FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **1995-07-28**
SEC Accession No. 0000950112-95-002012

(HTML Version on secdatabase.com)

FILER

PAINEWEBBER CASHFUND INC

CIK:**225732**| IRS No.: **521117263** | State of Incorp.:**NY** | Fiscal Year End: **0331**
Type: **485BPOS** | Act: **33** | File No.: **002-60655** | Film No.: **95557030**

Mailing Address
1285 AVE OF THE AMERICAS
NEW YORK NY 10019

Business Address
1285 AVE OF THE AMERICAS
NEW YORK NY 10019
2127132000

As filed with the Securities and Exchange Commission on July 28, 1995
1933 Act Registration No. 2-60655
1940 Act Registration No. 811-2802

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
Pre-Effective Amendment No. ________ [_____]

Post-Effective Amendment No. __33__ [__X__]

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. __29__

PAINEWEBBER CASHFUND, INC.
(Exact name of registrant as specified in charter)
1285 Avenue of the Americas
New York, New York 10019
(Address of principal executive offices)
Registrant's telephone number, including area code: (212) 713-2000

GREGORY K. TODD, Esq.

Mitchell Hutchins Asset Management Inc.
1285 Avenue of the Americas
New York, New York 10019
(Name and address of agent for service)

Copies to:

ELINOR W. GAMMON, Esq.
LINDA L. RITTENHOUSE, Esq.

Kirkpatrick & Lockhart LLP

South Lobby - 9th Floor
1800 M Street, N.W.
Washington, D.C. 20036-5891
Telephone: (202) 778-9000

It is proposed that this filing will become effective:

____ Immediately upon filing pursuant to Rule 485(b)

_X__ On August 1, 1995 pursuant to Rule 485(b)
____ 60 days after filing pursuant to Rule 485(a)(i)
____ On _________________ pursuant to Rule 485(a)(i)
____ 75 days after filing pursuant to Rule 485(a)(ii)
____ On __________________pursuant to Rule 485(a)(ii)

Registrant has filed a declaration pursuant to Rule 24f-2 under the Investment Company Act of 1940 and filed the notice required by such Rule for its most recent fiscal year on May 26, 1995.

PaineWebber Cashfund, Inc.

Contents of Registration Statement

This registration statement consists of the following papers and documents.

PaineWebber Cashfund, Inc.
Form N-1A Cross Reference Sheet

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3	Financial Highlights; Performance Information
4	Highlights; Investment Objective and Policies; General Information
5	Management; General Information
6	Cover Page; Dividends and Taxes; General Information
7	Purchases; Management; Valuation of Shares; General Information
8	Redemptions
9	Not Applicable

Part B Item No. and Caption	Statement of Additional Information Caption
10	Cover Page
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12	Not Applicable
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14	Directors and Officers
15	Directors and Officers
16	Investment Advisory Services
17	Portfolio Transactions
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19	Valuation of Shares; Additional Information Regarding Redemptions
20	Dividends and Taxes
21	Investment Advisory Services
22	Calculation of Yield
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Part C

Information required to be included in Part C is set forth under the appropriate item, so numbered, in Part C of this Registration Statement.

PAINEWEBBER AUGUST 1, 1995

CASHFUND, INC.

1285 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10019

A PROFESSIONALLY MANAGED MONEY MARKET FUND, INVESTING IN HIGH-GRADE MONEY MARKET INSTRUMENTS, DESIGNED TO PROVIDE:

/X/ Current Income

/X/ Stability of Principal

/X/ High Liquidity

This Prospectus concisely sets forth information about the Fund a prospective investor should know before investing. Please retain this Prospectus for future reference.

A Statement of Additional Information dated August 1, 1995 (which is incorporated by reference herein) has been filed with the Securities and Exchange Commission ("SEC"). The Statement of Additional Information can be obtained without charge, and further inquiries can be made, by contacting the Fund, your PaineWebber investment executive or PaineWebber's correspondent firms or by calling toll-free 1-800-441-7756.

AN INVESTMENT IN THE FUND IS NEITHER INSURED NOR GUARANTEED BY THE U.S. GOVERNMENT. WHILE THE FUND SEEKS TO MAINTAIN A STABLE NET ASSET VALUE OF $1.00 PER SHARE, THERE CAN BE NO ASSURANCE THAT IT WILL BE ABLE TO DO SO.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS ANY SUCH COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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PAINEWEBBER CASHFUND, INC.

HIGHLIGHTS

See the body of the Prospectus for more information on the topics discussed in these highlights.

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The Fund:	PaineWebber Cashfund, Inc. ("Fund") is a professionally managed, diversified no-load money market fund that started operations on May 1, 1978.
Investment Objective and Policies:	Current income, stability of principal and high liquidity; invests primarily in high-grade money market instruments.
Total Net Assets:	Over $3.9 billion as of June 30, 1995.

Distributor and Investment Adviser:	PaineWebber Incorporated ("PaineWebber" or "PW"). See "Management."
Sub-adviser:	Mitchell Hutchins Asset Management Inc. ("Mitchell Hutchins").
Purchases:	Shares of common stock are available exclusively through PaineWebber and its correspondent firms. See "Purchases."
Redemptions:	Shares may be redeemed through PaineWebber or its correspondent firms. See "Redemptions."
Yield:	Based on current money market rates; quoted in the financial section of most newspapers.
Dividends:	Declared daily and paid monthly. See "Dividends and Taxes."
Reinvestment:	All dividends are automatically paid in Fund shares.
Minimum Purchase:	$1,000 for initial purchase.
Automatic Investment Sweep:	$500 daily investment, $1 or more on the next to last Business Day of each month.
Checkwriting:	Available to qualified shareholders upon request. Unlimited number of checks. Minimum amount per check: $500.
Public Offering Price:	Net asset value, which the Fund seeks to maintain at $1.00 per share.

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WHO SHOULD INVEST. The Fund is designed for investors seeking safety, liquidity and current income. The Fund provides a convenient means for investors to enjoy current income at money market rates with minimal risk of fluctuation of principal.

RISK FACTORS. There can be no assurance that the Fund will achieve its investment objective. In periods of declining interest rates the Fund's yield will tend to be somewhat higher than prevailing market rates, and in periods of rising interest rates the Fund's yield generally will be somewhat lower. See "Investment Objective and Policies."

EXPENSES OF INVESTING IN THE FUND. The following tables are intended to assist investors in understanding the expenses associated with investing in the Fund.

SHAREHOLDER TRANSACTION EXPENSES

Sales charge on purchases of shares	None
Sales charge on reinvested dividends	None
Redemption fee or deferred sales charge	None

ANNUAL FUND OPERATING EXPENSES
(as a percentage of average net assets)

Management fees	0.39%
12b-1 fees	None
Other expenses	0.23%
Total Operating Expenses	0.62%

EXAMPLE OF EFFECT OF FUND EXPENSES

An investor would pay directly or indirectly the following expenses on a $1,000 investment in the Fund, assuming a 5% annual return:

ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
$6	$20	$35	$77

This Example assumes that all dividends are reinvested and that the percentage amounts listed under Annual Fund Operating Expenses remain the same in the years shown. The above tables and the assumption in the Example of a 5% annual return are required by regulations of the SEC applicable to all mutual funds; the assumed 5% annual return is not a prediction of, and does not represent, the Fund's projected or actual performance.

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES, AND THE FUND'S ACTUAL EXPENSES MAY BE MORE OR LESS THAN THOSE SHOWN. The actual expenses of the Fund will depend upon, among other things, the level of average net assets and the extent to which the Fund incurs variable expenses, such as transfer agency costs.

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Financial Highlights

The table below provides selected per share data and ratios for one share of the Fund for the periods shown. This information is supplemented by the financial statements and accompanying notes appearing in the Fund's Annual Report to Shareholders for the fiscal year ended March 31, 1995, which are incorporated by reference into the Statement of Additional Information. The financial statements and notes, as well as the information in the table appearing below insofar as it relates to each of the five years in the period ended March 31, 1995, have been audited by Ernst & Young LLP, independent auditors, whose report thereon is included in the Annual Report to Shareholders. The information appearing below for each of the five years in the period ended March 31, 1990 also has been audited by Ernst & Young LLP, whose reports thereon were unqualified.

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	FOR THE YEARS ENDED MARCH 31,							
	1995	1994	1993	1992	1991	1990	1989	1988
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period...........	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
NET INCOME FROM INVESTMENT OPERATIONS:								
Net investment income............	0.0433	0.0272	0.0317	0.0509	0.0743	0.0846	0.0761	0.0638
LESS DISTRIBUTIONS:								
Dividends from net investment income............	(0.0433)	(0.0272)	(0.0317)	(0.0509)	(0.0743)	(0.0846)	(0.0761)	(0.0638)
Net asset value, end of period....	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Total return (1)...............	4.44%	2.75%	3.17%	5.09%	7.43%	8.46%	7.61%	6.38%
RATIOS/SUPPLEMENTAL DATA:								
Net assets, end of period (000's)...	$3,700,678	$3,436,278	$3,774,298	$4,234,968	$5,122,338	$5,236,560	$4,416,667	$4,071,212
Ratio of expenses to average net								

assets...........	0.62%	0.61%	0.57%	0.56%	0.53%	0.54%	0.57%	0.58%
Ratio of net investment income to average net assets...........	4.35%	2.73%	3.17%	5.09%	7.43%	8.46%	7.61%	6.38%

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<S>	<C> 1987	<C> 1986
Net asset value, beginning of period...........	$ 1.00	$ 1.00
NET INCOME FROM INVESTMENT OPERATIONS:		
Net investment income...........	0.0581	0.0743
LESS DISTRIBUTIONS:		
Dividends from net investment income...........	(0.0581)	(0.0743)
Net asset value, end of period....	$ 1.00	$ 1.00
Total return (1)...............	5.81%	7.43%
RATIOS/SUPPLEMENTA DATA:		
Net assets, end of period (000's)...	$4,251,408	$4,187,938
Ratio of expenses to average net assets...........	0.56%	0.57%
Ratio of net investment income to average net assets...........	5.81%	7.43%

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(1) Total investment return is calculated assuming a $1,000 investment on the first day of each period reported, reinvestment of all dividends at net asset value on the payable dates and a sale at net asset value on the last day of each period reported.

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Investment Objective and Policies

The Fund's investment objective is to provide current income, stability of principal and high liquidity. The Fund invests exclusively in high-grade money market instruments with remaining maturities of 13 months or less. These instruments include U.S. government securities, obligations of U.S. banks, commercial paper and other short-term corporate obligations, variable and floating rate securities and participation interests or repurchase agreements involving any of the foregoing. The Fund maintains a dollar-weighted average portfolio maturity of 90 days or less.

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The Fund invests exclusively in high-grade money market instruments with	The Fund may invest in obligations (including certificates of deposit, bankers' acceptances and similar obligations) of U.S. banks having total assets in excess of $1.5 billion at the time of purchase. The Fund may also invest in interest-bearing

remaining maturities of 13 months or less.

savings deposits in U.S. commercial and savings banks, provided that the principal amounts at each such bank are fully insured by the Federal Deposit Insurance Corporation and the aggregate amount of such deposits does not exceed 5% of the value of the Fund's assets.

The commercial paper and other short-term corporate obligations purchased by the Fund consist only of obligations that Mitchell Hutchins determines, pursuant to procedures adopted by the Fund's board of directors, present minimal credit risks and are either (1) rated in the highest short-term rating category by at least two nationally recognized statistical rating organizations ("NRSROs"), (2) rated in the highest short-term rating category by a single NRSRO if only that NRSRO has assigned the obligations a short-term rating or (3) unrated, but determined by Mitchell Hutchins to be of comparable quality ("First Tier Securities"). The Fund may also purchase bonds and notes with remaining maturities of 13 months or less, and participation interests in any of the securities in which it is permitted to invest. Participation interests are pro rata interests in securities held by others. The Fund generally may invest no more than 5% of its total assets in the securities of a single issuer (other than securities issued by the U.S. government, its agencies or instrumentalities).

In managing the Fund's portfolio, Mitchell Hutchins may employ a number of professional money management techniques, including varying the composition and the average weighted maturity of the Fund's portfolio based upon its assessment of the relative values of various money market instruments and future interest rate patterns in order to respond to changing economic and money market conditions and to shifts in fiscal and monetary policy. Mitchell Hutchins may also seek to improve the Fund's yield by purchasing or selling securities to take advantage of yield disparities among similar or dissimilar money market instruments that regularly occur in the money market.
There can be no assurance that the Fund will achieve its investment objective. In periods of declining interest rates the Fund's yield will tend to be somewhat higher than prevailing market rates, and in periods of

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rising interest rates the opposite will be true. Also, when interest rates are falling, net cash inflows from the continuous sale of Fund shares are likely to be invested in portfolio instruments producing lower yields than the balance of the Fund's portfolio, thereby reducing the Fund's yield. In periods of rising interest rates, the opposite can be true.

