

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-2/A

Initial filing of a registration statement on Form N-2 for closed-end investment companies  
[amend]

Filing Date: **2022-06-24**  
SEC Accession No. [0001193125-22-181579](#)

([HTML Version](#) on [secdatabase.com](#))

### FILER

#### **Puerto Rico Residents Tax-Free Fund, Inc.**

CIK: [1843995](#) | IRS No.: [660516386](#) | State of Incorporation: **PR** | Fiscal Year End: **0831**  
Type: **N-2/A** | Act: **40** | File No.: [811-23688](#) | Film No.: [221040624](#)

Mailing Address  
209 MUNOZ RIVERA AVE.  
SUITE 1112  
SAN JUAN PR 00918

Business Address  
209 MUNOZ RIVERA AVE.  
SUITE 1112  
SAN JUAN PR 00918  
7877515452

#### **Puerto Rico Residents Tax-Free Fund, Inc.**

CIK: [1843995](#) | IRS No.: [660516386](#) | State of Incorporation: **PR** | Fiscal Year End: **0831**  
Type: **N-2/A** | Act: **33** | File No.: [333-260717](#) | Film No.: [221040623](#)

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Form N-2

(Check appropriate box or boxes)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. 1

Post-Effective Amendment No.

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 1

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### Puerto Rico Residents Tax-Free Fund, Inc.

(Exact name of Registrant as Specified in Charter)

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**Banco Popular Center, Suite 1112, 209 Muñoz Rivera Avenue,  
San Juan, Puerto Rico 00918**

(Address of Principal Executive Offices)

(Number, Street, City, State, Zip Code)

(Registrant's Telephone Number, including Area Code): (787) 751-5452

**Luis Anibal Avilés**

Secretary

**Banco Popular Center, Suite 1112, 209 Muñoz Rivera Avenue,  
San Juan, Puerto Rico 00918**

Name and Address (Number, Street, City, State, Zip Code) of Agent for Service

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*Copies to:*

**Jesse C. Kean  
Sidley Austin LLP  
787 Seventh Avenue  
New York, NY 10019**

**Leslie Highley, Jr.  
Alexandre-Cyril Manz  
UBS Financial Services Inc.  
American International Plaza Building –Tenth Floor,  
250 Muñoz Rivera Avenue,  
San Juan, Puerto Rico 00918**

**Javier Rubio  
Jose Gonzalez  
Popular Asset Management LLC  
Popular Center Building  
North Tower, 4th Floor  
208 Ponce de León Avenue  
San Juan, PR 00918**

#### Approximate Date of Proposed Public Offering:

AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT.

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Check box if the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans.

Check box if any securities being registered on this Form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933 ("1933 Act"), other than securities offered in connection with a dividend reinvestment plan.

Check box if this Form is a registration statement pursuant to General Instruction A.2 or a post-effective amendment thereto.

Check box if this Form is a registration statement pursuant to General Instruction B or a post-effective amendment thereto that will become effective upon filing with the Commission pursuant to Rule 462(e) under the 1933 Act.

Check box if this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction B to register additional securities or additional classes of securities pursuant to Rule 413(b) under the 1933 Act.

It is proposed that this filing will become effective (check appropriate box)

When declared effective pursuant to section 8(c)

It is proposed that this filing will become effective (check appropriate box)

- This [post-effective] amendment designates a new effective date for a previously filed [post-effective amendment][registration statement].
- This Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the 1933 Act, and the 1933 Act registration statement number of the earlier effective registration statement for the same offering is: \_\_\_\_\_.
- This Form is a post-effective amendment filed pursuant to Rule 462(c) under the 1933 Act, and the 1933 Act registration statement number of the earlier effective registration statement for the same offering is: \_\_\_\_\_.
- This Form is a post-effective amendment filed pursuant to Rule 462(d) under the 1933 Act, and the 1933 Act registration statement number of the earlier effective registration statement for the same offering is: \_\_\_\_\_.

Check each box that appropriately characterizes the Registrant:

- Registered Closed-End Fund (closed-end company that is registered under the Investment Company Act of 1940 (“Investment Company Act”).)
- Business Development Company (closed-end company that intends or has elected to be regulated as a business development company under the Investment Company Act).
- Interval Fund (Registered Closed-End Fund or a Business Development Company that makes periodic repurchase offers under Rule 23c-3 under the Investment Company Act).
- A.2 Qualified (qualified to register securities pursuant to General Instruction A.2 of this Form).
- Well-Known Seasoned Issuer (as defined by Rule 405 under the 1933 Act).
- Emerging Growth Company (as defined by Rule 12b-2 under the Securities Exchange Act of 1934 (“Exchange Act”).)
- If an Emerging Growth Company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act.
- New Registrant (registered or regulated under the Investment Company Act for less than 12 calendar months preceding this filing).

### CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price per Unit <sup>(1)</sup>	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Tax-Free Secured Obligations	[●]	[●]	[●]	[●]

(1) Estimated solely for the purpose of determining the registration fee.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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## EXPLANATORY NOTE

This Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File Nos. 005-93048 and 811-23688) of Puerto Rico Residents Tax-Free Fund, Inc. (the "Registration Statement") is being filed solely for the purpose of filing exhibits to the Registration Statement. Accordingly, this Pre-Effective Amendment No. 1 consists only of a facing page, this explanatory note, Part C of the Registration Statement and Exhibits e, g.1, g.2, h.1, h.2, j.1, j.2, k.1, r.2, r.3, r.4 and s filed pursuant to Item 25 of the Registration Statement. This Pre-Effective Amendment No. 1 does not modify any other part of the Registration Statement.

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## PART C – OTHER INFORMATION

### Item 25: Financial Statements and Exhibits.

1. Contained in Part A:

Financial Highlights for the fiscal year ended August 31, 2022 to be provided by amendment.

Contained in Part B:

Financial Statements incorporated by reference to Registrant' s most recent [annual report](#), filed on November 9, 2021 (File No. 811-23688), and [semi-annual report](#), filed on May 9, 2022 (File No. 811-23688).

2. Exhibits:

- a.1 [Articles of Incorporation of the Registrant, dated August 26, 1994 is incorporated herein by reference to Exhibit a.1 of Registrant' s Registration Statement, filed on November 3, 2021 \(the "Registration Statement"\).](#)
- a.2 [Certificate of Amendment to Certificate of Incorporation of the Registrant, dated November 9, 1994 is incorporated herein by reference to Exhibit a.2 of the Registration Statement.](#)
- a.3 [Certificate of Amendment to Certificate of Incorporation of the Registrant, dated December 29, 1994 is incorporated herein by reference to Exhibit a.3 of the Registration Statement.](#)
- b. [By-laws of the Registrant is incorporated herein by reference to Exhibit b of the Registration Statement.](#)
- c. Not applicable.
- d. Not applicable.
- e. [Dividend Reinvestment Plan is filed herewith.](#)
- f. Not applicable.
- g.1 [Investment Advisory Agreement between Registrant and UBS Asset Managers, dated May 2021 \(the "UBS Investment Advisory Agreement"\) is filed herewith.](#)
- g.2 [Investment Advisory Agreement between Registrant and Popular Asset Management LLC \("PAM"\), dated May 2021 \(the "PAM Investment Advisory Agreement"\) is filed herewith.](#)
- h.1 [Form of Underwriting Agreement between Registrant and UBS Financial Services Incorporated of Puerto Rico \(the "Underwriter"\), dated May 2021 \(the "Underwriting Agreement"\) is filed herewith.](#)
- h.2 [Form of Dealer Agreement between Registrant and Popular Securities, Inc. \(f/k/a BP Capital Markets, Inc.\) \("Popular Securities"\), dated December 30, 1998 \(the "Dealer Agreement"\) is filed herewith.](#)
- i. Not applicable.
- j.1 [Custodian Agreement between Registrant and Banco Popular de Puerto Rico, dated May 2021 \(the "Custodian Agreement"\) is filed herewith.](#)
- j.2 [Transfer Agency, Registrar, and Shareholder Service Agreement between Registrant and Banco Popular de Puerto Rico, dated May 2021 \(the "Transfer Agency Agreement"\) is filed herewith.](#)
- k.1 [Administration Agreement between Registrant and ALPS Fund Services, Inc., dated May 13, 2021 \(the "Administration Agreement"\) is filed herewith.](#)
- k.2 Form of Trust Indenture to be provided by amendment.

PART C-1

- k.3 Expense Limitation and Reimbursement agreements to be provided by amendment.
- l. Opinion of Sanchez/LRV LLC to be provided by amendment.
- m. Not applicable.
- n. Consent of Fitch Ratings to be provided by amendment.
- o. Not applicable.
- p. Not applicable.
- q. Not applicable.
- r.1 [Code of Ethics of Registrant is incorporated herein by reference to Exhibit 13\(a\)\(1\) of Registrant' s Certified Shareholder Report on Form N-CSR, filed on November 9, 2021 \(File No. 811-23688\).](#)
- r.2 [Code of Ethics of UBS Asset Managers is filed herewith.](#)
- r.3 [Code of Ethics of PAM is filed herewith.](#)
- r.4 [Code of Ethics of UBS Financial Services Incorporated of Puerto Rico is filed herewith.](#)
- s. [Powers of Attorney is filed herewith.](#)

**Item 26: Marketing Arrangements.**

Reference is made to the form of the Underwriting Agreements and the form of Dealer Agreement for the Registrant' s Notes filed as exhibits to the Registration Statement which relate to the specific issuances of Notes under the Registration Statement and filed as exhibits to the Registration Statement. Reference also is made to the information under the headings "Plan of Distribution" in the Registrant' s prospectus.

**Item 27: Other Expenses of Issuance and Distribution.**

Securities and Exchange Commission Registration Fees	\$	[ ]
Listing Fees	\$	*
Printing and Engraving Fees	\$*	
Legal Fees	\$*	
Audit Fees	\$*	
Rating Agency Fees	\$*	
Miscellaneous Expenses	\$*	
	<u>\$</u>	<u>*</u>

\* To be provided by amendment.

**Item 28: Persons Controlled by or under Common Control with Registrant.**

[ ].

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**Item 29: Number of Holders of Securities.**

As of [ ], 2022:

<b>Title of Class</b>	<b>Number of Record Holders</b>
Common Shares, \$0.01 par value	[ ]
[Preferred Shares	[ ]]
[Notes	[ ]]
[any other outstanding securities	[ ]]

**Item 30: Indemnification.**

Section [ ] of the Registrant's [Charter document] provides as follows:

[ ]

**Item 31: Business and Other Connections of Investment Advisers.**

UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico ("UBS Asset Managers"), and Popular Asset Management LLC ("PAM"), act as investment advisers to the Registrant (collectively, the "Investment Advisers").

PAM serves as investment adviser or co-investment adviser to other open-end and closed-end management investment companies [and to separately managed accounts]. The principal business address for all of these investment companies and the persons named below is [ ].

UBS Asset Managers serves as investment adviser to the Registrant and to other open-end and closed-end management investment companies [and to separately managed accounts]. The principal business address for all of these investment companies and the persons named below is [ ].

A description of any other business, profession, vocation or employment of a substantial nature in which the directors and officers of the Investment Advisers who serve as officers or Directors of the Registrant have engaged during the last two years for his or her account or in the capacity of director, officer, employee, partner or trustee appears under "Management" in the SAI. Such information for the remaining senior officers appears below:

<b>Name and Position with [the Investment Advisers]</b>	<b>Other Business, Profession, Vocation or Employment During Past Two Years</b>
[ ]	[ ]

**Item 32: Location of Accounts and Records.**

[ ], maintains the Fund's [Charter document], By-Laws, minutes of trustee and shareholder meetings, and contracts of the Registrant and all advisory material of the investment adviser.

[ ] maintains all general and subsidiary ledgers, journals, trial balances, records of all portfolio purchases and sales, and all other required records not maintained by [ ].

**Item 33: Management Services.**

[Not applicable].

**Item 34: Undertakings.**

1. The Registrant undertakes to suspend the offering of its notes until the prospectus is amended if: (1) subsequent to the effective date of its registration statement, the net asset value declines more than ten percent



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from its net asset value as of the effective date of the registration statement; or (2) the net asset value increases to an amount greater than its net proceeds as stated in the prospectus.

2. [Not applicable].

3. The Registrant undertakes:

(a) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(1) to include any prospectus required by Section 10(a)(3) of the 1933 Act;

(2) to reflect in the prospectus any facts or events after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(3) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(b) that, for the purpose of determining any liability under the 1933 Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial bona fide offering thereof; and

(c) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(d) that, for the purpose of determining liability under the 1933 Act to any purchaser:

(1) if the Registrant is relying on Rule 430B:

(A) Each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (x), or (xi) for the purpose of providing the information required by Section 10(a) of the 1933 Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. *Provided, however,* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

PART C-4

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(2) if the Registrant is subject to Rule 430C: each prospectus filed pursuant to Rule 424(b) under the 1933 Act as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however,* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into this registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(e) that for the purpose of determining liability of the Registrant under the 1933 Act to any purchaser in the initial distribution of securities:

The undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to the purchaser:

(1) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 424 under the 1933 Act;

(2) free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrants;

(3) the portion of any other free writing prospectus or advertisement pursuant to Rule 482 under the 1933 Act relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and

(4) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

4. The Registrant undertakes that:

(a) For purposes of determining any liability under the 1933 Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant under Rule 424(b)(1) under the 1933 Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and

(b) For the purpose of determining any liability under the 1933 Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

5. The Registrant undertakes to send by first class mail or other means designed to ensure equally prompt delivery, within two business days of receipt of a written or oral request, any prospectus or SAI.

#### PART C-5

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in this City of San Juan, and Commonwealth of Puerto Rico, on the 24th day of June, 2022.

PUERTO RICO RESIDENTS TAX-FREE FUND,  
INC.

/s/ Javier Rubio

Javier Rubio,  
Co-President

/s/ Leslie Highley, Jr.

Leslie Highley, Jr.,  
Co-President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Javier Rubio</u> Javier Rubio	Co-President (Principal Executive Officer)	June 24, 2022
<u>/s/ Leslie Highley, Jr.</u> Leslie Highley, Jr.	Co-President	June 24, 2022
<u>/s/ José González</u> José González	Treasurer (Principal Financial and Accounting Officer)	June 24, 2022
Enrique Vila del Corral*	Chairman of the Board of Directors	
Carlos J. Nido*	Director	
Gabriel Pagán Pedrero*	Director	
Luis M. Pellot-González*	Director	
Clotilde Pérez*	Director	
Jorge I. Vallejo*	Director	

By\*: /s/ Javier Rubio

Javier Rubio,  
Attorney-in-Fact  
June 24, 2022

\* The powers of attorney authorizing Javier Rubio, among others, to execute this Registration Statement, and Amendments thereto, for the Directors of the Registrant on whose behalf this Registration Statement is filed, have been executed and are filed as Exhibit s to this Registration Statement.

