

**Report of Organizational Actions  
Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  HIGHLAND OPPORTUNITIES AND INCOME FUND		2 Issuer's employer identification number (EIN)  45-6245636	
3 Name of contact for additional information  SHAREHOLDER SERVICE	4 Telephone No. of contact  1-800-357-9167	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  300 CRESCENT COURT, SUITE 700		7 City, town, or post office, state, and ZIP code of contact  DALLAS, TX 75201	
8 Date of action  SEE ATTACHED		9 Classification and description  NON-TAXABLE RETURN OF CAPITAL DISTRIBUTION	
10 CUSIP number  SEE ATTACHED	11 Serial number(s)	12 Ticker symbol  XHFOX	13 Account number(s)

**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 OPPORTUNITIES AND INCOME FUND PAID A NON-TAXALBE RETURN OF CAPITAL DISTRIBUTION DURING THE YEAR. PLEASE SEE ATTACHED STATEMENT FOR DETAIL.

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 ▶ SEE ATTACHED STATEMENT FOR DETAIL.

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 ▶ SEE ATTACHED STATEMENT FOR DETAIL.

**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

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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.

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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 2023 FORM 1099-DIV STATEMENT, BOX 3 FROM THEIR RESPECTIVE BROKER/DEALER.

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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.

**Sign Here**

Signature ▶ A signed copy is maintained by the issuer Date ▶ \_\_\_\_\_

Print your name ▶ FRANK WATERHOUSE Title ▶ PFO/CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Highland Opportunities and 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, 2023 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	01/23/2023	01/20/2023	01/31/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	02/21/2023	02/17/2023	02/28/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	03/24/2023	03/23/2023	03/31/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	04/21/2023	04/20/2023	04/28/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	05/23/2023	05/22/2023	05/31/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	06/23/2023	06/22/2023	06/30/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	07/24/2023	07/21/2023	07/31/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	08/24/2023	08/23/2023	08/31/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	09/22/2023	09/21/2023	09/29/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	10/24/2023	10/23/2023	10/31/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	11/22/2023	11/21/2023	11/30/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
Highland Income Fund	43010E404	XHFOX	12/22/2023	12/21/2023	12/29/2023	\$ 0.0770000	66.62%	\$ 0.051300000	33.38%	\$ 0.025700000
						<b>\$ 0.9240000</b>		<b>\$ 0.6156000</b>		<b>\$ 0.3084000</b>