

# UBS Cashfund

## Supplement to the Prospectus dated July 29, 2011

April 5, 2012

Dear Investor:

The purpose of this supplement is to describe certain changes to the bank deposit sweep program administered by UBS Financial Services Inc. ("UBS Financial Services") under which free cash balances in client securities accounts are swept into interest-bearing deposit accounts (the "Program"). The changes, which will become effective April 9, 2012, include the following:

- Expansion of the Program to eligible participants in the following investment advisory programs: the Managed Accounts Consulting Program, Portfolio Management Program, ACCESS, Managed Portfolio Program, UBS Strategic Wealth Portfolio, UBS Strategic Advisor, Private Wealth Solutions, and other advisory programs as UBS Financial Services may add from time to time; and
- Advisory accounts that participate in the Program will be subject to an automatic dollar limit or "cap" of \$250,000 per account owner with respect to the amount that can be swept into bank deposit accounts (available balances in excess of that limit will be automatically invested in the fund).

As a result of these changes, the section of the prospectus captioned "Managing your fund account" beginning on page 9 of the prospectus is hereby revised as follows, effective April 9, 2012.

**In the section sub-headed "Buying shares" on page 9 of the prospectus, the section captioned "Automatic deposit account sweep program" is hereby deleted and replaced with the following:**

**Automatic deposit account sweep program.** UBS Financial Services Inc. administers a bank deposit sweep program under which free cash balances in various client securities accounts are swept into interest-bearing deposit accounts ("Deposit Account Sweep Program").

Investors who are eligible to participate in the Deposit Account Sweep Program are referred to as "eligible participants" below to distinguish them from other investors in the fund. Please see below for more information about eligible participants in the Deposit Account Sweep Program.

Accounts of eligible participants automatically default to the Deposit Account Sweep Program as their primary sweep vehicle. This means that free cash balances (that is, immediately available funds) of eligible participants will be automatically deposited in bank deposit accounts, not invested in the fund. Advisory accounts participating in the Deposit Account Sweep Program are subject to an automatic dollar limit or "cap" of \$250,000 per account owner, which will apply to the amount that can be swept into bank deposit accounts under the Deposit Account Sweep Program. For other securities accounts that are brokerage accounts, there is no automatic cap, but the eligible

participant can elect to place a cap on the amount that will be swept into bank deposit accounts (a cap of \$250,000 or more for individual ownership and \$500,000 or more for joint ownership accounts, in each case on a per-account basis). If no cap is elected for brokerage accounts, free cash balances will be swept into bank deposit accounts without dollar limit. Available balances in excess of the cap (whether automatic or selected) will be automatically invested in the fund. After a cap is reached, uninvested cash will be invested as if the investor were a “non-eligible participant.”

Certain limitations apply. For more information, please contact your Financial Advisor at UBS Financial Services Inc.

**In the section sub-headed “Minimum investments” on page 10 of the prospectus, the paragraph immediately following the table is hereby deleted and replaced with the following:**

The minimum to add to a fund account is waived for automatic purchases made with free cash balances in your UBS Financial Services Inc. securities account, as described below. The fund may change its minimum investment requirements at any time.

**In the section sub-headed “Buying shares automatically” on page 10 of the prospectus, the second paragraph is hereby deleted and replaced with the following:**

**Eligible participants for the Deposit Account Sweep Program.** UBS Financial Services Inc. accounts for eligible participants will automatically default to the Deposit Account Sweep Program. Available balances in excess of a dollar limit cap (whether automatic or selected) will be automatically invested in fund shares.

**The section sub-headed “Selling shares automatically” on page 11 of the prospectus is hereby deleted in its entirety and replaced with the following:**

**Selling shares automatically**

Your fund shares will be sold automatically to settle any outstanding securities purchases or debits to your client securities account, unless you instruct your Financial Advisor otherwise.

If you are a participant in the Deposit Account Sweep Program and also own shares of the fund, shares of the fund are always sold first to settle any outstanding securities purchases or other debits to your UBS Financial Services Inc. securities account. If there are insufficient amounts in the fund, then cash withdrawals will be made from your bank deposit account to satisfy the debits.

**The section sub-headed “More information regarding ‘Eligible Participants’” on page 13 of the prospectus is hereby deleted and replaced with the following:**

**More information regarding “Eligible Participants.”** The Deposit Account Sweep Program is available only to individuals, IRAs, trusts (as long as all beneficiaries of the trust accounts are natural persons or nonprofit organizations), sole proprietors and governmental entities. Custodial accounts are eligible for the Deposit Account Sweep Program if each beneficiary is an eligible participant. “Eligible Participants” does not include participants that are: (a) organized or operated to make a profit such as corporations, partnerships, associations, business trusts or other organizations, (b) nonprofit organizations, including organizations described in Sections 501(c)(3) through (13) and (19) of the Internal Revenue Code of 1986, as amended, (c) estates, (d) accounts in the UBS Financial Services Institutional Consulting Program, (e) not resident in the United States or (f) retirement plans qualified under Section 401(a) or

Section 403(b)(7) of the Internal Revenue Code of 1986, as amended, or under any other employee retirement or welfare plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). (Additional information regarding sweep options for investors participating in the PACE<sup>SM</sup> Select Advisors Program and PACE<sup>SM</sup> Multi Advisor Program: These programs may provide for an allocation to another money market fund as part of an investment allocation plan; however, since your PACE investment is held within a UBS Financial Services brokerage account (e.g., an RMA account, a basic investment account, etc.), available cash balances in the brokerage portion of RMA accounts and basic investment accounts are automatically swept to the Deposit Account Sweep Program in accordance with the terms of your brokerage account agreement, which terms differ from those available to advisory accounts.)

The list of eligible participants may change in the discretion of UBS Financial Services Inc.

**In the section sub-headed “Additional information about your account” on page 13 of the prospectus, the following is added at the end of the first paragraph:**

Participants in the Deposit Account Sweep Program who wish to increase their fund account balance to \$500 or more will need to add sufficient cash to their securities accounts so that the bank deposit account cap (whether automatic or selected) and this minimum are both met. If the deposit account cap and fund minimum are not met, the proceeds from the sale of fund shares will be deposited in the investor’s securities account and swept into the bank deposit account.