In periods of declining interest rates, the Fund's yield will tend to be somewhat higher than prevailing market rates, and in periods of rising rates, lower.

U.S. GOVERNMENT SECURITIES. The U.S. government securities in which the Fund may invest include direct obligations of the U.S. Treasury (such as Treasury bills, notes and bonds) and obligations issued or guaranteed by U.S. government agencies and instrumentalities. The Fund may invest in U.S. government securities that are supported by the full faith and credit of the U.S. government (such as Government National Mortgage Association certificates), securities supported primarily or solely by the creditworthiness of the issuer (such as securities of the Resolution Funding Corporation and the Tennessee Valley Authority) and securities that are supported primarily or solely by specific pools of assets and the creditworthiness of a U.S. government-related issuer (such as mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation).

The Fund may also acquire securities issued or guaranteed as to principal and interest by the U.S. government in the form of custodial receipts that evidence ownership of future interest payments, principal payments or both on certain U.S. Treasury notes or bonds. Such notes and bonds are held in custody by a bank on behalf of the owners of such notes or bonds. These custodial receipts are known by various names, including "Treasury Investment Growth Receipts" ("TIGRs") and

"Certificates of Accrual on Treasury Securities" ("CATS"). The Fund also may invest in separately traded principal and interest components of securities issued or guaranteed by the U.S. Treasury. The principal and interest components of selected securities are traded independently under the Separate Trading of Registered Interest and Principal of Securities ("STRIPS") program. Under the STRIPS program, the principal and interest components are individually numbered and separately issued by the U.S. Treasury at the request of depository financial institutions, which then trade the component parts independently.

VARIABLE AND FLOATING RATE SECURITIES. The Fund may purchase variable and floating rate securities with remaining maturities in excess of 13 months issued by U.S. government agencies or instrumentalities or

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guaranteed by the U.S. government, or (if subject to a demand feature exercisable within 13 months or less) issued by U.S. companies. The yield on these securities is adjusted in relation to changes in specific rates such as the prime rate, and different securities may have different adjustment rates. The Fund's investment in these securities must comply with conditions established by the SEC under which they may be considered to have remaining maturities of 13 months or less. Certain of these obligations carry a demand feature that gives the Fund the right to tender them back to the issuer or a remarketing agent and receive the principal amount of the security prior to maturity. The demand feature may or may not be backed by a letter of credit or other credit support arrangement provided by a bank or other financial institution, the credit quality of which affects the credit quality of the obligation. Securities purchased by the Fund may include variable amount master demand notes, which are unsecured redeemable obligations that permit investment of varying amounts at fluctuating interest rates under a direct agreement between the issuer and the Fund. The principal amount of these notes may be increased from time to time by the parties (subject to specified maximums) or decreased by the Fund or the issuer. These notes are payable on demand and are typically unrated.

REPURCHASE AGREEMENTS. Repurchase agreements are transactions in which the Fund purchases securities from a bank or recognized securities dealer and simultaneously commits to resell the securities to that bank or dealer at an agreed-upon date and price reflecting a market rate of interest unrelated to the coupon rate or maturity of the purchased securities. Although repurchase agreements carry certain risks not associated with direct investments in securities, including possible decline in the market value of the underlying securities and delays and costs to the Fund if the other party to the repurchase agreement becomes insolvent, the Fund intends to enter into repurchase agreements only with banks and dealers in transactions believed by Mitchell Hutchins to present minimal credit risks in accordance with guidelines established by the Fund's board of directors.

OTHER INFORMATION. The Fund may borrow money for temporary purposes, but not in excess of 10% of its total assets. The Fund may not invest more than 10% of its net assets in illiquid securities, including repurchase agreements with maturities in excess of seven days.

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The Fund's investment objective may not be changed without the approval of the Fund's shareholders. Certain other investment limitations, as described in the Statement of Additional Information, also may not be changed without shareholder approval. All other investment policies may be changed by the Fund's board of directors without shareholder approval.

Purchases

The minimum initial investment is $1,000. Automatic investment daily of $500 or more and $1 at each month end.

GENERAL. Shares of the Fund are available through PaineWebber and its correspondent firms. Investors may contact a local PaineWebber office to open an account. The minimum initial investment in the Fund is $1,000 and the minimum for additional purchases is $500, except as described below. All free credit cash balances in the investor's PaineWebber account (including proceeds from securities sold) of $500 or more are automatically invested or "swept" into shares of the Fund daily for settlement on the next Business Day and all free credit cash balances of $1 or more are "swept" on the next to last Business Day of the month for settlement on the last Business Day of each month. A "Business Day" is any day on which the Philadelphia offices of the Fund's custodian, PNC Bank, National Association ("Custodian"), and the New York City offices of PaineWebber and PaineWebber's bank, The Bank of New York, are all open for business. The Fund and PaineWebber reserve the right to reject any purchase order and to suspend the offering of Fund shares for a period of time.

On any Business Day, the Fund will accept purchase orders and credit shares to investors' accounts as follows:

PURCHASES BY CHECK. Investors may purchase Fund shares by placing an order with their PaineWebber investment executives or correspondent firms and forwarding checks drawn on a U.S. bank. Checks should be made payable to PaineWebber Cashfund, Inc. and should include the investor's PaineWebber account number on the check.

As noted above, Fund shares will be purchased when federal funds are available. Federal funds are deemed available to the Fund two Business Days after deposit of a personal check and one Business Day after deposit of a cashier's or certified check. PaineWebber may benefit from

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the temporary use of the proceeds of personal checks to the extent those checks are converted to federal funds in fewer than two Business Days.

Fund shares may be purchased by wire, check or with funds held at PaineWebber.

PURCHASES BY WIRE. Investors may also purchase Fund shares by placing an order through their PaineWebber investment executives or correspondent firms and instructing their banks to transfer federal funds by wire to: The Bank of New York, ABA 021-000018, PaineWebber Cashfund, Inc., A/C 890-0114-061, OBI=FBO [Account Name]/[PaineWebber Account Number]. The wire must include the investor's name and PaineWebber account number. If PaineWebber receives a notice from an investor's bank of a wire transfer of federal funds for a purchase of Fund shares by 2:00 p.m., eastern time, on a Business Day, the purchase will be executed on that Business Day; otherwise the order will be executed at 2:00 p.m., eastern time, on the next Business Day. PaineWebber and/or an investor's bank may impose a service charge for wire purchases.

Redemptions

Shareholders may redeem any number of shares from their Fund accounts by wire, check,

Shareholders may redeem any number of shares from their Fund accounts by wire, check, telephone or mail. In addition, unless shareholders otherwise instruct their PaineWebber investment executives, any securities purchase or other debit in their PaineWebber brokerage accounts will be paid for automatically on telephone or mail.

settlement date by redeeming Fund shares held in such accounts.

WIRE REDEMPTIONS. Shareholders who wish to redeem $5,000 or more may request that redemption proceeds be paid in federal funds and wired directly to a pre-designated bank account. To take advantage of this service, shareholders should obtain an authorization form from their PaineWebber investment executives or correspondent firms. If a wire redemption order is received by PaineWebber's New York City offices prior to 12:00 noon, eastern time, on any Business Day, the redemption proceeds will be wired to the shareholder's bank on the same Business Day. Proceeds of all other wire redemption orders will be wired to the shareholder's bank on the next Business Day. PaineWebber reserves the right to charge a fee for wiring funds and to redeem automatically an appropriate number of Fund shares to pay that fee.

CHECK REDEMPTIONS. Shareholders may redeem Fund shares by drawing a check, a supply of which may be obtained through PaineWebber, for

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$500 or more against their Fund accounts. When the check is presented to the Fund's transfer agent ("Transfer Agent") for payment, the Transfer Agent will cause the Fund to redeem sufficient shares to cover the amount of the check. The shareholder will continue to receive dividends on those shares until the check is presented to the Transfer Agent for payment. Cancelled checks are not returned; however, shareholders may obtain photocopies of their cancelled checks upon request. If a shareholder has insufficient shares to cover a check, the check will be returned to the payee marked "nonsufficient funds." Checks written in amounts less than $500 will also be returned. Because the amount of Fund shares owned by a shareholder is likely to change each day, shareholders should not attempt to redeem all shares held in their accounts by writing a check. Charges may be imposed for specially imprinted checks, business checks, copies of cancelled checks, stop payment orders, checks returned "nonsufficient funds" and checks returned because they are written for less than $500; these charges will be paid by redeeming automatically an appropriate number of Fund shares. PaineWebber reserves the right to modify or terminate the checkwriting service at any time or to impose a service charge in connection with it.

Shareholders who are interested in the check redemption service should obtain the necessary forms from their PaineWebber investment executives or correspondent firms. Checks may be written in amounts of $500 or more.

Shareholders who are interested in the check redemption service should obtain the necessary forms from their PaineWebber investment executives or correspondent firms. Checkwriting generally is not available to persons who hold Fund shares through any sub-account or tax-deferred retirement plan account.

REDEMPTIONS BY TELEPHONE OR MAIL. Shareholders may submit redemption requests in person or by telephone or mail to their PaineWebber investment executives or correspondent firms; PaineWebber investment executives in local branches throughout the country and correspondent firms are responsible for promptly forwarding orders to PaineWebber's New York City offices. Such redemption orders will be executed at the net asset value per share next determined after receipt by PaineWebber's New York City offices, and redemption proceeds will be paid promptly by check. Under certain circumstances, PaineWebber may impose an administrative service fee of up to $5.00 for processing redemptions paid by check.

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Shareholders who send redemption orders to their PaineWebber investment executives or correspondent firms by mail are responsible for ensuring that the request for redemption is received in good order. "Good order" means that the request must be accompanied by (a) a letter of instruction or a stock assignment specifying the number of shares or amount of investment to be redeemed (or that all shares credited to a Fund account be redeemed), signed by all registered owners of the shares in the exact names in which they are registered, (b) a guarantee of the signature of each registered owner by an eligible institution acceptable to the Transfer Agent and in accordance with SEC rules, such as a commercial bank, trust company or member of a recognized stock exchange and (c) other supporting legal documents for estates, trusts, guardianships, custodianships, partnerships and corporations.

Shareholders should maintain minimum balances of at least $500.

ADDITIONAL INFORMATION ON REDEMPTIONS. Shareholders with questions about redemption requirements should consult their PaineWebber investment executives or correspondent firms. Shareholders who redeem all their shares will receive cash credits to their PaineWebber accounts for dividends earned on those shares through the day before redemption. The redemption price may be more or less than the purchase price, although the Fund anticipates that its net asset value per share will normally be $1.00 per share. Because the Fund incurs certain fixed costs in maintaining shareholder accounts, the Fund reserves the right to redeem all Fund shares in any shareholder account of less than $500 net asset value. If the Fund elects to do so, it will notify the shareholder and provide the shareholder with an opportunity to increase the amount invested to $500 or more within 60 days of the notice. This notice may appear on the shareholder's account statement. If a shareholder requests redemption of shares which were purchased recently, the Fund may delay payment until it is assured that it has received good payment for the purchase of the shares. In the case of purchases by check, this can take up to 15 days.

Valuation of Shares

The Fund uses its best efforts to maintain its net asset value at $1.00 per share. Net asset value per share is determined by dividing the value of the securities held by the Fund plus any cash or other assets minus all

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liabilities by the number of Fund shares outstanding. The Fund's net asset value is computed once each Business Day at 2:00 p.m., eastern time.

Dividends accrue to shareholder accounts daily and are automatically paid in additional Fund shares monthly.

The Fund values its portfolio securities using the amortized cost method of valuation, under which market value is approximated by amortizing the difference between the acquisition cost and value at maturity of an instrument on a straight-line basis over its remaining life. All cash, receivables and current payables are carried at their face value. Other assets are valued at fair value as determined in good faith by or under the direction of the Fund's board of directors.

Dividends and Taxes

DIVIDENDS. Each Business Day, the Fund declares as dividends all of its net investment income. Shares begin earning dividends on the day of purchase; dividends are accrued to shareholder accounts daily and are automatically paid in additional Fund shares monthly. Shares do not earn dividends on the day of redemption. Net investment income includes accrued interest and earned discount (including both original issue and market discounts), less amortization of premium and accrued expenses. The Fund distributes any net short-term capital gain annually, but may make more frequent distributions of such gain if necessary to maintain its net asset value per share at $1.00 or to avoid income or excise taxes. The Fund does not expect to realize net long-term capital gain and thus does not anticipate payment of any long-term capital gain distributions.