PART C-6

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## EXHIBIT INDEX

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<u>Exhibit</u>	<u>Name</u>
e.	<a href="#">Dividend Reinvestment Plan</a>
g.1	<a href="#">UBS Investment Advisory Agreement</a>
g.2	<a href="#">PAM Investment Advisory Agreement</a>
h.1	<a href="#">Form of Underwriting Agreement</a>
h.2	<a href="#">Form of Dealer Agreement</a>
j.1	<a href="#">Custodian Agreement</a>
j.2	<a href="#">Transfer Agency, Registrar, and Shareholder Service Agreement</a>
k.1	<a href="#">Administration Agreement</a>
r.2	<a href="#">Code of Ethics of UBS Asset Managers</a>
r.3	<a href="#">Code of Ethics of PAM</a>
r.4	<a href="#">Code of Ethics of UBS Financial Services Incorporated of Puerto Rico</a>
s	<a href="#">Powers of Attorney</a>

PART C-7

## PUERTO RICO RESIDENTS TAX-FREE FUND, INC.

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### DIVIDEND REINVESTMENT PLAN

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- Appointment of Agent.** You, UBS Asset Managers of Puerto Rico and Popular Asset Management, will act as Agent for me, and will open an account for me under the Dividend Reinvestment Plan (the “Plan”) in the same name as my present shares of common stock or units or shares of beneficial interest, par value \$0.01 per share (“Common Stock”), of Puerto Rico Residents Tax-Free Fund, Inc. (the “Fund”) are registered, and automatically will put into effect for me the dividend reinvestment option of the Plan as of the first record date for a dividend or capital gains distribution (collectively referred to herein as a “Dividend”), payable at the election of shareholders in cash or shares of Common Stock.
- Dividends Payable in Common Stock.** My participation in the Plan constitutes an election by me to receive dividends in shares of Common Stock whenever the Fund declares a Dividend. In such event, the dividend amount automatically shall be made payable to me entirely in shares of Common Stock which shall be acquired by the Agent for my account, depending upon the circumstances described in paragraph 3, either (i) through receipt of additional shares of unissued but authorized shares of Common Stock from the Fund (“Newly-Issued Shares”) as described in paragraph 6 or (ii) by purchase of outstanding shares of Common Stock in privately negotiated transactions (“Share Repurchases”) as described in paragraph 7.
- Determination of Whether Newly-Issued Shares or Share Repurchases.** If on the payment date for the dividend (the “Valuation date”), the net asset value per share of the Common Stock, as defined in paragraph 8, is equal to or less than the market price per share of the Common Stock, as defined in paragraph 8, plus estimated brokerage commissions (such condition being referred to herein as “Market Premium”), the Agent shall invest the dividend amount in newly-issued shares on my behalf as described in paragraph 6. If on the Valuation Date, the net asset value per share is greater than the market value (such condition being referred to herein as “Market Discount”), the Agent shall invest the dividend amount in shares acquired on my behalf in Share Repurchases as described in paragraph 7.
- Purchase Period for Share Repurchases.** In the event of a Market Discount on the Valuation Date, the Agent shall have until the last business day before the next ex-dividend date with respect to the shares of Common Stock or in no event more than 30 days after the Valuation Date (the “Last Purchase Date”) to invest the dividend amount in shares acquired in Share Repurchases.

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5. Failure to Complete Share Repurchases During Purchase Period. If the Agent is unable to invest the full dividend amount in open-market purchases during the purchase period because the Market Discount has shifted to a Market Premium or otherwise, the Agent will invest the uninvested portion of the dividend amount in newly-issued shares at the close of business on the Last Purchase Date as described in paragraph 6.

6. Acquisition of Newly-Issued Shares. In the event that all or part of the dividend amount is to be invested in Newly-Issued Shares, you shall automatically receive such newly-issued shares of Common Stock, including fractions, for my account, and the number of additional newly-issued shares of Common Stock to be credited to my account shall be determined by dividing the dollar amount of the dividend on my shares to be invested in newly-issued shares by the net asset value per share of Common Stock (i) on the date the shares are issued, (ii) or in the case of an initial Market Premium, the Valuation Date, (iii) or in case the Agent is unable to complete Share Repurchases during the purchase period, the Last Purchase Date; provided, that the maximum discount from the then current market price per share on the date of issuance shall not exceed 5%.

7. Manner of Making Share Repurchases. In the event that the dividend amount is to be invested in shares of Common Stock acquired in Share Repurchases, you shall apply the amount of such dividend on my shares (less my pro rata share of brokerage commissions incurred with respect to the Share Repurchases) to the repurchase of shares of the Common Stock in privately negotiated transactions for my account. Share Repurchases may be made on such terms as to price, delivery, and otherwise as you shall determine, including in accordance with the Share Repurchase Procedures adopted by the Board of Directors of the Fund. My funds held by you uninvested will not bear interest, and it is understood that, in any event, you shall have no liability in connection with any inability to purchase shares within 30 days after the initial date of such purchase as herein provided, or with the timing of any purchases affected. You shall have no responsibility as to the value of the Common Stock acquired for my account. For the purposes of cash investments you may commingle my funds with those of other shareholders of the Fund for whom you similarly act as Agent, and the average price (including brokerage commissions) of all shares repurchased by you as Agent in privately negotiated transactions shall be the price per share allocable to me in connection with such Share Repurchases.

8. Meaning of Net Asset Value and Market Price. For all purposes of the Plan, (a) net asset value per share of the Common Stock on a particular date shall be as determined by or on behalf of the Fund and (b) market price per share of the Common Stock on a particular date shall be based upon quotations obtained from unaffiliated third parties as reasonably available and in accordance with the Share Repurchases Procedures or if no such quotations exist, from affiliates as provided to the Fund in good faith.

9. Registration of Shares Acquired Pursuant to the Plan. You may hold my Common Stock acquired pursuant to the Plan, together with the shares of other shareholders of the Fund acquired pursuant to the Plan, in non-certificated form in your name or that of your nominee. You will forward to me any proxy solicitation materials and will vote any shares so held for me only in accordance with the proxy returned by me to the Fund. Upon my written request, you will deliver to me, without charge, a certificate or certificates for the full shares held by you for my account.

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10. Confirmations and Statements. You will confirm to me each acquisition made for my account as soon as practicable but not later than 60 days after the date thereof. You will send me quarterly statements of account and an annual statement showing the amount of reinvested dividends and shares of Common Stock acquired on my behalf.

11. Fractional Interests. Although from time to time I may have an undivided fractional interest (computed to three decimal places) in a share of the Fund, no certificates for a fractional share will be issued. However, dividends and distributions on fractional shares will be credited to my account. In the event of termination of my account under the Plan, you will adjust for any such undivided fractional interest in cash at the market value of the Fund' s shares at the time of termination less the pro rata expense of any sale required to make such an adjustment.

12. Share Dividends or Share Purchase Rights. Any share dividends or split shares distributed by the Fund on shares held by you for me will be credited to my account. In the event that the Fund makes available to its shareholders rights to purchase additional shares or other securities, the shares held for me under the Plan will be added to other shares held by me in calculating the number of rights to be issued to me.

13. Service Fee. Your service fee for handling capital gains distributions or income dividends will be paid by the Fund.

14. Termination of Account. I may terminate my account under the Plan by notifying you in writing. Such termination will be effective immediately if my notice is received by you not less than ten days prior to any dividend or distribution record date; otherwise such termination will be effective on the first trading day after the payment date for such dividend or distribution with respect to any subsequent dividend or distribution. The Plan may be terminated by you or the Fund upon notice in writing mailed to me at least 30 days prior to any record date for the payment of any dividend or distribution by the Fund. Upon any termination you will cause a certificate or certificates for the full shares held for me under the Plan and cash adjustment for any fraction to be delivered to me without charge. If I elect by notice to you in writing in advance of such termination to have you sell part or all of my shares and remit the proceeds to me, you are authorized to deduct brokerage commissions for this transaction from the proceeds.

15. Amendment of Plan. These terms and conditions may be amended or supplemented by you or the Fund upon notice in writing mailed to me at least 30 days prior to any record date for the payment of any dividend or distribution by the Fund, except when necessary or appropriate to comply with applicable law or the rules or policies of any regulatory authority, then only by mailing to me appropriate written notice at least 90 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by me unless, prior to the effective date thereof, you receive written notice of the termination of my account under the Plan. Any such amendment may include an appointment by you in your place and stead of a successor Agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Agent under these terms and conditions. Upon any such appointment of an Agent for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor Agent, for my account, all dividends and distributions payable on Common Stock of the Fund held in my name or under the Plan for retention or application by such successor Agent as provided in these terms and conditions.

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16. Extent of Responsibility of Agent. You shall act at all times in good faith and agree to use your best efforts within reasonable limits to insure the accuracy of all services performed under this Agreement and to comply with applicable law, but assume no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by your negligence, bad faith, or willful misconduct or that of your employees.

17. Governing Law. These terms and conditions shall be governed by the laws of the Commonwealth of Puerto Rico without regard to its conflicts of laws provisions.



## AMENDED AND RESTATED INVESTMENT ADVISORY CONTRACT

Amended and restated Investment Advisory Contract (this “Contract”) made as of May \_\_\_\_, 2021, between Puerto Rico Residents Tax-Free Fund, Inc. (the “Fund”), a Puerto Rico corporation and a management investment company currently registering under the Investment Company Act of 1940, as amended (the “1940 Act”), and UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico (the “Adviser”), the Fund’s investment adviser, currently registering under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

WHEREAS, the Fund and the Adviser initially entered into the Investment Advisory Contract as of December 29, 2004, when the Fund was registered under the Puerto Rico Investment Companies Act and subject to the rules and regulations thereunder;

WHEREAS, the Fund is registered under the 1940 Act as a closed-end management investment company and the Adviser is registered under the Advisers Act;

WHEREAS, the Fund desires to retain the Adviser as investment adviser to furnish investment advisory services to the Fund; and

WHEREAS, the Adviser has full capacity and is willing to provide investment advisory services to the Fund on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is agreed between the parties hereto as follows.

1. **Appointment.** The Fund hereby appoints the Adviser as investment adviser of the Fund for the period and on the terms set forth in this Contract. The Adviser accepts such appointment and agrees to render the services set forth herein for the compensation provided herein.

2. **Duties as Investment Adviser.**

(a) Subject to the supervision of the Fund’s Board of Directors (the “Board”), the Adviser will provide a complete and continuous investment program for the Fund, including investment research and management with respect to all securities and investments and cash equivalents of the Fund; provided, that, all portfolio management decisions shall be determined jointly with Popular Asset Management LLC (“Popular”) as co-investment advisers.

(b) The Adviser agrees that in placing orders with brokers and dealers, it will attempt to obtain the best net price and most favorable execution, provided that, subject to the provisions of the 1940 Act, the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and to the extent permitted by the Securities and Exchange Commission, (the “SEC”), the Adviser may purchase and sell portfolio securities to and from brokers who provide the Adviser with research analysis, statistical or pricing advice, or similar services. The Adviser will consider the full range and quality of a broker’s or dealer’s services. Factors considered by the Adviser in selecting brokers and dealers may include the following: price, the broker’s or dealer’s facilities, the broker’s or dealer’s reliability and financial responsibility, the ability of the broker or dealer to effect securities transactions, particularly with regard to such aspects as timing, order size and

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execution of orders, and the research and other services provided by that broker or dealer to the Adviser, notwithstanding that the Fund may not be the direct or exclusive beneficiary of those services. The Adviser will not be obligated to seek in advance competitive bidding or the most favorable commission rate applicable to any particular transaction for the Fund or to select any broker or dealer on the basis of its “posted” commission rate. The Adviser may cause the Fund to pay a commission for effecting a transaction for the Fund in excess of the amount another broker or dealer would have charged for effecting the transaction, provided that the Adviser determines in good faith that such commission is reasonable in relation to the value of the brokerage and/or research services provided by the broker or dealer to the Adviser. Research services furnished by the brokers or dealers through which the Fund effects securities transactions may be used by the Adviser in advising its other clients (including persons affiliated with the Adviser), and conversely, such research services furnished to the Adviser in connection with other clients may be used in advising the Fund. In no instance will portfolio securities or other investments be purchased from or sold to the Adviser, Popular, or any affiliated person of either of them, as defined in the 1940 Act, or with any party with whom the Adviser has entered into an agreement pursuant to Section 4 of this Contract or affiliated person thereof, except in accordance with procedures adopted by the Board. Whenever the Adviser simultaneously places orders to purchase or sell the same security on behalf of the Fund and one or more other accounts advised by the Adviser, such orders will be allocated as to price and amount among all books and such accounts in a manner believed to be equitable to each account and in accordance with any procedures adopted by the Board. The Adviser will seek to allocate the opportunity to purchase or sell a security or other investment among advisory clients in accordance with the Adviser’s trade allocation policies and procedures so that accounts with like investment strategies are treated fairly and equitably over time.

(c) In compliance with the requirements of Rule 31a-3 under the 1940 Act, the Adviser hereby agrees that all records which it maintains for the Fund are the property of the Fund and further agrees to surrender promptly to the Fund any such records upon the Fund’s request. Adviser further agrees to preserve for the periods prescribed by Rule 31a-2 under the 1940 Act the records required to be maintained by Rule 31a-1 under the 1940 Act.

(d) The Adviser will provide Popular with any assistance with regard to the valuation of the Fund’s portfolio investments as is reasonably requested by Popular.

3. **Further Duties.** In all matters relating to the performance of this Contract, the Adviser will act in conformity with the Fund’s Certificate of Incorporation (the “Certificate”), as the Certificate may be amended from time to time, By-Laws, Code of Ethics, policies and procedures adopted by the Board, the then current prospectus, the 1940 Act and the rules and regulations thereunder, the Exchange Act and the rules and regulations thereunder, and any other applicable laws and regulations of the United States and Puerto Rico.

4. **Retention by the Adviser of a Sub-Investment Adviser.** The Adviser, jointly with Popular, may from time to time to the extent permitted by applicable law, appoint one or more sub-advisers, including, without limitation, affiliates of the Adviser, to perform investment advisory services with respect to the Fund; provided, however, that (i) the Adviser may not delegate to such other party the authority to make investment decisions on behalf of the Fund and, with Popular, shall have joint and several responsibility for the activities of such other party with respect to the Fund; and (ii) the compensation of such person or persons shall be paid by the Adviser and/or Popular, as agreed by the Adviser and Popular. The Adviser and/or Popular may terminate any or all sub-advisers in its sole discretion at any time to the extent permitted by applicable law. The Adviser will disclose fully to the Board in advance the terms of any agreement

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entered into pursuant to this Section including, but not limited to, the compensation to be paid, and will notify the Board in advance of any change in the terms of such agreement.

5. **Services Not Exclusive.** The services furnished by the Adviser hereunder are not to be deemed exclusive and the Adviser shall be free to furnish similar services to others so long as its services under this Contract are not materially impaired thereby. Nothing in this Contract shall limit or restrict the right of any director, officer, or employee of the Adviser, who may also be a director, officer, or employee of the Fund, to engage in any other business or to devote his or her time and attention in part to the management or other aspects of any other business, whether of a similar nature or a dissimilar nature.

6. **Expenses.**

(a) During the term of this Contract, the Fund will bear all expenses incurred in the Fund's operations and the offering of the Fund's shares or any debt securities, except for such expenses specifically assumed by the Adviser or Popular.

