93	0.38
CHF	BAYERISCHE LANDESBANK 3.50000% 08-16.07.10	44 000 000.00	45 037 834.01	1.55
CHF	KOMMUNALBANKEN A/S 2.25000% 02-18.12.09	1 000 000.00	1 002 622.46	0.03
<b>Total CHF</b>			<b>101 326 001.30</b>	<b>3.47</b>

<b>Total Medium term notes, fixed rate</b>			<b>101 326 001.30</b>	<b>3.47</b>
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#### Medium term notes, floating rate

CHF				
CHF	AUSTRALIA & NEW ZEALAND BK GRP 3M CH LIBOR+30BP 08-17.03.10	11 000 000.00	10 956 000.00	0.38
CHF	BAYERISCHE LANDESBK 3M LIBFLAT 08-28.01.10	40 000 000.00	39 991 378.35	1.36
CHF	BNP PARIBAS 3M LIBOR+20BP 08-05.02.10	20 000 000.00	19 750 000.00	0.68
CHF	CITIGROUP FUNDING INC 3M LIBOR+17BP 07-05.11.09	11 000 000.00	10 994 274.80	0.38
CHF	CITIGROUP INC 3M LIBOR 06-27.11.09	24 000 000.00	23 940 000.00	0.82
CHF	DANSKE BANK A/S 3M LIBOR+20BP 08-23.11.09	25 000 000.00	24 988 149.51	0.86
CHF	DEUTSCHE BANK AG 3M LIBOR+20BP 08-15.02.10	20 000 000.00	20 000 000.00	0.68
CHF	LLOYDS TSB BANK PLC 3M LIBOR+26BP 08-14.07.10	37 500 000.00	37 477 500.00	1.28
CHF	ROYAL BANK OF SCOTLAND PLC 3M LIBOR+80BP 08-08.10.10	15 000 000.00	14 932 500.00	0.51
CHF	SOC FINANCEMNT ECONOMIE FRANCAISE 3M LIBOR +10BP 09-22.07.11	27 000 000.00	26 999 998.13	0.92
<b>Total CHF</b>			<b>230 029 800.79</b>	<b>7.87</b>

<b>Total Medium term notes, floating rate</b>			<b>230 029 800.79</b>	<b>7.87</b>
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#### Bonds, fixed rate

CHF				
CHF	DEXIA MUNICIPAL AGENCY 4.00000% 00-08.03.10	23 500 000.00	23 819 241.99	0.82
CHF	OESTERREICHISCHE KONTROLLBANK AG 1.75000% 05-28.01.10	1 585 000.00	1 589 042.92	0.05
<b>Total CHF</b>			<b>25 408 284.91</b>	<b>0.87</b>

<b>Total Bonds, fixed rate</b>			<b>25 408 284.91</b>	<b>0.87</b>
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#### Bonds, floating rate

CHF				
CHF	DEXIA CREDIT LOCAL DE FRANCE 3M LIBOR+51BP 08-06.05.10	10 000 000.00	9 850 000.00	0.34
<b>Total CHF</b>			<b>9 850 000.00</b>	<b>0.34</b>

<b>Total Bonds, floating rate</b>			<b>9 850 000.00</b>	<b>0.34</b>
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<b>Total Transferable securities and money market instruments listed on an official stock exchange</b>			<b>386 093 855.21</b>	<b>13.22</b>
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### Transferable securities and money market instruments traded on another regulated market

#### Treasury bills, zero coupon

CHF				
CHF	AUSTRIA, REPUBLIC OF TB 0.00000% 19.08.09-19.11.09	50 000 000.00	49 998 333.39	1.71
<b>Total CHF</b>			<b>49 998 333.39</b>	<b>1.71</b>

<b>Total Treasury bills, zero coupon</b>			<b>49 998 333.39</b>	<b>1.71</b>
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<b>Total Transferable securities and money market instruments traded on another regulated market</b>			<b>49 998 333.39</b>	<b>1.71</b>
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Description	Quantity/ Nominal	Valuation in CHF Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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## Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market

### Euro Commercial Papers, zero coupon

<b>CHF</b>			
CHF OESTERREICHISCHE KONTROLLBANK ECP 0.00000% 15.06.09-15.12.09	40 000 000.00	39 994 889.54	1.37
<b>Total CHF</b>		<b>39 994 889.54</b>	<b>1.37</b>
<b>Total Euro Commercial Papers, zero coupon</b>		<b>39 994 889.54</b>	<b>1.37</b>

