



First Puerto Rico Tax-Exempt Fund, Inc.

Notice to Shareholders

The Board of Directors of First Puerto Rico Tax-Exempt Fund, Inc. (the “Fund”), at a meeting duly held on November 10, 2020, authorized the redemption by the Fund of all outstanding shares of the Fund’s Class A common stock, and the distribution of the net assets of the Fund’s Class A common stock to the holders thereof, in complete liquidation of the Fund. This redemption in complete liquidation of the Fund is being carried out because, in the judgment of the Fund’s Board of Directors and of the Fund’s investment adviser, Santander Asset Management, LLC, the Fund will be unable to meet the requirements for registration under the Investment Company Act of 1940, as amended, which registration will be required of Puerto Rico investment companies such as the Fund commencing on May 25, 2021 pursuant to the Economic Growth, Regulatory Relief and Consumer Protection Act.

The distribution of net assets of the Fund’s Class A common stock to the holders thereof will be derived from the totality of the payments received by the Fund by reason of the maturity, prepayment, acceleration, redemption, sale or other disposition of the Fund’s portfolio securities, as well as monies held in a reserve account comprised of accumulated net capital. Only holders of record of the Fund’s Class A common stock as of the close of business on a date to be determined by the Board of Directors of the Fund (the “Record Date”), which shall be not later than April 21, 2021, will be entitled to receive payment of the distribution amount, which will be computed and informed to shareholders prior to such distribution. The aggregate cash distribution amount will be paid on a date to be determined by the Board of Directors of the Fund, which shall be not later than April 30, 2021, on a *pro-rata* basis, to shareholders that were holders of record of the Fund’s Class A common stock as of the close of business on the Record Date.

In preparation for the distribution of net assets of the Fund’s common stock to the holders thereof, the Fund has discontinued (i) subscriptions of its Class A common stock effective as of the close of business on November 10, 2020 and (ii) the Automatic Dividend Reinvestment Plan for shares of Class A common stock of the Fund effective as of the close of business on November 16, 2020.

The payment of the distribution of net assets of the Fund on the date determined by the Board of Directors of the Fund, which shall be not later than April 30, 2021, will result in the complete liquidation of the Fund, and the Fund shall be dissolved as soon as reasonably practicable thereafter. Shares of Class A common stock acquired subsequently to the close of business on the Record Date will not be entitled to receive distributions of net assets with respect to such shares.

CUSIP Number: 998397A60. For additional information regarding the Fund, please visit <https://fssec.com/first-puerto-rico-family-of-funds/>

November 11, 2020