(b) Expenses borne by the Fund will include but are not be limited to the following (which shall be in addition to the fees payable to and expenses incurred on behalf of the Fund by the Adviser under this Contract or by Popular under the Fund's Investment Advisory Contract with Popular) (1) the costs (including brokerage commissions, if any) of securities purchased or sold by the Fund and any losses incurred in connection therewith, (2) organizational expenses, including legal expenses, of the Fund; (3) filing fees and expenses relating to the registration of the Fund under the 1940 Act, (4) fees and salaries payable to directors who are independent of the Adviser, Popular and any party retained pursuant to Section 5 hereof or their affiliates, (5) all expenses incurred in connection with such directors' services, including travel expenses, (6) taxes (including any income or franchise taxes) and governmental fees (including transfer taxes), (7) costs of any liability, uncollectible items of deposit and insurance or fidelity bonds, (8) any costs, expenses or losses arising out of a liability or claim for damages or other relief asserted against the Fund for violation of any law, (9) Fund legal fees and disbursements, including legal fees of special counsel for the independent directors, if one is retained, (10) accounting and auditing expenses (other than those incurred in providing comfort to the underwriter in connection with the initial public offering of the Fund's shares or an offering of debt securities), (11) fees and disbursements of custodians and securities depositories, administrator, transfer agent, dividend disbursing agent and registrar, and other agents, (12) expenses of printing and distributing reports to shareholders, (13) any extraordinary expenses, including reasonable fees and disbursements of litigation counsel and indemnification expenses incurred by the Fund, (14) fees, voluntary assessments and other expenses incurred in connection with membership in investment company or trade organizations, (15) costs of mailing and tabulating proxies and costs of meetings of shareholders, the Board and any committees thereof, (16) the cost of investment company literature and other publications provided to directors and officers, (17) costs of mailing, stationary and communications equipment, (18) interest charged on borrowings; and (19) the cost of preparing, printing and mailing certificates, if any, representing the Fund's shares or debt securities.

(c) The Fund may pay directly any expense incurred by it in its normal operations and, if any such payment is consented to by the Adviser and acknowledged as otherwise payable by the Adviser pursuant to this Contract, the Fund may reduce the fee payable to the Adviser pursuant to Section 7 hereof by such amount. To the extent that such deductions exceeds the fee payable to the Adviser on any monthly payment date, such excess shall be carried forward and deducted in the same manner from the fee payable on succeeding monthly payment dates.

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(d) The Adviser agrees to pay all of its own expenses incurred in connection with this Contract, including any compensation for services provided to the Fund by the directors, officers, or employees of the Fund who are affiliated with the Adviser or its affiliates or any person hired pursuant to Section 4 hereof.

(e) The payment or assumption by the Adviser of any expense of the Fund that the Adviser is not required by this Contract to pay or assume shall not obligate the Adviser to pay or assume the same or any similar expense of the Fund on any subsequent occasion.

7. **Compensation.**

(a) For the services provided and the expenses assumed pursuant to this Contract, the Fund will pay to the Adviser a fee, computed weekly and payable monthly, at an annual rate set forth on Appendix A hereto, as such appendix may be amended from time to time.

(b) The fee shall be accrued weekly and payable monthly to the Adviser on or before the last business day of the next succeeding calendar month.

(c) If this Contract becomes effective or terminates before the end of any month, the fees for the period from the effective date to the end of the month or from the beginning of such month to the date of termination, as the case may be, shall be prorated according to the proportion which such period bears to the full month in which such effectiveness or termination occurs.

8. **Confidentiality.** The Adviser will treat confidentially and as proprietary information of the Fund all records and other information relative to the Fund, any of the Fund's prior, current or potential shareholders or noteholders, and will not use such records, and information for any purpose other than performance of its responsibilities and duties hereunder, except after prior notification to and approval in writing by the Fund, which approval shall not be unreasonably withheld and may not be withheld where Adviser may be exposed to civil or criminal contempt proceedings for failure to comply, when requested to divulge such information by duly constituted authorities, or when so requested by the Fund.

9. **Limitation of Liability of the Adviser.** The Adviser shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the performance of this Contract, except a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services or a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or from reckless disregard by it of its obligations or duties under this Contract. The Adviser may rely on any notice or communication (written or oral) by an authorized person of the Fund reasonably believed by it to be genuine. These limitations shall not relieve the Adviser from any responsibility, obligation, or duty that the Adviser may have under state statutes, the laws of Puerto Rico, or any federal securities law which is not waivable. Any person, even though also an officer, partner, employee, or agent of the Adviser, who may be or become a director, officer, employer, or agent of the Fund shall be deemed, when rendering services to the Fund or acting with respect to any business of the Fund, to be rendering such service to or acting solely for the Fund and not as a director employee, or agent or one under the control or direction of the Adviser even though paid by it. Nothing herein shall be deemed a waiver of any rights which the Fund may have pursuant to applicable securities laws or regulations.

10. **Duration and Termination.**

(a) This Contract shall become effective upon the date first above written. provided that this Contract shall not take effect unless it has first been approved by a majority of

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the directors of the Fund, including a majority of the independent directors in accordance with the requirements of the 1940 Act and the rules and regulations thereunder.

(b) Unless sooner terminated as provided herein, this Contract shall continue in effect for one year from its effective date. Thereafter if not terminated, this Contract shall continue for successive annual periods, provided that such continuance is specifically approved at least annually (a) by vote of a majority of those members of the Board who are not interested persons of any party to this Contract, cast in person (or otherwise, as consistent with applicable laws, regulations and related guidance and relief) at a meeting called for the purpose of voting on such approval, and (b) by the Board or by vote of a majority of the outstanding voting securities of the Fund.

(c) Notwithstanding the foregoing, this Contract may be terminated at any time, without the payment of penalty, by unanimous vote of the Board or by a vote of a majority of the outstanding voting securities of the Fund on 60 days' written notice to the Adviser or by the Adviser at any time, without the payment of any penalty, on 60 days' written notice to the Fund.

(d) This Contract will automatically terminate in the event of its assignment. As used in this Contract, the terms "majority of the outstanding voting securities," "interested person" and "assignment" shall have the same meanings as such terms in the 1940 Act.

11. **Amendment of This Contract.** No provision of this Contract may be changed, waived, discharged or terminated orally except by an instrument signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any amendment of this Contract shall be subject to the 1940 Act.

12. **Governing Law.** This Contract shall be construed in accordance with the laws of the Commonwealth of Puerto Rico and in accordance with the applicable provisions of the 1940 Act.

13. **Miscellaneous.** The captions in this Contract are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. If any provision of this Contract shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Contract shall not be affected thereby. This Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their officers designated as of the day and year first above written.

PUERTO RICO RESIDENTS TAX-FREE FUND, INC. UBS TRUST COMPANY OF PUERTO RICO

By: /s/ Javier Rubio  
Name: Javier Rubio  
Title: Co-President

By: /s/ Leslie Highley, Jr.  
Name: Leslie Highley, Jr.  
Title: Managing Director

UBS TRUST COMPANY OF PUERTO RICO

By: /s/ William Rivera  
Name: William Rivera  
Title: Executive Director

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## **Appendix A**

The Fund will pay to the Adviser, as investment adviser, an annual fee of 0.50% of the Funds average weekly net assets. For purposes of calculating the advisory fee hereunder, average net assets shall include the liquidation value of all outstanding debt securities of the Fund.



## INVESTMENT ADVISORY CONTRACT

Investment Advisory Contract (this “Contract”) made as of May \_\_\_\_, 2021, between Puerto Rico Residents Tax-Free Fund, Inc. (the “Fund”), a Puerto Rico corporation and a management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and Popular Asset Management LLC (the “Adviser”), the Fund’s investment adviser, registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

WHEREAS, the Fund is registered under the 1940 Act as a closed-end management investment company and the Adviser is registered under the Advisers Act;

WHEREAS, the Fund desires to retain the Adviser as investment adviser to furnish investment advisory services to the Fund; and

WHEREAS, the Adviser has full capacity and is willing to provide investment advisory services to the Fund on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is agreed between the parties hereto as follows.

1. **Appointment.** The Fund hereby appoints the Adviser as investment adviser of the Fund for the period and on the terms set forth in this Contract. The Adviser accepts such appointment and agrees to render the services set forth herein for the compensation provided herein.

2. **Duties as Investment Adviser.**

(a) Subject to the supervision of the Fund’s Board of Directors (the “Board”), the Adviser will provide a complete and continuous investment program for the Fund, including investment research and management with respect to all securities and investments and cash equivalents of the Fund; provided, that, all portfolio management decisions shall be determined jointly with UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico (“UBS”) as co-investment advisers.

(b) The Adviser agrees that in placing orders with brokers and dealers, it will attempt to obtain the best net price and most favorable execution, provided that, subject to the provisions of the 1940 Act, the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and to the extent permitted by the Securities and Exchange Commission, (the “SEC”), the Adviser may purchase and sell portfolio securities to and from brokers who provide the Adviser with research analysis, statistical or pricing advice, or similar services. The Adviser will consider the full range and quality of a broker’s or dealer’s services. Factors considered by the Adviser in selecting brokers and dealers may include the following: price, the broker’s or dealer’s facilities, the broker’s or dealer’s reliability and financial responsibility, the ability of the broker or dealer to effect securities transactions, particularly with regard to such aspects as timing, order size and execution of orders, and the research and other services provided by that broker or dealer to the Adviser, notwithstanding that the Fund may not be the direct or exclusive beneficiary of those services. The Adviser will not be obligated to seek in advance competitive bidding or the most favorable commission rate applicable to any particular transaction for the Fund or to select any



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broker or dealer on the basis of its “posted” commission rate. The Adviser may cause the Fund to pay a commission for effecting a transaction for the Fund in excess of the amount another broker or dealer would have charged for effecting the transaction, provided that the Adviser determines in good faith that such commission is reasonable in relation to the value of the brokerage and/or research services provided by the broker or dealer to the Adviser. Research services furnished by the brokers or dealers through which the Fund effects securities transactions may be used by the Adviser in advising its other clients (including persons affiliated with the Adviser), and conversely, such research services furnished to the Adviser in connection with other clients may be used in advising the Fund. In no instance will portfolio securities or other investments be purchased from or sold to the Adviser, UBS, or any affiliated person of either of them, as defined in the 1940 Act, or with any party with whom the Adviser has entered into an agreement pursuant to Section 4 of this Contract or affiliated person thereof, except in accordance with procedures adopted by the Board. Whenever the Adviser simultaneously places orders to purchase or sell the same security on behalf of the Fund and one or more other accounts advised by the Adviser, such orders will be allocated as to price and amount among all books and such accounts in a manner believed to be equitable to each account and in accordance with any procedures adopted by the Board. The Adviser will seek to allocate the opportunity to purchase or sell a security or other investment among advisory clients in accordance with the Adviser’s trade allocation policies and procedures so that accounts with like investment strategies are treated fairly and equitably over time.

(c) In compliance with the requirements of Rule 31a-3 under the 1940 Act, the Adviser hereby agrees that all records which it maintains for the Fund are the property of the Fund and further agrees to surrender promptly to the Fund any such records upon the Fund’s request. Adviser further agrees to preserve for the periods prescribed by Rule 31a-2 under the 1940 Act the records required to be maintained by Rule 31a-1 under the 1940 Act.

3. **Further Duties.** In all matters relating to the performance of this Contract, the Adviser will act in conformity with the Fund’s Certificate of Incorporation (the “Certificate”), as the Certificate may be amended from time to time, By-Laws, Code of Ethics, policies and procedures adopted by the Board, the then current prospectus, the 1940 Act and the rules and regulations thereunder, the Exchange Act and the rules and regulations thereunder, and any other applicable laws and regulations of the United States and Puerto Rico.

4. **Retention by the Adviser of a Sub-Investment Adviser.** The Adviser, jointly with UBS, may from time to time to the extent permitted by applicable law, appoint one or more sub-advisers, including, without limitation, affiliates of the Adviser, to perform investment advisory services with respect to the Fund; provided, however, that (i) the Adviser may not delegate to such other party the authority to make investment decisions on behalf of the Fund and, with UBS, shall have joint and several responsibility for the activities of such other party with respect to the Fund; and (ii) the compensation of such person or persons shall be paid by the Adviser and/or UBS, as agreed by the Adviser and UBS. The Adviser and/or UBS may terminate any or all sub-advisers in its sole discretion at any time to the extent permitted by applicable law. The Adviser will disclose fully to the Board in advance the terms of any agreement entered into pursuant to this Section including, but not limited to, the compensation to be paid, and will notify the Board in advance of any change in the terms of such agreement.

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5. **Services Not Exclusive.** The services furnished by the Adviser hereunder are not to be deemed exclusive and the Adviser shall be free to furnish similar services to others so long as its services under this Contract are not materially impaired thereby. Nothing in this Contract shall limit or restrict the right of any director, officer, or employee of the Adviser, who may also be a director, officer, or employee of the Fund, to engage in any other business or to devote his or her time and attention in part to the management or other aspects of any other business, whether of a similar nature or a dissimilar nature.

6. **Expenses.**

(a) During the term of this Contract, the Fund will bear all expenses incurred in the Fund's operations and the offering of the Fund's shares or any debt securities, except for such expenses specifically assumed by the Adviser or UBS.

(b) Expenses borne by the Fund will include but are not be limited to the following (which shall be in addition to the fees payable to and expenses incurred on behalf of the Fund by the Adviser under this Contract or by UBS under the Fund's Investment Advisory Contract with UBS) (1) the costs (including brokerage commissions, if any) of securities purchased or sold by the Fund and any losses incurred in connection therewith, (2) organizational expenses, including legal expenses, of the Fund; (3) filing fees and expenses relating to the registration of the Fund under the 1940 Act, (4) fees and salaries payable to directors who are independent of the Adviser, UBS and any party retained pursuant to Section 4 hereof or their affiliates, (5) all expenses incurred in connection with such directors' services, including travel expenses, (6) taxes (including any income or franchise taxes) and governmental fees (including transfer taxes), (7) costs of any liability, uncollectible items of deposit and insurance or fidelity bonds, (8) any costs, expenses or losses arising out of a liability or claim for damages or other relief asserted against the Fund for violation of any law, (9) Fund legal fees and disbursements, including legal fees of special counsel for the independent directors, if one is retained, (10) accounting and auditing expenses (other than those incurred in providing comfort to the underwriter in connection with the initial public offering of the Fund's shares or an offering of debt securities), (11) fees and disbursements of custodians and securities depositories, administrator, transfer agent, dividend disbursing agent and registrar, and other agents, (12) expenses of printing and distributing reports to shareholders, (13) any extraordinary expenses, including reasonable fees and disbursements of litigation counsel and indemnification expenses incurred by the Fund, (14) fees, voluntary assessments and other expenses incurred in connection with membership in investment company or trade organizations, (15) costs of mailing and tabulating proxies and costs of meetings of shareholders, the Board and any committees thereof, (16) the cost of investment company literature and other publications provided to directors and officers, (17) costs of mailing, stationary and communications equipment, (18) interest charged on borrowings; and (19) the cost of preparing, printing and mailing certificates, if any, representing the Fund's shares or debt securities.

(c) The Fund may pay directly any expense incurred by it in its normal operations and, if any such payment is consented to by the Adviser and acknowledged as otherwise payable by the Adviser pursuant to this Contract, the Fund may reduce the fee payable to the Adviser pursuant to Section 7 hereof by such amount. To the extent that such deductions exceeds

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the fee payable to the Adviser on any monthly payment date, such excess shall be carried forward and deducted in the same manner from the fee payable on succeeding monthly payment dates.