<b>Total Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market</b>		<b>39 994 889.54</b>	<b>1.37</b>
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## Other money market instruments in accordance with Article 41 (1) h)

### Euro Certificates of Deposit, zero coupon

<b>CHF</b>			
CHF BANCA MONTE DEI PASCHI DI SIE ECD 0.00000% 16.09.09-16.11.09	10 000 000.00	9 999 291.72	0.34
CHF BNP PARIBAS ECD 0.00000% 04.06.09-01.12.09	50 000 000.00	49 993 778.55	1.72
CHF KBC BANK NV ECD 0.00000% 05.10.09-03.12.09	40 000 000.00	39 991 313.00	1.37
CHF LANDESBANK BERLIN CROWN ECD 0.00000% 01.10.09-02.11.09	20 000 000.00	19 999 716.67	0.68
CHF LANDESBANK BERLIN CROWN ECD 0.00000% 02.10.09-06.11.09	40 000 000.00	39 998 600.05	1.37
CHF UNICREDIT SPA LONDON ECD 0.00000% 03.08.09-03.11.09	20 000 000.00	19 999 155.59	0.68
<b>Total CHF</b>		<b>179 981 855.58</b>	<b>6.16</b>
<b>Total Euro Certificates of Deposit, zero coupon</b>		<b>179 981 855.58</b>	<b>6.16</b>