TAXES. The Fund intends to continue to qualify for treatment as a regulated investment company under the Internal Revenue Code so that it will be relieved of federal income tax on that part of its investment company taxable income (consisting generally of net investment income and net short-term capital gain, if any) that is distributed to its shareholders.

Dividends paid by the Fund generally are taxable to its shareholders as ordinary income, notwithstanding that such dividends are paid in additional Fund shares. Shareholders not subject to tax on their income generally will not be required to pay tax on amounts distributed to them.

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The Fund notifies its shareholders following the end of each calendar year of the amount of all dividends paid that year.

The Fund is required to withhold 31% of all dividends payable to any individuals and certain other noncorporate shareholders who do not provide the Fund with a correct taxpayer identification number. Withholding at that rate also is required from dividends payable to such shareholders who otherwise are subject to backup withholding.

The foregoing is only a summary of some of the important federal income tax considerations generally affecting the Fund and its shareholders; see the Statement of Additional Information for a further discussion. There may be other federal, state or local tax considerations applicable to a particular investor. Prospective shareholders are urged to consult their tax advisers.

The Fund's directors oversee various organizations responsible for the Fund's day-to day management.

Management

The Fund's board of directors, as part of its overall management responsibility, oversees various organizations responsible for the Fund's day-to-day management. PaineWebber, the Fund's investment adviser and administrator, provides a continuous investment program for the Fund and supervises all aspects of its operations. As sub-adviser to the Fund, Mitchell Hutchins makes and implements investment decisions and, as sub-administrator, is responsible for the day-to-day administration of the Fund.

PaineWebber receives a monthly fee for these services and, for the fiscal year ended March 31, 1995, the Fund's effective advisory and administration fee paid to PaineWebber was equal to 0.39% of the Fund's average daily net assets. PaineWebber (not the Fund) pays Mitchell Hutchins fees for its sub-advisory and sub-administrative services, in an aggregate annual amount equal to 20% of the fee received by PaineWebber from the Fund for advisory and administrative services.

The Fund pays PaineWebber an annual fee of $4.00 per active Fund account, plus certain out-of-pocket expenses, for certain services not performed by the Transfer Agent. The Fund also incurs other expenses. For the fiscal year ended March 31, 1995, the Fund's ratio of expenses as a percentage of average net assets was 0.62%.

</TABLE>

<TABLE><CAPTION>
PaineWebber

<S>	<C>
	PaineWebber and Mitchell Hutchins are located at 1285 Avenue of the Americas, New York, New York 10019. Michell Hutchins is a wholly owned subsidiary of PaineWebber, which is in turn wholly owned by Paine Webber Group Inc., a publicly owned financial services holding company. At June 30, 1995, PaineWebber or Mitchell Hutchins was investment adviser to 41 registered investment companies with 86 separate portfolios and aggregate assets exceeding $27.9 billion.
	Mitchell Hutchins investment personnel may engage in securities transactions for their own accounts pursuant to a code of ethics that establishes procedures for personal investing and restricts certain transactions.
	Performance Information
	From time to time the Fund may advertise its "yield" and "effective yield." Both yield figures are based on historical earnings and are not intended to indicate future performance. The "yield" of the Fund is the income on an investment in the Fund over a specified seven-day period. This income is then "annualized" (that is, assumed to be earned each week over a 52-week period) and shown as a percentage of the investment. The "effective yield" is calculated similarly but, when annualized, the income earned is assumed to be reinvested. The "effective yield" will be higher than the "yield" because of the compounding effect of this assumed reinvestment.
	The Fund may also advertise other performance data, which may consist of the annual or cumulative return (including realized net short-term capital gain, if any) earned on a hypothetical investment in the Fund since it began operations on May 1, 1978, or for shorter periods. This return data may or may not assume reinvestment of dividends (compounding).
The Fund may advertise its "yield" and "effective yield." The "effective yield" assumes dividends are reinvested.	The performance of shareholder accounts with small balances will differ from the quoted performance because daily income for each shareholder account is rounded to the nearest whole penny. Accordingly, very small shareholder accounts (approximately $33 or lower at current interest rates) which generate less than 1/2 per day of income will earn no dividends.

</TABLE>

<TABLE><CAPTION>
Cashfund

<S>	<C>
	General Information
	The Fund is registered with the SEC as a diversified, open-end management in vestment company and was incorporated in Maryland on January 20, 1978. The Fund has an authorized capitalization of 20 billion shares of $0.001 par value common stock. Each share has one vote with respect to matters upon which a shareholder vote is required; voting rights are non-cumulative. The Fund does not hold annual shareholder meetings. There normally will be no meetings of shareholders to elect directors unless fewer than a majority of the directors holding office have been elected by shareholders. The directors are required to call a meeting of shareholders when requested in writing to do so by the shareholders of record holding at least 25% of the Fund's outstanding shares. Each share of the Fund has equal voting, dividend and liquidation rights.
To avoid additional	CERTIFICATES. To avoid additional operating expenses and for investor convenience, share certificates are not issued. Ownership of Fund shares is recorded on a stock register by the Transfer

expense, share certificates are not issued.	Agent, and shareholders have the same rights of ownership with respect to such shares as if certificates had been issued.
	CUSTODIAN AND TRANSFER AGENT. PNC Bank, National Association ("PNC"), whose principal business address is Broad & Chestnut Streets, Land Title Bldg., Philadelphia, Pennsylvania 19101, is custodian of the Fund's assets. PFPC, Inc., a subsidiary of PNC whose principal business address is 400 Bellevue Parkway, Bellevue Corporate Center, Wilmington, Delaware 19809, is the Fund's transfer and dividend disbursing agent.
	PRINCIPAL UNDERWRITER. PaineWebber serves as principal underwriter of the Fund's shares.
	CONFIRMATIONS AND STATEMENTS. Shareholders receive confirmations of initial purchases of Fund shares, and subsequent transactions are reported on account statements sent to PaineWebber clients. These statements are sent monthly except that, if a shareholder's only Fund activity in a quarter was reinvestment of dividends, the activity may be reported on a quarterly rather than monthly statement. Shareholders also receive audited annual and unaudited semi-annual financial statements.

</TABLE>

PAINEWEBBER
CASHFUND, INC.

. Current Income

. Stability of Principal

. High Liquidity

. Professional Management

. Dividend Reinvestment

. Checkwriting Privileges

PROSPECTUS
AUGUST 1, 1995

No person has been authorized to give any information or to make any representations not contained in this Prospectus in connection with the offering made by this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund or its distributor. This Prospectus does not constitute an offering by the Fund or by the distributor in any jurisdiction in which such offering may not lawfully be made.

[ART WORK]

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PAINEWEBBER CASHFUND, INC.
1285 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019
STATEMENT OF ADDITIONAL INFORMATION

PaineWebber Cashfund, Inc. ("Fund") is a professionally managed, no load money market fund designed to provide investors with current income, stability of principal and high liquidity. The Fund's investment adviser, administrator and distributor is PaineWebber Incorporated ("PaineWebber"); its sub-adviser is Mitchell Hutchins Asset Management Inc. ("Mitchell Hutchins"), a wholly owned subsidiary of PaineWebber. Mitchell Hutchins also serves as the Fund's sub-administrator. This Statement of Additional Information is not a prospectus and should be read only in conjunction with the Fund's current Prospectus, dated August 1, 1995. A copy of the Prospectus may be obtained by contacting any PaineWebber investment executive or correspondent firm or by calling toll-free 1-800-441-7756. This Statement of Additional Information is dated August 1, 1995.

INVESTMENT POLICIES AND RESTRICTIONS

The following supplements the information contained in the Prospectus concerning the Fund's investment policies and limitations.

YIELDS AND RATINGS OF MONEY MARKET INSTRUMENTS. The yields on the money market instruments in which the Fund invests (such as commercial paper and bank obligations) are dependent on a variety of factors, including general money market conditions, conditions in the particular market for the obligation, the financial condition of the issuer, the size of the offering, the maturity of the obligation and the ratings of the issue. The ratings of nationally recognized statistical rating organizations ("NRSROs") represent their opinions as to the quality of the obligations they undertake to rate. Ratings, however, are general and are not absolute standards of quality. Consequently, obligations with the same rating, maturity and interest rate may have different market prices. Subsequent to its purchase by the Fund, an issue may cease to be rated or its rating may be reduced. In the event that a security in the Fund's portfolio ceases to be a "First Tier Security," as defined in the Prospectus, or Mitchell Hutchins becomes aware that a security has received a rating below the second highest rating by any NRSRO, Mitchell Hutchins, and, in certain cases, the Fund's board of directors, will consider whether the Fund should continue to hold the obligation. A First Tier security rated in the highest short-term rating category by a single NRSRO at the time of purchase that subsequently receives a rating below the highest rating category from a different NRSRO will continue to be considered a First Tier security.

REPURCHASE AGREEMENTS. As stated in the Prospectus, the Fund may enter into repurchase agreements with respect to any security in which it is authorized to invest, except that securities subject to repurchase agreements may have maturities in excess of 13 months. The Fund maintains custody of the underlying securities prior to their repurchase; thus, the obligation of the bank or securities dealer to pay the repurchase price on the date agreed to is, in effect, secured by such securities. If the value of these securities is less than the repurchase price, plus any agreed-upon additional amount, the other party to the agreement must provide additional collateral so that at all times the collateral is at least equal to the repurchase price, plus any agreed-upon additional amount. The difference between the total amount to be received upon repurchase of the securities and the price that was paid by the Fund upon acquisition is accrued as interest and included in the Fund's net investment income.

Repurchase agreements carry certain risks not associated with direct investments in securities. The Fund intends to enter into repurchase agreements only with banks and dealers in transactions believed by Mitchell Hutchins to present minimal credit risks in accordance with guidelines established by the Fund's board of directors. Mitchell Hutchins will review and monitor the creditworthiness of those institutions under the board's general supervision.

REVERSE REPURCHASE AGREEMENTS. The Fund may enter into reverse repurchase agreements up to an aggregate value of not more than 5% of its assets. Such agreements involve the sale of securities held by the Fund subject to its agreement to repurchase the securities at an agreed-upon date and price reflecting a market rate of interest. Such agreements are considered to be borrowings and may be entered into only for temporary or emergency purposes. While a reverse repurchase agreement is outstanding, the Fund will maintain with its custodian in a segregated account cash, U.S. government securities or other liquid, high-grade debt obligations, marked to market daily, in an amount at least equal to the Fund's obligation under the reverse repurchase agreement.

ILLIQUID SECURITIES. The Fund will not invest more than 10% of its net assets in illiquid securities. The term "illiquid securities" for this purpose means securities that cannot be disposed of within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the securities and includes, among other things, repurchase agreements maturing in more than seven days and restricted securities other than those Mitchell Hutchins has determined to be liquid pursuant to guidelines established by the Fund's board of directors. Commercial paper issues in which the Fund may invest include securities issued by major corporations without registration under the Securities Act of 1933 ("1933 Act") in reliance on the exemption from such registration afforded by Section 3(a)(3) thereof and commercial paper issued in reliance on the so-called "private placement" exemption from registration which is afforded by section 4(2) of the 1933 Act ("Section 4(2) paper"). Section 4(2) paper is restricted as to disposition under the federal securities laws in that any resale must similarly be made in an exempt transaction. Section 4(2) paper is normally resold to other institutional investors through or with the assistance of investment dealers who make a market in Section 4(2) paper, thus providing liquidity.

Not all restricted securities are illiquid. In recent years a large institutional market has developed for certain securities that are not registered under the 1933 Act, including private placements, repurchase agreements, commercial paper, foreign securities and corporate bonds and notes. These instruments are often restricted securities because the securities are sold in transactions not requiring registration. Institutional investors generally will not seek to sell these instruments to the general public, but instead will often depend either on an efficient institutional market in which such unregistered securities can be readily resold or on an issuer's ability to honor a demand for repayment. Therefore, the fact that there are contractual or legal restrictions on resale to the general public or certain institutions is not dispositive of the liquidity of such investments.

Rule 144A under the 1933 Act establishes a "safe harbor" from the registration requirements of the 1933 Act for resales of certain securities to qualified institutional buyers. Institutional markets for

restricted securities have developed as a result of Rule 144A, providing both readily ascertainable values for restricted securities and the ability to liquidate an investment to satisfy share redemption orders. Such markets include automated systems for the trading, clearance and settlement of unregistered securities, such as the PORTAL System sponsored by the National Association of Securities Dealers, Inc. ("NASD"). An insufficient number of qualified institutional buyers interested in purchasing Rule 144A-eligible restricted securities held by the Fund, however, could affect adversely the marketability of such portfolio securities and the Fund might be unable to dispose of such securities promptly or at favorable prices.

