

Simplified Prospectus of the Subfund UBS (Lux) Bond Fund – Euro High Yield

Investment fund under Luxembourg law ("fonds commun de placement")
Established in accordance with Part I of the Law of 17 December 2010
on undertakings for collective investment ("Law of 2010")

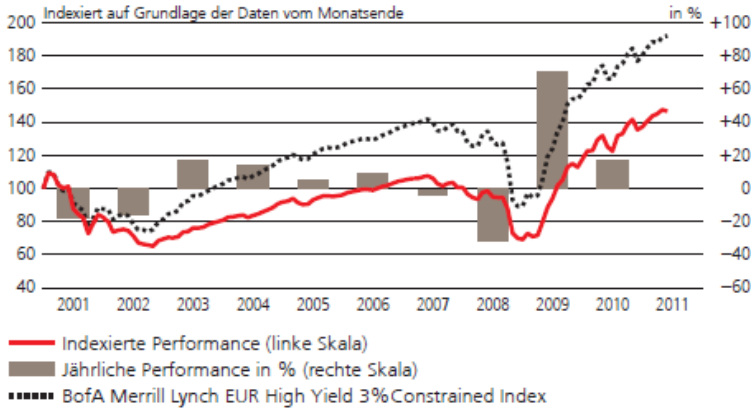
This simplified prospectus contains key information on UBS (Lux) Bond Fund – Euro High Yield (the "Subfund"), a Subfund of UBS (Lux) Bond Fund (the "Fund"), which offers the investor various Subfunds ("umbrella construction"). If you require further information before investing, please consult the full sales prospectus of UBS (Lux) Bond Fund. Here, you will also find information on the rights and obligations of investors. The full sales prospectus and the annual and semi-annual reports may be obtained at no charge from the Management Company, the Administrative Agent (please also see "Contacts") and all sales agencies. Detailed information on Fund investments can be found in the latest annual and semi-annual reports.

Investment objective	<p>The aim of the Fund is to achieve high current earnings, while giving due consideration to a broad diversification of the investments and the liquidity of the Fund's assets. No assurance can be given that the investment objectives will be attained.</p>
Investment policy	<p>In line with the general investment policy described in the full sales prospectus, UBS (Lux) Bond Fund – Euro High Yield invests at least two-thirds of its assets in debt securities and claims denominated in EUR or provided with an option on EUR and with a rating of between CCC and BB+ (Standard & Poor's), a similar rating from another recognised agency or – insofar as it concerns a new issue that does not yet have an official rating or any rating at all – a comparable internal UBS rating. Investments in bonds with a rating below CCC or similar may not exceed 10% of the Subfund's assets.</p> <p>Investments with lower ratings may carry an above-average yield, but also a higher credit risk than investments in first-class borrowers.</p> <p>Investments in EUR also include all the currencies of the EMU participating countries for as long as these national currencies remain legal tender.</p> <p>Moreover, the Subfund may invest up to one-third of its assets in debt securities and claims denominated in a currency other than EUR.</p> <p>After deducting cash and cash equivalents, the Subfund may invest up to one-third of its assets in money market instruments. Up to 25% of its assets may be invested in convertible, exchangeable and warrant-linked bonds as well as convertible debentures.</p> <p>In addition, after deducting cash and cash equivalents, the Subfund may invest up to 10% of its assets in equities, equity rights and warrants as well as shares, other equity shares and dividend-right certificates acquired through the exercise of conversion and subscription rights or warrants, or warrants remaining after the separate sale of ex-issues and any equities acquired with these warrants.</p> <p>The equities acquired by exercise or subscription must be sold no later than 12 months after they were acquired.</p> <p>As part of efficient asset management, the Subfund may invest in all derivative financial instruments listed in the section entitled "Special techniques and instruments that have securities and money market instruments as underlying assets" subject to the guidelines set forth therein. The permitted underlying instruments comprise in particular those listed in points 1.1 g) ("Permitted investments of the Fund"). These techniques and instruments do not play a central role in achieving the investment policy's aims.</p> <p>The markets in options, futures and swaps are volatile; both the opportunity to achieve gains as well as the risk of suffering losses are higher than with</p>