**PLEASE BE SURE TO RETAIN THIS INFORMATION FOR FUTURE REFERENCE.**



UBS

## Supplement to the Prospectuses ("Prospectuses")

September 8, 2011

Dear Investor:

The purpose of this supplement is to notify you that each fund listed below (each, a "fund") will be posting additional information about its portfolio holdings, on a monthly basis, on the UBS Web site at [www.ubs.com/usmoneymarketfundsholdings](http://www.ubs.com/usmoneymarketfundsholdings).

**Effective September 8, 2011, the following will be inserted after the first sentence of the second paragraph under "Disclosure of portfolio holdings":**

In addition, the fund will provide an update showing additional portfolio characteristics, such as exposure to European banks and their affiliates, broken down by country, including weighted average life or weighted average maturity information per country.

**This supplement pertains to the following funds:**

| <b>Fund Name</b>                                                                          | <b>Date of Prospectus(es)*</b> |
|-------------------------------------------------------------------------------------------|--------------------------------|
| <i>UBS Cashfund Inc.</i>                                                                  | July 29, 2011                  |
| <i>UBS Master Series, Inc. – UBS Money Market Fund</i>                                    | June 28, 2011                  |
| <i>PACE<sup>®</sup> Select Advisors Trust – PACE<sup>®</sup> Money Market Investments</i> | November 28, 2010              |

\* As previously supplemented, if applicable.

**PLEASE BE SURE TO RETAIN THIS INFORMATION FOR FUTURE REFERENCE.**

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# UBS Cashfund Prospectus

July 29, 2011

As with all mutual funds, the Securities and Exchange Commission has not approved or disapproved the fund's shares or determined whether this prospectus is complete or accurate. To state otherwise is a crime.

**Not FDIC Insured. May lose value. No bank guarantee.**

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Please find the **UBS family of funds privacy notice** on the inside of the back cover of this prospectus.

**The fund is not a complete or balanced investment program.**

# UBS Cashfund

## Fund summary

### Investment objective

Current income, stability of principal and high liquidity.

### Fees and expenses of the fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the fund.

#### Shareholder fees *(fees paid directly from your investment)*

|                                                                                                           |      |
|-----------------------------------------------------------------------------------------------------------|------|
| Maximum front-end sales charge (load) imposed on purchases (as a % of the offering price)                 | None |
| Maximum deferred sales charge (load) (as a % of the lesser of the offering price or the redemption price) | None |

#### Annual fund operating expenses *(expenses that you pay each year as a percentage of the value of your investment)*

|                                          |       |
|------------------------------------------|-------|
| Management fees                          | 0.46% |
| Distribution and/or service (12b-1) fees | None  |
| Other expenses                           | 0.14% |
| Total annual fund operating expenses     | 0.60% |

### Example

This example is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the fund's operating expenses remain the same.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

|              | 1 year | 3 years | 5 years | 10 years |
|--------------|--------|---------|---------|----------|
| UBS Cashfund | \$61   | \$192   | \$335   | \$750    |

## **Principal strategies**

### **Principal investments**

The fund is a money market fund and seeks to maintain a stable price of \$1.00 per share. To do this, the fund invests in a diversified portfolio of high quality money market instruments of governmental and private issuers.

Money market instruments generally are short-term debt obligations and similar securities. They also may include longer-term bonds that have variable interest rates or other special features that give them the financial characteristics of short-term debt. The fund invests in foreign money market instruments only if they are denominated in US dollars.

### **Management process**

UBS Global Asset Management (Americas) Inc. ("UBS Global AM") acts as the fund's investment advisor. As investment advisor, UBS Global AM makes the fund's investment decisions. UBS Global AM selects money market instruments for the fund based on its assessment of relative values and changes in market and economic conditions. UBS Global AM considers safety of principal and liquidity in selecting securities for the fund and thus may not buy securities that pay the highest yield.

### **Principal risks**

All investments carry a certain amount of risk, and the fund cannot guarantee that it will achieve its investment objective. While the fund seeks to maintain the value of your investment at \$1.00 per share, you may lose money by investing in the fund. An investment in the fund is not a bank deposit and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Money market instruments generally have a low risk of loss, but they are not risk-free. The principal risks presented by an investment in the fund are:

**Credit risk:** Issuers of money market instruments may fail to make payments when due, or they may become less willing or less able to do so.

**Interest rate risk:** The value of the fund's investments generally will fall when interest rates rise, and its yield will tend to lag behind prevailing rates.

**Foreign investing risk:** The value of the fund's investments in foreign securities may fall due to adverse political, social and economic developments abroad. However, because the fund's foreign investments must be denominated in US dollars, it generally is not subject to the risk of changes in currency valuations.

**US Government securities risk:** There are different types of US government securities with different levels of credit risk, including the risk of default, depending on the nature of the particular government support for that security. For example, a US government-sponsored entity, although chartered or sponsored by an Act of Congress, may issue securities that are neither insured nor guaranteed by the US Treasury and are therefore riskier than those that are.

**Liquidity risk:** Although the fund invests in a diversified portfolio of high quality instruments, the fund's investments may become less liquid as a result of market developments or adverse investor perception.

**Management risk:** The risk that the investment strategies, techniques and risk analyses employed by the investment advisor may not produce the desired results.

## Performance

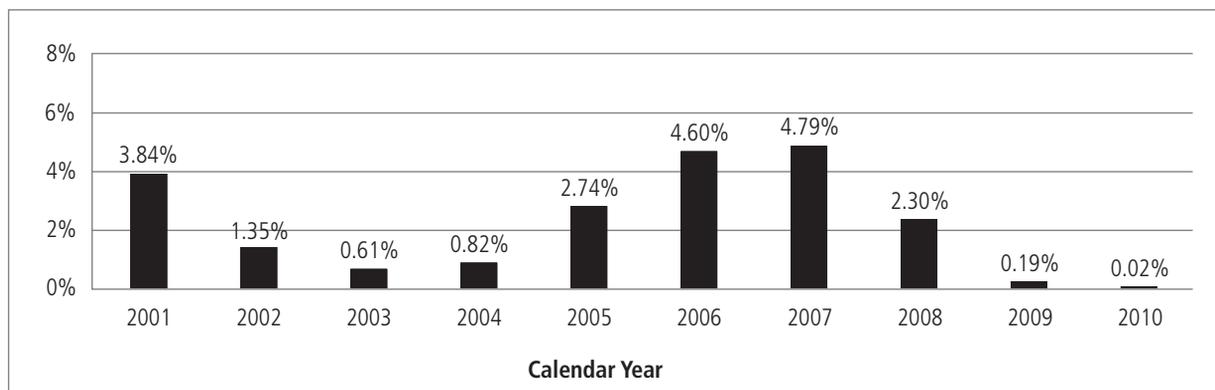
### Risk/return bar chart and table

The following bar chart and table provide information about the fund's performance and thus give some indication of the risks of an investment in the fund.

