Form **8937** (December 2017)

Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

➤ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issue	r			•				
1 Issuer's name		2 Issuer's employer identification number (EIN)						
HIGHLAND INCOME FU	NID			45-6245636				
3 Name of contact for addition		5 Email address of contact						
SHAREHOLDER SERVIC								
6 Number and street (or P.O.	box if mail is not deli	7 City, town, or post office, state, and ZIP code of contact						
300 CRESCENT COURT	י פוודיים אוס			DALLAS, TX 75201				
8 Date of action	, BOITE 700	ification and description	DALILAD, IX /3201					
SEE BELOW		AXABLE RETURN OF CAF						
10 CUSIP number	11 Serial number	13 Account number(s)						
43010E404			XHFOX					
	L Action Attach add	litional state	-	of form for additional questions.				
_	al action and, if appli	icable, the da	ate of the action or the date agai	nst which shareholders' ownership is measured for				
the action ▶ THE HIG	HLAND INCOME	FUND PA	AID A NON-TAXALBE RE	TURN OF CAPITAL				
DISTRIBUTION DURING	THE YEAR. P	LEASE S	EE ATTACHED STATEMEN	ID FOR DETAIL.				
15 Describe the quantitative e				the hands of a U.S. taxpayer as an adjustment per				
share or as a percentage o	of old basis ▶ <u>SEE</u>	ATTACH	ED STATEMEND FOR DET	TAIL.				
16 Describe the calculation o	of the change in bas	sis and the d	data that supports the calculation	n, such as the market values of securities and the				
valuation dates ► SEE	ATTACHED STA	TEMEND I	FOR DETAIL.					

	Organizational Action	(continued)							
Part II	or garmaanoriai 7 totioi									
7 List	the applicable Internal Reven	ie Code secti	on(s) and subse	ection(s) upon w	hich the tax tr	eatment is	s based 🕨	IRC	301 &	316
			. ,	.,.						
		NOT	APPLICAB	T.E. TO THI	S TRANSZ	CTTON	AS NO	LOSS	MAY R	E
B Can	any resulting loss be recognized IZED ON A RETURN C	u: 🕶							1.11.1	
	SHOULD BE ADJUSTED									
								IN		
	MAY AFFECT THE GAI		S REALIZE	D BY THE	SHAREHOL	JDER U	PON			
ISPOS:	ITION OF THEIR SHA	RES.								
O Provi	vide any other information no	occory to imp	loment the adju	etment such as	the reportable	a tay year	THE	INFOR	MATIO	N
9 Prov	ride any other information nec	essary to imp	lement the adju	stment, such as	the reportable	e tax year	THE 2021 F	INFOR ORM	MATIO	N
	vide any other information nec ED HEREIN HAS BEEN						THE 2021 F	INFOR ORM	MATIO	N
	vide any other information nec ED HEREIN HAS BEEN IV STATEMENT, BOX						THE 2021 F	INFOR ORM	MATIO	N
							THE 2021 F	INFOR ORM	MATIO	N
							<u>THE</u> 2021 F	INFOR	MATIO	N
							► THE 2021 F	INFOR	MATIO	N
							► THE 2021 F	INFOR	MATIO	N
							► THE 2021 F	INFOR	MATIO	N
							► THE 2021 F	INFOR	MATIO	N
							► THE 2021 F	INFOR	MATIO	N
							► THE 2021 F	INFOR	MATIO	N
							THE 2021 F	INFOR	MATIO	N
							THE 2021 F	INFOR	MATIO	N
							THE 2021 F	INFOR	MATIO	N
							THE 2021 F	INFOR	MATIO	N
							THE 2021 F	INFOR	MATIO	N
		3 FROM T	HEIR RESP	ECTIVE BR	OKER/DE	ALER.	2021 F	ORM		
	IV STATEMENT, BOX	3 FROM T	HEIR RESP	ECTIVE BR	OKER/DEA	ALER.	2021 FO	ORM	ne best of	my knowled
099-D	IV STATEMENT, BOX Under penalties of perjury, I decl	3 FROM T	HEIR RESP	ECTIVE BR	OKER/DEA	ALER.	2021 FO	ORM	ne best of	my knowled
099-D	Under penalties of perjury, I declibelief, it is true, correct, and comp	are that I have elete. Declaration	EXAMINED RESP	urn, including acorr than officer) is b	OKER/DEA	ALER.	2021 FO	ORM	ne best of	my knowled
099-D	Under penalties of perjury, I declibelief, it is true, correct, and comp	are that I have elete. Declaration	HEIR RESP	urn, including acorr than officer) is b	OKER/DE/	ALER.	2021 FO	ORM	ne best of	my knowled
099-D	Under penalties of perjury, I declibelief, it is true, correct, and compared by the signed Asigned	are that I have elete. Declaration	examined this retorn of preparer (other	urn, including acorr than officer) is b	OKER/DE/	ALER.	2021 FO	ORM	ne best of	my knowled
Sign lere	Under penalties of perjury, I declibelief, it is true, correct, and compared by the signed Asigned	are that I have elete. Declaration	examined this retorn of preparer (other	urn, including acorr than officer) is b	OKER/DE/	ALER.	2021 FO	ORM s, and to the	ne best of	my knowled
Sign lere	Under penalties of perjury, I declibelief, it is true, correct, and comp	are that I have elete. Declaration	examined this retorn of preparer (other	urn, including accrition officer) is b	OKER/DE/	hedules and ormation of	d statements which prepare	ORM s, and to the	ne best of	my knowled
Sign lere	Under penalties of perjury, I declibelief, it is true, correct, and compositions are signed. A signed Print your name FRANK W	are that I have elete. Declaration	examined this ret n of preparer (other intained)	urn, including accrition officer) is b	OKER/DE/	nedules and ormation of Date	d statements which prepare	orm s, and to the arer has any FO Check	ne best of v knowledg	my knowled
Sign Here	Under penalties of perjury, I decibelief, it is true, correct, and compositions and signed Print your name FRANK W Print/Type preparer's name	are that I have elete. Declaration	examined this ret n of preparer (other intained)	urn, including accrition officer) is b	OKER/DE/	nedules and ormation of Date	d statements which prepare	s, and to the arer has any	ne best of y knowledg	my knowled
Sign Here	Under penalties of perjury, I decibelief, it is true, correct, and compositions and signed Print your name FRANK W Print/Type preparer's name	are that I have elete. Declaration	examined this ret n of preparer (other intained)	urn, including accrition officer) is b	OKER/DE/	nedules and ormation of Date	d statements which prepare	orm s, and to the arer has any FO Check	if PT	my knowled