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	<p>investments in securities. These techniques and instruments will be employed only if they are compatible with the investment policy of the Subfund and do not adversely affect its quality. The same applies to warrants entitling the holder to subscribe to securities.</p> <p>The currency of account of the Subfund is the EUR.</p>
<p>Risk profile</p>	<p>Subfund investments may be subject to substantial fluctuations and no guarantee can be given that the value of a Fund unit will not fall below its value at the time of acquisition. Factors that can trigger such fluctuations or influence their scale include but are not limited to:</p> <ul style="list-style-type: none"> • company-specific changes • changes in interest rates • changes in exchange rates • changes affecting economic factors such as employment, public expenditure and indebtedness, inflation • changes in the legal environment • changes in investor confidence in certain investment classes (e.g. equities), markets, countries, industries and sectors • changes in the prices of raw materials. <p>By diversifying investments, the Portfolio Manager seeks to partially reduce the negative impact of these risks on the value of the Subfunds.</p>
<p>Portfolio turnover</p>	<p>The portfolio turnover of the Subfund amounted to -88.46% as at 31 March 2010.</p>
<p>Performance</p>	<p>Performance (Anteilsklasse P-acc; Basis EUR, nach Abzug von Gebühren)¹</p>  <p>The chart displays three data series from 2001 to 2011. The left y-axis (40-200) measures indexed performance, while the right y-axis (-60 to +100) measures annual performance in percentage. The indexed performance (red line) starts at 100 in 2001 and ends at approximately 145 in 2011. The annual performance (grey bars) shows significant volatility, with a major peak in 2009. The benchmark index (dotted line) follows a similar upward trend, ending at approximately 180 in 2011.</p> <p>Legend:</p> <ul style="list-style-type: none"> — Indexierte Performance (linke Skala) ■ Jährliche Performance in % (rechte Skala) BofA Merrill Lynch EUR High Yield 3% Constrained Index <p>Data as at end of May 2011</p>
<p>Note</p>	<p>This graph shows past performance in EUR. Past performance is no guarantee of future trends. The value of an investment can go up or down, and investors may fail to recoup the sums they have invested. Future performance depends on the development of the high-yield bond markets as well as the implementation of the investment policy by the Portfolio Manager. The described performance does not account for any expenses incurred when subscribing to and redeeming units.</p>
<p>Profile of the typical investor</p>	<p>The Subfund is suitable for investors who wish to invest in a broadly diversified EUR portfolio of higher-yielding bonds with lower ratings.</p>