### Euro Commercial Papers, zero coupon

<b>CHF</b>			
CHF ABN AMRO BANK NV ECP 0.00000% 02.10.09-04.01.10	40 000 000.00	39 992 448.09	1.37
CHF ASB FINANCE LTD LDN-REG-S ECP 0.00000% 20.05.09-20.11.09	35 000 000.00	34 992 447.46	1.20
CHF ASB FINANCE LTD LDN-REG-S ECP 0.00000% 18.06.09-11.12.09	30 000 000.00	29 988 804.18	1.03
CHF ASB FINANCE LTD LDN-REG-S ECP 0.00000% 30.06.09-21.12.09	20 000 000.00	19 993 646.46	0.68
CHF ASB FINANCE LTD LDN-REG-S ECP 0.00000% 08.07.09-08.04.10	20 000 000.00	19 961 850.69	0.68
CHF ASB FINANCE LTD LDN-REG-S ECP 0.00000% 11.09.09-12.03.10	15 000 000.00	14 994 460.38	0.51
CHF BANCO BILBAO VIZCAYA ARG LDN ECP 0.00000% 03.09.09-03.03.10	40 000 000.00	39 973 839.34	1.37
CHF BANCO BILBAO VIZCAYA ARG LDN ECP 0.00000% 18.09.09-18.03.10	50 000 000.00	49 962 382.49	1.71
CHF BANCO BILBAO VIZCAYA ARG LDN ECP 0.00000% 22.09.09-22.03.10	25 000 000.00	24 990 073.39	0.86
CHF BANK NEDERLANDSE GEMEENTEN ECP 0.00000% 08.05.09-09.11.09	12 000 000.00	11 999 800.00	0.41
CHF BANK NEDERLANDSE GEMEENTEN ECP 0.00000% 04.09.09-04.03.10	10 000 000.00	9 996 528.98	0.34
CHF BANK NEDERLANDSE GEMEENTEN ECP 0.00000% 14.09.09-15.03.10	10 000 000.00	9 997 733.85	0.34
CHF BANK NEDERLANDSE GEMEENTEN ECP 0.00000% 28.09.09-29.03.10	50 000 000.00	49 983 338.89	1.71
CHF BANK NEDERLANDSE GEMEENTEN ECP 0.00000% 09.10.09-09.07.10	60 000 000.00	59 968 516.53	2.05
CHF BANQUE FED DU CREDIT MUTUEL ECP 0.00000% 22.09.09-26.11.09	30 000 000.00	29 998 875.04	1.03
CHF BANQUE FED DU CREDIT MUTUEL ECP 0.00000% 07.10.09-07.01.10	25 000 000.00	24 996 646.28	0.86
CHF BARCLAYS BANK PLC ECP 0.00000% 06.07.09-06.01.10	40 000 000.00	39 966 783.16	1.37
CHF BARCLAYS BANK PLC ECP 0.00000% 07.09.09-08.03.10	15 000 000.00	14 978 530.77	0.51
CHF BARCLAYS BANK PLC ECP 0.00000% 17.08.09-10.02.10	30 000 000.00	29 965 705.91	1.03
CHF BARCLAYS BANK PLC ECP 0.00000% 22.07.09-22.01.10	30 000 000.00	29 965 040.79	1.03
CHF BARCLAYS BANK PLC ECP 0.00000% 31.07.09-20.01.10	10 000 000.00	9 994 308.80	0.34
CHF BGL SA ECP 0.00000% 18.06.09-18.12.09	30 000 000.00	29 977 762.33	1.03
CHF BGL SA ECP 0.00000% 17.07.09-18.01.10	25 000 000.00	24 977 797.51	0.86
CHF CAISSE D'AMORTISSEMENT DETTE ECP 0.00000% 10.06.09-10.12.09	15 000 000.00	14 999 231.29	0.51
CHF CAISSE DEPOTS & CONSIGNATIONS ECP 0.00000% 13.05.09-13.11.09	50 000 000.00	49 998 638.93	1.71
CHF CAISSE DEPOTS & CONSIGNATIONS ECP 0.00000% 24.06.09-22.12.09	40 000 000.00	39 997 644.58	1.37
CHF CAISSE DEPOTS & CONSIGNATIONS ECP 0.00000% 04.08.09-04.11.09	30 000 000.00	29 999 958.33	1.03
CHF CAISSE DEPOTS & CONSIGNATIONS ECP 0.00000% 02.09.09-02.06.10	35 000 000.00	34 977 022.04	1.2
CHF CALYON LONDON ECP 0.00000% 05.06.09-07.12.09	40 000 000.00	39 990 713.27	1.37
CHF CALYON LONDON ECP 0.00000% 09.06.09-09.12.09	10 000 000.00	9 998 555.76	0.34
CHF DZ BANK IRELAND PLC ECP 0.00000% 02.10.09-11.01.10	20 000 000.00	19 985 815.62	0.68
CHF DZ BANK IRELAND PLC ECP 0.00000% 02.10.09-07.01.10	30 000 000.00	29 979 888.49	1.03
CHF ING BANK NV ECP 0.00000% 08.06.09-08.12.09	30 000 000.00	29 988 954.07	1.03
CHF ING BANK NV ECP 0.00000% 11.09.09-11.03.10	10 000 000.00	9 993 038.18	0.34
CHF ING BANK NV ECP 0.00000% 30.07.09-25.01.10	20 000 000.00	19 990 820.88	0.68
CHF INSTITUTO DE CREDITO OFICIAL ECP 0.00000% 29.06.09-29.01.10	16 000 000.00	15 999 393.36	0.55
CHF INTESA SANPAOLO BANK IRELAND ECP 0.00000% 04.06.09-04.12.09	15 000 000.00	14 995 626.28	0.51
CHF INTESA SANPAOLO BANK IRELAND ECP 0.00000% 02.07.09-30.12.09	20 000 000.00	19 990 854.18	0.68
CHF INTESA SANPAOLO BANK IRELAND ECP 0.00000% 13.07.09-13.01.10	6 000 000.00	5 996 252.34	0.21
CHF INTESA SANPAOLO BANK IRELAND ECP 0.00000% 17.07.09-15.01.10	20 000 000.00	19 987 174.90	0.68
CHF INTESA SANPAOLO BANK IRELAND ECP 0.00000% 04.08.09-04.02.10	6 000 000.00	5 995 234.62	0.21
CHF INTESA SANPAOLO BANK IRELAND ECP 0.00000% 23.09.09-23.03.10	15 000 000.00	14 991 005.40	0.51
CHF INTESA SANPAOLO BANK IRELAND ECP 0.00000% 24.09.09-24.03.10	35 000 000.00	34 983 091.51	1.2
CHF KOMMUNEKREDIT ECP 0.00000% 04.08.09-03.08.10	30 000 000.00	29 960 809.60	1.03
CHF KOMMUNEKREDIT ECP 0.00000% 07.10.09-07.07.10	60 000 000.00	59 986 461.39	2.02
CHF LANDESBANK HESSEN-THUERINGEN ECP 0.00000% 18.08.09-18.11.09	30 000 000.00	29 996 833.67	1.03
CHF LANDESBANK HESSEN-THUERINGEN ECP 0.00000% 25.08.09-25.11.09	30 000 000.00	29 996 858.66	1.03
CHF LDKREDBK BADEN-WUERTTEMBERG ECP 0.00000% 22.09.09-23.11.09	50 000 000.00	49 999 166.68	1.71

