

UBS Global Asset Management US Tax-Free Money Market Funds update

UBS Global Asset Management reports on the status of its US Tax-Free Money Market Funds in the wake of recent market developments.

September 19, 2008

- **US Tax-Free Money Market Funds¹ (the “Funds”), advised or sub-advised by UBS Global Asset Management (Americas) Inc., do not own securities issued by any of the following issuers or their affiliates:**
 - Lehman Brothers
 - AIG
 - Washington Mutual
 - Merrill Lynch
 - Goldman Sachs
 - Morgan Stanley

- (The Funds may own some tax-free securities issued as part of programs using Merrill Lynch, Goldman Sachs and Morgan Stanley as remarketing agents. A remarketing agent is a broker-dealer responsible for reselling securities (such as variable rate demand obligations, including those issued as part of tender option bond programs, which have been tendered for purchase by their owner—for example, a mutual fund) to new investors. Such securities either have a short maturity or a “put” feature allowing them to be sold by a fund to a third party should a remarketing not be successful.

- **The Funds hold very high-quality assets.**
 - All Funds purchase only those obligations that we have determined present minimal credit risks and are deemed to be “First Tier Securities” as defined in Rule 2a-7 under the Investment Company Act of 1940.

¹ **“US Tax-Free Money Market Funds”** collectively refers to Master Trust—Tax-Free Master Fund (of which UBS Select Tax-Free Institutional Fund, UBS Select Tax-Free Preferred Fund and UBS Select Tax-Free Investor Fund are feeder funds, investing in underlying securities through the master fund); UBS RMA New Jersey Municipal Money Fund; UBS RMA California Municipal Money Fund; UBS RMA Tax-Free Fund; and UBS RMA New York Municipal Money Fund. For some of these funds, UBS Financial Services Inc. serves as the investment advisor and UBS Global Asset Management (Americas) Inc. (“UBS Global Asset Management”) is the sub-advisor responsible for day-to-day portfolio management. *UBS Global Asset Management offers other money market funds that invest primarily in taxable investments, including US Treasury and/or US government securities and related instruments. They are not referenced in this discussion.*

- While we consider the rating agencies' credit ratings, we rely first and foremost on our own proprietary research. Our dedicated team of credit analysts, which leverages the work of analysts on our Investment Grade Fixed Income research team, analyzes and assesses all securities in our tax-free money market funds.
- **The Funds currently have significant liquidity.** Each of the UBS US Tax-Free Money Market Funds maintains a high level of liquidity, having between 15% and 30% in securities with overnight liquidity and weighted average overall portfolio maturities well within regulatory limits.
- **UBS Global Asset Management has not had to step in to support its US SEC-registered money market funds in order to maintain a stable net asset value per share.** Since the financial market crisis began over a year ago, it has been reported that at least 22 other fund groups needed to do so.
- **UBS is one of the world's best capitalized banks, having raised significant capital over the past year.**
- **UBS Global Asset Management (Americas) Inc. and its predecessor firms have been managing money market funds for 30 years, and had stewardship of over \$14 billion in tax-free money market fund assets as of August 31, 2008.** This is a key line of business for us, and we have dedicated significant resources to the management of the funds entrusted to us.
- **Money market mutual funds are independent entities—not on-balance sheet obligations of UBS AG or its affiliates.** UBS Global Asset Management (Americas) Inc. serves as the investment advisor or sub-advisor to these Funds. The Funds' assets are held in segregated accounts at independent custodians, and are not recorded on the balance sheets of either UBS AG (or its affiliates) or the Funds' custodians. Neither UBS AG's creditors, nor creditors of the custodian bank would have claims to the Funds' securities in the unlikely event of a bankruptcy of either party.

The above is intended to assist shareholders in understanding the Funds. The views and opinions expressed herein were current as of September 22, 2008. 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 Funds' future investment intent.

For more information

Please contact the **UBS Global Asset Management Shareholder Service Center** at 800-647 1568.

For all of the UBS Global Asset Management US Tax-Free Money Market Funds, investors should read and carefully consider the investment objectives, risks, charges and expenses before investing. The US Tax-Free Money Market Funds' prospectuses contain this and other information about the Funds. Contact the UBS Global Asset Management National Sales Desk at



888-793 8637 for a current Fund prospectus. An investment in the UBS US Tax-Free Money Market Funds is only one component of a balanced investment plan.

An investment in the UBS US Tax-Free Money Market Funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Funds.

UBS Global Asset Management (US) Inc. is each Fund's principal underwriter. UBS Global Asset Management (Americas) Inc. is each Fund's advisor or sub-advisor.

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

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