(d) The Adviser agrees to pay all of its own expenses incurred in connection with this Contract, including any compensation for services provided to the Fund by the directors, officers, or employees of the Fund who are affiliated with the Adviser or its affiliates or any person hired pursuant to Section 4 hereof.

(e) The payment or assumption by the Adviser of any expense of the Fund that the Adviser is not required by this Contract to pay or assume shall not obligate the Adviser to pay or assume the same or any similar expense of the Fund on any subsequent occasion.

7. **Compensation.**

(a) For the services provided and the expenses assumed pursuant to this Contract, the Fund will pay to the Adviser a fee, computed weekly and payable monthly, at an annual rate set forth on Appendix A hereto, as such appendix may be amended from time to time.

(b) The fee shall be accrued weekly and payable monthly to the Adviser on or before the last business day of the next succeeding calendar month.

(c) If this Contract becomes effective or terminates before the end of any month, the fees for the period from the effective date to the end of the month or from the beginning of such month to the date of termination, as the case may be, shall be prorated according to the proportion which such period bears to the full month in which such effectiveness or termination occurs.

8. **Confidentiality.** The Adviser will treat confidentially and as proprietary information of the Fund all records and other information relative to the Fund, any of the Fund's prior, current or potential shareholders or noteholders, and will not use such records, and information for any purpose other than performance of its responsibilities and duties hereunder, except after prior notification to and approval in writing by the Fund, which approval shall not be unreasonably withheld and may not be withheld where Adviser may be exposed to civil or criminal contempt proceedings for failure to comply, when requested to divulge such information by duly constituted authorities, or when so requested by the Fund.

9. **Limitation of Liability of the Adviser.** The Adviser shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund or its shareholders in connection with the matters to which this Contract relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on its part in the performance of its duties under this Contract. Any person even though also an officer, partner, employee, or agent of the Adviser, who may be or become an officer, director, employee or agent of the Fund shall be deemed, when tendering services to the Fund or acting with respect to any business of the Fund, to be rendering such service in or acting solely for the Fund and not as an officer, director, employee or agent or one under the control or direction of the Adviser even though paid by it. Nothing herein shall be deemed a waiver of any rights which the Fund may have pursuant to applicable securities laws or regulations.

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10. **Duration and Termination.**

(a) This Contract shall become effective upon the date first above written, provided that this Contract shall not take effect unless it has first been approved by a majority of the directors of the Fund, including a majority of the independent directors in accordance with the requirements of the 1940 Act and the rules and regulations thereunder.

(b) Unless sooner terminated as provided herein, this Contract shall continue in effect for one year from its effective date. Thereafter if not terminated, this Contract shall continue for successive annual periods, provided that such continuance is specifically approved at least annually (a) by vote of a majority of those members of the Board who are not interested persons of any party to this Contract, cast in person (or otherwise, as consistent with applicable laws, regulations and related guidance and relief) at a meeting called for the purpose of voting on such approval, and (b) by the Board or by vote of a majority of the outstanding voting securities of the Fund.

(c) Notwithstanding the foregoing, this Contract may be terminated at any time, without the payment of penalty, by unanimous vote of the Board or by a vote of a majority of the outstanding voting securities of the Fund on 60 days' written notice to the Adviser or by the Adviser at any time, without the payment of any penalty, on 60 days' written notice to the Fund.

(d) This Contract will automatically terminate in the event of its assignment. As used in this Contract, the terms "majority of the outstanding voting securities," "interested persons" and "assignment" shall have the same meanings as such terms in the 1940 Act.

11. **Amendment of This Contract.** No provision of this Contract may be changed, waived, discharged or terminated orally except by an instrument signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any amendment of this Contract shall be subject to the 1940 Act.

12. **Governing Law.** This Contract shall be construed in accordance with the laws of the Commonwealth of Puerto Rico and in accordance with the applicable provisions of the 1940 Act.

13. **Miscellaneous.** The captions in this Contract are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. If any provision of this Contract shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Contract shall not be affected thereby. This Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their officers designated as of the day and year first above written.

PUERTO RICO RESIDENTS TAX-FREE FUND,  
INC.

POPULAR ASSET MANAGEMENT LLC

By: /s/ Leslie Highley, Jr.  
Name: Leslie Highley, Jr.  
Title: Co-President

By: /s/ Javier Rubio  
Name: Javier Rubio  
Title: Senior Vice President

PUERTO RICO RESIDENTS TAX-FREE FUND,  
INC.

By: /s/ William Rivera  
Name: William Rivera  
Title: Authorized Signature

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## **Appendix A**

The Fund will pay to the Adviser, as investment adviser, an annual fee of 0.50% of the Funds average weekly net assets. For purposes of calculating the advisory fee hereunder, average net assets shall include the liquidation value of all outstanding debt securities of the Fund.

PUERTO RICO RESIDENTS TAX-FREE FUND, INC.

**UNDERWRITING AGREEMENT**

\_\_\_\_\_, 2021

UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO  
American International Plaza  
250 Munoz Rivera Avenue  
Penthouse Floors  
Hato Rey, Puerto Rico 00918

Dear Sirs:

Puerto Rico Residents Tax-Free Fund, Inc. (the “Fund”), a corporation organized under the laws of the Commonwealth of Puerto Rico (“Puerto Rico”) and a non-diversified investment company registered under the Investment Company Act of 1940, as amended, (the “ICA”), proposes to issue and sell to you (“UBSPR” or the “Underwriter”), \$[●] in aggregate principal amount of the Fund’ s Notes having a maturity date of up to [●] days after the date of issuance thereof, or be payable on demand by the Fund on a date not later than [●] days after the issuance thereof (such series referred to herein as the “Short-Term Notes”), and \$[●] in aggregate principal amount of the Fund’ s Notes having a maturity date of over 270 days after the date of issuance thereof (such series referred to herein as the “Medium-Term Notes” and collectively with the Short-Term Notes, the “Notes”). This Agreement is called the “Underwriting Agreement.”

UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico (“UBSTC”), and Popular Asset Management LLC (“Popular”) will act as the Fund’ s co-investment advisers (each, an “Investment Adviser” and collectively, the “Investment Advisers”) pursuant to an investment advisory contract between the Fund and UBSTC and an investment contract agreement between the Fund and Popular (the “Investment Advisory Contracts”). UBSTC will also act as the Fund’ s administrator pursuant to an administration agreement between the Fund and UBSTC (the “Administration Agreement”), and as the Fund’ s transfer agent pursuant to a transfer agency, registrar, and shareholder servicing agreement between the Fund and UBSTC (the “Transfer Agency Agreement”). In addition, UBSTC will act as custodian of the Fund’ s cash and portfolio assets pursuant to a custody agreement between the Fund and UBSTC (the “Custody Agreement”).

The Fund and the Investment Advisers hereby confirm their agreements with the Underwriter as follows:

**1. Sale and Purchase.**

(a) On the basis of the representations, warranties and covenants herein contained, but subject to the terms and conditions herein set forth, you are appointed the Underwriters of the Fund’ s Notes. The Fund will issue and sell to the Underwriters, and the Underwriters will purchase from the Fund, \$[●] in aggregate principal amount of the Fund’ s Short-Term Notes, and \$[●] in aggregate principal amount of the Fund’ s Medium-Term Notes.

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(b) The Notes will be issued pursuant to an indenture, dated as of [●], 2021, as amended (the Indenture”), between the Company and [●], as trustee (the “Trustee”). The issuance and sale of the Notes to the Underwriters will be effected pursuant to the Registration Statement (as defined below) filed by the Company and declared effective by the Securities and Exchange Commission (the “Commission”). The Indenture has been qualified under the Trust Indenture Act of 1939, as amended, and the rules and regulations promulgated thereunder (the “Trust Indenture Act”).

(c) The obligations of the Underwriters under this underwriting agreement are undertaken on the basis of the representations and are subject to the conditions set forth in this Underwriting Agreement.

**2. Payment and Delivery.** Delivery by the Fund of the Notes to the Underwriter for its account against payment of the purchase price for the Notes by certified or official bank check, payable in next-day funds, or by way of a Federal Funds wire transfer to the order of the Fund, will take place at the offices of [●] at an initial closing (the “Initial Closing”) to be held no later than about [●] (the “Initial Closing Date”). Subsequence closings (“Subsequent Closings”) may be held at such other times or on such other dates as may be agreed upon by the Fund and the Underwriter.

The Notes will be in definitive form, registered in such names and in such denominations as the Underwriter requests and will be made available to the Underwriter for checking and packaging on the applicable Closing Date.

**3. Prospectuses; Public Offering.**

(a) The Fund has registered as an investment company, under the ICA and has filed with the Commission a Registration statement on Form N-2 (the “Registration Statement”) relating to the continuous offering of the Notes, which such Registration Statement includes a prospectus (the “Prospectus”) and a statement of additional information (the “SAI”). Unless the context suggests otherwise, the term Registration Statement shall hereinafter include any supplement or amendment to the Registration Statement, and the term Prospectus shall hereinafter include any supplement or amendment to the Prospectus.

(b) The Fund and the Investment Advisers understand that the Underwriters propose to make a public offering of the Notes solely to Puerto Rico Residents, as described in the Prospectus, as soon after the date this Underwriting Agreement is signed as the Underwriters deem advisable. The Fund and the Investment Advisers confirm that the Underwriters and dealers have been authorized to distribute the Prospectus, including any amendments or supplements thereto, to Puerto Rico Residents; provided that upon amendment or supplementation of the Prospectus, the Underwriters and dealers shall deliver the Prospectus, only as so amended or supplemented.

**4. Representations.**

(a) Each of the Fund and the Investment Advisers represents to the Underwriters as follows:



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- (i) On (A) the date of the Prospectus and (B) at each Closing Date, the Prospectus and any such amendment or supplement thereto complied or will comply, in all material respects, with the applicable requirements of ICA and the laws of Puerto Rico, and did not or will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The foregoing representations in this Section 4(a)(i) do not apply to statements or omissions made in reliance on and in conformity with information relating to the Underwriters furnished in writing to the Fund by the Underwriters expressly for use in the Prospectus or any amendments or supplements thereto.
  - (ii) The Fund meets the requirements for use of Form N-2 under the Securities Act of 1933, as amended (the “1933 Act”). The Registration Statement has been declared effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act, and no proceedings for any such purpose, have been instituted or are pending or, to the knowledge of the Fund, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.
  - (iii) The Fund has been duly organized as a corporation and is validly existing and in good standing under the laws of Puerto Rico, with full power and authority to conduct all activities conducted (or presently contemplated to be conducted) by it, to own or lease all assets owned (or presently contemplated to be owned) or leased (or presently contemplated to be leased) by it and to conduct its business as described in the Prospectus and is duly licensed and is qualified to do business and in good standing in each jurisdiction in which its ownership or leasing of property or its conducting of business requires such qualification.
  - (iii) The Notes conform in all material respects to the description of them in the Prospectus. Proper proceedings have been taken to validly authorize the Notes being issued. The Notes, when delivered to and paid for by the Underwriters pursuant to the Underwriting Agreement, will be duly and validly issued, fully paid and non-assessable except as set forth in the Prospectus. The Fund has no subsidiaries. No person is entitled to any preemptive or similar rights, except as described in the Prospectus.
  - (iv) Each of the Underwriting Agreement, the Investment Advisory Contracts, the Administration Agreement, the Custody Agreement, and the Transfer Agency Agreement (A) has been duly and validly

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authorized, executed and delivered by the Fund and (B) complies in all material respects with all applicable requirements of ICA and other applicable laws of Puerto Rico, and (C) assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Fund enforceable in accordance with its terms, subject as to enforcement, to applicable bankruptcy, reorganization, insolvency or other similar laws relating to or affecting creditors' rights generally and to equitable principles and principles of public policy that may restrict the availability of remedies.

- (v) None of (A) the execution and delivery by the Fund of the Underwriting Agreement, the Investment Advisory Contracts, the Administration Agreement, the Custody Agreement, or the Transfer Agency Agreement, (B) the issue and sale by the Fund of the Notes as contemplated by the Underwriting Agreement, and (C) the consummation by the Fund of the other transactions as contemplated by such agreements conflicts or will conflict with, or results or will result in a breach of, the Certificate of Incorporation or the By-Laws, each as amended, of the Fund or any material agreement or instrument to which the Fund is a party or by which the Fund is bound, or any law, rule, regulation or order of any court, governmental instrumentality, securities exchange or association or arbitrator applicable to the Fund.
- (vi) The Fund is not currently in breach of, or in default under, any agreement or instrument to which it is a party or by which it or its property is bound or affected.
- (vii) Assuming compliance by the Underwriters with Section 5 hereof and the offer, sale and transfer restrictions set forth in the Prospectus, no consent, approval, authorization or order of any court or governmental agency or body or securities exchange or securities association is required by the Fund for the consummation by the Fund of the transactions contemplated in the Underwriting Agreement, the Investment Advisory Contracts, the Administration Agreement, the Custody Agreement, or the Transfer Agency Agreement, except such as have been obtained under the ICA or applicable laws of Puerto Rico, in connection with the purchase and distribution of the Notes by the Underwriters pursuant to this Underwriting Agreement.
- (viii) The Fund is duly registered as an investment company under ICA and all required action has been or will be taken by the Fund under the ICA to make the public offering and consummate the sale of the Notes as provided in this Underwriting Agreement.

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- (ix) Since the date as of which information is given in the Prospectus, except as otherwise stated or contemplated therein, (A) there has been no material adverse change in the condition, financial or otherwise, of the Fund, whether or not arising in the ordinary course of business, (B) there have been no transactions entered into by the Fund other than those in the ordinary course of business, and (C) there has been no distribution of any kind declared, paid or made by the Fund.
  - (x) The Fund owns or possesses or has obtained all governmental licenses, permits, consents, orders, approvals and other authorizations necessary to carry on its business as contemplated in the Prospectus.
  - (xi) There is no action, suit or proceeding before or by any court or governmental agency or body now pending or to the knowledge of the Fund threatened against the Fund, which might result in any material adverse change in the condition, financial or otherwise, business affairs or business prospects of the Fund, or might have a material adverse effect on the properties or assets of the Fund or is of a character required to be described in the Prospectus; and there are no contracts, franchises or other documents that are of a character required to be described in the Prospectus by the ICA and other applicable laws of Puerto Rico, which have not been described as required.
  - (xiii) All advertisements, sales literature and other promotional material (collectively, “advertisements”) authorized in writing or prepared by the Fund or the Investment Advisers or their affiliates for use in connection with the offering of the Notes complied and comply with the applicable requirements of the laws of Puerto Rico, the ICA and the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”) and no such advertisement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading.
  - (xvi) The Fund intends to invest the proceeds of the offering in investments as described in the Prospectus and is not aware of any reason it may not so invest the proceeds other than as described in the Prospectus.

(b) UBSPR, in its capacity as Investment Adviser and Underwriter, represents to the Fund, as follows:

- (i) UBSPR is registered with the Commission as an investment adviser under the Advisers Act.