The Fund's board of directors has delegated the function of making day-to-day determinations of liquidity to Mitchell Hutchins, pursuant to guidelines approved by the board. Mitchell Hutchins takes into account a number of factors in reaching liquidity decisions, including (1) the frequency of trades for the security, (2) the number of dealers that make quotes for the security, (3) the number of dealers that have undertaken to make a market in the security, (4) the number of other potential purchasers and (5) the nature of the security and how trading is effected (e.g., the time needed to sell the security, how offers are solicited and the mechanics of transfer). Mitchell Hutchins monitors the liquidity of restricted securities in the Fund's portfolio and reports periodically on such decisions to the board of directors.

INVESTMENT LIMITATIONS. The Fund may not: 1) purchase any securities other than money market instruments, including but not limited to U.S. Treasury bills and other obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, certificates of deposit of U.S. banks, bankers' acceptances, and commercial paper, including variable amount master notes and repurchase agreements secured thereby; 2) borrow money, except from banks for temporary purposes and except for reverse repurchase agreements, and then in an aggregate amount not in excess of 10% of the value of the Fund's assets at the time of such borrowing, provided that the Fund will not purchase portfolio securities while borrowings, including reverse repurchase agreements, exceed 5% of the Fund's assets; 3) make loans, except that the Fund may purchase or hold debt instruments in accordance with its investment objective and policies and may enter into repurchase agreements with respect to commercial paper, certificates of deposit and obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities; 4) purchase any securities if immediately after such purchase more than 25% of the value of its total assets would be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that there is no limitation with respect to investments in U.S. Treasury bills, other obligations issued or guaranteed by the U.S. government, its agencies and instrumentalities, certificates of deposit of U.S. banks, and bankers' acceptances and provided further that neither all finance companies as a group, nor all utility companies as a group, are considered a single industry for purposes of this policy; 5) purchase securities of any one issuer, other than the U.S. government, if immediately after such purchase more than 5% of the value of its total assets would be invested in such issuer; 6) purchase or sell real estate, provided that the Fund may purchase commercial paper issued by companies, including real estate investment trusts, which invest in real estate or interests therein; 7) purchase securities on margin, make short sales of securities or maintain a short position; 8) act as an underwriter of securities; 9) purchase or sell commodities or commodity contracts, or invest in oil, gas or mineral exploration or development programs; and 10) acquire voting securities of any issuer or acquire securities of other investment companies.

The foregoing fundamental investment limitations cannot be changed without the affirmative vote of the lesser of (a) more than 50% of the outstanding shares of the Fund or (b) 67% or more of the shares present at a shareholders' meeting if more than 50% of the outstanding shares are represented at the meeting in person or by proxy. If a percentage restriction is adhered to at the time of an investment or transaction, a later increase or decrease in percentage resulting from changing values of portfolio securities or amount of total assets will not be considered a violation of any of the foregoing limitations.

The Fund will continue to interpret fundamental investment limitation (6) to prohibit investment in real estate limited partnerships.

DIRECTORS AND OFFICERS

The directors and executive officers of the Fund, their ages, business addresses and principal occupations during the past five years are:

<TABLE><CAPTION>

NAME AND ADDRESS*; AGE	POSITION WITH THE FUND	BUSINESS EXPERIENCE; OTHER DIRECTORSHIPS
<S>	<C>	<C>
E. Garrett Bewkes, Jr.**; 68	Director and Chairman of the Board of Directors	Mr. Bewkes is a director of Paine Webber Group Inc. ("PW Group") (holding company of PaineWebber and Mitchell Hutchins) and a consultant to PW Group. Prior to 1988, he was chairman of the board, president and chief executive officer of American Bakeries Company. Mr. Bewkes is also a director of Interstate Bakeries Corporation and NaPro BioTherapeutics, Inc. and a director or trustee of 26 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Meyer Feldberg; 53 Columbia University 101 Uris Hall New York, New York 10027	Director	Mr. Feldberg is Dean and Professor of Management of the Graduate School of Business, Columbia University. Prior to 1989, he was president of the Illinois Institute of Technology. Dean Feldberg is also a director of AMSCO International Inc., Federated Department Stores, Inc., Inco Homes Corporation and New World Communications Group Incorporated and a director or trustee of 18 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.

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<TABLE><CAPTION>

NAME AND ADDRESS*; AGE	POSITION WITH THE FUND	BUSINESS EXPERIENCE; OTHER DIRECTORSHIPS

NAME AND ADDRESS*; AGE	POSITION WITH THE FUND	BUSINESS EXPERIENCE; OTHER DIRECTORSHIPS
George W. Gowen; 65 666 Third Avenue New York, New York 10017	Director	Mr. Gowen is a partner in the law firm of Dunnington, Bartholow & Miller. Prior to May 1994, he was a partner in the law firm of Fryer, Ross & Gowen. Mr. Gowen is also a director of Columbia Real Estate Investments, Inc. and a director or trustee of 16 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Frederic V. Malek; 58 901 15th Street, N.W. Suite 300 Washington, DC 20005	Director	Mr. Malek is chairman of Thayer Capital Partners (investment bank) and a co-chairman and director of CB Commercial Group Inc. (real estate). From January 1992 to November 1992, he was campaign manager of Bush-Quayle '92. From 1990 to 1992, he was vice chairman and, from 1989 to 1990, he was president of Northwest Airlines Inc., NWA Inc. (holding company of Northwest Airlines Inc.) and Wings Holdings Inc. (holding company of NWA Inc.). Prior to 1989, he was employed by the Marriott Corporation (hotels, restaurants, airline catering and contract feeding), where he most recently was an executive vice president and president of Marriott Hotels and Resorts. Mr. Malek is also a director of American Management Systems, Inc., Automatic Data Processing, Inc., Avis, Inc., FPL Group, Inc., ICF International, Manor Care, Inc. and National Education Corporation, and a director or trustee of 16 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Frank P. L. Minard**; 50	Director	Mr. Minard is chairman and a director of Mitchell Hutchins, chairman of the board of Mitchell Hutchins Institutional Investors Inc. and a director of PaineWebber. Prior to 1993, Mr. Minard was managing director of Oppenheimer Capital in New York and Director of Oppenheimer Capital Ltd. in London. Mr. Minard is also a director or trustee of 30 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Judith Davidson Moyers; 60 Public Affairs Television 356 W. 58th Street New York, New York 10019	Director	Mrs. Moyers is president of Public Affairs Television, Inc., an educational consultant and a home economist. Mrs. Moyers is also a director of Columbia Real Estate Investments, Inc. and Ogden Corporation and a director or trustee of 16 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Thomas F. Murray; 84 400 Park Avenue New York, New York 10022	Director	Mr. Murray is a real estate and financial consultant. Mr. Murray is also a director and chairman of American

		Continental Properties, Inc., a trustee of Prudential Realty Trust and a director or trustee of 16 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Margo N. Alexander; 48	President	Ms. Alexander is president, chief executive officer and a director of Mitchell Hutchins. Prior to January 1995, Ms. Alexander was an executive vice president of PaineWebber. Ms. Alexander is also a trustee of one and president of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Teresa M. Boyle; 36	Vice President	Ms. Boyle is a first vice president and manager--advisory administration of Mitchell Hutchins. Prior to November 1993, she was compliance manager of Hyperion Capital Management, Inc., an investment advisory firm. Prior to April 1993, Ms. Boyle was a vice president and manager-legal administration of Mitchell Hutchins. Ms. Boyle is also a vice president of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.

</TABLE>

<TABLE><CAPTION>

NAME AND ADDRESS*; AGE	POSITION WITH THE FUND	BUSINESS EXPERIENCE; OTHER DIRECTORSHIPS
<S>	<C>	<C>
Joan L. Cohen; 31	Vice President Assistant Secretary	Ms. Cohen is a vice president and attorney of Mitchell Hutchins. Prior to December 1993, she was an associate at the law firm of Seward & Kissel. Ms. Cohen is also a vice president and assistant secretary of 26 other investment companies for which Mitchell and Hutchins or PaineWebber serves as investment adviser.
Ellen R. Harris; 49	Vice President	Ms. Harris is chief domestic equity strategist and a managing director of Mitchell Hutchins. Ms. Harris is also a vice president of 19 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
C. William Maher; 34	Vice President and Assistant Treasurer	Mr. Maher is a first vice president and the senior manager of the Fund Administration Division of Mitchell Hutchins. Mr. Maher is also a vice president and assistant treasurer of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Ann E. Moran; 38	Vice President and Assistant Treasurer	Ms. Moran is a vice president of Mitchell Hutchins. Ms. Moran is also a vice president and assistant treasurer of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Dianne E. O'Donnell; 43	Vice President and Secretary	Ms. O'Donnell is a senior vice president and deputy general counsel of Mitchell Hutchins. Ms. O'Donnell is also a vice

		president and secretary of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Victoria E. Schonfeld; 44	Vice President	Ms. Schonfeld is a managing director and general counsel of Mitchell Hutchins. From April 1990 to May 1994, she was a partner in the law firm of Arnold & Porter. Prior to April 1990, she was a partner in the law firm of Shereff, Friedman, Hoffman & Goodman. Ms Schonfeld is also a vice president of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.

</TABLE>

<TABLE><CAPTION>

NAME AND ADDRESS*; AGE	POSITION WITH THE FUND	BUSINESS EXPERIENCE; OTHER DIRECTORSHIPS
<S>	<C>	<C>
Paul H. Schubert; 32	Vice President and Assistant Treasurer	Mr. Schubert is a vice president of Mitchell Hutchins. From August 1992 to August 1994, he was a vice president at BlackRock Financial Management, Inc. Prior to August 1992, he was an audit manager with Ernst & Young LLP. Mr. Schubert is also a vice president and assistant treasurer of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Martha J. Slezak; 33	Vice President and Assistant Treasurer	Ms. Slezak is a vice president of Mitchell Hutchins. From September 1991 to April 1992, she was a fundraising director for a U.S. Senate campaign. Prior to September 1991, she was a tax manager with Arthur Andersen LLP. Ms. Slezak is also a vice president and assistant treasurer of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Julian F. Sluyters; 35	Vice President and Treasurer	Mr. Sluyters is a senior vice president and the director of the mutual fund finance division of Mitchell Hutchins. Prior to 1991, he was an audit senior manager with Ernst & Young LLP. Mr. Sluyters is also a vice president and treasurer of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.
Gregory K. Todd; 38	Vice President and Assistant Secretary	Mr. Todd is a first vice president and associate general counsel of Mitchell Hutchins. Prior to 1993, he was a partner in the law firm of Shereff, Friedman, Hoffman & Goodman. Mr. Todd is also a vice president and assistant secretary of 39 other investment companies for which Mitchell Hutchins or PaineWebber serves as investment adviser.

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* Unless otherwise indicated, the business address of each listed person is 1285 Avenue of the Americas, New York, New York 10019.

** Messrs. Bewkes and Minard are "interested persons" of the Fund as defined in the Investment Company Act of 1940 ("1940 Act") by virtue of their positions with PW Group, PaineWebber and/or Mitchell Hutchins.

The Fund pays directors who are not "interested persons" of the Fund $8,000 annually and $500 per meeting of the board or any committee thereof. Directors are reimbursed for any expenses incurred in attending meetings. Directors of the Fund who are not "interested persons" of the Fund receive no compensation from the Fund. Directors and officers of the Fund own in the aggregate less than 1% of the Fund's shares. Since PaineWebber and Mitchell Hutchins perform substantially all of the services necessary for the operation of the Fund, the Fund requires no employees. No officer, director or employee of PaineWebber or Mitchell Hutchins presently receives any compensation from the Fund for acting as a director or officer. The table below includes certain information relating to the compensation of the Fund's directors who held office during the fiscal year ended March 31, 1995.

<TABLE><CAPTION>

NAME OF PERSONS, POSITION	AGGREGATE COMPENSATION FROM THE FUND*	PENSION OR RETIREMENT BENEFITS ACCRUED AS PART OF THE FUND'S EXPENSES	ESTIMATED ANNUAL BENEFITS UPON RETIREMENT	TOTAL COMPENSATION FROM THE FUND AND THE FUND COMPLEX**
<S>	<C>	<C>	<C>	<C>
E. Garrett Bewkes, Jr., Trustee and Chairman of the Board of Directors..............................	--	--	--	--
Meyer Feldberg, Director.............................	$9,500	--	--	$86,050
George W. Gowen, Director	$9,000	--	--	71,425
Frederic V. Malek, Director.............................	$9,500	--	--	77,875
Frank P.L. Minard, Director.............................	--	--	--	--
Judith Davidson Moyers, Director.............................	$8,500	--	--	71,125
Thomas F. Murray, Director.............................	$9,000	--	--	71,925

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* Represents fees paid to each director during the fiscal year ended March 31, 1995.