Description	Quantity/ Nominal	Valuation in CHF Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
CHF NATIONAL AUSTRALIA BANK LTD ECP 0.00000% 22.05.09-23.11.09	30 000 000.00	29 996 400.43	1.03
CHF NATIXIS ECP 0.00000% 02.09.09-02.12.09	30 000 000.00	29 994 088.67	1.03
CHF NATIXIS ECP 0.00000% 09.09.09-09.11.09	15 000 000.00	14 999 562.51	0.51
CHF NEDERLANDSE WATERSCHAPS BANK ECP 0.00000% 02.10.09-06.04.10	50 000 000.00	49 991 223.76	1.71
CHF NEDERLANDSE WATERSCHAPS BANK ECP 0.00000% 07.10.09-07.04.10	40 000 000.00	39 996 466.98	1.37
CHF NEDERLANDSE WATERSCHAPS BANK ECP 0.00000% 09.10.09-10.05.10	50 000 000.00	49 992 001.28	1.71
CHF NORDEA BANK AB ECP 0.00000% 01.10.09-02.11.09	10 000 000.00	9 999 933.33	0.34
CHF NORDEA BANK AB ECP 0.00000% 12.08.09-06.11.09	6 000 000.00	5 999 860.00	0.21
CHF NORDEA BANK AB ECP 0.00000% 30.07.09-29.01.10	40 000 000.00	39 985 849.45	1.37
CHF NORDEA BANK AB ECP 0.00000% 30.09.09-02.11.09	50 000 000.00	49 999 666.67	1.71
CHF NORDEA BANK AB-144A-REG-S ECP 0.00000% 03.09.09-03.12.09	9 000 000.00	8 998 300.32	0.31
CHF NRW.BANK ECP 0.00000% 08.06.09-02.12.09	30 000 000.00	29 999 725.00	1.03
CHF NRW.BANK ECP 0.00000% 20.05.09-20.11.09	30 000 000.00	29 999 650.00	1.03
CHF NRW.BANK ECP 0.00000% 22.09.09-23.11.09	20 000 000.00	19 999 466.68	0.68
CHF NRW.BANK ECP 0.00000% 23.06.09-22.12.09	5 000 000.00	4 999 705.57	0.17
CHF NYKREDIT BANK A/S ECP 0.00000% 05.10.09-06.04.10	10 000 000.00	9 995 613.04	0.34
CHF NYKREDIT BANK A/S ECP 0.00000% 20.08.09-22.02.10	50 000 000.00	49 966 480.82	1.71
CHF POHJOLA BANK PLC ECP 0.00000% 02.09.09-02.03.10	10 000 000.00	9 991 124.55	0.34
CHF POHJOLA BANK PLC ECP 0.00000% 06.07.09-06.01.10	23 000 000.00	22 986 974.05	0.79
CHF POHJOLA BANK PLC ECP 0.00000% 13.08.09-16.02.10	20 000 000.00	19 988 803.49	0.68
CHF POHJOLA BANK PLC ECP 0.00000% 21.08.09-22.02.10	25 000 000.00	24 984 037.98	0.86
CHF POHJOLA BANK PLC ECP 0.00000% 26.08.09-26.02.10	40 000 000.00	39 974 893.55	1.37
CHF RABOBANK NEDERLAND ECP 0.00000% 07.10.09-07.04.10	50 000 000.00	49 993 375.88	1.71
CHF RABOBANK NEDERLAND ECP 0.00000% 08.10.09-08.04.10	40 000 000.00	39 996 444.76	1.37
CHF SWEDISH EXPORT CREDIT CORP ECP 0.00000% 15.10.09-15.07.10	50 000 000.00	49 980 299.43	1.71
CHF UBS AG LONDON ECP 0.00000% 02.09.09-02.03.10	30 000 000.00	29 963 145.33	1.03
CHF UBS AG LONDON ECP 0.00000% 04.08.09-03.11.09	30 000 000.00	29 998 733.39	1.03
CHF UNICREDIT BANK (IRELAND) PLC ECP 0.00000% 09.09.09-09.11.09	10 000 000.00	9 999 319.49	0.34
CHF UNICREDIT BANK (IRELAND) PLC ECP 0.00000% 01.10.09-04.01.10	30 000 000.00	29 991 202.58	1.03
CHF WESTPAC SECURITIES NZ LTD ECP 0.00000% 26.05.09-24.11.09	25 000 000.00	24 996 354.70	0.86
CHF WESTPAC TRUST SECS NZ LTD ECP 0.00000% 15.09.09-15.03.10	30 000 000.00	29 992 635.14	1.03
<b>Total CHF</b>		<b>2 202 147 704.18</b>	<b>75.39</b>
<b>Total Euro Commercial Papers, zero coupon</b>		<b>2 202 147 704.18</b>	<b>75.39</b>
<b>Package deals – money market instruments, zero coupon</b>			
CHF			
CHF PFIZER INC PD 0.00000% 14.10.09-14.01.10	50 894 234.84	50 881 045.29	1.74
<b>Total CHF</b>		<b>50 881 045.29</b>	<b>1.74</b>
<b>Total Package deals – money market instruments, zero coupon</b>		<b>50 881 045.29</b>	<b>1.74</b>
<b>Total Other money market instruments in accordance with Article 41 (1) h)</b>		<b>2 433 010 605.05</b>	<b>83.29</b>
<b>Total investments in securities</b>		<b>2 909 097 683.19</b>	<b>99.59</b>
<b>Cash at banks, deposits on demand and deposit accounts</b>		<b>12 850 390.55</b>	<b>0.44</b>
<b>Other assets and liabilities</b>		<b>-991 693.86</b>	<b>-0.03</b>
<b>Total net assets</b>		<b>2 920 956 379.88</b>	<b>100.00</b>