Highland Income Fund

Supplemental Attachment to Form 8937 Part II, Question 14, 15, 16

Detail of the distributions paid during the fiscal year ending December 31, 2021 is described below:

											% RETURN OF		
		TICKER		EX DIVIDEND	PAYABLE			% OF TAXABLE	TA	XABLE DIVIDENDS	CAPITAL	RET	TURN OF CAPITAL
FUND NAME	CUSIP	SYMBOL	RECORD DATE	DATE	DATE	INCO	ME DIVIDENDS	DISTRIBUTION		AMOUNT	DISTRIBUTION		AMOUNT
Highland Income Fund	43010E404	XHFOX	01/22/2021	01/21/2021	01/29/2021	Ś	0.0770000	22.34%	Ś	0.0172000	77.66%	۲.	0.0598000
Highland Income Fund						Ş			Ş			ب	
Highland Income Fund	43010E404	XHFOX	02/19/2021	02/18/2021	02/26/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	03/24/2021	03/23/2021	03/31/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	04/23/2021	04/22/2021	04/30/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	05/21/2021	05/20/2021	05/28/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	06/23/2021	06/22/2021	06/30/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	07/23/2021	07/22/2021	07/30/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	08/24/2021	08/23/2021	08/31/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	09/23/2021	09/22/2021	09/30/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	10/22/2021	10/21/2021	10/29/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	11/23/2021	11/22/2021	11/30/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
Highland Income Fund	43010E404	XHFOX	12/23/2021	12/22/2021	12/31/2021	\$	0.0770000	22.34%	\$	0.0172000	77.66%	\$	0.0598000
						\$	0.9240000		\$	0.2064000		\$	0.7176000

EIN: 45-6245636