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Distribution policy	<p>Unit classes with “dist” as part of their name entitle the holder to an annual distribution. Unit classes with “mdist” as part of their name have monthly distributions. Unit classes with “acc” as part of their name do not entitle the holder to distributions. The income from these units is automatically reinvested.</p>														
Description of unit classes	<p>Not all the types of unit class described below have to be offered at all times. The table below lists the unit classes currently available. The Management Company may decide to set up and offer corresponding unit classes of these types at an appropriate time. With each subsequent adjustment to the prospectus, the following description and the tables below the sections “Expenses charged to the Subfund” and “Additional important information” will be adapted, if necessary.</p> <table border="1" data-bbox="432 723 1487 1975"> <tr> <td data-bbox="432 723 571 813">P</td> <td data-bbox="576 723 1487 813">Units in classes with “P” in their name are available to all investors. Unit class “P” differs from unit classes “H” and “K-1” with regard to the level of the flat fee. Only bearer units are issued.</td> </tr> <tr> <td data-bbox="432 819 571 992">N</td> <td data-bbox="576 819 1487 992">Units in classes with “N” in their name (units with restrictions on the distribution partners or countries) are issued exclusively through Distributors domiciled in Spain, Italy, Portugal and Germany authorised by UBS AG, as well as, where appropriate, through Distributors in further distribution countries, provided this has been decided by the Board of Directors. Only bearer units are issued.</td> </tr> <tr> <td data-bbox="432 999 571 1088">H</td> <td data-bbox="576 999 1487 1088">Units in classes with “H” in their name are available to all investors. Unit class “H” differs from unit classes “P” and “K-1” with regard to the level of the flat fee. Only bearer units are issued.</td> </tr> <tr> <td data-bbox="432 1095 571 1184">K-1</td> <td data-bbox="576 1095 1487 1184">Units in classes with “K-1” in their name are available to all investors. Unit class “K-1” differs from unit classes “P” and “H” with regard to the level of the flat fee. Only bearer units are issued.</td> </tr> <tr> <td data-bbox="432 1191 571 1395">K-2</td> <td data-bbox="576 1191 1487 1395">Units in classes with “K-2” in their name are exclusively reserved for investors who have concluded a written asset management mandate or a written consulting mandate with UBS AG or one of its authorised counterparties, and who envisage a minimum investment of CHF 10,000,000 or a countervalue corresponding to this amount in the reference currency of the portfolio assigned to the asset management mandate or consulting mandate. Only registered units are issued.</td> </tr> <tr> <td data-bbox="432 1402 571 1574">F</td> <td data-bbox="576 1402 1487 1574">Units in classes with “F” in their name may be issued only to investors who have concluded a written asset management mandate with UBS AG or one of its selected banking subsidiaries. Upon termination of the mandate, investors lose the right to hold units in the Fund. UBS AG or its selected banking subsidiaries may return these units to the Fund at the prevailing net asset value and at no charge. Only registered units are issued.</td> </tr> <tr> <td data-bbox="432 1581 571 1975">Q</td> <td data-bbox="576 1581 1487 1975"> <p>Units in classes with “Q” in their name are reserved for professionals of the financial sector who make the following investments:</p> <ul style="list-style-type: none"> (a) on their own behalf; (b) on behalf of their clients within a discretionary mandate; or (c) on behalf of an undertaking for collective investment in transferable securities (UCITS) managed by a professional of the financial sector, provided that <ul style="list-style-type: none"> (i) UBS AG has authorised, in writing, said professional to subscribe to the unit class; and (ii) in cases (b) and (c), said professional has been duly authorised by the supervisory authority to which he/she is subject to carry out such transactions, and is domiciled in either Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, </td> </tr> </table>	P	Units in classes with “P” in their name are available to all investors. Unit class “P” differs from unit classes “H” and “K-1” with regard to the level of the flat fee. Only bearer units are issued.	N	Units in classes with “N” in their name (units with restrictions on the distribution partners or countries) are issued exclusively through Distributors domiciled in Spain, Italy, Portugal and Germany authorised by UBS AG, as well as, where appropriate, through Distributors in further distribution countries, provided this has been decided by the Board of Directors. Only bearer units are issued.	H	Units in classes with “H” in their name are available to all investors. Unit class “H” differs from unit classes “P” and “K-1” with regard to the level of the flat fee. Only bearer units are issued.	K-1	Units in classes with “K-1” in their name are available to all investors. Unit class “K-1” differs from unit classes “P” and “H” with regard to the level of the flat fee. Only bearer units are issued.	K-2	Units in classes with “K-2” in their name are exclusively reserved for investors who have concluded a written asset management mandate or a written consulting mandate with UBS AG or one of its authorised counterparties, and who envisage a minimum investment of CHF 10,000,000 or a countervalue corresponding to this amount in the reference currency of the portfolio assigned to the asset management mandate or consulting mandate. Only registered units are issued.	F	Units in classes with “F” in their name may be issued only to investors who have concluded a written asset management mandate with UBS AG or one of its selected banking subsidiaries. Upon termination of the mandate, investors lose the right to hold units in the Fund. UBS AG or its selected banking subsidiaries may return these units to the Fund at the prevailing net asset value and at no charge. Only registered units are issued.	Q	<p>Units in classes with “Q” in their name are reserved for professionals of the financial sector who make the following investments:</p> <ul style="list-style-type: none"> (a) on their own behalf; (b) on behalf of their clients within a discretionary mandate; or (c) on behalf of an undertaking for collective investment in transferable securities (UCITS) managed by a professional of the financial sector, provided that <ul style="list-style-type: none"> (i) UBS AG has authorised, in writing, said professional to subscribe to the unit class; and (ii) in cases (b) and (c), said professional has been duly authorised by the supervisory authority to which he/she is subject to carry out such transactions, and is domiciled in either Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein,
P	Units in classes with “P” in their name are available to all investors. Unit class “P” differs from unit classes “H” and “K-1” with regard to the level of the flat fee. Only bearer units are issued.														
N	Units in classes with “N” in their name (units with restrictions on the distribution partners or countries) are issued exclusively through Distributors domiciled in Spain, Italy, Portugal and Germany authorised by UBS AG, as well as, where appropriate, through Distributors in further distribution countries, provided this has been decided by the Board of Directors. Only bearer units are issued.														
H	Units in classes with “H” in their name are available to all investors. Unit class “H” differs from unit classes “P” and “K-1” with regard to the level of the flat fee. Only bearer units are issued.														
K-1	Units in classes with “K-1” in their name are available to all investors. Unit class “K-1” differs from unit classes “P” and “H” with regard to the level of the flat fee. Only bearer units are issued.														
K-2	Units in classes with “K-2” in their name are exclusively reserved for investors who have concluded a written asset management mandate or a written consulting mandate with UBS AG or one of its authorised counterparties, and who envisage a minimum investment of CHF 10,000,000 or a countervalue corresponding to this amount in the reference currency of the portfolio assigned to the asset management mandate or consulting mandate. Only registered units are issued.														
F	Units in classes with “F” in their name may be issued only to investors who have concluded a written asset management mandate with UBS AG or one of its selected banking subsidiaries. Upon termination of the mandate, investors lose the right to hold units in the Fund. UBS AG or its selected banking subsidiaries may return these units to the Fund at the prevailing net asset value and at no charge. Only registered units are issued.														
Q	<p>Units in classes with “Q” in their name are reserved for professionals of the financial sector who make the following investments:</p> <ul style="list-style-type: none"> (a) on their own behalf; (b) on behalf of their clients within a discretionary mandate; or (c) on behalf of an undertaking for collective investment in transferable securities (UCITS) managed by a professional of the financial sector, provided that <ul style="list-style-type: none"> (i) UBS AG has authorised, in writing, said professional to subscribe to the unit class; and (ii) in cases (b) and (c), said professional has been duly authorised by the supervisory authority to which he/she is subject to carry out such transactions, and is domiciled in either Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, 														