# Notes to the Financial Statements

Annual Report as of 31 October 2009  
UBS (Lux) Money Market Fund

## **Note 1 – Summary of significant accounting policies**

### *a) Calculation of the net asset value*

The net asset value and the issue and redemption price per unit of any subfund or unit class are expressed in the reference currency that appears in the name of the subfund concerned and are calculated every business day. The net asset value and the issue and redemption price per unit are calculated by dividing the overall net asset value for each subfund by the number of units in circulation for this subfund.

In this connection, “business days” are regular bank working days (i.e., each day on which banks are open during the regular working hours) in Luxembourg with the exception of individual non-statutory rest days in Luxembourg and/or customary holidays in countries with stock exchanges and markets upon which the valuation of more than half of the subfund’s net assets is based.

### *b) Valuation principles*

- Securities and other investments listed on a stock exchange are valued at the last known market price. If the same security or other investment is quoted on several stock exchanges, the last available listing on the stock exchange that represents the major market for this security will apply.

In the case of securities and other investments where trading on a stock exchange is scarce and for which a secondary market among securities traders exists with pricing in line with the market, the Management Company may value these securities and other investments based on these prices. Securities and other investments which are not listed on a stock exchange, but are traded on another regulated market which is recognized, open to the public and functions properly, will be valued at the last known price on this market.

- Securities and other investments that are not listed at a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, will be valued by the Management Company according to other principles of its choosing on the basis of the likely sales prices.

- For money market instruments and securities with a residual maturity of less than 12 months, the valuation price will be gradually adjusted to the redemption price, based on the net acquisition price and retaining the ensuing yield. The valuation price so computed may therefore differ from the actual market rate. If market conditions change substantially, the valuation principles for the individual investments will be adjusted to the new market returns.
- Time deposits and fiduciary investments are valued at their nominal value plus accumulated interest.
- The value of swap transactions is calculated by the swap counterparty on the basis of the net present value of all cash flows, both inflows and outflows. This valuation method is recognized by the Management Company.
- Interest income earned by subfunds up to and including the second valuation date following the valuation date concerned is included in the valuation of the assets of the subfunds concerned. The asset value per unit on a given valuation date therefore includes projected interest earnings as at two valuation days hence.