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- (ii) UBSPR has been duly organized and is validly existing and in good standing as a corporation under the laws of Puerto Rico, with full corporate power and authority to conduct all activities conducted (or presently contemplated to be conducted) by it, to own or lease all assets owned (or presently contemplated to be owned) or leased (or presently contemplated to be leased) by it and to conduct its business as described in the Prospectus and has filed all documents in each jurisdiction in which its ownership or leasing of property or its conducting of business requires such filing and in which the failure to so file would have a material adverse effect on the business or operations of UBSPR and owns, possesses or has obtained and currently maintains all material governmental licenses, permits, consents, orders, approvals and other authorizations under applicable laws necessary to carry on its business as contemplated in the Prospectus.
- (iii) Each of the Underwriting Agreement and the Investment Advisory Contract (A) has been duly and validly authorized, executed and delivered by UBSPR, in its capacity as Investment Adviser and Underwriter, and (B) assuming due authorization, execution and delivery by the other parties thereto, constitutes a legal, valid and binding obligation of UBSPR, in its capacity as an investment adviser, enforceable in accordance with its terms, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency or other similar laws relating to or affecting creditors' rights generally and to equitable principles that may restrict the availability of remedies. Each of the Underwriting Agreement and the Investment Advisory Contract complies in all material respects with all applicable provisions of the ICA, the Advisers Act and the laws of Puerto Rico.
- (iv) Neither the execution and delivery by UBSPR of the Underwriting Agreement and the Advisory Contract nor the consummation by UBSPR of the transactions contemplated by such agreements conflicts or, upon the consummation of the transactions contemplated by such agreements or subject only to the passage of time, will conflict with, or results or, upon the consummation of the transactions contemplated by such agreements or subject only to the passage of time, will result in a breach of, the Certificate of Incorporation or By-Laws of UBSPR or any agreement or instrument to which UBSPR is a party or by which UBSPR is bound, or any law, rule, regulation or order of any court, governmental instrumentality, securities exchange or association or arbitrator, whether foreign or domestic, applicable to UBSPR.
- (v) No consent, approval, authorization or order of any court, governmental agency or body or securities exchange or securities

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association is required of UBSPR for the consummation by UBSPR of the transactions contemplated in this Underwriting Agreement, and the Investment Advisory Contract, except such as have been obtained under the ICA and any other applicable laws of Puerto Rico.

- (vi) The description of UBSPR in the Prospectus complies in all material respects with the requirements of the ICA and other applicable laws of Puerto Rico and does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances under which they were made.
  - (vii) There is no action, suit or proceeding before or by any court or governmental agency or body now pending or to UBSPR's knowledge threatened against or affecting UBSPR, which (A) might result in any material adverse change in the condition, financial or otherwise, business affairs or business prospects of UBSPR, (B) might adversely affect the ability of UBSPR to fulfill its obligations hereunder or under the Investment Advisory Contract or (C) is required to be disclosed in the Prospectus (other than as disclosed therein).
- (c) Popular, in its capacity as Investment Adviser, represents to the Underwriter, as follows:
- (i) Popular is registered with the Commission as an investment adviser under the Advisers Act.
  - (ii) Popular has been duly organized and is validly existing and in good standing as a corporation under the laws of Puerto Rico, with full corporate power and authority to conduct all activities conducted (or presently contemplated to be conducted) by it, to own or lease all assets owned (or presently contemplated to be owned) or leased (or presently contemplated to be leased) by it and to conduct its business as described in the Prospectus and has filed all documents in each jurisdiction in which its ownership or leasing of property or its conducting of business requires such filing and in which the failure to so file would have a material adverse effect on the business or operations of Popular and owns, possesses or has obtained and currently maintains all material governmental licenses, permits, consents, orders, approvals and other authorizations under applicable laws necessary to carry on its business as contemplated in the Prospectus.

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- (iii) Each of the Underwriting Agreement and the Contract (A) has been duly and validly authorized, executed and delivered by Popular, in its capacity as Investment Adviser and Underwriter, and (B) assuming due authorization, execution and delivery by the other parties thereto, constitutes a legal, valid and binding obligation of Popular, in its capacity as an investment adviser, enforceable in accordance with its terms, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency or other similar laws relating to or affecting creditors' rights generally and to equitable principles that may restrict the availability of remedies. Each of the Underwriting Agreement and the Investment Advisory Contract complies in all material respects with all applicable provisions of the ICA, the Advisers Act and the laws of Puerto Rico.
  - (iv) Neither the execution and delivery by Popular of the Underwriting Agreement and the Advisory Contract nor the consummation by Popular of the transactions contemplated by such agreements conflicts or, upon the consummation of the transactions contemplated by such agreements or subject only to the passage of time, will conflict with, or results or, upon the consummation of the transactions contemplated by such agreements or subject only to the passage of time, will result in a breach of, the Certificate of Incorporation or By-Laws of Popular or any agreement or instrument to which Popular is a party or by which Popular is bound, or any law, rule, regulation or order of any court, governmental instrumentality, securities exchange or association or arbitrator, whether foreign or domestic, applicable to Popular.
  - (v) No consent, approval, authorization or order of any court, governmental agency or body or securities exchange or securities association is required of Popular for the consummation by Popular of the transactions contemplated in this Underwriting Agreement, and the Investment Advisory Contract, except such as have been obtained under the ICA and any other applicable laws of Puerto Rico.
  - (vi) The description of Popular in the Prospectus complies in all material respects with the requirements of the ICA and other applicable laws of Puerto Rico and does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances under which they were made.
  - (vii) There is no action, suit or proceeding before or by any court or governmental agency or body now pending or to Popular' s knowledge threatened against or affecting Popular, which (A) might

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result in any material adverse change in the condition, financial or otherwise, business affairs or business prospects of Popular, (B) might adversely affect the ability of Popular to fulfill its obligations hereunder or under the Investment Advisory Contract or (C) is required to be disclosed in the Prospectus (other than as disclosed therein).

## **5. Agreements of the Parties.**

(a) The Fund will advise the Underwriters and the Investment Advisers (1) of the issuance by the Commission or the Commodity Futures Trading Commission (the “CFTC”) of any order to the Fund or the Investment Advisers which relates to the Fund (or as soon as the Fund has actual knowledge of such order), (2) of receipt by the Fund of any notice of the initiation or threatening of any proceedings for or the issuance of any order by the Commission or the CFTC suspending approval of the transactions contemplated herein, and (3) of receipt by the Fund or any representatives or attorney of the Fund of any other communication from the Commission or the CFTC relating to the Fund or to the transactions contemplated herein except for routine communication occurring more than one year from the date of this Underwriting Agreement. The Fund will make every reasonable effort to prevent the issuance of an order suspending the approval of the Fund and the transactions contemplated herein and, if any such order is issued, to use its best reasonable efforts to obtain its lifting as soon as possible.

(b) During such period as the Prospectus is required by law to be delivered by the Underwriters or a dealer, the Fund will deliver, without charge, to the Underwriters and dealers, at such office or offices as the Underwriters may designate, as many copies of the prospectus as the Underwriters may reasonably request, and, if any event occurs during such period as a result of which it is necessary to amend or supplement the Prospectus, in order to make the statements therein, in light of the circumstances existing when such Prospectus is delivered to a purchaser, not misleading, or if during such period it is necessary to amend or supplement the Prospectus to comply with the ICA, applicable laws of Puerto Rico or the United States, the Fund promptly will prepare, submit to the Underwriters, file with the Commission (if required by applicable law) and deliver, without charge, to the Underwriters and to dealers (whose names and addresses the Underwriters will furnish to the Fund) to whom Notes may have been sold by the Underwriters, and to other dealers on request, amendments or supplements to the Prospectus so that the statements in such Prospectus, as so amended or supplemented, will not, in light of the circumstances existing when such Prospectus is delivered to a purchaser, be misleading in any material respect and will comply with the ICA and other applicable laws of Puerto Rico and the United States (provided that, if the amendment or supplement is required exclusively as a result of a misstatement or omission by the Underwriters, the Fund may deliver such amendment or supplement to the Underwriters at a reasonable charge not to exceed the actual cost thereof to the Fund). Delivery by the Underwriters of any such amendments or supplements to the Prospectus will not constitute a waiver of any of the conditions in Section 7 hereof.

(c) The Fund will make generally available to holders of the Fund’s securities, as soon as practicable but in no event later than the last day of the 18th full calendar month following the calendar quarter in which the date of the Prospectus falls, an earnings statement, if applicable.



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(d) The Fund will pay, or reimburse if paid by the Underwriters, whether or not the transactions contemplated by this Underwriting Agreement are consummated or this Underwriting Agreement is terminated, all costs and expenses incident to the performance of the obligations of the Fund under the Underwriting Agreement, including but not limited to costs and expenses of or relating to (1) the preparation and printing of the Prospectus, all amendments and supplements thereto, and the printing or other reproduction of the Underwriting Agreement, any dealer agreements, and any other documents or agreements in connection therewith, (2) the issuance of the Notes and the preparation and delivery of the Notes, if any, (3) the furnishing (including costs of shipping and mailing) to the Underwriters and dealers of copies of the Prospectus, and all amendments or supplements thereto, and of the other documents required by this Section to be so furnished, (4) all transfer taxes, if any, with respect to the sale and delivery of the Notes to the Underwriters, and (5) the transfer agent for the Notes.

(e) If this Underwriting Agreement is terminated pursuant to any of its provisions, including but not limited to those of Section 10 hereof, except as otherwise provided herein, no party will be under any liability to any other party, except that (1) if this Underwriting Agreement is terminated by (x) the Fund or the Investment Advisers pursuant to any of the provisions hereof (otherwise than pursuant to Section 11 hereof) or (y) by the Underwriters because of any inability, failure or refusal on the part of the Fund or the Investment Advisers to comply with its terms or because any of the conditions in Section 7 are not satisfied, the Fund and the Investment Advisers, jointly and severally, will reimburse the Underwriters for all out-of-pocket expenses (including the reasonable fees, disbursements and other charges of its counsel) incurred by it in connection with the proposed purchase and sale of the Notes, provided that such reimbursement will be in equal amounts as between the Investment Advisers for any action jointly taken and provided further that each Investment Advisers will reimburse the Underwriters for all of such expenses with respect to any action or failure to take action not agreed to by the other Investment Advisers, and (2) if the Underwriters have failed or refused to purchase the Notes agreed to be purchased by them under this Underwriting Agreement, without reason sufficient to justify cancellation or termination of their obligations pursuant to this Underwriting Agreement in accordance with its terms, the Underwriters will not be relieved of liability to the Fund for damages occasioned by their default.

(f) The Fund will direct the investment of the proceeds of the offering of the Notes in such a manner as to comply with the investment objective, policies and restrictions of the Fund.

(g) The Underwriters covenant to use only advertisements and sales literature that have been approved by the Fund. The Fund shall have 10 days to review such advertisement material prior to its use.

6. **Representations, Warranties and Covenants of the Underwriter.** The Underwriter represents and warrants to, and agrees with, the other parties hereto that the Underwriter shall not sell, offer to sell, solicit any offer to buy or permit any resale of the Notes in any manner other than that provided in the Prospectus.

7. **Conditions of the Underwriter's Obligations.** The obligations of the Underwriter hereunder are subject to, in the reasonable judgment of the Underwriter, the accuracy on the date



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of this Underwriting Agreement, on the date of the Prospectus, and on each Closing Date, the representations of the Fund and the Investment Advisers in this Underwriting Agreement, to the accuracy and completeness of all statements made by the Fund, the Investment Advisers, or any of their officers in any certificate delivered to the Underwriter or its counsel pursuant to this underwriting Agreement, to performance by the Fund and the Investment Advisers of their respective obligations under this Underwriting Agreement and to each of the following additional conditions:

(a) At each Closing Date, no order prohibiting or suspending the use of the Prospectus or sales material may be in effect and no proceedings for such purpose or for the purpose of commencing an enforcement action against the Fund or the Investment Advisers or, with respect to the transaction contemplated by the Prospectus and this Underwriting Agreement, the Underwriter, may be pending before or, in the view of counsel to the Underwriter, threatened or contemplated by the SEC or the CFTC (nor may such an enforcement action have been commenced).

(b) At each Closing Date, since the dates as of which information is given in the Prospectus, (1) there must not have been any material change in the Notes or liabilities of the Fund, (2) there must not have been any material adverse change in the general affairs, prospects, management, business, financial condition or results of operations of the Fund or the Investment Advisers whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated by the Prospectus, (3) none of the Fund or the Investment Advisers shall have sustained any material loss or interference with its business from any court or from legislative or other governmental action, order or decree or from any other occurrence not described in the Prospectus, and (4) there must not have occurred, in the view of counsel to the Underwriter, any event that makes untrue or incorrect in any material respect any statement or information contained in the Prospectus or that is not reflected in the Prospectus but should be reflected therein in order to make the statements or information therein not misleading in any material respect; if, in the judgment of the Underwriter, any such development referred to in clause (1), (2), (3) or (4) of this paragraph (b) makes it impracticable or inadvisable to consummate the sale and delivery of the Notes pursuant to the Underwriting Agreement by the Underwriter.

(c) At each Closing Date, the Underwriter must have received a certificate, dated such date, the President or Executive Vice President and the chief financial or accounting officer of each of the Investment Advisers certifying that (1) the signers have carefully examined the Prospectus and the Underwriting Agreement, (2) the representations of the Fund (with respect to the certificates from such Fund officers) and the representations of the Investment Advisers (with respect to the certificates from such officers of the Investment Advisers) in the Underwriting Agreement are accurate on and as of the date of the certificate, (3) there has not been any material adverse change since the date of the Prospectus in the general affairs, prospects, management, business, financial condition or results of operations of the Fund (with respect to the certificates from such Fund officers) and the Investment Advisers (with respect to the certificates from such officers of the Investment Advisers) whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated by the Prospectus, which would have a material adverse effect on the ability of either the Fund or the Investment Advisers, as the case may be, to fulfill its respective obligations hereunder, under the Investment Advisory Contracts, the Administration Agreement, the Custody Agreement, and the Transfer Agency Agreement, as the

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case may be, (4) to the knowledge of such officers of the Fund and the Investment Advisers, no order prohibiting the sale of any of the Notes or having a material adverse effect on the Fund (with respect to the certificates from such Fund officers) or the Investment Advisers (with respect to the certificates from such officers of the Investment Advisers) has been issued and no proceedings for any such purpose are pending before or threatened by the Commission or the CFTC or any other regulatory body, whether foreign or domestic, and (5) each of the Fund (with respect to certificates from such Fund officers) and the Investment Advisers (with respect to certificates from such officers of the Investment Advisers) has performed all agreements that the Underwriting Agreement requires it to perform by the each Closing Date.

(d) At each Closing Date, the Underwriter must receive the opinions dated such Closing Date substantially in the forms of Exhibit A and Exhibit B to this Underwriting Agreement from the counsel identified in each such Exhibit, as well as any other opinions or supporting documents as the Underwriter deem advisable. The Fund and the Investment Advisers must have furnished or caused to be furnished to counsel for the Underwriter such documents as counsel may reasonably request for the purpose of enabling them to render such opinion.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Underwriting Agreement will comply with this Underwriting Agreement only if they are in the forms attached hereto, if applicable, or in the form and scope reasonably satisfactory to counsel for the Underwriters.