** Represents total compensation paid to each director during the calendar year ended December 31, 1994.

INVESTMENT ADVISORY SERVICES

PaineWebber acts as the Fund's investment adviser and administrator pursuant to a contract with the Fund dated July 23, 1987 ("PaineWebber Contract"). Under the PaineWebber Contract, the Fund pays PaineWebber an annual fee, computed daily and paid monthly, according to the following schedule:

AVERAGE DAILY NET ASSETS	ANNUAL RATE
Up to $500 million..	0.500 %
In excess of $500 million up to $1.0 billion..................	0.425
In excess of $1.0 billion up to $1.5 billion..................	0.390
In excess of $1.5 billion up to $2.0 billion..................	0.380
In excess of $2.0 billion up to $2.5 billion..................	0.350

In excess of $2.5 billion up to $3.5 billion..................	0.345
In excess of $3.5 billion up to $4.0 billion..................	0.325
In excess of $4.0 billion up to $4.5 billion..................	0.315
In excess of $4.5 billion up to $5.0 billion..................	0.300
In excess of $5.0 billion up to $5.5 billion..................	0.290
In excess of $5.5 billion.....................................	0.280

Services provided by PaineWebber under the PaineWebber Contract, some of which may be delegated to Mitchell Hutchins, as discussed below, include the provision of a continuous investment program for the Fund and supervision of all matters relating to the operation of the Fund. Under the PaineWebber Contract, PaineWebber is also obligated to distribute the Fund's shares on an agency, or "best efforts," basis under which the Fund only issues such shares as are actually sold. Shares of the Fund are offered continuously. Under the PaineWebber Contract, during the fiscal years ended March 31, 1995, March 31, 1994 and March 31, 1993, the Fund paid (or accrued) to PaineWebber investment advisory and administrative fees in the amount of $13,839,569, $13,665,261 and $14,947,948, respectively.

Provident Institutional Management Corporation ("PIMC") has served as a sub-adviser to the Fund pursuant to a contract dated July 23, 1987 between PaineWebber and PIMC (the "PIMC Contract"). Under the PIMC Contract, PIMC provided certain recordkeeping services and also provided research and analysis if requested to do so by PaineWebber or Mitchell Hutchins. For these services, PaineWebber (not the Fund) paid PIMC an annual fee of $150,000. As of July 1992, by mutual agreement of the parties, PaineWebber ceased making payments under the PIMC Contract and PIMC ceased providing any services under that contract. Services previously provided by PIMC are either provided by PaineWebber or Mitchell Hutchins or are provided by PNC and PFPC Inc. ("PFPC") under other contractual arrangements with the Fund. For the fiscal years ended March 31, 1995, March 31, 1994 and March 31, 1993, PIMC received from PaineWebber fees of $0, $0 and $50,000, respectively.

Under a service agreement that is reviewed annually by the Fund's board of directors, PaineWebber provides certain services to the Fund not otherwise provided by the Fund's transfer

agent. Pursuant to the service agreement, during the fiscal years ended March 31, 1995, March 31, 1994 and March 31, 1993, the Fund paid (or accrued) to PaineWebber $2,551,016, $2,379,604 and $2,206,141, respectively.

Under a contract with PaineWebber dated July 23, 1987 ("MH Sub-Advisory Contract"), Mitchell Hutchins is responsible for the actual investment management of the Fund's assets, including the responsibility for making decisions and placing orders to buy, sell or hold particular securities. Under the MH Sub-Advisory Contract, PaineWebber (not the Fund) pays Mitchell Hutchins an annual fee, computed daily and paid monthly, according to the following schedule:

AVERAGE DAILY NET ASSERTS	ANNUAL RATE
Up to $500 million..	0.0900%
In excess of $500 million up to $1.0 billion.................	0.0500
In excess of $1.0 billion up to $1.5 billion.................	0.0400
In excess of $1.5 billion up to $2.0 billion.................	0.0300
In excess of $2.0 billion up to $2.5 billion.................	0.0250
In excess of $2.5 billion up to $3.5 billion.................	0.0250
In excess of $3.5 billion up to $4.5 billion.................	0.0200
In excess of $4.5 billion up to $5.5 billion.................	0.0125
In excess of $5.5 billion....................................	0.0100

Under the MH Sub-Advisory Contract, during the fiscal years ended March 31, 1995, March 31, 1994 and March 31, 1993, PaineWebber paid (or accrued) to Mitchell Hutchins fees in the amount of $1,435,247, $1,424,776 and $1,503,434, respectively.

Under a contract with PaineWebber dated May 24, 1988 ("Sub-Administration

Contract"), Mitchell Hutchins also serves as the Fund's sub-administrator. Under the Sub-Administration Contract, PaineWebber (not the Fund) pays Mitchell Hutchins 20% of the fees received by PaineWebber under the PaineWebber Contract, such amount to be paid monthly and reduced by any amount paid by PaineWebber in each such month under the MH Sub-Advisory Contract. During the fiscal years ended March 31, 1995, March 31, 1994 and March 31, 1993, PaineWebber paid (or accrued) to Mitchell Hutchins sub-administration fees of $1,332,667, $1,308,276 and $1,486,156, respectively.

Each of the advisory, sub-advisory and sub-administration contracts noted above provides that the respective adviser, sub-adviser or sub-administrator, as the case may be, shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the performance of the contract, except a loss resulting from willful misfeasance, bad faith or gross negligence on the part of such adviser, sub-adviser or sub-administrator in the performance of its duties or from reckless disregard of its duties and obligations thereunder. The PaineWebber Contract also provides that PaineWebber shall not be liable for losses arising out of the receipt by PaineWebber of inadequate consideration in connection with an order to purchase Fund shares whether in the form of a fraudulent check, draft or wire; a check returned for insufficient funds; or any other such

inadequate consideration (hereinafter "check losses"), except under the circumstances noted above, but the Fund shall not be liable for check losses resulting from negligence on the part of PaineWebber. Each of the advisory, sub-advisory and sub-administration contracts is terminable by vote of the Fund's board of directors or by the holders of a majority of the outstanding voting securities of the Fund at any time without penalty, on 60 days' written notice to the respective adviser, sub-adviser or sub-administrator, as the case may be. Each of the advisory and sub-advisory contracts may also be terminated by the respective adviser or sub-adviser on 90 days' written notice to the Fund. The sub-administration contract may also be terminated by the sub-administrator on 60 days' written notice to the Fund. Each of the advisory, sub-advisory and sub-administration contracts terminates automatically upon its assignment.

Under the terms of the PaineWebber Contract, the Fund bears all expenses incurred in its operation that are not specifically assumed by PaineWebber. Expenses borne by the Fund include the following: (a) the cost (including brokerage commissions, if any) of securities purchased or sold by the Fund or any losses incurred in connection therewith; (b) fees payable to and expenses incurred on behalf of the Fund by PaineWebber; (c) filing fees and expenses relating to the registration and qualification of the Fund's shares under federal or state securities laws and maintaining such registrations and qualifications; (d) fees and salaries payable to the Fund's directors and officers who are not officers or employees of PaineWebber or interested persons (as defined in the 1940 Act) of any investment adviser or underwriter of the Fund ("Independent Directors"); (e) taxes (including any income or franchise taxes) and governmental fees; (f) costs of any liability, uncollectible items of deposit and other insurance or fidelity bonds; (g) any costs, expenses or losses arising out of any liability of or claim for damage or other relief asserted against the Fund for violation of any law; (h) legal, accounting and auditing expenses, including legal fees of special counsel for the Independent Directors; (i) charges of custodians, transfer agents and other agents; (j) costs of preparing share certificates; (k) expenses of setting in type and printing prospectuses, statements of additional information and supplements thereto for existing shareholders, reports and statements to shareholders and proxy materials; (l) any extraordinary expenses (including fees and disbursements of counsel) incurred by the Fund; and (m) fees and other expenses incurred in connection with membership in investment company organizations.

As required by various state regulations, PaineWebber will reimburse the Fund if and to the extent that the aggregate operating expenses of the Fund exceed applicable limits for the fiscal year. Currently, the most restrictive such limit applicable to the Fund is 2.5% of the first $30 million of the Fund's average daily net assets, 2.0% of the next $70 million of its average daily net assets and 1.5% of its average daily net assets in excess of $100 million. Certain expenses, such as brokerage commissions, taxes, interest and extraordinary items are excluded from this limitation. No reimbursement pursuant to such limitation was required for the fiscal years ended March 31, 1995, March 31, 1994 and March 31, 1993.

The following table shows the approximate net assets as of June 30, 1995, sorted by category of investment objective, of the investment companies as to which Mitchell Hutchins serves as adviser or sub-adviser. An investment companymay fall into more than one of the categories below.

INVESTMENT CATEGORY	NET ASSETS ($ MIL)
Domestic (excluding Money Market)	$ 5,655.1
Global	3,266.9
Equity/Balanced	2,731.9
Fixed Income (excluding Money Market)	6,190.1
Taxable Fixed Income	4,435.2
Tax-Free Fixed Income	1,754.9
Money Market Funds	19,093.6

Mitchell Hutchins personnel may invest in securities for their own accounts pursuant to a code of ethics that describes the fiduciary duty owed to shareholders of the PaineWebber and Mitchell Hutchins/Kidder, Peabody ("MH/KP") mutual funds and other Mitchell Hutchins' advisory accounts by all Mitchell Hutchins' directors, officers and employees, establishes procedures for personal investing and restricts certain transactions. For example, employee accounts generally must be maintained at PaineWebber, personal trades in most securities require pre-clearance and short-term trading and participation in initial public offerings generally are prohibited. In addition, the code of ethics puts restrictions on the timing of personal investing in relation to trades by PaineWebber and MH/KP mutual funds and other Mitchell Hutchins advisory clients.

PORTFOLIO TRANSACTIONS

The Fund purchases only securities with remaining maturities of 13 months or less, except for securities subject to repurchase agreements. The Fund may purchase variable rate and floating rate securities with remaining maturities of more than 13 months so long as such securities comply with conditions established by the Securities and Exchange Commission ("SEC") under which they may be considered to have remaining maturities of 13 months or less.

The MH Sub-Advisory Contract authorizes Mitchell Hutchins (with the approval of the Fund's board) to select brokers and dealers to execute purchases and sales of the Fund's portfolio securities. It directs Mitchell Hutchins to use its best efforts to obtain the best available price and the most favorable execution with respect to all transactions for the Fund. To the extent that the execution and price offered by more than one dealer are comparable, Mitchell Hutchins may, in its discretion, effect transactions in portfolio securities with dealers who provide the Fund with research, analysis, advice and similar services. Although Mitchell Hutchins may receive certain research or execution services in connection with these transactions, Mitchell Hutchins will not purchase securities at a higher price or sell securities at a lower price than would otherwise be paid if no weight was attributed to the services provided by the executing dealer. Moreover, Mitchell Hutchins will not enter into any explicit soft dollar arrangements relating to principal transactions and will not receive in principal transactions the

types of services which could be purchased for hard dollars. Research services furnished by the dealers through which or with which the Fund effects securities transactions may be used by Mitchell Hutchins in advising other funds or accounts they advise and, conversely, research services furnished to Mitchell Hutchins in connection with other funds or accounts that Mitchell Hutchins advises may be used in advising the Fund. During its past three fiscal years, the Fund has not paid any brokerage commissions, nor has it allocated any transactions to dealers for research, analysis, advice and similar services.

Mitchell Hutchins may engage in agency transactions in OTC equity and debt securities in return for research and execution services. These transactions are entered into only in compliance with procedures ensuring that the transaction (including commissions) is at least as favorable as it would have been if effected directly with a market-maker that did not provide research or execution services. These procedures include Mitchell Hutchins receiving multiple quotes from dealers before executing the transactions on an agency basis.

The Fund purchases portfolio securities from dealers and underwriters as well as from issuers. Securities are usually traded on a net basis with dealers acting as principal for their own accounts without a stated commission. Prices paid to dealers in principal transactions generally include a "spread," which is the difference between the prices at which the dealer is willing to purchase and sell a specific security at the time. When securities are purchased directly from an issuer, no commissions or discounts are paid. When securities are purchased in underwritten offerings, they include a fixed amount of compensation to the underwriter.