The Management Company is authorised to apply other generally recognised and auditable valuation criteria in good faith in order to achieve an appropriate determination of the valuation of the net asset value if, due to extraordinary circumstances, a valuation in accordance with the aforementioned regulations proves to be unfeasible or inaccurate.

These valuation criteria are determined by the Board of Directors with prudence, on the basis of market quotations resulting from transactions or from pricing models, as well as from any other source, which may include broker statements, considered as reliable and appropriate by the Board of Directors to reflect what is believed to be the fair value of those securities at the portfolio’s valuation point.

### *c) Discounted Money Market Instruments and Securities*

The unrealized appreciations of discounted money market instruments and securities are disclosed in the Statement of Operations in the position “Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments”. At maturity these appreciations will be transferred to the position “Realized gain (loss) on yield-evaluated securities and money market instruments”.



*d) Net realized gain (loss) on sales of securities*

The realized gains or losses on the sales of securities are calculated on the basis of the average cost of the securities sold.

*e) Conversion of foreign currencies*

Bank accounts, other net assets and the valuation of the investments in securities held denominated in currencies other than the reference currency of the different subfunds are converted at the mid closing spot rates on the valuation date. Income and expenses denominated in currencies other than the currency of the different subfunds are converted at the mid closing spot rates at payment date. Gain or loss on foreign exchange is included in the statement of operations.

The cost of securities denominated in currencies other than the reference currency of the different subfunds is converted at the mid closing spot rate on the day of acquisition.

*f) Accounting of securities' portfolio transactions*

The securities' portfolio transactions are accounted for at value dates.

*g) "Mortgage-backed securities"*

The Fund, in accordance with its investment policies, may invest in mortgage-backed securities. A mortgage-backed security is a participation in a pool of residential mortgages which is consolidated into the form of securities. The principal and interest payments on the underlying mortgages are passed through to the holders of the mortgage-backed security of which the principle reduces the cost basis of the security.

The payment of principal and interest may be guaranteed by quasi-governmental agencies of the United States. A gain or loss is calculated on each paydown associated with each payment of principal. This gain or loss has been included in "Net realized gain or loss on sales of securities" in the statement of operations. In addition, prepayments of the underlying mortgages may shorten the life of the security, thereby affecting the Fund's expected yield.

*h) Consolidated financial statements*

The consolidated financial statements are expressed in USD. The various items of the consolidated statement of net assets and the consolidated statement of operations as at 31 October 2009 of the Fund are equal to the sum of the corresponding items in the financial statements of each subfund converted into USD at the closing exchange rates prevailing on the closing day.

The following exchange rates were used for the conversion of foreign currencies and the consolidated financial statements as of 31 October 2009:

Exchange rates		
USD 1 =	AUD	1.106684
USD 1 =	CAD	1.077200
USD 1 =	CHF	1.024250
USD 1 =	EUR	0.677759
USD 1 =	GBP	0.606667

*i) Receivable on securities sales,*

*Payable on securities purchases*

The account "Receivables on securities sales" can also include receivables from foreign currency transactions. The account "Payables on securities purchases" can also include payables from foreign currency transactions.

**Note 2 – Flat fee**

The Fund charges a monthly flat fee for each of the subfunds resp. for each of the unit classes, calculated on the average net asset value of the subfunds resp. the unit classes as shown in the table below.

UBS (Lux) Money Market Fund		Flat fee
		unit class P-acc
– AUD	0.06% per month (0.72% p.a.)	
– CAD	0.033% per month (0.40% p.a.)	
– CHF	0.025% per month (0.30% p.a.)	
– EUR	0.06% per month (0.72% p.a.)	
– GBP	0.06% per month (0.72% p.a.)	
– USD	0.06% per month (0.72% p.a.)	

UBS (Lux) Money Market Fund		Flat fee
		unit class Q-acc
– EUR	0.03% per month (0.36% p.a.)	

UBS (Lux) Money Market Fund		Flat fee
		unit class K-1-acc
– AUD	0.02% per month (0.24% p.a.)	
– CHF	0.02% per month (0.24% p.a.)	
– EUR	0.02% per month (0.24% p.a.)	
– USD	0.02% per month (0.24% p.a.)	