## **8. Indemnification.**

(a) Each of the Fund and the Investment Advisers, jointly and severally, will indemnify and hold harmless the Underwriter, the directors, officers, employees and agents of each Underwriter and each person, if any, who controls the Underwriter within the meaning of the U.S. Securities Act of 1933, as amended (the “1933 Act”), as though applicable, against any and all losses, claims, damages and liabilities, joint or several (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), to which they, or any of them, may become subject under the 1933 Act, the ICA or Puerto Rico law or regulation, at equity or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based on any untrue statement or alleged untrue statement of a material fact contained in the Prospectus or, as of the date of this Underwriting Agreement, the Prospectus or any amendment or supplement thereto, or the omission or alleged omission to state in any or all such documents a material fact required to be stated in it or necessary to make the statements in it not misleading. None of the Fund or the Investment Advisers will be liable to the extent that such loss, claim, damage or liability arises from the sale of the Notes to any person by an Underwriter, pursuant to this Underwriting Agreement, and is based on an untrue statement or omission or alleged untrue statement or omission (1) made in reliance on and in conformity with information furnished in writing to the Fund by the Underwriters expressly for use in the document, or (2) made in the Preliminary Prospectus if the Prospectus or an amendment or supplement to the Prospectus corrects such untrue statement or omission or alleged untrue statement or omission that is the basis of the loss, claim, damage or liability for which indemnification is sought and the Fund sustains or the Investment Advisers sustain the burden of proving that a copy of the Prospectus or the amendment or supplement to the Prospectus was not sent or given (other than as a result of noncompliance by the Fund with

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Section 5(e) hereof) to such person at or before the written confirmation of the sale to such person in any case where such delivery is required. This indemnity agreement will be in addition to any liability that the Fund or the Investment Advisers might otherwise have.

(b) The Underwriter will indemnify and hold harmless the Fund and the Investment Advisers, each person, if any, who controls the Fund or the Investment Advisers, within the meaning of the 1933 Act, as though applicable, each director of the Fund or the Investment Advisers and each director of the Fund or the Investment Advisers to the same extent as the foregoing indemnity from the Fund and the Investment Advisers to the Underwriter, but only insofar as losses, claims, damages or liabilities arise out of or are based on any untrue statement or omission or alleged untrue statement or omission made in reliance on and in conformity with information furnished in writing to the Fund by the Underwriter expressly for use in preparation of the Prospectus and any amendment or supplement thereto. The Fund and the Investment Advisers acknowledge that the statements with respect to stabilization on the Prospectus and the statements with respect to the Underwriter contained therein constitute the only information furnished in writing to the Fund by the Underwriter, in its capacity as such, expressly for use in any such document. This indemnity agreement will be in addition to any liability that the Underwriter might otherwise have.

(c) The Investment Advisers will indemnify and hold harmless the Underwriter and each person, if any, who controls each Underwriter within the meaning of the 1933 Act, as though applicable, against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section 8, with respect to any advertisements or sales literature prepared by such Investment Advisers or its affiliates or the Fund for use by securities firms in connection with the offering of the Notes. In addition, the Investment Advisers will so indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter within the meaning of the 1933 Act, as though applicable, with respect to any advertisements or sales literature prepared jointly by the Investment Advisers in connection with the offering of the Notes, provided that such indemnification will be in equal amounts.

(d) Any party that proposes to assert the right to be indemnified under this Section 8 will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section 8, notify each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party will not relieve it from any liability that it may have to any indemnified party. No indemnification provided for in Section 8(a), (b) or (c) hereof shall be available to any party who shall fail to give notice as provided in this Section 8(d) if the party to whom notice was not given was unaware of the proceeding to which such notice would have related and was prejudiced by the failure to give such notice, but the omission so to notify such indemnifying party of such action shall not relieve it from any liability that it may have to any indemnified party for contribution or otherwise than on account of the provisions in Section 8(a), (b) or (c). If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party will be entitled to participate in, and, to the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel reasonably satisfactory to the indemnified party, and, after

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notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party will not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. The indemnified party will have the right to employ its counsel in any such action, but the fees and expenses of such counsel will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified Party has reasonably concluded that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (3) the indemnifying party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees and expenses of counsel will be at the expense of the indemnifying party or parties. All such fees and expenses will be reimbursed promptly as they are incurred, documented and billed. Notwithstanding any other provisions of this Section 8, an indemnifying party will not be liable for any settlement of any action or claim effected without its prior written consent or, in connection with any proceeding or related proceeding in the same jurisdiction, for the fees and expenses of more than one separate counsel for all indemnified parties.

(e) In no case shall the indemnification provided in this Section 8 be available to protect any person against any liability to which any such person would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of its or his obligations or duties hereunder, or by reason of its or his reckless disregard of its or his obligations and duties hereunder.

**9. Contribution.** In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in the foregoing Section is applicable in accordance with its terms but for any reason is held to be unavailable from the Fund, the Investment Advisers or the Underwriters, the Fund, the Investment Advisers and the Underwriter will contribute to the total losses, claims, damages and liabilities (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action or any claims asserted, but after deducting any contribution received by the Fund or the Investment Advisers from persons other than the Underwriter, such as persons who control the Fund, or the Investment Advisers within the meaning of the 1933 Act, as though applicable, officers of the Fund or the Investment Advisers and directors of the Fund or the Investment Advisers, who may also be liable for contribution) to which the Fund or the Investment Advisers and the Underwriter may be subject in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other hand from the offering of the Notes or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other hand in connection with the statements or omissions or alleged statements or omissions that resulted in the losses, claims, damages or liabilities, joint or several (including any investigation, legal or other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), for which contribution is sought. The relative benefits received by the Fund and the Investment Advisers on the one hand (treated jointly

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for this purpose as one person) and the Underwriter on the other hand shall be deemed to be in the same proportion as the total proceeds from the offering (before deducting expenses) received by the Fund bear to the total selling commissions received by the Underwriter. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Fund, the Investment Advisers or the Underwriter, the parties' relative intents, knowledge, access to information and opportunity to correct or prevent such statement or omission and any other equitable considerations appropriate in the circumstances. Notwithstanding any other provisions of this Section 9, (1) the Underwriter will be responsible for any amount in excess of the selling commission applicable to the Notes sold by the Underwriter and (2) no person found guilty of fraudulent misrepresentation (within the meaning of the applicable laws of the United States or Puerto Rico) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, any person who controls a party to this Underwriting Agreement within the meaning of the 1933 Act, as though applicable, will have the same rights to contribution as that party, directors, officers, employees and agents of the Underwriter will have the same rights to contribution as such Underwriter, directors, officers and employees of the Investment Advisers will have the same rights to contribution as the Investment Advisers, and each director and officer of the Fund and the Investment Advisers will have the same rights to contribution as the Fund, subject in each case to clause (i) of this Section. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made under this Section, notify such party or parties from whom contribution may be sought, but the omission so to notify will not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have otherwise than under this Section. No party will be liable for contributions with respect to any action or claim settled without its written consent.

#### **10. Termination.**

(a) This Underwriting Agreement shall become effective upon the date first above written, provided that this Underwriting Agreement shall not take effect unless it has first been approved by a majority of the Board of Directors of the Fund, including a majority of the independent directors in accordance with the requirements of the ICA and the rules and regulations thereunder.

(b) Unless sooner terminated as provided herein, this Underwriting Agreement shall continue in effect for one year from its effective date. Thereafter if not terminated, this Underwriting Agreement shall continue for successive annual periods, provided that such continuance is specifically approved at least annually (a) by vote of a majority of those members of the Board of Directors who are not interested persons of any party to this Underwriting Agreement, cast in person (or otherwise, as consistent with applicable laws, regulations and related guidance and relief) at a meeting called for the purpose of voting on such approval, and (b) by the Board of Directors or by vote of a majority of the outstanding voting securities of the Fund.

This Underwriting Agreement will automatically terminate in the event of its assignment. As used in this Underwriting Agreement, the terms "majority of the outstanding voting

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securities,” “interested persons” and “assignment” shall have the same meanings as such terms in the ICA.

(c) The rights and obligations under such Underwriting Agreement may be terminated with respect to either Underwriter by notifying the Fund at any time:

- (i) at or before each Closing Date, if in the judgment of such Underwriter, delivery of any Notes is rendered impracticable or inadvisable because (1) trading in the securities of the Fund is suspended by the Commission, (2) additional governmental restrictions, not in force on the date of this Underwriting Agreement, have been imposed upon trading in securities generally or trading in securities generally has been suspended on any United States securities exchange, or a general banking moratorium has been established by Federal authorities or Puerto Rico authorities, or (3) any outbreak or material escalation of hostilities or other calamity or crisis occurs the effect of which is such as to make it impracticable to market any or all of the Notes; or
- (ii) at or before each Closing Date, if any of the conditions specified in Section 7 have not been fulfilled when and as required by this Underwriting Agreement.

(d) This Underwriting Agreement may be terminated by the Fund by action of its Board of Directors, subject to the unanimous consent of the Independent Fund Directors (as defined in the Fund’s Code of Ethics), with ten (10) days prior written notice to the Underwriter.

(c) The rights and obligations under this Underwriting Agreement may be terminated by any party with respect to such party upon notice of breach of any of the continuous representations made in this Agreement.

(d) The rights and obligations under this Underwriting Agreement shall automatically terminate with respect to any party upon change of control of such party .

**11. Substitution of Underwriter.** If the Underwriter fails (other than for a reason sufficient to justify the termination of this Underwriting Agreement) to purchase on any Closing Date the Notes agreed to be purchased on such Closing Date by the Underwriter, the Underwriter may find one or more substitute underwriters to purchase such Notes or make such other arrangements as the Underwriter deems advisable, upon the terms set forth in this Underwriting Agreement. If no such arrangements have been made within thirty-six hours after such Closing Date, and the number of Notes to be purchased by the Underwriter on such Closing Date exceeds 10% of the Notes to be purchased on such Closing Date, the Fund will be entitled to an additional period of 24 hours within which to find one or more substitute underwriters reasonably satisfactory to the Underwriter to purchase such Shares on the terms set forth in this Underwriting Agreement.

Either the Underwriter or the Fund will have the right to postpone the applicable Closing Date for not more than five business days in order that necessary changes and arrangements (including any necessary amendments or supplements to the Prospectus) may be effected by the



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Underwriter and the Fund. If the number of Notes to be purchased on such Closing Date by the Underwriter exceeds 10% of the Notes that the Underwriter is obligated to purchase on such Closing Date, and the Fund does not make arrangements pursuant to this Section 11 within the period stated for the purchase of the Notes that the Underwriter agreed to purchase, this Underwriting Agreement will terminate without liability on the part of the Fund or the Investment Advisers, except in both cases as provided in Section 5(d), 5(e), 8 and 9 hereof. This Section will not affect the liability of the Underwriter to the Fund arising out of such default. A substitute underwriter will become the Underwriter for all purposes of this Underwriting Agreement.

**12. Miscellaneous.**

(a) The reimbursement, indemnification and contribution agreements in Sections 5(d), 5(c), 5(g), 8 and 9 hereof and the representations of the Fund, the Investment Advisers and the Underwriters in this Underwriting Agreement will remain in full force and effect regardless of any termination of this Underwriting Agreement. The reimbursement, indemnification and contribution agreements in Sections 5(d), 5(e), 5(g), 8 and 9 hereof and the representations and agreements of the Fund, the Investment Adviser and the Underwriters in this Underwriting Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriters, the Fund, the Investment Adviser or any controlling person and delivery of and payment for the Notes.

(b) This Underwriting Agreement is for the benefit of the Underwriters, the Fund, the Investment Adviser and their successors and assigns, and, to the extent expressed in this Underwriting Agreement, for the benefit of persons controlling the Underwriters, the Fund, or the Investment Adviser, directors of the Fund, directors, officers, employees and agents of the Underwriters and directors, officers and employees of the Investment Adviser, and their respective successors and assigns, and no other person, partnership, association or corporation will acquire or have any right under or by virtue of this Underwriting Agreement. The term “successors and assigns” does not include any purchaser of the Notes from the Underwriters merely because of such purchase.

(c) All notices and communications under this Underwriting Agreement will be in writing, effective only on receipt, and mailed or delivered, by messenger, facsimile transmission or otherwise, to the Underwriters, T [●]; to the Fund at [●]; and to the Investment Adviser at their addresses set forth in the Prospectus.

(d) This Underwriting Agreement may be signed in multiple counterparts that taken as a whole constitute one agreement.

(e) This Underwriting Agreement will be governed by and construed in accordance with the laws of Puerto Rico.

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Please confirm that the foregoing correctly sets forth the agreement between us.

In San Juan, Puerto Rico, on the date set forth above.

Very truly yours,

PUERTO RICO RESIDENTS TAX-FREE FUND, INC.

By: \_\_\_\_\_

Name:

Title:

UBS TRUST COMPANY OF PUERTO RICO, as Investment Adviser

By: \_\_\_\_\_

Name:

Title:

POPULAR ASSET MANAGEMENT LLC, as Investment Adviser

By: \_\_\_\_\_

Name:

Title:

Agreed and Accepted by:

UBS FINANCIAL SERVICES INCORPORATED OF PUERTO  
RICO, As Underwriter

American International Plaza  
Penthouse Floors  
250 Munoz Rivera Avenue  
Hato Rey, Puerto Rico 00918

By: \_\_\_\_\_

Name:

Title:









December 30, 1998

Popular Securities, Inc.  
Popular Center  
209 Munoz Rivera Avenue  
Hato Rey, Puerto Rico 00918

PaineWebber Incorporated of Puerto Rico  
American International Plaza, Penthouse Floors  
250 Munoz Rivera Avenue  
Hato Rey, Puerto Rico 00918

**RE: Puerto Rico Investors Flexible Allocation Fund - Income Portfolio 1**

Gentlemen:

1. **General:** We understand that PaineWebber Incorporated of Puerto Rico (“PWPR”) and Popular Securities, Inc. (“Popular Securities”) are entering into this Agreement with us and other firms who may be offered the right to purchase a portion of securities being distributed to the public. The terms and conditions of this Agreement shall be applicable to the public offering of the securities of Puerto Rico Investors Flexible Allocation Fund - Income Portfolio 1 Units (the “Securities”) wherein the PWPR and Banco Popular (acting for their own account or for the account of any underwriting or similar group or syndicate) are responsible for managing or otherwise implementing the sale of the Securities to selected dealers (“Selected Dealers”) and have expressly informed us that such terms and conditions shall be applicable. Any such offering of the Securities to us as a Selected Dealer is hereinafter called an “Offering”. In the case of any Offering in which you are acting for the account of any underwriting or similar group or syndicate (the “Underwriters”), the terms and conditions of this Agreement shall be for the benefit of, and binding upon, such Underwriters, including, in the case of any Offering in which you are acting with others as representatives of the Underwriters, such other representatives. The term “preliminary prospectus” means, in the case of an Offering registered under the Securities Act of 1933 (the “Securities Act”), any preliminary prospectus relating to an Offering of the Securities or any preliminary prospectus supplement together with a prospectus relating to an Offering of the Securities and, in the case of an Offering not registered under the Securities Act, any preliminary offering circular relating to an Offering of the Securities or any preliminary offering circular supplement together with an offering circular relating to an Offering of the Securities; the “Prospectus” means, in the case of an Offering registered under the Securities Act, the prospectus, together with the final prospectus supplement, if any, relating to such Offering of the Securities, filed pursuant to Rule 424(b) or Rule 424(c) under the Securities Act and, in the case of an Offering not registered under the Securities Act, the final offering circular, including any supplements, relating to such Offering of the Securities.