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	<p>Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden or the United Kingdom, and/or is operating on behalf of another professional of the financial sector who has been authorised in writing by UBS AG and is domiciled in one of the above countries.</p> <p>Admission of investors in further distribution countries shall be decided by the Board of Directors.</p> <p>Only bearer units are issued.</p>
I-62; I-58; I-52	<p>Units in classes with "I-62", "I-58" and "I-52" in their name are exclusively reserved for institutional investors. Only bearer units are issued.</p>
I-6.5	<p>Units in classes with "I-6.5" in their name are exclusively reserved for institutional investors who have signed a written asset management contract, a written advisory agreement or an agreement on investing in Subfunds of the Fund with UBS AG or one of its authorised counterparties. A fee covering the costs for Fund administration (comprising the costs of the Management Company, the administration and the Custodian Bank) is charged directly to the Subfund. The costs for asset management and distribution are charged to investors under the aforementioned agreements. Only registered units are issued.</p>
I-X	<p>Units in classes with "I-X" in their name are exclusively reserved for institutional investors who have signed a written asset management contract, a written advisory agreement or an agreement on investing in Subfunds of the Fund with UBS AG or one of its authorised counterparties. The costs for asset management, Fund administration (comprising the costs of the Management Company, the administration and the Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Only registered units are issued.</p>
U-X	<p>Units in classes with "U-X" in their name are exclusively reserved for institutional investors who have signed a written asset management contract, a written advisory agreement or an agreement on investing an amount defined in the prospectus in Subfunds of the Fund with UBS AG or one of its authorised counterparties. The costs for asset management, Fund administration (comprising the costs of the Management Company, Administrative Agent and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. This unit class is exclusively geared towards financial products (i.e. fund of funds or other pooled structures in accordance with different legislation). Only registered units are issued.</p>
hedged	<p>For unit classes whose reference currencies are not identical to the currency of account of the Subfund, and which have "hedged" in their name ("unit classes in foreign currencies"), the fluctuation risk of the reference currency price for those unit classes is hedged against the currency of account of the Subfund. Provision is made for the amount of the hedging to be in principal between 90% and 110% of the total net assets of the unit class in foreign currency. Changes in the market value of the portfolio, as well as in subscriptions and redemptions of unit classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range.</p> <p>The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the Subfund's currency of account.</p>

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Expenses paid by the Subfund	Annual expenses paid by the Subfund:					
	Unit class	Currency	Launch period/date ¹⁾	Maximum fee	Taxe d'abonnement	Total Expense Ratio (TER) p.a.
	P-mdist	EUR	01.07.2009	1.260% ²⁾	0.05%	1.33% p.a. as at 31.03.2010
	P-dist	EUR	15.05.1998	1.260% ²⁾	0.05%	1.31% as at 31.03.10
	P-acc	EUR	15.05.1998	1.260% ²⁾	0.05%	1.31% as at 31.03.10
	N-dist	EUR	not yet known	1.750% ²⁾	0.05%	not yet known
	N-acc	EUR	not yet known	1.750% ²⁾	0.05%	not yet known
	H-dist	EUR	not yet known	1.000% ²⁾	0.05%	not yet known
	H-acc	EUR	not yet known	1.000% ²⁾	0.05%	not yet known
	K-1-dist	EUR	not yet known	0.700% ²⁾	0.05%	not yet known
	K-1-acc	EUR	01.03.2010	0.700% ²⁾	0.05%	0.75% p.a. as at 31.03.2010
	K-2-dist	EUR	not yet known	0.600% ²⁾³⁾	0.05%	not yet known
	K-2-acc	EUR	not yet known	0.600% ²⁾³⁾	0.05%	not yet known
	F-dist	EUR	not yet known	0.900% ²⁾³⁾	0.01%	not yet known
	F-acc	EUR	not yet known	0.900% ²⁾³⁾	0.01%	not yet known
	Q-dist	EUR	not yet known	0.720% ²⁾	0.05%	not yet known
	Q-acc	EUR	27.01.2010	0.720% ²⁾	0.05%	0.77% p.a. as at 31.03.2010
	I-62-dist	EUR	not yet known	0.620% ²⁾	0.01%	not yet known
	I-62-acc	EUR	not yet known	0.620% ²⁾	0.01%	not yet known
	I-58-dist	EUR	not yet known	0.580% ²⁾	0.01%	not yet known
	I-58-acc	EUR	not yet known	0.580% ²⁾	0.01%	not yet known
	I-52-dist	EUR	not yet known	0.520% ²⁾	0.01%	not yet known
	I-52-acc	EUR	not yet known	0.520% ²⁾	0.01%	not yet known
	I-6.5-dist	EUR	not yet known	0.065% ⁴⁾	0.01%	not yet known
	I-6.5-acc	EUR	11.12.2009	0.065% ⁴⁾	0.01%	0.08% p.a. as at 31.03.2010
	I-X-dist	EUR	not yet known	0.000% ⁵⁾	0.01%	not yet known
	I-X-acc	EUR	not yet known	0.000% ⁵⁾	0.01%	not yet known
	U-X-dist	EUR	not yet known	0.000% ⁵⁾	0.01%	not yet known
	U-X-acc	EUR	not yet known	0.000% ⁵⁾	0.01%	not yet known
	(CHF hedged) P-dist	CHF	not yet known	1.260%	0.05%	not yet known
	(CHF hedged) P-acc	CHF	not yet known	1.260%	0.05%	not yet known
	(CHF hedged) N-dist	CHF	not yet known	1.500%	0.05%	not yet known
	(CHF hedged) N-acc	CHF	not yet known	1.500%	0.05%	not yet known
	(CHF hedged) H-dist	CHF	not yet known	1.000%	0.05%	not yet known
	(CHF hedged) H-acc	CHF	not yet known	1.000%	0.05%	not yet known
	(CHF hedged) K-1-dist	CHF	not yet known	0.700%	0.05%	not yet known
	(CHF hedged) K-1-acc	CHF	not yet known	0.700%	0.05%	not yet known
	(CHF hedged) K-2-dist	CHF	not yet known	0.600%	0.05%	not yet known