Investment decisions for the Fund and for other investment accounts managed by Mitchell Hutchins are made independently of each other in light of differing considerations for the various accounts. However, the same investment decision may occasionally be made for the Fund and one or more of such accounts. In such cases, simultaneous transactions are inevitable. Purchases or sales are then averaged as to price and allocated between the Fund and such other account(s) as to amount according to a formula deemed equitable to the Fund and such account(s). While in some cases this practice could have a detrimental effect upon the price or value of the security as far as the Fund is concerned or upon its ability to complete its entire order, in other cases it is believed that coordination and the ability to participate in volume transactions will be beneficial to the Fund.

Mitchell Hutchins may seek to obtain an undertaking from issuers of commercial paper or dealers selling commercial paper to consider the repurchase of such securities from the Fund prior to their maturity at their original cost plus interest (sometimes adjusted to reflect the actual maturity of the securities), if it believes that the Fund's anticipated need for liquidity makes such actions desirable. Any such repurchase prior to maturity reduces the possibility that the Fund would incur a capital loss in liquidating commercial paper for which there is no established market, especially if interest rates have risen since acquisition of the particular commercial paper.

ADDITIONAL INFORMATION REGARDING REDEMPTIONS

The Fund may suspend redemption privileges or postpone the date of payment during any period (1) when the New York Stock Exchange, Inc. ("NYSE") is closed or trading on the NYSE is restricted as determined by the SEC, (2) when an emergency exists, as defined by the SEC, which makes it not reasonably practicable for the Fund to dispose of securities owned by it or to determine fairly the market value of its assets or (3) as the SEC may otherwise permit. The redemption price may be more or less than the shareholder's cost, depending on the market value of the Fund's portfolio at the time, although the Fund attempts to maintain a constant net asset value of $1.00 per share.

Under normal circumstances, the Fund will redeem shares when so requested by a shareholder's broker-dealer other than PaineWebber by telegram or telephone to PaineWebber. Such a redemption order will be executed at the net asset value next determined after the order is received by PaineWebber. Redemptions of Fund shares effected through a broker-dealer other than PaineWebber may be subject to a service charge by that broker-dealer.

VALUATION OF SHARES

The Fund uses its best efforts to maintain its net asset value at $1.00 per share. The Fund's net asset value per share is determined by PFPC as of 2:00 p.m., eastern time, on each Business Day. As defined in the Prospectus, "Business Day" means any day on which PNC's Philadelphia offices, and the New York City offices of PaineWebber and PaineWebber's bank, The Bank of New York, 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, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day.

The Fund values its portfolio securities in accordance with the amortized cost method of valuation under Rule 2a-7 under the 1940 Act. To use amortized cost to value its portfolio securities, the Fund must adhere to certain conditions under that Rule relating to the Fund's investments, some of which are discussed in the Prospectus. Amortized cost is an approximation of market value, whereby the difference between acquisition cost and value at maturity of the instrument is amortized on a straight-line basis over the remaining life of the instrument. The effect of changes in the market value of a security as a result of fluctuating interest rates is not taken into account and thus the amortized cost method of valuation may result in the value of a security being higher or lower than its actual market value. In the event that a large number of redemptions take place at a time when interest rates have increased, the Fund might have to sell portfolio securities prior to maturity and at a price that might not be as desirable.

The Fund's board of directors has established procedures for the purpose of maintaining a constant net asset value of $1.00 per share, which include a review of the extent of any deviation of net asset value per share, based on available market quotations, from the $1.00 amortized cost per share. Should that deviation exceed 1/2 of 1%, the board of directors will promptly consider whether any action should be initiated to eliminate or reduce material dilution or other unfair results to

shareholders. Such action may include redeeming shares in kind, selling portfolio securities prior to maturity, reducing or withholding dividends and utilizing a net asset value per share as determined by using available market quotations. The Fund will maintain a dollar-weighted average portfolio maturity of 90 days or less and will not purchase any instrument with a remaining maturity greater than 13 months, will limit portfolio investments, including repurchase agreements, to those U.S. dollar-denominated instruments that are of high quality and that the directors determine present minimal credit risks as advised by Mitchell Hutchins, and will comply with certain reporting and recordkeeping procedures. There is no assurance that constant net asset value per share will be maintained. In the event amortized cost ceases to represent fair value, the board will take appropriate action.

In determining the approximate market value of portfolio investments, the Fund may employ outside organizations, which may use a matrix or formula method that takes into consideration market indices, matrices, yield curves and other specific adjustments. This may result in the securities being valued at a price different from the price that would have been determined had the matrix or formula method not been used. All cash, receivables and current payables are carried at their face value. Other assets, if any, are valued at fair value as determined in good faith by or under the direction of the board of directors.

TAXES

In order to continue to qualify for treatment as a regulated investment company under the Internal Revenue Code, the Fund must distribute to its shareholders for each taxable year at least 90% of its investment company taxable income (consisting generally of net investment income and net short-term capital gain, if any) and must meet several additional requirements. Among these requirements are the following: (1) the Fund must derive at least 90% of its gross income each taxable year from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of securities and certain other income; (2) the Fund must derive less than 30% of its gross income each taxable year from the sale or other disposition of securities held for less than three months; (3) at the close of each quarter of the Fund's taxable year, at least 50% of the value of its total assets must be represented by cash and cash items, U.S. government securities and other securities, with these other securities limited, in respect of any one issuer, to an amount that does not exceed 5% of the value of the Fund's total assets; and (4) at the close of each quarter of the Fund's taxable year, not more than 25% of the value of its total assets may be invested in securities (other than U.S. government securities) of any one issuer.

CALCULATION OF YIELD

The Fund computes its yield and effective yield quotations using standardized methods required by the SEC. The Fund from time to time advertises (1) its current yield based on a recently ended seven-day period, computed by determining the net change, exclusive of capital changes, in the value of a hypothetical pre-existing account having a balance of one share at the beginning of the period, subtracting a hypothetical charge reflecting deductions from that shareholder account, dividing the

difference by the value of the account at the beginning of the base period to obtain the base period return and then multiplying the base period return by (365/7), with the resulting yield figure carried to at least the nearest hundredth of one percent; and (2) its effective yield based on the same seven-day period by compounding the base period return by adding 1, raising the sum to a power equal to (365/7) and subtracting 1 from the result, according to the following formula:

EFFECTIVE YIELD = [(BASE PERIOD RETURN + 1)365/7] - 1

Yield may fluctuate daily and does not provide a basis for determining future yields. Because the yield of the Fund fluctuates, it cannot be compared with yields on savings accounts or other investment alternatives that provide an agreed-to or guaranteed fixed yield for a stated period of time. However, yield information may be useful to an investor considering temporary investments in money market instruments. In comparing the yield of one money market fund to another, consideration should be given to each fund's investment policies, including the types of investments made, the average maturity of the portfolio securities and whether there are any special account charges that may reduce the yield.

The Fund's yield and effective yield for the seven-day period ended March 31, 1995 were 5.48% and 5.63%, respectively.

OTHER INFORMATION. The Fund's performance data quoted in advertising and other promotional materials ("Performance Advertisements") represent past performance and are not intended to predict or indicate future results. The return on an investment in the Fund will fluctuate. In Performance Advertisements, the Fund may compare its yield with data published by Lipper Analytical Services, Inc. for money funds ("Lipper"), CDA Investment Technologies, Inc. ("CDA"), IBC/Donoghue's Money Market Fund Report ("Donoghue"), Wiesenberger Investment Companies Service ("Wiesenberger"), Investment Company Data Inc. ("ICD") or Morningstar Mutual Funds ("Morningstar"), or with the performance of recognized stock and other indexes, including (but not limited to) the Standard & Poor's 500 Composite Stock Index, the Dow Jones Industrial Average, the Morgan Stanley Capital World Index, the Lehman Brothers Treasury Bond Index, the Lehman Brothers Government-Corporate Bond Index, the Salomon Brothers Non-U.S. World Government Bond Index and the Consumer Price Index as published by the U.S. Department of Commerce. The Fund also may refer in such materials to mutual fund performance rankings and other data, such as comparative asset, expense and fee levels, published by Lipper, CDA, Donoghue, Wiesenberger, ICD or Morningstar. Performance Advertisements also may refer to discussions of the Fund and comparative mutual fund data and ratings reported in independent periodicals, including (but not limited to) THE WALL STREET JOURNAL, MONEY Magazine, FORBES, BUSINESS WEEK, FINANCIAL WORLD, BARRON'S, FORTUNE, THE NEW YORK TIMES, THE CHICAGO TRIBUNE, THE WASHINGTON POST and THE KIPLINGER LETTERS.

The Fund may include discussions or illustrations of the effects of compounding in Performance Advertisements. "Compounding" refers to the fact that, if dividends on a Fund investment are reinvested by being paid in additional Fund shares, any future income of the Fund would increase the value, not only of the original Fund investment, but also of the additional Fund shares received

through reinvestment. As a result, the value of the Fund investment would increase more quickly than if dividends had been paid in cash.

The Fund may also compare its performance with the performance of bank certificates of deposit (CDs) as measured by the CDA Investment Technologies, Inc. Certificate of Deposit Index and the Bank Rate Monitor National Index and the averages of yields of CDs of major banks published by Banxquotes (R) Money Markets. In comparing the Fund's performance to CD performance, investors should keep in mind that bank CDs are insured in whole or in part by an agency of the U.S. government and offer fixed principal and fixed or variable rates of interest, and that bank CD yields may vary depending on the financial institution offering the CD and prevailing interest rates. Fund shares are not insured or guaranteed by the U.S. government and returns will fluctuate. While the Fund seeks to maintain a stable net asset value of $1.00 per share, there can be no assurance that it will be able to do so.

OTHER INFORMATION

COUNSEL. The law firm of Kirkpatrick & Lockhart LLP, 1800 M Street, N.W., Washington, D.C. 20036-5891, counsel to the Fund, has passed upon the legality of the shares offered by the Prospectus. Kirkpatrick & Lockhart LLP also acts as counsel to PaineWebber and Mitchell Hutchins in connection with other matters.

AUDITORS. Ernst & Young LLP, 787 Seventh Avenue, New York, New York 10019, serves as the Fund's independent auditors.

FINANCIAL STATEMENTS

The Fund's Annual Report to Shareholders for the fiscal year ended March 31, 1995 is a separate document supplied with this Statement of Additional Information and the financial statements accompanying notes and report of independent auditors appearing therein are incorporated herein by this reference.

No person has been authorized to give any information or to make any representations not contained in the Prospectus or in this Statement of Additional Information in connection with the offering made by the Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund or its distributor. The Prospectus and this Statement of Additional Information do not constitute an offering by the Fund or by the distributor in any jurisdiction in which such offering may not lawfully be made.

PAINEWEBBER
CASHFUND, INC.

Statement of Additional Information
August 1, 1995

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PART C. OTHER INFORMATION

Item 24. Financial Statements and Exhibits

(a) Financial Statements:

Included in Part A of this Registration Statement:

Financial Highlights for each of the ten years in the period ended March 31, 1995.

Included in Part B of this Registration Statement through incorporation by reference from the Annual Report to Shareholders (previously filed with the Securities and Exchange Commission through EDGAR on May 26, 1995, Accession No. 0000225732-95-000002):

Statement of Net Assets as of March 31, 1995.

Statement of Operations for the year ended March 31, 1995.

Statement of Changes in Net Assets for each of the two years in the period ended March 31, 1995.

Notes to Financial Statements

Financial Highlights for each of the five years in the period ended March 31, 1995.

Report of Ernst & Young LLP, Independent Auditors, dated May 19, 1995.