2. **Conditions of Offering:** Acceptance and Purchase. Any Offering will be subject to delivery of the Securities and their acceptance by you and any other Underwriters, may be subject to the approval of all legal matters by counsel and the satisfaction of other conditions, and may be made on the basis of reservation of the Securities or an allotment against subscription. You will advise us by telegram, telex, or other form of written communication (“Written

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Communication”) of the particular method and supplementary terms and conditions (including, without limitation, the information as to prices and offering date referred to in Section 3(b) of any Offering in which we are invited to participate. To the extent such supplementary terms and conditions are inconsistent with any provision herein, such terms and conditions shall supersede any such provision. Unless otherwise indicated in any such Written Communication, acceptances and other communications by us with respect to any Offering should be sent to Popular Securities, Inc., Popular Center, 209 Munoz Rivera Avenue. Hato Rey, Puerto Rico 00918, Attention: President, and PaineWebber Incorporated of Puerto Rico, American International Plaza, Penthouse Floors, 250 Munoz Rivera Avenue, Hato Rey, Puerto Rico 00918, Attention: Executive Vice President and Chief Operating Officer.

You reserve the right to reject any acceptance in whole or in part. Payment for the Securities purchased by us is to be made at such office as you may designate, at the public offering price, or, if you shall so advise us, at such price less the concession to dealers or at the price set forth or indicated in a Written Communication, on such date as you shall determine, on one day’s prior notice to us, by certified or official bank check in New York Clearing House funds payable to the order of PaineWebber Incorporated of Puerto Rico and/or Popular Securities, Inc., against delivery of certificates evidencing such Securities. If payment is made for the Securities purchased by us at the public offering price, the concession to which we shall be entitled will be paid to us upon termination of the provisions of Section 3(b) with respect to such Securities.

Unless we promptly give you written instructions otherwise, if transactions in the Securities may be settled through the facilities of the Depository Trust Company, payment for and delivery of the Securities purchased by us will be made through such facilities if we are a member, or if we are not a member, settlement may be made through our ordinary correspondent who is a member.

### 3. **Representations, Warranties and Agreements:**

(a) Prospectuses. You shall provide us with such number of copies of each preliminary prospectus, the prospectus and any supplement thereto relating to each Offering as we may reasonably request. If the Securities will be registered under the Securities Act, we represent that we are familiar with Rule 15c2-8 under the Exchange Act relating to the distribution of preliminary and final prospectuses and agree that we will comply therewith; we agree to keep an accurate record of our distribution (including dates, number of copies and persons to whom sent) of copies of the prospectus or any preliminary prospectus (or any amendment of supplement to any thereof), and promptly upon request by you, to bring all subsequent changes to the attention of anyone to whom such material shall have been furnished; and we agree to furnish to persons who receive a confirmation of sale a copy of the Prospectus filed pursuant to Rule 424(b) or Rule 424(c) under the Securities Act. If the Securities will not be registered under the Securities Act, we agree that we will deliver all preliminary and final offering circulars required for compliance with the applicable laws and regulations governing the use and distribution of offering circulars by underwriters, and, to the extent consistent with such laws and regulations, we confirm that we have delivered and agree that we will deliver all preliminary and final offering circulars which would be required if the provisions of Rule 15c2-8 under the Exchange Act applied to this offering. We agree that in purchasing the Securities in an Offering we will rely upon no statements whatsoever, written or oral, other than the statements in the Prospectus delivered to us by you. We will not be authorized by the issuer or other seller of the Securities offered pursuant to a Prospectus

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or by any Underwriters to give any information or to make any representation not contained in the Prospectus in connection with the sale of such securities.

(b) Offer and Sale to the Public. With respect to any Offering of the Securities, you will inform us by a Written Communication of the public offering price, the selling concession, the reallowance (if any) to dealers and the time when we may commence selling the Securities to the public.

After such public offering has commenced, you may change the public offering price, the selling concession and the reallowance to dealers. With respect to each Offering of the Securities, until the provisions of this Section 3(b) shall be terminated pursuant to Section 4, we agree to offer the Securities to the public only at the public offering price, except that if a reallowance is in effect, a reallowance from the public offering price not in excess of such reallowance may be allowed as consideration for services rendered in distribution to dealers who are actually engaged in the investment banking or securities business, who execute the written agreement prescribed by Rule 2740(c) of the Conduct Rules of the National Association of Securities Dealers, Inc. (the "NASD"), and who are either members in good standing of the NASD or foreign brokers or dealers not eligible for membership in the NASD who represent to us that they will promptly reoffer such Securities at the public offering price and will abide by the conditions with respect to foreign brokers and dealers set forth in Section 3(e).

(c) Stabilization and Over-Allotment. You may, with respect to any Offering, be authorized to over-allot in arranging sales to Selected Dealers, to purchase and sell the Securities, any other securities of the issuer of the Securities of the same class and series and any other securities of the same class and series and any other securities of such issuer that you may designate for long or short account and to stabilize or maintain the market price of the Securities. We agree to advise you from time to time upon request, prior to the termination of the provisions of Section 3(b) with respect to any offering, of the amount of the Securities purchased by us hereunder remaining unsold and we will, upon your request, sell to you, for the accounts of the Underwriters, such amount of the Securities as you may designate, at the public offering price thereof less an amount to be determined by you not in excess of the concession to dealers. In the event that prior to the later of (i) the termination of the provisions of Section 3(b) with respect to any Offering, or (ii) the covering by you of any short position created by you in connection with such Offering for your account or the account of one or more Underwriters, you purchase or contract to purchase for the account of any of the Underwriters, in the open market or otherwise, any Securities theretofore delivered to us, you reserve the right to withhold the above-mentioned concession to dealers on such Securities if sold to us at the public offering price, or if such concession has been allowed to us through our purchase at a net price, we agree to repay such concession upon your demand, plus in each case any taxes on redelivery, commissions, accrued interest and dividends paid in connection with such purchase or contract to purchase.

(d) Open Market Transactions. We agree not to bid for, purchase, attempt to purchase, or sell directly or indirectly, any Securities, any other securities of the issuer or the Securities of the same class and series or any other securities of such issuer as you may designate, except as brokers pursuant to unsolicited orders and as otherwise provided in this Agreement. If the Securities are common stock or securities convertible into common stock, we agree not to effect, or attempt to induce others to effect, directly or indirectly, any transactions in or relating to

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put or call options on any stock of such issuer, except to the extent permitted by Rule 101 of Regulation M under the Exchange Act as interpreted by the Securities and Exchange Commission.

An opening uncovered writing transaction in options to acquire the Securities for our account or for the account of any customer shall be deemed for purposes of the preceding sentence, to be a transaction effected by us in or relating to put or call options on stock of the Company permitted by Rule 101 of Regulation M. The term “opening uncovered writing transaction” means an opening sale transaction where the seller intends to become a writer of an option to purchase stock which it does not own or have the right to acquire upon exercise of conversion or option rights.

(e) NASD. We represent that we are actually engaged in the investment banking or securities business and we are either a member in good standing of the NASD, or, if not such a member, a foreign dealer not eligible for membership.

If we are such a member, we agree that in making sales of the Securities we will comply with all applicable rules of the NASD, including without limitation the NASD’s interpretation with respect to Free-Riding and withholding and Rule 2740 of the Conduct Rules of the NASD. If we are such a foreign dealer, we agree not to offer or sell any Securities in the United States of America except through you and in making sales of the Securities outside the United States of America we agree to comply as though we were a member with such interpretation and Rule 2730, 2740 and 2750 of the Conduct Rules of the NASD and to comply with Rule 2420 of such Conduct Rules as it applies to a nonmember broker or dealer in a foreign country.

(f) Relationship among Underwriters and Selected Dealers. You may buy the Securities from or sell the Securities to any Underwriter or Selected Dealer and, with your consent, the Underwriters (if any) and the Selected Dealers may purchase the Securities from and sell the Securities to each other at the public offering price less all or any part of the concession. We are not authorized to act as agent for you or any Underwriter or the issuer or other seller of any Securities to the public or otherwise. Nothing contained herein or in any Written Communication from you shall constitute the Selected Dealers partners with you or any Underwriter or with one another. Neither you nor any Underwriter shall be under any obligation to us except for obligations assumed hereby or in any Written Communication from you in connection with any Offering. In connection with any Offering, we agree to pay our proportionate share of any claim, demand or liability asserted against us, and the other Selected Dealers or any of them that constitute an association, unincorporated business or other separate entity, including in each case our proportionate share of any expense incurred in defending against such claim, demand or liability.

(g) Blue Sky Law: Upon application to you, you will inform us as to the jurisdictions in which you believe the Securities have been qualified for sale under the respective securities of “blue sky” laws of such jurisdictions. We understand and agree that compliance with the securities or “blue sky” laws in each jurisdiction in which we shall offer or sell any of the Securities shall be our sole responsibility and that you assume no responsibility or obligations as to the eligibility of the Securities for sale or our right to sell the Securities in any jurisdiction.

(h) Limited Offering of the Securities and Indemnification: We will offer, sell, pledge, hypothecate or otherwise transfer the Securities exclusively to Puerto Rico Residents (as

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such term is defined in the Prospectus) and in accordance with the terms and provisions contained in the Prospectus. We will also adhere to and obtain the letter of representation contained in Appendix B of the Prospectus prior to the time of investment. In such regard, we will indemnify the the Fund and the Underwriters against all damages, claims, losses, and any other liability arising from our failure to comply and/or meet our obligations with respect to this sub-section (h).

(i) **Compliance with Law:** We agree that in selling the Securities pursuant to any Offering (which agreement shall also be for the benefit of the issuer or other seller of such Securities) we will comply with the applicable provisions of the Securities Act and the Exchange Act, the applicable rules and regulations of the Securities and Exchange Commission thereunder, the applicable rules and regulations of the NASD and the applicable rules and regulations of any securities exchange having jurisdiction over the Offering. You shall have full authority to take such action as you may deem advisable in respect of all matters pertaining to any Offering. Neither you nor any Underwriter shall be under any liability to us, except for lack of good faith and for obligations expressly assumed by you in this Agreement; provided, however, that nothing in this sentence shall be deemed to relieve you from any liability imposed by the Securities Act.

4. **Termination; Supplements and Amendments.** This agreement may be terminated by either party hereto upon five business days' written notice to the other party; provided that with respect to any Offering for which a Written Communication was sent and accepted prior to such notice, this Agreement as it applies to such Offering shall remain in full force and effect and shall terminate with respect to such Offering in accordance with the last sentence of this Section. This Agreement may be supplemented or amended by you by written notice thereof to us, and any such supplement or amendment to this Agreement shall be effective with respect to any Offering to which this Agreement applies after the date of such supplement or amendment. Each reference to "this Agreement" herein shall, as appropriate, be to this Agreement as so amended and supplemented. The terms and conditions set fourth in Section 3(b) and (d) with regard to any Offering will terminate at the close of business on the forty fifth day after the date of the initial public offering of the Securities to which such Offering relates, but such terms and conditions, upon notice to us, may be terminated by you at any time.

5. **Successors and Assigns:** This Agreement shall be binding on, and inure to the benefit of, the parties hereto and other persons specified or indicated in Section I, and the respective successors and assigns of each of them.

6. **Governing Law:** This Agreement and the terms and conditions set fourth herein with respect to any Offering together with such supplementary terms and conditions with respect to such Offering as may be contained in any Written Communication from you to us in connection therewith shall be governed by, and construed in accordance with the laws of the Commonwealth of Puerto Rico.



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By signing this Agreement we confirm that our subscription to, or our acceptance of any reservation of any Securities pursuant to an Offering shall constitute (i) acceptance of and agreement to other terms and conditions of this Agreement (as supplemented and amended pursuant to Section 4) together with and subject to any supplementary terms and conditions contained in any Written Communication from you in connection with such Offering, all of which shall constitute a binding agreement between us and you, individually or as representative of any Underwriters, (ii) confirmation that our representations and warranties set forth in Section 3 are true and correct at the time and (iii) confirmation that our agreements set forth in Section 2 and 3 have been and will be fully performed by us to the extent and at the times required thereby.

Very truly yours

DORAL SECURITIES

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By: Miguel Pascual  
Title: President and CEO

Confirmed as of the date  
first above written.

POPULAR SECURITIES, INC.

By: \_\_\_\_\_  
Carlos J. Ortiz  
Managing Director

PAINWEBBER INCORPORATED OF  
PUERTO RICO

By: \_\_\_\_\_  
Miguel A. Ferrer  
President

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PUERTO RICO INVESTORS FLEXIBLE ALLOCATION FUND  
Income Portfolio 1 Units

December 30, 1998

Doral Securities  
268 Muñoz Rivera Avenue  
Suite 1803  
Hato Rey, Puerto Rico 00918

Gentlemen

Popular Securities, Inc. and PaineWebber Incorporated of Puerto Rico (the “Underwriters”) are acting as lead underwriter of Puerto Rico Investors Flexible Allocation Fund (the “Fund”) in connection with the public offering of up to 5,800,000 Units of the Fund’s Income Portfolio 1 (the “Units”). The Units and the terms on which they are being offered and purchased are to be described in the Fund’s Prospectus dated December 29, 1998 and Prospectus Supplement, if any (collectively, the “Prospectus”). A copy of the Prospectus has been delivered to you previously, receipt of which you hereby acknowledge.

We are offering to you (the “Selected Dealer”), subject to prior sale, when, as and if delivered to and accepted by us, and subject to the terms and conditions hereof, Units at the public offering price, less a concession of 2.5% in the aggregate or \$0.25 per Unit. The public offering price of the Units will be set forth in the Prospectus.

This offer is subject to your acceptance of and signature on the attached Selected Dealer Agreement (the “Selected Dealer Agreement”). We hereby agree and accept that you are entering into the Selected Dealer Agreement with the express understanding that the defined term “Securities” in such Selected Dealer Agreement refers solely to the Units offered by the Fund through the Prospectus. This letter constitutes a Written Communication under the Selected Dealer Agreement. Please sign a copy of this letter and of the Selected Dealer Agreement and deliver such documents to the following address:

Axtmayer Adsuar Muniz & Goyco, P.S.C.  
Hato Rey Tower, Suite 1400  
268 Munoz Rivera Avenue  
Hato Rey, Puerto Rico 00919  
Attn.: lose C. Sanchez, Esq.

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If the foregoing correctly sets forth your understanding, please indicate so in the space provided below and return the Selected Dealer Agreement to us at the address set forth hereof, whereupon it shall constitute a binding contract between us.

Very truly yours

POPULAR SECURITIES, INC.

By: \_\_\_\_\_

Carlos J. Ortiz

Managing Director

PAINWEBBER INCORPORATED OF  
PUERTO RICO

By: \_\_\_\_\_

Miguel A. Ferrer

President

Agreed and Accepted as of the  
date first written above:

Doral Securities

\_\_\_\_\_  
Miguel Pascual  
CEO

**CUSTODY AGREEMENT**

CUSTODY AGREEMENT, made as of \_\_\_\_ day of May, 2021 by and between Puerto Rico Residents Tax-Free Fund, Inc., a corporation organized under the laws of the Commonwealth of Puerto Rico and an investment company registered under the Puerto Rico Investment Companies Act (the “Fund”), and Banco Popular de Puerto Rico, a Puerto Rico bank organized and having its principal office and place of business in Puerto Rico (“BPPR”). Capitalized terms not otherwise defined herein will have the same meaning as in the Fund’s Prospectus dated May, 2021.