The bar chart shows how the fund's performance has varied from year to year. The table that follows the bar chart shows the average annual returns over various time periods for the fund's shares.

The fund's past performance does not necessarily indicate how the fund will perform in the future.

### Total return



Total return January 1 to June 30, 2011: 0.00% (Actual total return was 0.0049%)

Best quarter during years shown—1st quarter, 2001: 1.34%

Worst quarters during years shown—3rd quarter, 2009 & 1st, 2nd and 3rd quarters, 2010: 0.00%  
(Actual total return was 0.0024%)

Updated performance information is available by contacting your Financial Advisor or by calling 1-888-793 8637 (Option #1).

### Average annual total returns

(for the periods ended December 31, 2010)

|            |       |
|------------|-------|
| One year   | 0.02% |
| Five years | 2.36  |
| Ten years  | 2.11  |

**Investment advisor**

UBS Global Asset Management (Americas) Inc. ("UBS Global AM") serves as the investment advisor to the fund.

**Purchase & sale of fund shares**

You must be a client of UBS Financial Services Inc. or a client of certain affiliated firms to purchase fund shares. You may purchase or sell fund shares by contacting your Financial Advisor. The minimum to open a fund account is \$1,000. The minimum to add to a fund account is \$500. Shares of the fund may be purchased or redeemed through your Financial Advisor on any business day on which the Boston offices of the fund's custodian and the New York City offices of UBS Financial Services Inc. and its bank are all open for business.

**Tax information**

The dividends and distributions you receive from the fund are taxable and will generally be taxed as ordinary income, capital gains or some combination of both. If you hold shares through a tax-exempt account or plan, such as an individual retirement account or 401(k) plan, dividends and distributions on your shares generally will not be subject to tax before distributions are made to you from the account or plan.

**Payments to broker-dealers and other financial intermediaries**

If you purchase the fund through a broker-dealer or other financial intermediary (such as a bank), the fund and its related companies may pay the intermediary for the sale of fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your Financial Advisor to recommend the fund over another investment. Ask your Financial Advisor or visit your financial intermediary's Web site for more information.

## More information about the fund

### **Additional information about the investment objective**

The fund's investment objective may not be changed without shareholder approval.

### **Additional information about investment strategies**

Like all money market funds, the fund is subject to maturity, quality, diversification and liquidity requirements designed to help it maintain a stable price of \$1.00 per share.

UBS Global AM may use a number of professional money management techniques to respond to changing economic and money market conditions and to shifts in fiscal and monetary policy. These techniques include varying the fund's composition and weighted average maturity based upon UBS Global AM's assessment of the relative values of various money market instruments and future interest rate patterns. UBS Global AM also may buy or sell money market instruments to take advantage of yield differences. During adverse market conditions or when UBS Global AM believes there is an insufficient supply of appropriate money market securities in which to invest, the fund may temporarily hold uninvested cash in lieu of such investments. During periods when such temporary or defensive positions are held, the fund may not be able to fully pursue its investment objective. Such positions may also subject the fund to additional risks, such as increased exposure to cash held at a custodian bank.

### **Additional information about principal risks**

The main risks of investing in the fund are described below. Other risks of investing in the fund, along with further detail about some of the risks described below, are discussed in the fund's Statement of Additional Information ("SAI"). Information on how you can obtain the SAI is on the back cover of this prospectus.

**Credit risk.** Credit risk is the risk that the issuer of a money market instrument will not make principal or interest payments when they are due. Even if an issuer does not default on a payment, a money market instrument's value may decline if the market believes that the issuer has become less able, or less willing, to make payments on time. Even the highest quality money market instruments are subject to some credit risk. The credit quality of an issuer can change rapidly due to market developments and may affect the fund's ability to maintain a \$1.00 share price.

**Interest rate risk.** The value of money market instruments generally can be expected to fall when short-term interest rates rise and to rise when short-term interest rates fall. Interest rate risk is the risk that interest rates will rise, so that the value of the fund's investments will fall. Also, the fund's yield will tend to lag behind changes in prevailing short-term interest rates. This means that the fund's income will tend to rise more slowly than increases in short-term interest rates. Similarly, when short-term interest

rates are falling, the fund's income generally will tend to fall more slowly.

**Foreign investing risk.** Foreign investing may involve risks relating to political, social and economic developments abroad to a greater extent than investing in the securities of US issuers. In addition, there are differences between US and foreign regulatory requirements and market practices.

**US Government securities risk.** Credit risk is the risk that the issuer will not make principal or interest payments when they are due. There are different types of US government securities with different relative levels of credit risk depending on the nature of the particular government support for that security. US government securities may be supported by (1) the full faith and credit of the US; (2) the ability of the issuer to borrow from the US Treasury; (3) the credit of the issuing agency, instrumentality or government-sponsored entity; (4) pools of assets (e.g., mortgage-backed securities); or (5) the US in some other way. In some cases, there is even the risk of default. For example, for asset backed securities there is the risk those assets will decrease in value below the face value of the security. Similarly, for certain agency issued securities there is no guarantee the US government will support the agency if it is unable to meet its obligations. Further, the US government and its agencies and instrumentalities do not guarantee the market value of their securities; consequently, the value of such securities will fluctuate.

**Liquidity risk.** The fund's investments may become less liquid due to market developments or adverse investor perception. When there is no willing buyer and investments cannot be readily sold at the

desired time or price, the fund may have to accept a lower price or may not be able to sell an instrument at all. The inability to sell an instrument could adversely affect the fund's ability to maintain a \$1.00 share price or prevent the fund from being able to take advantage of other investment opportunities. This risk may increase during an unusually high volume of redemption requests by even a few large investors or unusual market conditions.