(b) Exhibits:

(1) (a) Articles of Amendment and Restatement of the Articles of Incorporation dated April 26, 19781/

(b) Articles of Amendment dated July 19, 19792/

(c) Articles of Amendment dated July 31, 19803/

(d) Articles of Amendment dated February 9, 19885/

(e) Articles of Amendment dated August 20, 19918/

(2) (a) Amended By-Laws dated July 18, 19906/

(b) Certificate of Amendment dated September 28, 1994 to By-laws (filed herewith)

(3) Voting Trust Agreement - none

(4) Instruments defining the rights of holders of Registrant's common stock9/

(5) (a) Investment Advisory, Administration and Distribution Contract between Registrant and PaineWebber4/

(b) Sub-Advisory Contract between PaineWebber and Mitchell Hutchins4/

(c) Sub-Advisory Contract between PaineWebber and Provident Institutional Management Corporation5/

(d) Sub-Administration Contract between PaineWebber and Mitchell Hutchins5/

(6) Underwriting Contract - See Exhibit 5(a)

(7) Bonus, profit sharing or pension plans - none

(8) (a) Custodian Contract6/

(b) Amendment to Custodian and Ancillary Services Agreement (filed herewith)

(c) Second Amendment to Custodian and Ancillary Services Agreement (filed herewith)

(d) Amendment No. 4 to Custodian Agreement (filed herewith)

(9) (a) Transfer Agency Services and Shareholder Services Agreement7/
(b) Service Contract6/
(10) Opinion and consent of counsel1/
(11) Other opinions, appraisals, rulings and consents: Consent of Independent Auditors (filed herewith)
(12) Financial statements omitted from Part B - none
(13) Letter of investment intent1/
(14) Prototype Retirement Plan - none
(15) Plan pursuant to Rule 12b-1 - none
(16) Schedule of Calculation of Performance Quotations 7/

(17) Financial Data Schedule (filed herewith)
(18) Plan pursuant to Rule 18f-3 (none)

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1/ Incorporated herein by reference from initial registration statement (SEC File No. 2-60655), filed January 20, 1978.

2/ Incorporated herein by reference from Post-Effective Amendment No. 3 to registration statement (SEC File No. 2-60655), filed July 31, 1980.

3/ Incorporated herein by reference from Post-Effective Amendment No. 4 to registration statement (SEC File No. 2-60655), filed May 28, 1981.

4/ Incorporated herein by reference from Post-Effective Amendment No. 21 to registration statement (SEC File No. 2-60655), filed August 1, 1988.

5/ Incorporated herein by reference from Post-Effective Amendment No. 23 to registration statement (SEC File No. 2-60655), filed July 31, 1989.

6/ Incorporated herein by reference from Post-Effective Amendment No. 24 to registration statement (SEC File No. 2-60655), filed July 27, 1990.

7/ Incorporated herein by reference from Post-Effective Amendment No. 25 to registration statement (SEC File No. 2-60655), filed July 30, 1991.

8/ Incorporated herein by reference from Post-Effective Amendment No. 28 to registration statement (SEC File No. 2-60655), filed July 30, 1992.

9/ Incorporated by reference from Articles Fifth, Sixth, Seventh, Ninth, Tenth, Twelfth and Fourteenth of the Registrant's Articles of Incorporation and Articles II, III, VIII, X, XI, XII and XIII of the Registrant's By-Laws.

Item 25. Persons Controlled by or under Common Control with Registrant

None.

Item 26. Number of Holders of Securities

Title of Class	Number of Record Shareholders as of July 18, 1995
Shares of common stock, par value $.001 per share	500,598

Item 27. Indemnification

Article Fourteenth of the Articles of Incorporation provides that the directors and officers of the Registrant shall not be liable to the

Registrant or to any of its stockholders for monetary damages to the maximum extent permitted by applicable law. Article Fourteenth also provides that any repeal or modification of Article Fourteenth or adoption, or modification of any other provision of the Articles or By-Laws inconsistent with Article Fourteenth shall not adversely affect any limitation of liability of any director or officer of the Registrant with respect to any act or failure to act which occurred prior to such repeal, modification or adoption.

Section 10.01 of Article 10 of the By-Laws provides that the Registrant shall indemnify its present and past directors, officers, employees and agents, and any persons who are serving or have served at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or enterprise, to the fullest extent permitted by law.

Section 10.02 of Article 10 of the By-Laws further provides that the Registrant may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Registrant, or is or was serving at the request of the Registrant as a director, officer or employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Registrant would have the power to indemnify him against such liability.

Section 9 of the Investment Advisory, Administration and Distribution Contract between Registrant and PaineWebber Incorporated ("PaineWebber") provides that PaineWebber shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Registrant in connection with the matters to which the Contract relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or from reckless disregard by it of its obligations and duties under the Contract.

Section 7 of the Sub-Advisory Contract between PaineWebber and Mitchell Hutchins Asset Management Inc. ("Mitchell Hutchins") provides that Mitchell Hutchins will not be liable for any error of judgment or mistake of law or for any loss suffered by PaineWebber or by the Registrant or its shareholders in connection with the performance of the Contract, except a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or from reckless disregard by it of its obligations or duties under the Contract.

Section 8 of the Sub-Administration Contract between PaineWebber and Mitchell Hutchins contains provisions similar to Section 9 of the Investment Advisory, Administration and Distribution Contract between the Registrant and PaineWebber.

Section 7 of the Service Contract between Registrant and

PaineWebber provides that PaineWebber shall be indemnified and held harmless by the Registrant against all liabilities, except those arising out of bad faith, gross negligence, willful misfeasance or reckless disregard of its duties under the Service Contract.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be provided to directors, officers and controlling persons of the Registrant, pursuant to the foregoing

provisions or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling persons of the Registrant in connection with the successful defense of any action, suit or proceeding or payment pursuant to any insurance policy) is asserted against the Registrant by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Item 28. Business and Other Connections of Investment Adviser

I. PaineWebber, a Delaware corporation, is a registered investment adviser and is wholly owned by Paine Webber Group Inc. PaineWebber is primarily engaged in the financial services business. Information as to the officers and directors of PaineWebber is included in its Form ADV filed on March 31, 1995, with the Securities and Exchange Commission (registration number 801-7163) and is incorporated herein by reference.

II. Mitchell Hutchins, a Delaware corporation, is a registered investment adviser and is a wholly owned subsidiary of PaineWebber which is, in turn, a wholly owned subsidiary of Paine Webber Group, Inc. Mitchell Hutchins is primarily engaged in the investment advisory business. Information as to the officers and directors of Mitchell Hutchins is included in its Form ADV filed on February 22, 1995, with the Securities and Exchange Commission (registration number 801-13219) and is incorporated herein by reference.

Item 29. Principal Underwriters

(a) PaineWebber serves as principal underwriter and/or investment adviser for the following other investment companies:

PAINEWEBBER RMA MONEY FUND, INC.
PAINEWEBBER RMA TAX-FREE FUND, INC.
PAINEWEBBER MANAGED MUNICIPAL TRUST
PAINEWEBBER/KIDDER, PEABODY CALIFORNIA TAX EXEMPT MONEY FUND
PAINEWEBBER/KIDDER, PEABODY CASH RESERVE FUND, INC.
PAINEWEBBER/KIDDER, PEABODY GOVERNMENT MONEY FUND, INC.
PAINEWEBBER/KIDDER, PEABODY LIQUID INSTITUTIONAL RESERVES
PAINEWEBBER/KIDDER, PEABODY MUNICIPAL MONEY MARKET SERIES
PAINEWEBBER/KIDDER, PEABODY PREMIUM ACCOUNT FUND
PAINEWEBBER/KIDDER, PEABODY TAX EXEMPT MONEY FUND, INC.

(b) PaineWebber is the principal underwriter of the Fund. The directors and officers of PaineWebber, their principal business addresses and their positions and offices with PaineWebber are identified in its Form ADV filed March 31, 1995, with the Securities and Exchange Commission (registration number 801-7163) and such information is hereby incorporated herein by reference. The information set forth below is furnished for those directors and officers of PaineWebber who also serve as directors or officers of the Fund:

Name and Principal Business Address	Position With Registrant	Position and Offices With Underwriter
Frank P.L. Minard 1285 Avenue of the Americas New York, NY 10019	Director	Director

(c) None.

Item 30. Location of Accounts and Records

The books and other documents required by paragraphs (b)(4), (c) and (d) of Rule 31a-1 under the Investment Company Act of 1940 are maintained in the physical possession of Registrant's Portfolio Manager, Mitchell Hutchins Asset Management Inc., 1285 Avenue of the Americas, New York, New York 10019. All other accounts, books and documents required by Rule 31a-1 are maintained in the physical possession of Registrant's transfer agent and custodian.

Item 31. Management Services

Not applicable.

Item 32. Undertakings

Registrant hereby undertakes to furnish each person to whom a prospectus is delivered with a copy of the Registrant's latest annual report to shareholders upon request and without charge.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, PaineWebber Cashfund, Inc., certifies that it meets all of the requirements for effectiveness of this Post-Effective Amendment No. 33 to its Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Post-Effective Amendment to be signed on its behalf by the undersigned, thereunto duly authorized, in this City of New York and State of New York, on the 27th day of July, 1995.

PAINEWEBBER CASHFUND, INC.

By: /s/ Dianne E. O'Donnel

Dianne E. O'Donnell
Vice President and Secretary

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment has been signed below by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/Margo N. Alexander Margo N. Alexander*	Director and President (Chief Executive Officer)	July 27, 1995
/s/E. Garrett Bewkes, Jr. E. Garrett Bewkes, Jr.**	Director and Chairman of the Board of Directors	July 27, 1995
/s/Meyer Feldberg Meyer Feldberg***	Director	July 27, 1995
/s/George W. Gowen George W. Gowen****	Director	July 27, 1995
/s/Frederic V. Malek Frederic V. Malek****	Director	July 27, 1995
/s/Frank P. L. Minard Frank P. L. Minard**	Director	July 27, 1995
/s/ Judith Davidson Moyers Judith Davidson Moyers****	Director	July 27, 1995
/s/Thomas F. Murray**** Thomas F. Murray****	Director	July 27, 1995
/s/Julian F. Sluyters Julian F. Sluyters	Vice President and Treasurer (Principal Financial and Accounting Officer)	July 27, 1995

SIGNATURES (Continued)

* Signature affixed by Elinor W. Gammon pursuant to power of attorney dated May 8, 1995 and incorporated by reference from Post-Effective Amendment No. 34 to the registration statement of PaineWebber America Fund, SEC File No. 2-78626, filed May 10, 1995.

** Signatures affixed by Elinor W. Gammon pursuant to powers of attorney dated January 3, 1994 and November 20, 1993, respectively, and incorporated by reference from Post-Effective Amendment No. 20 to the registration statement of PaineWebber Master Series, Inc., SEC File No. 33-2524, filed February 28, 1994.

*** Signature affixed by Elinor W. Gammon pursuant to power of attorney dated December 27, 1990 and incorporated by reference from Post-Effective Amendment No. 2 to the registration statement of PaineWebber Regional Financial Growth Fund Inc., SEC File No. 33-33231, filed May 1, 1991.

**** Signatures affixed by Elinor W. Gammon pursuant to powers of attorney dated March 27, 1990 and incorporated by reference from Post-Effective Amendment No. 10 to the registration statement of PaineWebber Master Series, Inc., SEC File No. 33-2524, filed May 2, 1990.

EXHIBIT INDEX

Exhibit			Page Number
(1)	(a)	Articles of Amendment and Restatement of the Articles of Incorporation 1/	
	(b)	Articles of Amendment dated July 19, 1979 2/	
	(c)	Articles of Amendment dated July 31, 1980 3/	
	(d)	Articles of Amendment dated February 9, 1988 5/	
	(e)	Articles of Amendment dated August 20, 1991 8/	
(2)	(a)	Amended by-Laws dated July 19, 1990 6/	
	(b)	Certificate of Amendment dated September 28, 1994 to By-laws (filed herewith)	
(3)		Voting Trust Agreement - none	
(4)		Instruments defining the rights of holders of Registrant's common stock 9/	
(5)	(a)	Investment Advisory, Administration and Distribution Contract between Registrant and PaineWebber 4/	
	(b)	Sub-Advisory Contract between PaineWebber and Mitchell Hutchins 4/	
	(c)	Sub-Advisory Contract between PaineWebber and Provident Institutional Management Corporation 5/	
	(d)	Sub-Administration Contract between PaineWebber and Mitchell Hutchins 5/	
(6)		Underwriting Contract - See Exhibit 5(a)	
(7)		Bonus, profit sharing or pension plans - none	
(8)	(a)	Custodian Contract 6/	
	(b)	Amendment to Custodian and Ancillary Services Agreement (filed herewith)	
	(c)	Second Amendment to Custodian and Ancillary Services Agreement (filed herewith)	
	(d)	Amendment No. 4 to Custodian Agreement (filed herewith)	
(9)	(a)	Transfer Agency Services and Shareholder Services Agreement 7/	
	(b)	Service Contract 6/	
(10)		Opinion and consent of counsel 1/	
(11)		Other opinions, appraisals, rulings and consents: Consent of Independent Auditors (filed herewith)	
(12)		Financial Statements omitted from Part B - none	
(13)		Letter of investment intent 1/	
(14)		Prototype Retirement Plan - none	

Exhibit		Page Number
(15)	Plan pursuant to Rule 12b-1 - none	
(16)	Schedule of Calculation of Performance Quotations 7/	
(17)	Financial Data Schedule (filed herewith)	
(18)	Plan pursuant to Rule 18f-3 (none)	

1/ Incorporated herein by reference from initial registration statement (SEC File No. 2-60655), filed January 20, 1978.

