

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC 301 & 316

18 Can any resulting loss be recognized? ▶ NOT APPLICABLE TO THIS TRANSACTION AS NO LOSS MAY BE RECOGNIZED ON A RETURN OF CAPITAL DISTRIBUTIONS. THE SHAREHOLDERS COST BASIS SHOULD BE ADJUSTED TO REFLECT THE RETURN OF CAPITAL DISTRIBUTION WHICH MAY AFFECT THE GAIN OR LOSS REALIZED BY THE SHAREHOLDER UPON DISPOSITION OF THEIR SHARES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE INFORMATION PROVIDED HEREIN HAS BEEN PROVIDED TO EACH SHAREHOLDER ON THEIR 2021 FORM 1099-DIV STATEMENT, BOX 3 FROM THEIR RESPECTIVE BROKER/DEALER.

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 ▶	A signed copy maintained by issuer		Date ▶
Paid Preparer Use Only	Print your name ▶	FRANK WATERHOUSE	Title ▶	PFO/CFO
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		Phone no.
	Firm's address ▶			

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Highland Income Fund

Supplemental Attachment to Form 8937

Part II, Question 14, 15, 16

EIN: 45-6245636

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

FUND NAME	CUSIP	TICKER SYMBOL	RECORD DATE	EX DIVIDEND DATE	PAYABLE DATE	INCOME DIVIDENDS	% OF TAXABLE DISTRIBUTION	TAXABLE DIVIDENDS AMOUNT	% RETURN OF CAPITAL DISTRIBUTION	RETURN OF CAPITAL AMOUNT
Highland Income Fund	43010E404	XHFOX	01/22/2021	01/21/2021	01/29/2021	\$ 0.0770000	22.34%	\$ 0.0172000	77.66%	\$ 0.0598000
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