UBS (Lux) Money Market Fund		Flat fee
		unit class I-15-acc
– AUD	0.0125% per month (0.15% p.a.)	
– EUR	0.0125% per month (0.15% p.a.)	

UBS (Lux) Money Market Fund		Flat fee
		unit class I-18-acc
– AUD	0.015% per month (0.18% p.a.)	
– USD	0.015% per month (0.18% p.a.)	

UBS (Lux) Money Market Fund		Flat fee
		unit class I-3.5-acc
– USD	0.0029% per month (0.035% p.a.)	

UBS (Lux) Money Market Fund		Flat fee
		unit class U-X-acc
– CHF	0.00% per month (0.00% p.a.)	
– EUR	0.00% per month (0.00% p.a.)	
– USD	0.00% per month (0.00% p.a.)	

This flat fee is used to pay the Custodian Bank, the administrative agent, the Management Company, the portfolio manager and the distributors. The flat fee also covers all the costs incurred by the Fund and the subfunds, with the exception of the following:

- All taxes which are levied on the assets and the income of the Fund, particularly the “taxe d’abonnement”,
- customary brokerage fees and commissions which are charged by other banks and brokers for securities transactions and similar transactions, and
- costs of extraordinary measures carried out in the interest of unitholders, particularly arranging expert opinions and dealing with legal proceedings, etc.

Out of the management commission sales fees are paid to distributors and asset managers of the Fund.

All costs which can be allocated accurately to individual subfunds will be charged to these subfunds. If costs pertain to several or all subfunds, however, these costs will be charged to the subfunds concerned in proportion to their relative net asset values.

In the Subfunds that may invest in other UCI or UCITS under the terms of their investment policies, fees may be incurred both at the level of the relevant investment fund as well as at the level of the Subfund.

In the case of investments in units of funds managed directly or indirectly by the Management Company itself or another company related to it by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting shares, the Subfund may only be charged with a reduced flat fee of no more than 0.25% p.a. The Management Company may, moreover, not charge the Subfund making the investment with any of the related target fund’s issuing or redemption commissions.

If, in accordance with the above paragraph, the Management Company invests in a related fund that charges a lower flat fee than that charged by the Subfund making the investment, the Management Company may, instead of the aforementioned lower flat fee, charge the volume invested in this target fund with the difference between the flat fee charged by the Subfund making the investment on the one hand and the flat fee of the target fund on the other.

### Note 3 – Taxe d’abonnement

In accordance with the law and the regulations currently in force, the Fund is subject in Luxembourg to the subscription tax at the annual rate of 0.01%, payable quarterly and calculated on the basis of the net assets at the end of each quarter.

The taxe d’abonnement is waived for that part of the net assets invested in units or shares of other undertakings for collective investment that have already paid the taxe d’abonnement in accordance with the statutory provisions of Luxembourg law.

### Note 4 – Securities Lending

The Fund may also lend portions of its securities portfolio to third parties. In general, lendings may only be effected via recognized clearing houses such as Clearstream International or Euroclear, or through the intermediary of prime financial institutions that specialize in such activities and in the modus specified by them.

As at 31 October 2009, no securities were lent out in UBS (Lux) Money Market Fund.

### Note 5 – Transactions in securities in other currencies than the currencies of the subfunds for which the purchase price and redemption price is fixed in advance in the currency of the sub-fund

The transactions on securities in currencies other than the reference currency of the various subfunds are recorded in the statements of investments in securities at the acquisition price corresponding to the purchase price paid in the currency of the subfund. The redemption price (nominal value) is disclosed in the statement of investments in securities for the amount to be received in the Fund’s currency upon maturity of the security.

The determining price for the valuation of these securities is progressively adjusted to the redemption price thus established, based on the net acquisition price mentioned above and keeping the resulting yield constant.

#### Note 6 – Package deals-bonds

Several of the investments included in the individual subfund portfolios were made in currencies other than in the official currency denomination of the respective subfunds. Hedging transactions have been effected to eliminate the exchange rate risks involved. This represents a combination from bonds, interest swaps and options.

#### Note 7 – Income Distribution

In accordance with article 10 of the Management Regulations, once the annual accounts are closed the Management Company will decide whether and to what extent distributions are to be paid out by each subfund and class of unit. Distributions may not be so large as to cause the net assets of the Fund to fall below the minimum fund assets laid down by the provisions of the law. If distributions are made, they will be paid out within four months of the end of the financial year.

