

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

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
HIGHLAND OPPORTUNITIES AND INCOME FUND		45-6245636	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SHAREHOLDER SERVCIE	1-800-357-9167		
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	
SEE ATTACHED		NON-TAXABLE RETURN OF CAPITAL DISTRIBUTION	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
SEE ATTACHED		XHFOX	

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

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 2024 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 is maintained by the issuer Date ► _____

Print your name ► FRANK WATERHOUSE Title ► PFO/CFO

Paid Preparer Use Only

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 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, 2024 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 Opportunities and Income Fund	43010E404	XHFOX	01/24/2024	01/23/2024	01/31/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	02/22/2024	02/21/2024	02/29/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	03/21/2024	03/20/2024	03/28/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	04/23/2024	04/22/2024	04/30/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	05/24/2024	05/23/2024	05/31/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	06/21/2024	06/20/2024	06/28/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	07/24/2024	07/24/2024	07/31/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	08/23/2024	08/23/2024	08/30/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	09/23/2024	09/23/2024	09/30/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	10/24/2024	10/24/2024	10/31/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	11/22/2024	11/22/2024	11/29/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
Highland Opportunities and Income Fund	43010E404	XHFOX	12/24/2024	12/24/2024	12/31/2024	\$ 0.0385000	90.39%	\$ 0.034800000	9.61%	\$ 0.003700000
						\$ 0.4620000		\$ 0.4176000		\$ 0.0444000