

First Puerto Rico Tax-Exempt Fund, Inc.

Supplement dated March 14, 2019
to Prospectus dated April 2, 2013

This information supplements the information contained in the Prospectus dated April 2, 2013, as amended (the “Prospectus”), of First Puerto Rico Tax-Exempt Fund, Inc. (the “Fund”). This Supplement and the Prospectus constitute a current prospectus. This Supplement should be read together with the Prospectus. Terms used in this Supplement which are not otherwise defined have the meanings given in the Prospectus.

Wednesday, March 27, 2019, the Fund will resume its policy of allowing for the weekly redemption of its shares of Class A common stock (the “Shares”), which policy previously had been suspended as of the close of business on September 11, 2018. The Board of Directors of the Fund has adopted a policy that allows shareholders to redeem for cash all full and fractional shares of the Shares on Wednesday of each week at a price per share equal to their net asset value per Share (determined as of the close of trading on the New York Stock Exchange (“NYSE”) based on prices at the time of closing (generally, the NYSE closes at 4:00 p.m., prevailing Eastern Time) on such Wednesday, or, if any such Wednesday is not a Business Day, on the next succeeding Business Day), as adjusted pursuant to the Fund’s Swing-Pricing Policy.

Shares held through IRA Accounts may only be redeemed by the Fund at the request of the IRA trustee for such IRA Account, so persons who invested in Shares through IRA Accounts and who wish to redeem such Shares must request the IRA trustee for such IRA Account to make the redemption request to the Fund. Shares held through IRA Accounts may be subject to such penalties, fees, terms and conditions as may be imposed on such IRA Account as provided in the disclosure documents associated with such IRA Account.

Redemption transactions shall be settled on a “trade plus three business days” basis, the redemption date being the trade date. In order for Shares to be redeemed on Wednesday of a particular week, the redemption order must be received by the Fund not later than 12:00 noon (Puerto Rico time) on such Wednesday, or, if such Wednesday is not a Business Day, on the next succeeding Business Day. Redemption orders received by the Fund may be withdrawn prior to 12:00 noon (Puerto Rico time) on Wednesday of each week, as applicable. Redemption orders received may be rejected by the Fund at any time prior to their acceptance. Also, the Fund is not obligated to accept all Shares tendered for redemption on any particular redemption date, but may accept a portion of the Shares tendered for redemption based on the entire dollar amount of the redemption requests if, in the Fund’s sole discretion, the dollar amount of sales of portfolio securities that would be required in order to accept the entire dollar amount of redemption requests would not be reasonably practical based on current market conditions or would have a material adverse effect on the Fund’s net asset value per Share. To the extent that the Fund rejects requests for redemptions above a certain dollar amount, the Fund will inform its Transfer Agent and Sub-Transfer Agent, which in turn will inform the clearing firm of the broker-dealer of those shareholders that had tendered redemption requests above such threshold, that such shareholders have the option of amending their redemption request to a dollar amount not higher than the dollar amount per request that the Fund has indicated that it may accept for redemption, which dollar amount may vary from week to week.

The price at which Shares are purchased or redeemed will be subject to adjustment pursuant to the swing-pricing policy adopted by the Board of Directors (the “Swing-Pricing Policy”). Pursuant to the Swing-Pricing Policy, transaction costs that arise when the Fund buys portfolio investments to invest proceeds from purchasing shareholders or when the Fund sells portfolio investments to meet shareholder redemptions will be passed on to shareholders that purchase or redeem Shares (instead of being borne by shareholders that did not purchase or redeem Shares) if net purchases or net redemptions exceed the swing-pricing threshold approved by

the Board of Directors. Transaction costs that may be passed on to purchasing or redeeming shareholders pursuant to the Swing-Pricing Policy include spread costs, transaction fees and charges arising from asset purchases or asset sales to satisfy purchases or redemptions of Shares, borrowing-related costs associated with satisfying redemptions of Shares, and accrued but unpaid interest on defaulted portfolio securities sold to satisfy redemptions of Shares, which accrued interest is included in the computation of the Fund's net asset value but would not be included in the sales price of such portfolio securities.

Moreover, Shares redeemed during the first 60 days after purchase are subject to a redemption price equal to the net asset value per share minus the redemption fee of 1.00%. The redemption fees are designed to discourage short-term trading in Shares of the Fund. The redemption fees will be used to compensate the Fund for expenses directly related to redemption. Shareholders liquidating their holdings will receive upon redemption all dividends and capital gains reinvested through the date of redemption. The value of Shares at the time of redemption may be more or less than the shareholder's cost, depending on the market value of the securities held by the Fund at such time. For purposes of the Prospectus and this Supplement, the term "Business Day" means a day that the NYSE is open for trading, except for days observed in Puerto Rico as Epiphany Day (usually January 6) and days on which the operations of the Fund have been suspended due to natural disasters that affect Puerto Rico, such as tropical storms, hurricanes, earthquakes or tsunamis, or because electric power and other infrastructure on the island has become compromised because of a natural disaster or for any other reason.

The right to redeem shares on a weekly basis may be suspended for periods during which trading on the NYSE is restricted or the NYSE is closed or banks in the Commonwealth of Puerto Rico are closed for business (other than weekend and holiday closings), for any period during which an emergency exists as a result of which disposal of portfolio securities or determination of the net asset value per Share of the Fund is not reasonably practicable, and for such other periods as the Board of Directors determines that such a suspension of weekly redemptions is, in their discretion, appropriate. The Board of Directors of the Fund also reserves the right to alter its policy of redeeming shares on a weekly basis.

Santander Securities