

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

## Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
HIGHLAND ENERGY MLP FUND		45-6436434	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
HIGHLAND CAPITAL MANAGEMENT	(972)628-4100		
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
300 CRESCENT COURT, SUITE 700		DALLAS, TX 75201	
8 Date of action		9 Classification and description	
05/04/2018		NON-DIVIDEND DISTRIBUTIONS PAID IN CALENDAR YEAR 2018	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
SEE ATTACHMENT		SEE ATTACHMENT	

## 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 ► THE HIGHLAND ENERGY MLP FUND PAID DISTRIBUTIONS TO ITS SHAREHOLDERS PER THE ATTACHED SCHEDULE. THE PERCENTAGE OF THESE DISTRIBUTIONS WHICH REPRESENTS A NON-TAXABLE RETURN OF CAPITAL WILL NOT BE ACCURATELY KNOWN UNTIL A FUTURE DATE. UP TO 100% OF THE DISTRIBUTION PAYMENTS COULD REPRESENT A NON-TAXABLE RETURN OF CAPITAL (I.E., NON-DIVIDEND DISTRIBUTIONS).

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 TOTAL AMOUNT OF NON-TAXABLE RETURN OF CAPITAL, ON THE ATTACHED SCHEDULE MAY REPRESENT A REDUCTION IN THE SHAREHOLDERS' TAX BASIS IN THEIR SHARES HELD.

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 ► THE TAX BASIS OF THE SHAREHOLDERS' SHARES IS DECREASED BY THE PER SHARE AMOUNT OF NON-TAXABLE RETURN OF CAPITAL SHOWN ON THE ATTACHED SCHEDULE, MULTIPLIED BY THE NUMBER OF SHARES THE SHAREHOLDER OWNS.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► **PURSUANT TO IRC SEC. 301(C)(1), THE PORTION OF A DISTRIBUTION WHICH IS A DIVIDEND (AS DEFINED IN IRC SEC. 316) IS INCLUDABLE IN GROSS INCOME. PURSUANT TO IRC SEC. 301(C)(2), THE PORTION OF A DISTRIBUTION WHICH IS NOT A DIVIDEND SHALL BE APPLIED AGAINST AND REDUCE THE ADJUSTED TAX BASIS OF THE STOCK.**

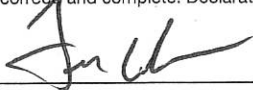
18 Can any resulting loss be recognized? ► **NO LOSS WILL BE RECOGNIZED AS A RESULT OF ANY NON-TAXABLE RETURN OF CAPITAL. A LOSS MAY BE REALIZED UPON THE DISPOSITION OF THE SHARES.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► **PURSUANT TO IRC SEC. 6045, BROKERS ARE REQUIRED TO REFLECT THESE ADJUSTMENTS IN THE COST BASIS REPORTING FOR COVERED SECURITIES. IF A BROKER IS NOT REQUIRED TO PROVIDE COST BASIS TO A PARTICULAR SHAREHOLDER, THE COST BASIS OF THE SHAREHOLDERS' SHARES SHOULD BE ADJUSTED AS OF THE DISTRIBUTION DATE TO REFLECT THE RETURN OF CAPITAL DESCRIBED ABOVE. THE FINAL AMOUNT OF TAXABLE DIVIDENDS AND NON-TAXABLE RETURN OF CAPITAL (I.E., NON-DIVIDEND DISTRIBUTIONS) WILL BE REPORTED TO SHAREHOLDERS ON THEIR 2016 FORM 1099-DIV.**

Sign  
Here

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.

Signature ►


Date ► **6/15/18**Print your name ► **Frank Waterhouse**Title ► **Treasurer****Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if  
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

# Highland Energy MLP Fund

Record Date: 5/4/2018  
 Ex Date: 5/7/2018  
 Payable Date: 5/7/2018  
 Reinvest Date: 5/7/2018

Fund Name	MCH Brite	Class	Fund ID	Ticker	TA Fund Number	Cusip	Record Date Shares Outstanding	Income Distribution Dollars	Income Distributions per Share	Total Distribution Dollars	Total Distributions per Share
Highland Energy MLP Fund	1	A	PYZE	HEFAX	4717	43090E357	593,736,210	53,396.48	0.089933	53,396.48	0.089933
Highland Energy MLP Fund	C	C	PYZE	HEFCX	4718	43090E340	892,777,517	74,891.53	0.083886	74,891.53	0.083886
Highland Energy MLP Fund	Y	Y	PYZE	HEFYX	4720	43090E324	5,593,043,913	514,543.26	0.091997	514,543.26	0.091997

*Alex Nagler* 5/7/18  
 Preparer: Alex Nagler  
 Date  
*Monica Goss* 5/7/18  
 Reviewer: Monica Goss  
 Date  
*Toni Bradford* 5/7/18  
 Officer: Toni Bradford  
 Date  
*[Signature]* 5/7/18  
 Date  
 Highland Funds Authorization