

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|---|--|--|--|
| 1 Issuer's name PACE Strategic Fixed Income Investments | | 2 Issuer's employer identification number (EIN) 13-7067504 | |
| 3 Name of contact for additional information UBS | 4 Telephone No. of contact (800)647-1568 | 5 Email address of contact http://www.ubs.com/us/en/asset_management/individual_investors/ii_contact.html | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1285 Avenue of the Americas, 12th Floor | | 7 City, town, or post office, state, and Zip code of contact New York, NY 10005 | |
| 8 Date of action 7/31/2014 | | 9 Classification and description Common Stock - Regulated Investment Company | |
| 10 CUSIP number See attached | 11 Serial number(s) N/A | 12 Ticker symbol See attached | 13 Account number(s) N/A |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ PACE Strategic Fixed Income Investments paid monthly distributions to common shareholders from January through July 2014. All of the distributions constitute a non-taxable return of capital. See attached for details.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The distributions that constitute a non-taxable return of capital will decrease a U.S. taxpayer's basis in shares of PACE Strategic Fixed Income Investments Fund. See attached.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ At the close of the Fund's fiscal year on 7/31/2014, the Fund's current & accumulated E&P was calculated under IRC Section 312 as modified by Sec. 852(c) for a Regulated Investment Company (RIC) and the regulations thereunder. The amount of E&P was compared to the amount of the Fund's fiscal year distributions to shareholders. Distributions in excess of E&P were recharacterized as return of capital and should be applied as a reduction in each shareholder's tax basis in the applicable shares.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based **▶** _____
Internal Revenue Code Sections 301, 316, 852

18 Can any resulting loss be recognized? **▶** NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year **▶** _____
The organizational action is reportable with respect to calendar year 2014. Shareholders should consult their tax advisors regarding the effect of the non-taxable return of capital in light of their individual circumstances.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature **▶** "A signed copy is maintained by the issuer" Date **▶** _____

Print your name **▶** _____ Title **▶** _____

Paid Preparer Use Only

| | | | | |
|----------------------------|----------------------|------|---|------|
| Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| Firm's name ▶ | Firm's EIN ▶ | | Phone no. | |
| Firm's address ▶ | | | | |

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

PACE Strategic Fixed Income Investments - Return of Capital Analysis

Shareholders of record on distribution date listed below will decrease their tax basis as follows:

| <u>Share Class</u> | <u>CUSIP</u> | <u>Ticker Symbol</u> |
|--------------------|--------------|----------------------|
| Class A | 69373W699 | PBNAX |
| Class C | 69373W723 | PBNCX |
| Class P | 69373W756 | PCSIX |
| Class Y | 69373W749 | PSFYX |

| <u>Distribution Date</u> | <u>Shares Class</u> | <u>Total Distribution</u> | <u>Total Return of Capital</u> | <u>Return of Capital per Share</u> |
|--------------------------|---------------------|---------------------------|--------------------------------|------------------------------------|
| 1/23/2014 | Class A | 100,600.12 | 42,540.49 | 0.0108 |
| 2/20/2014 | Class A | 106,632.98 | 45,091.59 | 0.0115 |
| 3/24/2014 | Class A | 126,935.88 | 53,677.02 | 0.0143 |
| 4/23/2014 | Class A | 112,037.88 | 47,377.14 | 0.0131 |
| 5/22/2014 | Class A | 119,700.50 | 50,617.41 | 0.0152 |
| 6/23/2014 | Class A | 101,104.18 | 42,753.64 | 0.0131 |
| 7/24/2014 | Class A | 102,116.18 | 43,181.58 | 0.0134 |
| 1/23/2014 | Class C | 24,249.81 | 10,254.45 | 0.0084 |
| 2/20/2014 | Class C | 26,608.53 | 11,251.87 | 0.0094 |
| 3/24/2014 | Class C | 33,012.22 | 13,959.78 | 0.0119 |
| 4/23/2014 | Class C | 29,158.04 | 12,329.98 | 0.0108 |
| 5/22/2014 | Class C | 34,298.94 | 14,503.90 | 0.0129 |
| 6/23/2014 | Class C | 28,672.62 | 12,124.71 | 0.0111 |
| 7/24/2014 | Class C | 28,065.36 | 11,867.92 | 0.0110 |
| 1/23/2014 | Class P | 1,761,065.21 | 744,696.64 | 0.0121 |
| 2/20/2014 | Class P | 1,866,196.20 | 789,153.08 | 0.0127 |
| 3/24/2014 | Class P | 2,299,200.57 | 972,256.40 | 0.0156 |
| 4/23/2014 | Class P | 2,124,784.68 | 898,501.65 | 0.0143 |
| 5/22/2014 | Class P | 2,465,612.47 | 1,042,626.53 | 0.0165 |
| 6/23/2014 | Class P | 2,141,201.97 | 905,443.99 | 0.0143 |
| 7/24/2014 | Class P | 2,173,059.79 | 918,915.61 | 0.0144 |
| 1/23/2014 | Class Y | 4,916.00 | 2,078.81 | 0.0120 |
| 2/20/2014 | Class Y | 5,552.57 | 2,348.00 | 0.0127 |
| 3/24/2014 | Class Y | 7,453.78 | 3,151.96 | 0.0159 |
| 4/23/2014 | Class Y | 7,241.52 | 3,062.20 | 0.0146 |
| 5/22/2014 | Class Y | 8,659.74 | 3,661.92 | 0.0169 |
| 6/23/2014 | Class Y | 7,694.64 | 3,253.81 | 0.0148 |
| 7/24/2014 | Class Y | 8,418.57 | 3,559.94 | 0.0155 |