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(CHF hedged) K-2-acc	CHF	not yet known	0.600%	0.05%	not yet known
(CHF hedged) Q-dist	CHF	not yet known	0.720%	0.05%	not yet known
(CHF hedged) Q-acc	CHF	not yet known	0.720%	0.05%	not yet known
(CHF hedged) F-dist	CHF	not yet known	0.900%	0.01%	not yet known
(CHF hedged) F-acc	CHF	not yet known	0.900%	0.01%	not yet known
(CHF hedged) I-62-dist	CHF	not yet known	0.620%	0.01%	not yet known
(CHF hedged) I-62-acc	CHF	not yet known	0.620%	0.01%	not yet known
(CHF hedged) I-58-dist	CHF	not yet known	0.580%	0.01%	not yet known
(CHF hedged) I-58-acc	CHF	not yet known	0.580%	0.01%	not yet known
(CHF hedged) I-52-dist	CHF	not yet known	0.520%	0.01%	not yet known
(CHF hedged) I-52-acc	CHF	not yet known	0.520%	0.01%	not yet known
(CHF hedged) I-6.5-dist	CHF	not yet known	0.065%	0.01%	not yet known
(CHF hedged) I-6.5-acc	CHF	not yet known	0.065%	0.01%	not yet known
(CHF hedged) I-X-dist	CHF	not yet known	0.000%	0.01%	not yet known
(CHF hedged) I-X-acc	CHF	not yet known	0.000%	0.01%	not yet known
(CHF hedged) U-X-dist	CHF	not yet known	0.000%	0.01%	not yet known
(CHF hedged) U-X-acc	CHF	not yet known	0.000%	0.01%	not yet known
(HKD) P-acc	HKD	not yet known	1.260%	0.05%	not yet known
(HKD) P-mdist	HKD	not yet known	1.260%	0.05%	not yet known

¹⁾ In the table above, "not yet known" is used for unit classes not launched at the time of publication of this simplified prospectus and whose launch periods/dates have not been determined. Investors are requested to contact their investment adviser for further information.

²⁾ The Subfund will be charged a maximum flat fee for unit classes "P", "N", "H", "K-1", "K-2", "F", "Q", "I-62", "I-58" and "I-52", calculated on the average net asset value of the Subfund. This will be used for Fund administration (comprising the costs of the Management Company, Administrative Agent and Custodian Bank), asset management and distribution of the Subfund, as well as for covering the costs incurred. The relevant maximum flat fee will not be charged until the corresponding unit classes have been launched.

Out of the flat fee, the Fund will bear all costs incurred in connection with the management, administration, portfolio management and safekeeping of the Fund's assets as well as distribution of the Subfund, such as:

- annual fees and expenses for approving and supervising the Fund in Luxembourg and abroad;
- other fees charged by the supervisory authorities;
- printing of the regulations, prospectuses and annual and semi-annual reports;
- production of the KII or the corresponding documents for the Fund's sales countries;
- price publications and publication of notices to investors;
- fees incurred in connection with the listing of the Fund and sales within Luxembourg and abroad;
- commission and expenses of the Custodian Bank for the safekeeping of the Fund's assets, dealing with payments and other duties, as required under the Law of 2010;
- fees and other expenses for the payment of dividends to investors;
- auditor's fees.

The Custodian Bank, Administrative Agent and Management Company are nevertheless entitled to be reimbursed the costs of non-routine arrangements made by them in the interests of the investors; otherwise such expenses will be charged directly to the Fund.

The Fund will also bear all transaction expenses arising in connection with the administration of the Fund assets (brokerage commission in line with the market, fees, fiscal charges, etc.).

All taxes levied on the income and assets of the Fund, particularly the payment of the *taxe d'abonnement*, will also be borne by the Fund.

³⁾ For unit classes "K-2" and "F", an additional fee will also be charged to the Subfund; this will be determined via a separate contract with UBS AG or one of its authorised distribution partners.

⁴⁾ For unit class "I-6.5", a fee will be charged to cover the costs of Fund administration (comprising the costs of

