



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, via a unanimous consent of directors dated as of April 21, 2021, and at a meeting duly held on April 26, 2021, authorized a distribution of net assets to the holders of the Fund’s common stock in complete liquidation of the Fund. This distribution 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 April 22, 2021 will be entitled to receive payment of the distribution amount.

In addition, the Fund’s Dividend Committee, at a meeting duly held on April 13, 2021, authorized the payment of an exempt dividend to the holders of record as of April 2, 2021 of the Fund’s common stock. The distribution is derived from the totality of the Fund’s undistributed net exempt income, as well as monies held in a reserve account comprised of accumulated net exempt income.

The aggregate cash distribution amount will total \$35,212,518.25, or \$3.002684 per share of the Fund’s common stock, and will be paid by April 29, 2021, on a *pro-rata* basis, to shareholders that were holders of record of the Fund’s common stock as of both April 2, 2021 and April 22, 2021. The aggregate cash distribution amount is the sum of the distribution of principal in the aggregate amount of \$26,473,778.55, or \$2.258584 per share, and the payment of the exempt dividend in the aggregate amount of \$8,738,739.70, or \$0.744100 per share. For a graphical representation of these distributions, please see the table below:

Record Date for Exempt Dividend Distribution: April 2, 2021

Record Date for Principal Distribution: April 22, 2021

Payment Date for Exempt Dividend Distribution: April 28, 2021

Payment Date for Principal Distribution: April 29, 2021

Principal and Dividend Distribution:	Dollar amount of net payment	Dollars per share
Exempt Dividend	\$8,738,739.70	\$0.744100
Principal Distribution	\$26,473,778.55	\$2.258584
Total Distribution	\$35,212,518.25	\$3.002684

Holders of record of the Fund's common stock as of April 2, 2021 that were not holders of record as of April 22, 2021 will be paid only the dividends of \$0.744100 of the Fund's common stock held by them. Holders of record of the Fund's common stock as of April 22, 2021 that were not holders of record as of April 2, 2021 will be paid only the distribution of principal of \$2.258584 per share of the Fund's common stock held by them.

The payment of the dividends on April 28, 2021 and the distribution of net assets of the Fund on April 29, 2021 will result in the complete liquidation of the Fund, and the Fund shall be dissolved as soon as reasonably practicable thereafter. Shares of common stock acquired subsequently to April 2, 2021 will not be entitled to receive any dividend distributions from the Fund, and shares of common stock acquired subsequently to April 22, 2021 will not be entitled to receive any distributions of net assets from the Fund.

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

April 26, 2021