**Management risk.** There is the risk that the investment strategies, techniques and risk analyses employed by the advisor may not produce the desired results. The advisor may be incorrect in its assessment of a particular security or assessment of market, interest rate or other trends, which can result in losses to the fund.

An investment in the fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

#### **Additional risks**

**Regulatory risk.** The US Securities and Exchange Commission ("SEC") continues to review the regulation of money market funds and may propose further changes to the rules that govern the fund's operations. Legislative developments may also affect the fund. These changes and developments may affect the investment strategies, performance, yield and operating expenses of the fund.

**Securities lending risk.** Securities lending involves the lending of portfolio securities owned by the fund to qualified broker-dealers and financial institutions. When lending portfolio securities, the

fund initially will require the borrower to provide the fund with collateral, most commonly cash, which the fund will invest. Although the fund invests this collateral in a conservative manner, it is possible that it could lose money from such an investment or fail to earn sufficient income from its investment to cover the fee or rebate that it has agreed to pay the borrower. Loans of securities also involve a risk that the borrower may fail to return the securities or deliver the proper amount of collateral, which may result in a loss to the fund. In addition, in the event of bankruptcy of the borrower, the fund could experience losses or delays in recovering the loaned securities. In some cases, these risks may be

mitigated by an indemnification provided by the fund's lending agent.

**Structured security risk.** The fund may purchase securities representing interests in underlying assets, but structured to provide certain advantages not inherent in those assets (e.g., enhanced liquidity and yields linked to short-term interest rates). If those securities behaved in a way that UBS Global AM did not anticipate, or if the security structures encountered unexpected difficulties, the fund could suffer a loss. Structured securities represent a significant portion of the short-term securities markets.

## Managing your fund account

### Buying shares

**Introduction.** You must be a client of UBS Financial Services Inc. or a client of certain affiliated firms to purchase fund shares. You can purchase fund shares by contacting your Financial Advisor.

### Automatic deposit account sweep program.

UBS Financial Services Inc. administers a bank deposit sweep program under which free cash balances in client brokerage accounts are swept into interest-bearing deposit accounts ("Deposit Account Sweep Program").

Investors who are eligible to participate in the Deposit Account Sweep Program are referred to as "eligible participants" below to distinguish them from other investors in the fund.

UBS Financial Services Inc. brokerage accounts of eligible participants automatically default to the Deposit Account Sweep Program as their primary sweep vehicle. This means that free cash balances (that is, immediately available funds) of eligible participants will be automatically deposited in bank deposit accounts, not the fund. This will occur without dollar limit, if no cap is selected by the investor. If a cap is selected, available balances in excess of such limit will be automatically invested in the fund.

UBS Financial Services Inc. will require a threshold (e.g., \$100,000 for individual ownership and \$200,000 for joint ownership accounts, in each case, on a per-account basis) before redirection of cash balances to the fund. (As of the date of this

prospectus, these amounts are expected to increase to \$250,000 and \$500,000, respectively, on or about October 28, 2011; please contact your Financial Advisor regarding the specific timing of any changes to the UBS Financial Services Inc. Deposit Account Sweep Program.) After a cap is reached, uninvested cash will be invested as if the investor were a "non-eligible participant."

Certain limitations apply. For more information, please contact your Financial Advisor at UBS Financial Services Inc.

If you would like to place a limit on the amount of available cash that defaults to the Deposit Account Sweep Program, contact your Financial Advisor.

**Background information.** Your order to purchase fund shares will be effective on the business day on which federal funds become available to the fund. Federal funds are funds deposited by a commercial bank in an account at a Federal Reserve Bank that can be transferred to a similar account of another bank in one day and thus can be made immediately available to the fund. A business day is any day that the Boston offices of the fund's custodian and the New York City offices of UBS Financial Services Inc. and its bank are all open for business. One or more of these institutions will be closed on the observance of the following holidays: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day and Christmas Day.

The fund and UBS Global AM have the right to reject any purchase order and to suspend the offering of the fund's shares for a period of time or permanently.

**Minimum investments:**

To open a fund account . . . . . \$1,000  
To add to a fund account . . . . . \$ 500

The minimum to add to a fund account is waived for automatic purchases made with free cash balances in your UBS Financial Services Inc. brokerage account, as described below. The fund may change its minimum investment requirements at any time.

**Buying shares automatically**

**Non-eligible participants.** You must open your fund account with an initial investment of \$1,000 or more. Once your fund account is opened, all free cash balances (that is, immediately available funds) of \$500 or more in your brokerage account (including proceeds from securities you have sold) are automatically invested in the fund on a daily basis. These purchases are made daily for settlement the same business day. All remaining free cash balances of \$1.00 or more are invested in fund shares on the next to last business day of each month for settlement on the last business day of that month.

**Eligible participants.** UBS Financial Services Inc. brokerage accounts will automatically default to the Deposit Account Sweep Program. If a dollar limit cap is selected, available balances in excess of such cap will be automatically invested in fund shares.

**Buying shares by check**

You may purchase fund shares by placing an order with your Financial Advisor and providing a check

from a US bank. You should make your check payable to UBS Cashfund Inc. and should include your UBS Financial Services Inc. account number on the check. Only non-eligible participants (and eligible participants who are purchasing fund shares in excess of a cap on investments in the Deposit Account Sweep Program) may buy shares by check.

Federal funds are deemed available to the fund two business days after the deposit of a personal check and one business day after deposit of a cashier's or certified check. UBS Financial Services Inc. may benefit from the temporary use of the proceeds of personal checks if they are converted to federal funds in less than two business days.

**Buying shares by wire**

You may purchase fund shares by placing an order through your Financial Advisor and instructing your bank to transfer federal funds by wire to:

UBS AG  
ABA 026007993  
UBS Financial Services Inc.—Cashfund  
A/C 101WA258640000  
[Account Name]/[Brokerage Account Number]

The wire must include your name and UBS Financial Services Inc. brokerage account number. Only non-eligible participants (and eligible participants who are purchasing fund shares in excess of a cap on investments in the Deposit Account Sweep Program) may buy shares by wire.