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	<p>the Management Company, Administrative Agent and Custodian Bank). The costs for asset management and distribution are charged directly outside of the Fund under a separate contract between the investor and UBS Global Asset Management or one of its authorised representatives.</p> <p>⁵⁾ Costs in connection with the services to be performed for unit classes "I-X" and "U-X" pertaining to asset management, Fund administration (comprising the costs of the Management Company, Administrative Agent and Custodian Bank) and distribution will be settled via the compensation to which UBS AG is entitled under a separate contract with the investor.</p>
<p>Taxation</p>	<p>The Fund is subject to Luxembourg legislation. In accordance with current legislation in the Grand Duchy of Luxembourg, the Fund is not subject to any Luxembourg withholding, income, capital-gains or wealth taxes. From the total net assets of each Subfund, however, a tax of 0.05% p.a. ("taxe d'abonnement") payable to the Grand Duchy of Luxembourg is due at the end of every quarter (reduced taxe d'abonnement amounting to 0.01% p.a. for certain unit classes). This tax is calculated on the total net assets of each Subfund at the end of every quarter.</p> <p>Unitholders should be aware that the Luxembourg Law of 21 June 2005 has transposed Council Directive 2003/48/EC dated 3 June 2003 concerning the taxation of interest into Luxembourg law. Since 1 July 2005, this Law has provided for the imposition of a withholding tax on cross-border interest payments to individuals domiciled in the EU or for an automatic information exchange. This applies, inter alia, to distributions and dividends payable by investment funds which invest more than 15%, and earnings from the assignment or repayment of units in investment funds which invest more than 25% in debt instruments and claims as defined by the EU taxation of interest.</p> <p>Where necessary, the sales agency or Distributor may, upon subscription, ask investors to give their tax identification number provided by the state in which they are domiciled for tax purposes.</p> <p>The taxable values shown are based on the most recently available data at the time they were calculated.</p> <p>Provided the Subfund in question is not subject to EU taxation of interest or the unitholders are not affected thereby, unitholders are not required, under current tax law, to pay any income, gift, inheritance or other tax in Luxembourg unless they are domiciled in Luxembourg, have a residence in Luxembourg or maintain a permanent establishment there, or were previously domiciled in Luxembourg and hold more than 10% of the units in the Fund.</p> <p>On 13 November 2008, the European Commission accepted a proposal for the amendment of the Savings Directive. If the amendment proposal is implemented, among other things, (i) the scope of the EU Savings Directive would be expanded to include payments distributed by certain intermediary structures (regardless of whether their registered office is in an EU Member State or not) and whose final beneficiary is a private person resident in the EU and (ii) the definition of interest that falls within the scope of the EU Savings Directive would be further established. As at the date the prospectus was being drawn up, it is not known whether and if or when the proposed amendment will enter into force.</p> <p>The aforementioned represents a summary of the fiscal effects and makes no claim to be exhaustive. It is the responsibility of purchasers of units to seek information on the laws and regulations governing the purchase, possession and sale of units in connection with their place of residence and their nationality.</p> <p>Investors in the United Kingdom</p> <p>The Fund is an offshore fund for tax purposes within the scope of the (tax) laws of the United Kingdom on offshore funds, which entered into force on 1 December 2009 and expanded the previous tax laws that applied to investments in offshore funds.</p> <p>Income earned by investors in the United Kingdom through the sale (e.g. transfer or redemption) of units in an offshore investment fund that are permitted as defined in the Offshore Funds Act is subject to capital gains tax (or corporate tax on chargeable gains) and not to income tax.</p> <p>Income earned by investors in the United Kingdom through the sale (e.g. transfer or</p>

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	<p>redemption) of units in an offshore investment fund that is not permitted as defined in the Offshore Funds Act may be subject to income tax (instead of capital gains tax). After 1 December 2009 and only during a transitional period, offshore funds could apply to HM Revenue & Customs (United Kingdom tax authorities) for approval as offshore funds with the status "Distributing Fund" or "Reporting Fund".</p> <p>The application for approval may be submitted for one or more Subfunds within an umbrella fund or for one or more specific unit classes of a Subfund. For purposes of taxation in the United Kingdom, an investment in a unit class with the status "Distributing Fund" or "Reporting Fund" is treated as an investment in an approved offshore fund.</p> <p>After the transitional period, only investments in a Subfund or a unit class of a specific Subfund with the status of "Reporting Fund" are considered to be investments in a permitted offshore fund.</p> <p>The members of the Board of Directors may at their discretion apply for the status of a permitted offshore fund for certain Subfunds or unit classes of the Subfund. Wherever such an application is made, the members of the Board of Directors intend to manage the fund in such a way that an investment in specific unit classes is considered to be in a permitted offshore fund for all accounting periods and it is ensured to HM Revenue & Customs that the corresponding requirements are or will be fulfilled. However, the members of the Board of Directors assume no guarantee that these requirements will actually be fulfilled or that HM Revenue & Customs confirm the fulfilment of these requirements.</p> <p>The attention of persons with ordinary residence in the United Kingdom is drawn to the provisions of Book 13, Chapter 2 of the Income Tax Act 2007 ("Transfer of assets abroad"), which states that under certain circumstances they may be taxable in relation to non-distributed income and profits of the Subfund achieved with an investment in a Subfund or such gains and income that are not payable to such person in the United Kingdom.</p> <p>In addition, the provisions of Section 13 of the Taxation of Chargeable Gains Act of 1992 must be observed that apply to the distribution of chargeable gains of companies not domiciled in the United Kingdom and which would be "close companies" if they were domiciled in the United Kingdom. These gains are distributed to investors who have their ordinary place of abode or residence in the UK. Profits distributed in this manner are taxable for all investors who hold a share of more than 10% of the distributed profit either individually or together with associated persons. The members of the Board of Directors intend to make every reasonable effort to ensure that the Subfund(s) would not be classified as a "close company" within the meaning of Section 13 of the Taxation of Chargeable Gains Act if they were domiciled in the UK. Moreover, when assessing the effects of Section 13 of the Taxation of Chargeable Gains Act of 1992, it is important to ensure that the regulations of the double taxation agreement between the United Kingdom and Luxembourg are taken into account.</p>
<p>Daily price publication</p>	<p>Prices are published in the most important international business media as well as on Reuters and at www.ubs.com (⇒ Fund Gate).</p>
<p>Procedures for the acquisition and redemption of units</p>	<p>Subscriptions and redemptions of Subfund units are accepted on the basis of the net asset value at the Administrative Agent, the Custodian Bank or the Management Company as well as any other sales agency. Units may also be subscribed through savings plans, payment plans or conversion plans, in accordance with the locally prevailing market standards. Further information on this subject can be requested from local sales agencies.</p> <p>Subscription or redemption applications registered with the Administrative Agent or the central settling agent of UBS Investment Bank in Switzerland – a unit of UBS AG – no later than 16.00 (Central European Time) on a business day (order date) will be processed on the following business day (valuation date) on the basis of the net asset</p>