2/ Incorporated herein by reference from Post-Effective Amendment No. 3 to registration statement (SEC File No. 2-60655), filed July 31, 1980.

3/ Incorporated herein by reference from Post-Effective Amendment No. 4 to registration statement (SEC File No. 2-60655), filed May 28, 1981.

4/ Incorporated herein by reference from Post-Effective Amendment No. 21 to registration statement (SEC File No. 2-60655), filed August 1, 1988.

5/ Incorporated herein by reference from Post-Effective Amendment No. 23 to registration statement (SEC File No. 2-60655), filed July 31, 1989.

6/ Incorporated herein by reference from Post-Effective Amendment No. 24 to registration statement (SEC File No. 2-60655), filed July 27, 1990.

7/ Incorporated herein by reference from Post-Effective Amendment No. 25 to registration statement (SEC File No. 2-60655), filed July 30, 1991.

8/ Incorporated herein by reference from Post-Effective Amendment No. 28 to registration statement (SEC File No. 2-60655), filed July 30, 1992.

9/ Incorporated by reference from Articles Fifth, Sixth, Seventh, Ninth, Tenth, Twelfth and Fourteenth of the Registrant's Articles of Incorporation and Articles II, III, VIII, X, XI, XII, and XIII of the Registrant's By-laws.

Exhibit - 2(b)

AMENDMENT TO BY-LAWS

PAINEWEBBER CASHFUND INC.

CERTIFICATE OF VICE PRESIDENT AND ASSISTANT SECRETARY

I, Joan L. Cohen, Vice President and Assistant Secretary of PaineWebber Cashfund, Inc. ("Fund"), hereby certify that, at a duly convened meeting of the Board of Directors of the Fund held on September 28, 1994, the Directors adopted the following resolution:

RESOLVED, that the following language replace the second and third sentences and revises the first sentence of Section 2.07 of the Fund's by-laws:

> The right to vote by proxy shall exist only if the proxy is authorized to act by (1) a written instrument, dated not more than eleven months prior to the meeting and executed either by the stockholder or by his or her duly authorized attorney in fact (who may be so authorized by a writing or by any non-written means permitted by the laws of the State of Maryland) or (2) such electronic, telephonic, computerized or other alternative means as my be approved by a resolution adopted by the Directors.

Dated: June 19, 1995

s/ Joan L. Cohen

Joan L. Cohen
Vice President and Assistant Secretary
PaineWebber Cashfund, Inc.

New York, New York (ss)

Subscribed and sworn before me this 19th day of June, 1995

/s/ Jennifer Farrell

Notary Public

JENNIFER FARRELL
Notary Public, State of New York
No. 01FA50526553
Qualified in New York County
Commission Expires April 18, 1996

EXHIBIT 8(b)

PAINE WEBBER CASHFUND, INC.
AMENDMENT TO
CUSTODIAN AND ANCILLARY SERVICES AGREEMENT

AMENDMENT, made this 1st day of April, 1982, to the Custodian and Ancillary Services Agreement (the "Agreement") dated April 1, 1981 between PAINE WEBBER CASHFUND, INC., a Maryland corporation ("Fund"), and PROVIDENT NATIONAL BANK, a national banking association ("Provident").

WHEREAS, pursuant to the Agreement, Provident acts as custodian and transfer agent for the Fund and provides related services;

WHEREAS, Provident National Corporation has formed a new subsidiary in Delaware, Provident Financial Processing Corporation, to provide transfer agency, dividend disbursement and related services to registered investment companies and others;

WHEREAS, Provident Financial Processing Corporation has registered with the Securities and Exchange Commission as a transfer agent; and

WHEREAS, Provident wishes to delegate its transfer agency duties under the Agreement to Provident Financial Processing Corporation pursuant to the terms of the sub-transfer agency agreement attached hereto and the Fund is willing to permit Provident to so delegate its transfer agency duties under the Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, the parties hereto agree as follows:

The following sentence shall be added to the end of Paragraph 24 of the Agreement:

"Provident may delegate its transfer agency duties hereunder to Provident Financial Processing Corporation, a wholly-owned subsidiary of Provident National Corporation, which shall thereafter be bound by the terms of this Agreement as though an original party hereto."

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

[SEAL]	PROVIDENT NATIONAL BANK
Attest:	
/s/ John D. Silcox, Jr.	By /s/ John W. McLaughlin
---------------------------	----------------------------
John D. Silcox, Jr.	John W. McLaughlin
Vice President & Secretary	
[SEAL]	PAINE WEBBER CASHFUND, INC.
Attest:	
/s/ Marty J. Hensle	By /s/ Paul B. Guenther
---------------------------	--------------------------
Marty J. Hensle	Paul B. Guenther

EXHIBIT 8(c)

PAINE WEBBER CASHFUND, INC.
SECOND AMENDMENT TO
CUSTODIAN AND ANCILLARY SERVICES AGREEMENT

AMENDMENT, made this first day of April, 1982, to the Custodian and Ancillary Services Agreement (the "Agreement") dated April 1, 1981 between PAINE WEBBER CASHFUND, INC., a Maryland corporation ("Fund"), and PROVIDENT NATIONAL BANK, a national banking association ("Provident");

WHEREAS, pursuant to the Agreement, Provident acts as custodian and transfer agent for the Fund and provides related services;

WHEREAS, the Fund has agreed to increase Provident's compensation under the Agreement for transfer agency and dividend disbursing services from $8.00 to $10.00 per account and sub-account per year;

NOW, THEREFORE, the undersigned, do hereby agree, intending to be legally bound, that effective April 1, 1982, part (b) of paragraph 18 entitled "Compensation" of the Agreement shall be amended and restated to read as follows:

> "18. Compensation
>
> . . . .
>
> (b) In the case of transfer agency (including sub-accounting records) and dividend disbursing services, $10.00 per account and sub-account per year, pro-rated in the case of accounts or sub-accounts maintained for only a portion of a full year, plus Provident's out-of-pocket expenses for the cost of proxy processing up to $85,000 per annum and the cost of forms, postage, checks and check processing."

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

[SEAL] PROVIDENT NATIONAL BANK

Attest:
/s/

By /s/ John W. McLaughlin

John W. McLaughlin

PAINE WEBBER CASHFUND, INC.

Attest:
/s/ Marty J. Hensle

Marty J. Hensle

By /s/ Paul B. Guenther

Paul B. Guenther

EXHIBIT 8(d)

AMENDMENT NO. 4 TO
CUSTODIAN AGREEMENT

This Agreement, dated as of the 3rd day of April, 1986, between Paine Webber CASHFUND, Inc. (the "Fund"), a Maryland corporation, and Provident National Bank ("Provident"), a national banking association.

WITNESSETH:

WHEREAS, Provident and the Fund wish to amend the Custody Agreement between them dated April 1, 1981, as amended three times since (collectively the "Custodian Agreement"); and

WHEREAS, the Fund's Board of Directors has approved the amendment effected by this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in the Custodian Agreement, and intending to be legally bound hereby, the Fund and Provident hereby agree that Paragraphs 2(c) and 2 (d) of the Custodian Agreement shall be added, to read in full as follows:

> "(c) "Book-Entry System". As used in this Agreement, the term "Book-Entry System" means the Federal Reserve/Treasury book-entry system for United States and federal agency securities, its successor or successors and its nominee or nominees, and any book-entry system maintained by a clearing agency registered under Section 17A of the Securities Exchange Act of 1934.
>
> (d) "Depository". As used in this Agreement, the term "Depository" means a clearing agency registered with the SEC under Section 17A of the 1934 Act, as amended, which acts as a depository."

FURTHERMORE, Paragraphs 5 and 6 of the Custodian

Agreement shall be amended and restated in full as follows:

"5. Receipt of Securities. (a) Except as provided by Paragraph 6 (Use of Book Entry System) hereof, Provident shall hold and physically segregate in a separate account, identifiable at all times from those of any other persons, firms, or corporations, all securities and non-cash property received by it for the account of the Fund. All such securities and non-cash property are to be held or disposed of by Provident for the Fund pursuant to the terms of this Agreement. In the absence of Written Instructions accompanied by a certified resolution of the Fund's Board of Directors authorizing the transaction, Provident shall have no power or authority to withdraw, deliver, assign, hypothecate, pledge or otherwise dispose of any such securities and investments, except in accordance with the express terms provided for in this Agreement. In no case may any director, officer, employee or agent of the Fund withdraw any securities. In connection with its duties under this Paragraph 5, Provident may, at its own expense, enter into subcustodian agreements with other banks or trust companies for the receipt of certain securities and cash to be held by Provident for the account of the Fund pursuant to this Agreement; provided that each such bank or trust company has an aggregate capital, surplus and undivided profits, as shown by its last published report, of not less than one million dollars ($1,000,000) and that such bank or trust company agrees with Provident to comply with all relevant provisions of the 1940 Act and applicable rules and regulations thereunder. Provident shall remain responsible for the performance of all of its duties under this Agreement and shall hold the Fund harmless from the acts and omissions of any bank or trust company that it might choose pursuant to this Paragraph 5.

(b) Promptly after the close of business each day, Provident shall furnish the Fund with confirmations and a summary of all transfers to or from the account of the Fund during said day. Where securities are transferred to an account of either Class of the Fund established pursuant to Paragraph 6 (Use of Book-Entry System) hereof, Provident shall also by book entry or otherwise identify as belonging to the Fund the quantity of securities in a fungible bulk of securities registered in the name of Provident (or its nominee) or shown in Provident's account on the books of the Book-Entry System. At least monthly and from time to time, Provident shall furnish the Fund with a detailed statement of the Property held for the Fund under this Agreement.

6. Use of Book-Entry System. Prior to using the Book-Entry System and Depository, the Fund shall deliver to Provident certified resolutions of the Board of Directors of the Fund (i) approving, authorizing and instructing Provident on a continuous and on-going basis until instructed to the contrary by Oral or Written Instructions actually received by Provident (a) to deposit in the Book-Entry Systems all securities belonging to the Fund eligible for deposit therein and (b) to utilize the Book-Entry System to the extent possible in connection with settlements of purchases and sales of securities by the Fund, and deliveries and returns of securities loaned, subject to repurchase or reverse repurchase agreements or used as collateral in

connection with borrowings; and (ii) approving, authorizing and instructing Provident on a continuing and on-going basis until instructed to the contrary by Oral or Written Instructions actually received by Provident to deposit with a Depository all securities of the Fund eligible for deposit therewith. Without limiting the generality of such use, it is agreed that the following provisions shall apply thereto;

(1) Securities and any cash of the Fund deposited in the Book-Entry System or with a Depository will at all times be segregated from any assets and cash collected by Provident in other than a fiduciary or custodian capacity but may be commingled with other assets held in such capacities. Provident will pay out

money only upon receipt of securities and will deliver securities only upon the receipt of money.

(2) All books and records maintained by Provident which relate to the Fund's participation in the Book-Entry System or use of a Depository will at all times during Provident's regular business hours be open to the inspection of the Fund's fully authorized employees or agents, and the Fund will be furnished with all information in respect of the services rendered to it as it may require.

(3) Provident will provide the Fund with copies of any report obtained by Provident on the system of internal accounting control of the Book-Entry System or the Depository promptly after receipt of such a report by Provident. Provident will also provide the Fund with such reports on its own system of internal control as the Fund may reasonably request from time to time.

(4) Provident shall use its best efforts and will enforce any such rights as it may have against the system, to require that the System shall take all appropriate and necessary steps to obtain replacement of any certificated security in the system which has been lost, apparently destroyed, or wrongfully taken."

IN WITNESS WHEREOF, the Fund and Provident have caused this Agreement to be executed by duly authorized officers of each, as of the date first above written.

[SEAL]

PAINE WEBBER CASHFUND, INC.

Attest: /s/ Abbe Stein

Abbe Stein

By: /s/ Paul B. Guenther

Paul B Guenther

Title: Vice President

[SEAL]

PROVIDENT NATIONAL BANK

Attest: /s/

By: /s/Francis J. Krohmer, Jr.

Francis J. Krohmer, Jr.

EXHIBIT 11

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the captions "Financial Highlights" in the Propectus and "Auditors" in the Statement of Additional Information and to the incorporation by reference of our report dated May 19, 1995, in this Registration Statement (Form N-1A 2-60655) of PaineWebber Cashfund, Inc.

/s/ Ernst & Young LLP

ERNST & YOUNG LLP

New York, New York
July 26, 1995

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