If UBS Financial Services Inc. receives a notice from your bank of a wire transfer of federal funds for a purchase of fund shares by 12:00 noon, Eastern time, UBS Financial Services Inc. will execute the

purchase on that day. Otherwise, UBS Financial Services Inc. will execute the order on the next business day. UBS Financial Services Inc. and/or your bank may impose a service charge for wire purchases.

### **Additional compensation to affiliated dealer**

UBS Global AM has entered into an agreement with its affiliate, UBS Financial Services Inc., under which UBS Global AM (or its affiliate UBS Global Asset Management (US) Inc. (“UBS Global AM (US)”)) pays UBS Financial Services Inc. additional compensation in connection with the sale of fund shares and the provision of administrative and shareholder services.

The aggregate amount of these payments may be substantial and may represent a significant portion of the advisory and administrative fees charged by UBS Global AM. These payments do not increase the expenses of the fund, but are made by UBS Global AM (or its affiliate UBS Global AM (US)) out of its own legitimate profits or other resources. The payments may include amounts that are sometimes referred to as “revenue sharing” payments.

### **Selling shares**

You may sell your shares by contacting your Financial Advisor in person or by telephone or mail. You may also be able to use the checkwriting service to sell your shares.

### **Selling shares automatically**

Your fund shares will be sold automatically to settle any outstanding securities purchases or debits to your UBS Financial Services Inc. brokerage account, unless you instruct your Financial Advisor otherwise.

If you are a participant in the Deposit Account Sweep Program and also own shares of the fund, shares of the fund are always sold first to settle any outstanding securities purchases or other debits to your UBS Financial Services Inc. brokerage account. If there are insufficient amounts in the fund, then cash withdrawals will be made from your bank deposit account to satisfy the debits.

### **Selling by telephone or mail or in person**

You may submit a request to sell fund shares in person or by telephone or mail to your Financial Advisor. Your proceeds will be mailed to you by check unless you choose a wire transfer as described below. UBS Financial Services Inc. may charge an administrative service fee of up to \$5.00 for processing sales orders by check.

If you mail an order to sell your shares to UBS Financial Services Inc., your request must include:

- Your name and address;
- The fund's name;
- Your fund account number;
- The dollar amount or number of shares you want to sell; and
- A guarantee of each registered owner's signature. A signature guarantee may be obtained from a financial institution, broker, dealer or clearing agency that is a participant in one of the medallion programs recognized by the Securities Transfer Agents Association. These are: Securities Transfer

Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) and the New York Stock Exchange Medallion Signature Program (MSP). The fund and its transfer agent will not accept signature guarantees that are not a part of these programs.

Sales by mail may also need to include additional supporting documents for sales by estates, trusts, guardianships, custodianships, partnerships and corporations.

### **Wire transfer of sale proceeds**

If you sell \$5,000 or more of your fund shares, you may request that the sale proceeds be paid in federal funds and wired directly to a pre-designated bank account. To take advantage of this service, you must complete an authorization form that can be obtained from your Financial Advisor. If UBS Financial Services Inc.'s New York City offices receive your wire sales order prior to 12:00 noon, Eastern time, on any business day, the sales proceeds will be wired to your bank account on that day. Otherwise, your sales proceeds will be wired to your bank account on the next business day. UBS Financial Services Inc. may impose a fee for wiring sales proceeds and may sell automatically an appropriate number of fund shares to pay that fee.

**Checkwriting service.** If you previously participated in the checkwriting service, then you may still be able to sell fund shares by writing a check. However, UBS Financial Services Inc. no longer provides checks for the checkwriting service; therefore when your current supply of checks has been exhausted, you will no longer be able to use the checkwriting service. If you would like a

checkwriting feature at that time, please speak to your Financial Advisor about upgrading your UBS Financial Services Inc. brokerage account to a UBS Financial Services Inc. Resource Management Account® (RMA®) or UBS Financial Services Inc. Business Services Account BSA® account.

Checks will be cleared against the "total withdrawal limit" of a shareholder's UBS Financial Services Inc. brokerage account. The withdrawal limit includes uninvested cash in the brokerage account, balances in money funds (including the fund) or other sweep options, and, if the investor has selected margin, the available margin loan value of securities held in the brokerage account.

Checks should only be written for amounts of \$500.00 or more. You will not receive canceled checks, but you may request photocopies of canceled checks. If you have insufficient funds in your brokerage account to cover a check you have written, the check will be returned to the payee. Checks written in amounts less than \$500 will also be returned. You should not attempt to redeem all the shares in your fund account by writing a check because the amount of fund shares in your account may change each day. Checks may not be used to transfer money into another UBS Financial Services Inc. account, written for cash or used to close your account.

You may be charged for stop payment orders, copies of canceled checks, checks returned for insufficient funds, and checks written for less than \$500. You will pay these charges through either the automatic sales of an appropriate number of your fund shares or a charge against your brokerage

account. This service generally is not available to persons who own fund shares through any sub-account or tax-deferred retirement plan account. UBS Financial Services Inc. may modify or terminate the checkwriting service at any time or impose service fees for checkwriting.

**More information regarding “Eligible participants.”** Eligible participants are individuals, sole proprietors and governmental entities. Custodial and trust accounts are also eligible participants if each beneficiary is an eligible participant. “Eligible participants” does not include participants that are (a) organized or operated to make a profit such as corporations, partnerships, associations, business trusts or other organizations, (b) nonprofit organizations, including organizations described in sections 501(c)(3) through (13) and (19) of the Internal Revenue Code of 1986, as amended, (c) estates, (d) enrolled in UBS Financial Services Inc. Advisory and Consulting Solutions programs (other than InsightOne<sup>SM</sup> and Employee Self Directed Accounts) or Private Wealth Solutions<sup>SM</sup>, (e) not resident in the United States or (f) retirement plans qualified under Section 401(a) or Section 403(b)(7) of the Internal Revenue Code of 1986, as amended, or under any other employee retirement or welfare plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

**Additional information about your account**  
It costs the fund money to maintain shareholder accounts. Therefore, the fund reserves the right to repurchase all shares in any account that has a net asset value of less than \$500. If the fund elects to do this with your account, it will notify you that you

can increase the amount invested to \$500 or more within 60 days. This notice may appear on your account statement.