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value calculated for that day. For subscription or redemption applications registered with the Administrative Agent or the central settling agent of UBS Investment Bank in Switzerland – a unit of UBS AG – after 16.00 (Central European Time) on a business day, the order date is considered to be the following business day. To secure punctual forwarding to the Administrative Agent or the central settling agent of UBS Investment Bank in Switzerland, earlier cut-off times may apply for submission of applications placed with Distributors in Luxembourg or abroad. Information may be obtained from the Distributor concerned. This means that the net asset value for settlement purposes is not known when the order is placed (forward pricing). It will be calculated on the valuation date on the basis of the latest market prices (i.e. closing prices, or if they do not reflect a reasonable market value in the opinion of the Management Company, at the most recent prices available at the time of valuation).

The same applies to the conversion of units of the Subfund into units of other Subfunds of the UBS (Lux) – Bond Fund performed on the basis of the net asset values of the Subfunds concerned.

The local Paying Agent will undertake the corresponding transaction on behalf of the final investor or the nominee. Costs incurred for the services of the Paying Agent may be charged to the investor.

Costs incurred by investors in connection with the purchase, sale and conversion of units of the Subfund:

- Issuing commission: max. 6%
- Redemption commission: max. 2%
- Commission on conversion within the same umbrella: max. 3%

Additional important information

Legal form:	The Subfund UBS (Lux) Bond Fund - Euro High Yield belongs to UBS (Lux) Bond Fund, a "fonds commun de placement" subject to the law of Luxembourg pursuant to Part I of the Law of 17 December 2010 on undertakings for collective investment.
Management Company:	UBS Fund Management (Luxembourg) S.A.
Promoter:	UBS AG, Basel and Zürich
Portfolio Manager:	UBS AG, Global Asset Management (UK) Ltd., London
Supervisory authority:	Commission de Surveillance du Secteur Financier
Custodian Bank:	UBS (Luxembourg) S.A., Luxembourg
Auditor:	Ernst & Young S.A., 7, rue Gabriel Lippmann - Parc d'Activité Syrdall 2, L-5365 Munsbach, Luxembourg
Launch date of the Subfund:	15 May 1998
Creation date of UBS (Lux) Bond Fund:	29 July 1991
Net assets of the Subfund:	EUR 936.70 million as at the end of May 2011