In principle, no distributions shall be paid to unitholders.

#### Note 8 – Soft commission arrangements

During the year from 1 November 2008 until 31 October 2009, no “soft commission arrangements” were entered into on behalf of UBS (Lux) Money Market Fund and “soft dollar commissions” amount to nil.

#### Note 9 – Total Expense Ratio (TER)

This ratio was calculated in accordance with the Swiss Funds Association’s (SFA) “Guidelines on the calculation and disclosure of the TER and PTR” in the current version and expresses the sum of all costs and commissions charged on an ongoing basis to the net assets (operating expenses) taken retrospectively as a percentage of the net assets.

TER for the last 12 months:

UBS (Lux) Money Market Fund	Total Expense Ratio (TER)
– AUD P-acc	0.73%
– AUD I-18-acc*	0.19%
– AUD K-1-acc*	0.25%
– AUD I-15-acc*	0.16%
– CAD P-acc	0.55%
– CHF P-acc	0.47%
– CHF K-1-acc*	0.20%
– CHF U-X-acc*	0.01%
– EUR P-acc	0.73%
– EUR Q-acc	0.37%
– EUR K-1-acc*	0.25%
– EUR I-15-acc*	0.16%
– EUR U-X-acc*	0.01%
– GBP P-acc	0.73%
– USD P-acc	0.73%
– USD K-1-acc*	0.24%
– USD I-18-acc*	0.18%
– USD I-3.5-acc*	0.04%
– USD U-X-acc*	0.01%

\* annualised

Transaction costs and any other costs incurred in connection with currency hedging are not included in the TER.

#### Note 10 – Portfolio Turnover Rate (PTR)

This ratio was calculated in accordance with the Swiss Funds Association’s (SFA) “Guidelines on the calculation and disclosure of the TER and PTR” in the current version. The PTR is considered an indicator of the relevance of the additional costs incurred when buying and selling investments. It shows how many security transactions occurred as a result of voluntary investment shifts in relation to the average net assets. Transactions that resulted from uncontrollable subscriptions and redemptions are not included in this rate.

PTR for the last 12 months:

UBS (Lux) Money Market Fund	Portfolio Turnover Rate (PTR)
– AUD	234.24%
– CAD	265.60%
– CHF	352.52%
– EUR	164.02%
– GBP	195.24%
– USD	76.60%

#### **Note 11 – Merger of subfunds**

The Board of Directors of UBS Money Market Fund Management Company S.A., decided on 11 December 2008 to merge the following subfunds:

*UBS (Lux) Bond Fund – Absolute Return Bond (CHF)*  
with the  
*UBS (Lux) Money Market Fund – CHF*

*UBS (Lux) Bond Fund – Absolute Return Bond (EUR)*  
with the  
*UBS (Lux) Money Market Fund – EUR*

*UBS (Lux) Bond Fund – Absolute Return Bond (USD)*  
with the  
*UBS (Lux) Money Market Fund – USD*

The Board of Directors of UBS Money Market Fund Management Company S.A., decided on 26 June 2009 to merge the following subfunds:

*UBS (Lux) Dynamic Floor Fund (CHF)*  
with the  
*UBS (Lux) Money Market Fund – CHF*

*UBS (Lux) Dynamic Floor Fund (EUR)*  
with the  
*UBS (Lux) Money Market Fund – EUR*

*UBS (Lux) Dynamic Floor Fund (USD)*  
with the  
*UBS (Lux) Money Market Fund – USD*

#### **Note 12 – Applicable law, place of performance and authoritative language**

The Luxembourg District Court is the place of performance for all legal disputes between the unitholders, the Management Company and the Custodian Bank. Luxembourg law applies. However, in matters concerning the claims of investors from other countries, the Management Company and/or the Custodian Bank can elect to make themselves and the Fund subject to the jurisdiction of the countries in which the Fund units were bought and sold.

The German version of these financial statements is the authoritative version and only this version was audited by the auditors. However, in the case of units sold to investors from the other countries in which Fund units can be bought and sold, the Management Company and the Custodian Bank may recognize approved translations (i.e. approved by the Management Company and the Custodian Bank) into the languages concerned as binding upon themselves and the Fund.