If you want to sell shares that you purchased recently, the fund may delay payment until it verifies that it has received good payment. If you purchased shares by check, this can take up to 15 days.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. If you do not provide the information requested, the fund may not be able to maintain your account. If the fund is unable to verify your identity or that of another person(s) authorized to act on your behalf, the fund and UBS Global AM reserve the right to close your account and/or take such other action they deem reasonable or required by law. Fund shares will be redeemed and valued in accordance with the net asset value next calculated after the determination has been made to close the account.

The fund may suspend redemption privileges or postpone the date of payment beyond the same or next business day (1) for any period (a) during which the New York Stock Exchange (the “NYSE”) is closed other than customary weekend and holiday closings or (b) during which trading on the NYSE is restricted; (2) for any period during which an emergency exists as a result of which (a) disposal by the fund of securities owned by it is not reasonably practicable or (b) it is not reasonably practicable for the fund fairly to determine the value of its net assets; (3) for such other periods as the SEC may by

order permit for the protection of security holders of the fund; or (4) to the extent otherwise permitted by applicable laws and regulations.

UBS Financial Services Inc. may no longer actively offer the type of brokerage account for which the fund is designed as a sweep option. As a result, it is expected that the number of investors in the fund may decline over time. If this results in a decline in the overall size of the fund, certain expenses—such as management fees and other costs—may increase as a percentage of net assets, although the overall total dollar amount of such expenses to the fund may decrease.

### **Market timing**

Frequent purchases and redemptions of fund shares could increase the fund's transaction costs, such as market spreads and custodial fees, and may interfere with the efficient management of the fund's portfolio, which could impact the fund's performance. However, money market funds are generally used by investors for short-term investments, often in place of bank checking or savings accounts or for cash management purposes. Investors value the ability to add and withdraw their funds quickly, without restriction. UBS Global AM anticipates that shareholders will purchase and sell fund shares frequently because the fund is designed to offer investors a liquid cash option. UBS Global AM also believes that money market funds, such as the fund, are not targets of abusive trading practices because money market funds seek to maintain a \$1.00 per share price and typically do not fluctuate in value based on market prices. For these reasons, the fund's board of directors ("board") has not adopted policies and procedures, or imposed redemption fees or other restrictions

such as minimum holding periods, to discourage excessive or short-term trading of fund shares.

Other UBS funds that are managed by UBS Global AM that are not money market funds have approved policies and procedures designed to discourage and prevent abusive trading practices. For more information about market timing policies and procedures for these funds, please see the funds' prospectuses.

### **Pricing and valuation**

The price of fund shares is based on net asset value. The net asset value is the total value of the fund divided by the total number of shares outstanding. In determining net asset value, the fund values its securities at their amortized cost. This method uses a constant amortization to maturity of the difference between the cost of the instrument to the fund and the amount due at maturity. The fund's net asset value per share is expected to be \$1.00 per share, although this value is not guaranteed.

The fund calculates net asset value once each business day at 2:00 p.m., Eastern time. Your price for buying or selling shares will be the net asset value that is next calculated after the fund receives your order in good form.

Your Financial Advisor is responsible for making sure that your order is promptly sent to the fund.

The fund's board has delegated to a UBS Global AM valuation committee the responsibility for making fair value determinations with respect to the fund's portfolio securities. The types of securities and other instruments for which such fair value pricing may be

necessary include, but are not limited to: securities of an issuer that has entered into a restructuring; fixed-income securities that have gone into default and for which there is no current market value quotation; and securities or instruments that are restricted as to transfer or resale. The need to fair value the fund's portfolio securities may also result from low trading volume in foreign markets or thinly traded securities or instruments. Various factors may be reviewed in order to make a good faith determination of a security's or instrument's fair value. These factors include, but are not limited to, fundamental analytical data relating to the investment; the nature and duration of restrictions on disposition of the securities or instruments; and

the evaluation of forces which influence the market in which the securities or instruments are purchased and sold.

The fund's portfolio holdings may also consist of shares of other investment companies in which the fund invests. The value of each such investment company will be its net asset value at the time the fund's shares are priced. Each investment company (other than money market funds) calculates its net asset value based on the current market or other value for its portfolio holdings. Each investment company values securities and other instruments in a manner as described in that investment company's prospectus.

# Management

## Investment advisor

UBS Global Asset Management (Americas) Inc. (“UBS Global AM”) is the fund’s investment advisor and administrator. UBS Global AM is a Delaware corporation with offices at One North Wacker Drive, Chicago, IL 60606 and at 1285 Avenue of the Americas, New York, New York 10019-6028. UBS Global AM is an investment advisor registered with the SEC. UBS Global AM is an indirect, wholly owned subsidiary of UBS AG (“UBS”). As of June 30, 2011 UBS Global AM had approximately \$151.5 billion in assets under management. UBS Global AM is a member of the UBS Global Asset Management Division, which had approximately \$637.9 billion in assets under management worldwide as of June 30, 2011. UBS is an internationally diversified organization headquartered in Zurich and Basel, Switzerland, with operations in many areas of the financial services group of industries.

## Advisory fees

Effective March 1, 2011, UBS Global AM acts as the investment advisor and administrator pursuant to a contract with the fund (“Current Advisory and Administration Contract”). Prior to March 1, 2011, UBS Financial Services Inc. acted as the investment advisor and administrator pursuant to a contract with the fund (“Previous Advisory and Administration Contract”), and UBS Global AM acted as the sub-advisor and sub-administrator pursuant to contracts with UBS Financial Services Inc. (“Sub-Advisory Contract” and “Sub-Administration Contract,” respectively).

For the most recent fiscal year ended March 31, 2011, UBS Financial Services Inc., the fund’s prior investment advisor and administrator, and, effective March 1, 2011, UBS Global AM, the fund’s current investment advisor and administrator, were entitled to advisory and administration fees from the fund at annual rates of 0.46% and 0.47%, respectively, of the fund’s average daily net assets; however, voluntary fee waivers/expense reimbursements effectively resulted in the waiver of a significant portion of the advisory fees for such period. (The contractual advisory fee rates are the same under the Current Advisory and Administration Contract and the Previous Advisory and Administration Contract; however, the effective fee rates may fluctuate based upon fee breakpoints triggered at different fund asset levels.)