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Unit classes	Currency	Initial issue price	Minimum subscription *	Smallest tradable unit	Form of custody*	Swiss securities identification number	ISIN number
P-mdist	EUR	100	-	0.001	bearer	818577	LU0417441200
P-dist	EUR	100	-	0.001	bearer	883655	LU0085995990
P-acc	EUR	100	-	0.001	bearer	883660	LU0086177085
N-dist	EUR	100	-	0.001	bearer	not yet known	not yet known
N-acc	EUR	100	-	0.001	bearer	not yet known	not yet known
H-dist	EUR	300,000	-	0.1	bearer	not yet known	not yet known
H-acc	EUR	300,000	-	0.1	bearer	not yet known	not yet known
K-1-dist	EUR	3 million	-	0.1	bearer	not yet known	not yet known
K-1-acc	EUR	3 million	-	0.1	bearer	4734592	LU0415180909
K-2-dist	EUR	100,000	-	0.001	registered	not yet known	not yet known
K-2-acc	EUR	100,000	-	0.001	registered	not yet known	not yet known
F-dist	EUR	100	-	0.001	registered	not yet known	not yet known
F-acc	EUR	100	-	0.001	registered	not yet known	not yet known
Q-dist	EUR	100	-	0.001	bearer	not yet known	not yet known
Q-acc	EUR	100	-	0.001	bearer	3933642	LU0358408267
I-62-dist	EUR	100	-	0.001	bearer	not yet known	not yet known
I-62-acc	EUR	100	-	0.001	bearer	not yet known	not yet known
I-58-dist	EUR	100	5 million	0.001	bearer	not yet known	not yet known
I-58-acc	EUR	100	5 million	0.001	bearer	not yet known	not yet known
I-52-dist	EUR	100	20 million	0.001	bearer	not yet known	not yet known
I-52-acc	EUR	100	20 million	0.001	bearer	not yet known	not yet known
I-6.5-dist	EUR	100	-	0.001	registered	not yet known	not yet known
I-6.5-acc	EUR	100	-	0.001	registered	3933642	LU0358408267
I-X-dist	EUR	100	-	0.001	registered	not yet known	not yet known
I-X-acc	EUR	100	-	0.001	registered	not yet known	not yet known
U-X-dist	EUR	10,000	-	0.001	registered	not yet known	not yet known
U-X-acc	EUR	10,000	-	0.001	registered	not yet known	not yet known
(CHF hedged) P-dist	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) P-acc	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) N-dist	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) N-acc	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) H-dist	CHF	500,000	-	0.1	bearer	not yet known	not yet known
(CHF hedged) H-acc	CHF	500,000	-	0.1	bearer	not yet known	not yet known
(CHF hedged) K-1-dist	CHF	5 million	-	0.1	bearer	not yet known	not yet known
(CHF hedged) K-1-acc	CHF	5 million	-	0.1	bearer	not yet known	not yet known
(CHF hedged) K-2-dist	CHF	100,000	-	0.001	registered	not yet known	not yet known
(CHF hedged) K-2-acc	CHF	100,000	-	0.001	registered	not yet known	not yet known
(CHF hedged) Q-dist	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) Q-acc	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) F-dist	CHF	100	-	0.001	registered	not yet known	not yet known

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(CHF hedged) F-acc	CHF	100	-	0.001	registered	not yet known	not yet known
(CHF hedged) I-62-dist	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) I-62-acc	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) I-58-dist	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) I-58-acc	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) I-52-dist	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) I-52-acc	CHF	100	-	0.001	bearer	not yet known	not yet known
(CHF hedged) I-6.5-dist	CHF	100	-	0.001	registered	not yet known	not yet known
(CHF hedged) I-6.5-acc	CHF	100	-	0.001	registered	not yet known	not yet known
(CHF hedged) I-X-dist	CHF	100	-	0.001	registered	not yet known	not yet known
(CHF hedged) I-X-acc	CHF	100	-	0.001	registered	not yet known	not yet known
(CHF hedged) U-X-dist	CHF	10,000	-	0.001	registered	not yet known	not yet known
(CHF hedged) U-X-acc	CHF	10,000	-	0.001	registered	not yet known	not yet known
(HKD) P-acc	HKD	1,000	-	0.001	bearer	not yet known	not yet known
(HKD) P-mdist	HKD	1,000	-	0.001	bearer	not yet known	not yet known

* Further information can be found in the full sales prospectus.

Contacts	Luxembourg:	UBS Fund Services (Luxembourg) S.A., Luxembourg
	Representative in Switzerland:	UBS Fund Management (Switzerland) AG, Basel
Further information	For further information, please contact:	
	UBS Fund Services (Luxembourg) S.A., 33A avenue J.F. Kennedy, L-1855 Luxembourg Tel.: +352 44 10 10 1 Fax: +352 44 10 10 66 22 E-mail: ubsfslinfo@ubs.com	
	UBS Fund Management (Switzerland) AG, Brunngässlein 12, 4002 Basel Tel.: +41 61 288 49 10 Fax: +41 61 288 45 40 Internet address: www.ubs.com	

Additional information for investors in Germany

a) Paying agent in Germany

UBS Deutschland AG, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Germany (Postfach 102042, 60020 Frankfurt am Main, Germany)

b) Issuance requests, redemption requests and conversion requests

Requests for the issuance of shares, redemption requests and, where necessary, the share certificates to be submitted together with the redemption request, as well as conversion requests for the funds licensed for sale to investors in Germany may be submitted to the German paying agent.

c) Redemption proceeds, distributions and any other payments to shareholders

Redemption proceeds, distributions and any other payments to shareholders may be obtained in Germany – in cash and/or in euros if preferred – from the above-mentioned paying agent.

d) Information agent in Germany

UBS Deutschland AG, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Germany (Postfach 102042, 60020 Frankfurt am Main, Germany)

e) Information for shareholders

- Availability of company documents

The following documents can be obtained free of charge from the paying and information agent during normal business hours:

- the sales prospectus
- the simplified prospectuses
- the memorandum and articles of association
- the latest annual and half-year reports.

The paying and information agent can also supply the relevant issue prices, redemption prices and conversion prices and allow investors to inspect the agreements that the custodian bank and the company have signed with each other.

- Publications

Notices to shareholders will be published in the

- electronic German Federal Gazette.

Issue prices, redemption prices, share price gains, interim gains, real-estate gains and accumulated deemed distribution income are published daily at the following internet address:

- http://www.ubs.com/1/g/globalam/emea/germany/private_investors/steuerrelevante_informationen.html

Annual deemed distribution income is published in the

- electronic German Federal Gazette.