The fund’s advisory and administration fees are based on the fund’s average daily net assets. As the fund’s level of net assets becomes higher or lower, advisory and administration fees (and, consequently, total annual fund operating expenses) may vary, possibly materially, from those presented in this prospectus.

UBS Global AM may voluntarily waive fees and/or reimburse fund expenses from time to time. For example, UBS Global AM may voluntarily undertake to waive fees and/or reimburse expenses in the event that fund yields drop below a certain level. Once started, there is no guarantee that UBS Global AM would continue to voluntarily waive its fees and/or reimburse expenses. Waivers/reimbursements may impact the fund’s performance.

A discussion regarding the basis for the board's approval of the (1) Previous Advisory and Administration Contract and (2) Sub-Advisory Contract is available in the fund's semiannual report to shareholders for the fiscal period ended September 30, 2010. A discussion regarding the basis for the board's approval of the Current Advisory and Administration Contract is available in the fund's

annual report to shareholders for the fiscal period ended March 31, 2011.

**Other information**

To the extent authorized by law, the fund reserves the right to discontinue offering shares at any time, merge, reorganize itself or cease operations and liquidate.

## Dividends and taxes

### Dividends

The fund declares dividends daily and pays them monthly. The fund may distribute all or a portion of its capital gains (if any) to the extent required to ensure that the fund maintains its federal tax law status as a regulated investment company. The fund will also distribute all or a portion of its capital gains to the extent necessary to maintain its share price at \$1.00.

You will receive dividends in additional shares of the fund unless you elect to receive them in cash. Contact your Financial Advisor at UBS Financial Services Inc. if you prefer to receive dividends in cash. Shares do not earn dividends on the day they are purchased but do earn dividends on the day they are sold.

While the fund declares dividends daily and pays them monthly, the amounts are rounded to the nearest \$0.01 on a daily basis with respect to each investor's fund account. As a result, investors whose fund account balances earn daily dividends that total less than one half a cent on any given day will not accrue any dividends on that day.

### Taxes

The dividends that you receive from the fund generally are subject to federal income tax regardless of whether you receive them in additional fund shares or in cash and are expected to be taxed as ordinary income. Such dividends are not eligible for the reduced rate of tax that may apply to certain qualifying dividends on corporate stock.

If you hold fund shares through a tax-exempt account or plan, such as an IRA or 401(k) plan, dividends on your shares generally will not be subject to tax before distributions are made to you from the account or plan.

The fund will tell you annually how you should treat its dividends for tax purposes. You will not recognize any gain or loss on the sale of your fund shares so long as the fund maintains a share price of \$1.00.

The fund may be required to withhold a 28% (currently scheduled to increase to 31% after 2012) federal tax on all dividends payable to you

- if you fail to provide the fund or UBS Financial Services Inc. with your correct taxpayer identification number on Form W-9 (for US citizens and resident aliens) or to make required certifications, or
- if you have been notified by the IRS that you are subject to backup withholding.

Taxable distributions to non-residents are expected to be subject to a 30% withholding tax (or lower applicable treaty rate).

The above is a general and abbreviated discussion of certain tax considerations, and each investor is advised to consult with his or her own tax advisor. There is additional information on taxes in the fund's SAI.

## Disclosure of portfolio holdings

The fund will file its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The fund's complete schedule of portfolio holdings for the second and fourth quarters of each fiscal year is included in its semiannual and annual reports to shareholders and is filed with the SEC on Form N-CSR. The fund's Forms N-Q and Forms N-CSR are available on the SEC's Web site at <http://www.sec.gov>. The fund's Forms N-Q and Forms N-CSR may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-202-551 8090. Additionally, you may obtain copies of Forms N-Q and semiannual and annual reports to shareholders from the fund upon request by calling 1-800-647 1568. The semiannual and annual reports for the fund will be posted on the fund's Web site at <http://www.ubs.com/usmoneymarketfundsholdings>.

The fund will disclose on UBS Global AM's Web site, within five business days after the end of each month, a complete schedule of portfolio holdings and information regarding the weighted average maturity of the fund. This information will be posted on the UBS Web site at the following internet address: [www.ubs.com/usmoneymarketfundsholdings](http://www.ubs.com/usmoneymarketfundsholdings). In addition, the fund will file with the SEC on Form N-MFP, within five business days after the end of each month, more detailed portfolio holdings information. The fund's Forms N-MFP will be available on the SEC's Web site, on a delayed basis; UBS Global AM's Web site will also contain a link to these filings which will become publicly available two months after filing with the SEC.

Please consult the fund's SAI for a description of the policies and procedures that govern disclosure of the fund's portfolio holdings.

## Financial highlights

The following financial highlights table is intended to help you understand the fund's financial performance for the past five years. Certain information reflects financial results for a single fund share. In the table, "total investment return" represents the rate that an investor would have earned on an investment in the fund (assuming reinvestment of all dividends and distributions).

The information in the financial highlights has been derived from the financial statements audited by Ernst & Young LLP, an independent registered public accounting firm, whose report, along with the fund's financial statements, is included in the fund's annual report to shareholders. The annual report may be obtained without charge by calling 1-800-647 1568.

|                                                                                                  | <b>Years ended March 31,</b> |                |                |                    |                |
|--------------------------------------------------------------------------------------------------|------------------------------|----------------|----------------|--------------------|----------------|
|                                                                                                  | <b>2011<sup>1</sup></b>      | <b>2010</b>    | <b>2009</b>    | <b>2008</b>        | <b>2007</b>    |
| <b>Net asset value, beginning of year . . .</b>                                                  | \$ 1.00                      | \$ 1.00        | \$ 1.00        | \$ 1.00            | \$ 1.00        |
| Net investment income . . . . .                                                                  | 0.0001                       | 0.0002         | 0.0158         | 0.0433             | 0.0471         |
| Dividends from net investment income . . .                                                       | (0.0001)                     | (0.0002)       | (0.0158)       | (0.0433)           | (0.0471)       |
| Distributions from net realized gain . . . . .                                                   | (0.0000) <sup>2</sup>        | (0.0003)       | —              | —                  | —              |
| Total dividends and distributions . . . . .                                                      | (0.0001)                     | (0.0005)       | (0.0158)       | (0.0433)           | (0.0471)       |
| <b>Net asset value, end of year . . . . .</b>                                                    | <b>\$ 1.00</b>               | <b>\$ 1.00</b> | <b>\$ 1.00</b> | <b>\$ 1.00</b>     | <b>\$ 1.00</b> |
| <b>Total investment return<sup>3</sup> . . . . .</b>                                             | <b>0.02%</b>                 | <b>0.05%</b>   | <b>1.59%</b>   | <b>4.42%</b>       | <b>4.81%</b>   |
| <b>Ratios to average net assets:</b>                                                             |                              |                |                |                    |                |
| Expenses before fee waivers and/or expense reimbursements by advisor and administrator . . . . . | 0.60%                        | 0.59%          | 0.55%          | 0.54%              | 0.57%          |
| Expenses after fee waivers and/or expense reimbursements by advisor and administrator . . . . .  | 0.27%                        | 0.36%          | 0.55%          | 0.52% <sup>4</sup> | 0.57%          |
| Net investment income . . . . .                                                                  | 0.01%                        | 0.02%          | 1.61%          | 4.30%              | 4.71%          |
| <b>Supplemental data:</b>                                                                        |                              |                |                |                    |                |
| Net assets, end of year (000's) . . . . .                                                        | \$876,926                    | \$1,179,419    | \$2,301,669    | \$2,813,371        | \$2,487,813    |

<sup>1</sup> The investment advisory and administration functions for the Fund were transferred from UBS Financial Services Inc. to UBS Global Asset Management (Americas) Inc. ("UBS Global AM") on March 1, 2011. As a result, the Fund no longer has a sub-advisor/sub-administrator but is managed directly by UBS Global AM.

<sup>2</sup> Amount represents less than \$0.00005 per share.

<sup>3</sup> Total investment return is calculated assuming a \$10,000 investment on the first day of each year reported, reinvestment of all dividends and other distributions, if any, at net asset value on the payable dates, and a sale at net asset value on the last day of each year reported. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions.

<sup>4</sup> The Fund was reimbursed by UBS Financial Services Inc. in the amount of \$502,423 for overcharges related to prior fiscal periods for postage related expenses.

## **Privacy notice**

**This privacy notice is not a part of the prospectus.**

## UBS family of funds privacy notice

This notice describes the privacy policy of the UBS Family of Funds, the PACE® Funds and all closed-end funds managed by UBS Global Asset Management (collectively, the “Funds”). The Funds are committed to protecting the personal information that they collect about individuals who are prospective, current or former investors.

The Funds collect personal information in order to process requests and transactions and to provide customer service. Personal information, which is obtained from applications and other forms or correspondence submitted to the Funds, may include name(s), address, e-mail address, telephone number, date of birth, social security number or other tax identification number, bank account information, information about your transactions and experiences with the Funds, and any affiliation a client has with UBS Financial Services Inc. or its affiliates (“Personal Information”).

The Funds limit access to Personal Information to those individuals who need to know that information in order to process transactions and service accounts. These individuals are required to maintain and protect the confidentiality of Personal Information and to follow established procedures. The Funds maintain physical, electronic and procedural safeguards to protect Personal Information and to comply with applicable laws and regulations.

The Funds may share Personal Information with their affiliates to facilitate the servicing of accounts and for other business purposes, or as otherwise required or permitted by applicable law. The Funds may also share Personal Information with non-affiliated third parties that perform services for the Funds, such as vendors that provide data or transaction processing, computer software maintenance and development, and other administrative services. When the Funds share Personal Information with a non-affiliated third party, they will do so pursuant to a contract that includes provisions designed to ensure that the third party will uphold and maintain privacy standards when handling Personal Information. In addition to sharing information with non-affiliated third parties to facilitate the servicing of accounts and for other business purposes, the Funds may disclose Personal Information to non-affiliated third parties as otherwise required or permitted by applicable law. For example, the Funds may disclose Personal Information to credit bureaus or regulatory authorities to facilitate or comply with investigations; to protect against or prevent actual or potential fraud, unauthorized transactions, claims or other liabilities; or to respond to judicial or legal process, such as subpoena requests.

Except as described in this privacy notice, the Funds will not use Personal Information for any other purpose unless the Funds describe how such Personal Information will be used and clients are given an opportunity to decline approval of such use of Personal Information relating to them (or affirmatively approve the use of Personal Information, if required by applicable law). The Funds endeavor to keep their customer files complete and accurate. The Funds should be notified if any Personal Information needs to be corrected or updated. Please call 1-800-647 1568 with any questions or concerns regarding your Personal Information or this privacy notice.

## **Privacy notice**

**This privacy notice is not a part of the prospectus.**

If you want more information about the fund, the following documents are available free upon request:



**Annual/semiannual reports**

Additional information about the fund's investments is available in its annual and semiannual reports to shareholders.

**Statement of Additional Information (SAI)**

The SAI provides more detailed information about the fund and is incorporated by reference into this prospectus (*i.e.*, it is legally a part of this prospectus).

You may discuss your questions about the fund by contacting your Financial Advisor. You may obtain free copies of the fund's annual and semiannual reports and its SAI by contacting the fund directly at 1-800-647 1568. The fund's annual and semiannual reports and its SAI will also be posted on the UBS Web site at the following internet address: [www.ubs.com/usmoneymarketfundsholdings](http://www.ubs.com/usmoneymarketfundsholdings). You may also request other information about the fund and make shareholder inquiries via the telephone number above.

You may review and copy information about the fund, including shareholder reports and the SAI, at the Public Reference Room of the Securities and Exchange Commission. You may obtain information about the operations of the SEC's Public Reference Room by calling the SEC at 1-202-551 8090. You can get copies of reports and information about the fund:

- For a fee, by electronic request at [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the SEC's Public Reference Section, Washington, D.C. 20549-1520; or
- Free from the EDGAR Database on the SEC's Internet Web site at: <http://www.sec.gov>.

**UBS Cashfund  
Prospectus**

July 29, 2011



UBS Cashfund Inc.  
Investment Company Act File No. 811-02802

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