**WITNESSETH**

WHEREAS, the Fund will deposit with BPPR or, at the direction of BPPR, with a sub-custodian appointed pursuant to paragraph 1. below, all of its securities, cash, and other assets which with any additional securities or other property hereafter deposited with BPPR or such sub-custodian, it shall administer in accordance with the terms and conditions hereinafter provided.

WHEREAS, the Fund desires to retain BPPR to act as custodian in the manner and on the terms and conditions hereinafter set forth.

WHEREAS, the Fund has retained BPPR to act as transfer agent in the manner and on the terms and conditions set forth in the Transfer Agency, Registrar, and Shareholder Servicing Agreement (the “Transfer Agency Agreement”).

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, it is agreed as follows:

1. BPPR is hereby authorized to establish or cause to be established a segregated Custody Account in its name for the sole benefit of Puerto Rico Residents Bond Fund I (the “Account”). BPPR, as Custodian, shall ensure the safe-keeping of any securities or other property deposited for the Account and subject at all times to the instructions of the Fund and to the terms and conditions set forth below, which shall remain in force until expressly revoked or amended in writing. BPPR may open or direct the opening of such additional sub-accounts as the Fund may need to cover its needs. BPPR shall ensure that the securities and other property of the Fund are maintained separate and apart from the assets of the other clients of BPPR or any sub-custodian appointed hereunder and from the assets of BPPR or such sub-custodian, as the case may be, and shall mark or direct the marking of such securities and other property to identify them as belonging to the fund. BPPR shall not be responsible for any securities or other property of the Fund not actually received by BPPR or its authorized agent (including any sub-custodian appointed hereunder). Further to the foregoing, BPPR has, in agreement with the Fund, retained JPMorgan (“JPM”) as sub-custodian to perform the duties described in this Agreement and may retain, upon prior notification to the Fund, such other sub-custodian or third-party provider in order to enable it to carry out any of its duties and responsibilities under this Custody Agreement; however, by doing so, BPPR will not be relieved of any of its responsibilities under this Custody Agreement.

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2. Unless otherwise instructed to the contrary by the Fund, BPPR shall direct JPM or any other sub-custodian appointed hereunder, including through the use of a book-entry system, depository, or an agent as each is described in Section 5 hereof, with respect to securities held hereunder and therein deposited, shall collect all principal or liquidation value and any dividends and income that may become due and payable on the securities or other property deposited hereunder and the proceeds of sale of any thereof. Any such income shall be credited to the Fund. The Fund shall bear all risk with respect to losses that arise from late or incorrect payment or collectability of any check that pertains to any such income; however, BPPR and JPM or any other such sub-custodian shall take all reasonable steps in monitoring the timeliness and accuracy of all payments.

3. Unless otherwise instructed to the contrary by the Fund, BPPR shall direct JPM or any other such sub-custodian to present for payment and collect the amount payable upon such securities that are called, but only if either BPPR receives a written notice of such call, or notice of such call appears in one or more of the publications as may be agreed upon by the Fund and such sub-custodian as directed by BPPR, which may be amended at any time by BPPR or JPM or any other such custodian, without the prior notification or consent of the Fund; present for payment and collect the amount payable upon all securities that mature; surrender securities in temporary form for definitive securities; hold directly, or through an authorized book-entry system, depository, or agent or futures commission merchant (“FCM”), with respect to assets therein deposited, for the sole account of the Fund designated as such on the records of JPM or such other sub-custodian as directed by BPPR, e.g., “JPM as Sub-Custodian for the [insert Fund name]” and maintained in the book-entry system or a depository or by an agent, assets deposited therewith or all rights and similar property issued with respect to such assets so held for the Fund; to transfer to FCMs cash or other assets of the Fund as initial and variation margin; and to establish segregated accounts for repurchase agreements, put options, margin assets, and for such other purposes as the Fund’s administrator or the Fund’s investment adviser may reasonably request.

4. BPPR shall provide the Fund with, or arrange for the provision of, monthly itemized statements of the Account for verification purposes. Such monthly statements shall show the securities and other property of the Fund in the custody or possession of JPM or any other such sub-custodian as directed by BPPR, the book-entry system, depository or FCM, at the end of such month and all debits, credits, and transactions in the Account during such month. BPPR will also provide the Fund a written confirmation, prepared by JPM or other sub-custodian, notice or report of the exact amount of the securities or other property in the Account, including those in a book-entry system or depository or held with an FCM, the business day following a day on which a trade is made, cash is deposited, or cash is withdrawn. Such written confirmation, notice, or report shall also specify the place and manner in which such securities and other property are being maintained. (If and when there is any change in the place and manner in which such securities or other property are being maintained, BPPR shall give the Fund written notice thereof.) BPPR shall presume that the Fund agrees with the correctness of the contents of any statement, report or notice BPPR provides pursuant to this Agreement unless the Fund notifies BPPR otherwise within fifteen (15) days after receipt thereof, exclusive of Saturdays, Sundays, and legal holidays in the Commonwealth of Puerto Rico.

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5. JPM or any other such sub-custodian, as directed by BPPR, is hereby authorized to hold any securities and other property in bearer form or nominee name. JPM or any other such sub-custodian, as directed by BPPR, is also hereby authorized to use the book-entry system or a depository as a participant or through an agent that is approved by the Board in accordance with rules adopted by the U.S. Securities and Exchange Commission; and assets are also authorized to be held by an FCM, in accordance with rules adopted by the Securities and Exchange Commission provided however, that BPPR's reliance on such agent shall not relieve BPPR of any of its responsibilities or liabilities under this Agreement.

6. Upon receipt of specific instructions from the Fund and not otherwise, BPPR and JPM or any other such sub-custodian shall deliver any or all of the property held hereunder only upon delivery of payment, unless any or all of the property held hereunder is subject to a collateral or pledge agreement set forth between with the Fund whereby restrictions as to the disposition of said collateral or property have been established.

Upon instructions received from the Fund no later than 1:30 P.M. (AST), BPPR or its agent will receive and/or deliver those securities and other property the Fund trades as part of the regular day's trading activities. BPPR may change this schedule from time to time as circumstances may dictate upon 30 days' prior notice to the fund. All instructions BPPR receives after 1:30 P.M. (Atlantic Standard Time), will be acted upon that day on a best effort basis only. BPPR will not bear any responsibility whatsoever if it or its agent is unable to deliver or receive any securities after the aforementioned deadlines.

7. Upon receipt of specific instructions from the Fund and not otherwise, BPPR shall direct JPM or any such other sub-custodian to disburse cash of the fund as may be requested.

8. All property held in the Account shall be held with the care BPPR, JPM or any such other sub-custodian exercises as to its own securities or property. With respect to the maintenance of funds with any securities depository, BPPR, or, JPM or any other sub-custodian shall exercise due care in accordance with reasonable commercial standards in ensuring the duties of the securities intermediary to obtain and thereafter maintain any financial assets of the fund and that such securities intermediary provides, promptly upon request by the fund, such reports as are available concerning the internal accounting controls and financial strength of the securities intermediary, accordance with Rule 17f-4 of the Investment Company Act of 1940. BPPR, its officers, and employees shall not be liable to the Fund or others for any losses incurred, except by reason of acts constituting gross negligence, bad faith, or willful misfeasance. BPPR shall not be liable, except in the event of gross negligence, bad faith, or willful misfeasance, for any error of fact or judgment nor for any losses the Fund incurs that arise directly or indirectly from adverse regulatory or tax changes. BPPR shall not be liable, or responsible in any way for the genuineness or validity of any security or document delivered, received, or held under this Agreement, except in any case where the lack of genuineness or validity is obvious.

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9. BPPR is not under any duty to file any tax report or returns or pay any taxes due on the income and/or principal collected under the Account. BPPR, however, will execute, as Custodian, any necessary certificates of ownership under tax laws or otherwise.

10. For the services performed hereunder, the Fund will reimburse BPPR for any and all costs (including, but not limited to, any fees and expense payable to any sub-custodian) and out-of-pocket expenses.

11. All directions or instructions with respect to the Account shall be written and signed on behalf of the Fund by at least two officers of the Fund, acting jointly, and authorized by the Board of Directors of the Fund to direct or instruct BPPR, JPM or any other such sub-custodian with respect to the Account. Such Fund officers shall include a person who is also an officer of BPPR. In no event shall any of such persons be officers or employees of Popular Asset Management LLC or UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico, except for instructions involving delivery against payment as part of normal daily trading activities.

The identity of such Fund officers, their titles and their specimen signatures shall be certified by the Secretary or Assistant Secretary of the Fund. It is the Fund's responsibility to provide BPPR with an updated certified authorization list as the need arises. Accordingly BPPR will rely upon and act on any instruction(s) received that is (are) properly authenticated in accordance with the authorization. Solely for purposes of reconciliation with monthly statements described in Section 4 hereof, the Fund shall confirm to BPPR, JPM or other such sub-custodian by phone, fax, or other computer link with access codes each instruction to receive or deliver securities or other property on a daily basis. BPPR may or such other entity, however, in its sole discretion, accept oral, cable or telephone instructions it believes in good faith to be genuine, and it shall not be liable for executing, failing to execute or for any mistake in the execution of any such orders, except in case of negligence or willful default. In addition, BPPR shall not be liable for failing to carry out any instructions received from the Fund should BPPR be served with a court order prohibiting or precluding it from complying with such instructions. BPPR shall have no duty to the fund with respect to securities affected by such a court order, and BPPR shall be entitled to refuse to act with respect to any such securities or other property until any adverse claims affecting such securities or other property have been finally determined in a court of competent jurisdiction or settled by agreement between the parties. In addition, BPPR shall have been furnished with written evidence satisfactory to its counsel of any such determination or settlement.

12. BPPR shall maintain and preserve and shall direct JPM or any other such sub-custodian to maintain and preserve, such books and records as the administrator of the Fund shall reasonably request, and such books and records shall be the property of the Fund.

13. The fund hereby makes the following representations and warranties, each of which is true and correct on the date hereof and each of which shall survive the transactions contemplated hereby:

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- a. That the Fund is the sole owner, free and clear of any liens, pledges or claims whatsoever, of the Fund' s securities and other property held in the Account or has full legal rights to execute the transactions contemplated hereby.
  - b. The Fund has full right, power, and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby. The execution, delivery, consummation, and performance of this Agreement will not violate any provision of law or result in any conflict with, breach of, or default under any other instrument, agreement, order, judgment or decree of any court or other governmental agency to which the Fund is a party, by which the Fund is a party or by which the Fund is bound.
  - c. The Fund has the requisite corporate power and authority and has taken all corporate action necessary in order to execute and deliver this Agreement. This Agreement has been duly and validly executed and delivered by the Fund and is valid and binding upon the Fund in accordance with its terms.
  - d. In connection with the provision of services as custodian of the Fund' s assets, BPPR will not give any advice regarding the investments of the Fund, and BPPR will not make any recommendations with respect to the purchase or sale of any securities or the investment of any funds.
  - e. The Fund covenants and agrees to indemnify BPPR for, and to hold BPPR harmless against, any loss, liability, and expense (including reasonable counsel' s fees and without limitation, the reasonable cost and expenses of defending itself against any claim of liability hereunder) relating to claims, actions or proceedings by third persons, and incurred by it without gross negligence, willful misfeasance, or bad faith, or that may arise out of or in connection with the acceptance or administration of this Agreement.
14. BPPR hereby makes the following representations and warranties, each of which is true and correct on the date hereof and each of which shall survive the transactions contemplated hereby:
- a. BPPR has full right, power, and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby. The execution, delivery, consummation, and performance of this Agreement will not violate any provision of law or result in any conflict with, breach of, or default under any other instrument, agreement, order, judgment or decree of any court or other governmental agency to which BPPR is a party, by which BPPR is a party, or by which BPPR is bound.
  - b. BPPR has the requisite corporate power and authority and has taken all corporate action necessary in order to execute and deliver this Agreement. This Agreement has been duly and validly executed and delivered by BPPR and is valid and binding upon BPPR in accordance with its terms.



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15. BPPR will allow the Fund, its independent public accountants, or any other person designated by the Fund or by any regulatory authority with jurisdiction over the Fund to examine or verify, during regular banking hours, the securities and other property that BPPR holds on behalf of the Fund at BPPR premises at its San Juan, Puerto Rico offices.

Written authorization in form satisfactory to counsel to BPPR must accompany this type of request, the Fund will bear any cost related thereto, and the Fund shall give a two-day written notice to BPPR prior to any such examination or verification.

16. Any and all notices, communications, requests, and demands that may be necessary, proper, or convenient under this Agreement, or any other related document, shall be conclusively deemed given, when given in writing, on the date they are personally delivered to the person set forth below, postage prepaid, certified return receipt requested, and addressed as set forth below:

To BPPR: Banco Popular de Puerto Rico  
209 Muñoz Rivera Avenue  
San Juan, Puerto Rico 00918  
Attention: Mr. Javier Rubio

To the Fund: Puerto Rico Residents Tax-Free Fund, Inc.  
209 Muñoz Rivera Avenue  
Suite 1112  
San Juan, Puerto Rico 00918

Any of the parties may change the person authorized to receive any notice, demand, and other communication and/or its mailing or physical address, by notifying the other party pursuant to this paragraph, as long as such person and the mailing address are within Puerto Rico.

17. It is understood and agreed that BPPR shall be under no duty to take any action other than herein specified with respect to any securities or other property at any time deposited hereunder unless BPPR specifically agrees in writing, and no covenant or obligation shall be implied herein against BPPR.

18. No party hereto shall be liable for delay in its performance or for its failure to perform any of its obligations hereunder, if such delay or failure shall result from any circumstances not reasonably within the control of the performing party.

19. The laws of the Commonwealth of Puerto Rico shall govern this Agreement and will be binding upon BPPR, the Fund, and their assignees or successors or legal representatives.

20. The written instructions of either the Fund or BPPR may terminate this Agreement at any time.

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21. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Only a written instrument that specifically states it is intended as a modification or amendment to this Agreement and that is executed by all parties hereto may modify or amend this Agreement. No oral statement or representation not contained herein shall have any force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and at the place first above written.

**BANCO POPULAR DE PUERTO RICO**

**PUERTO RICO RESIDENTS TAX-FREE FUND, INC.**

By:  /S/ JAVIER RUBIO  
Name: Javier Rubio  
Title: Senior Vice President

By:  /S/ LESLIE HIGHLEY, JR.  
Name: Leslie Highley, Jr.  
Title: Co-President

By:  /S/ WILLIAM RIVERA  
Name: William Rivera  
Title: Authorized Signature

**TRANSFER AGENCY, DIVIDEND DISBURSING AGENCY AND SHAREHOLDER  
SERVICING AGENCY AGREEMENT**

THIS AGREEMENT (this “Agreement”) is made as of May \_\_, 2021, by and between the PUERTO RICO RESIDENTS TAX-FREE FUND, INC., a Puerto Rico corporation (the “Fund”), and BANCO POPULAR DE PUERTO RICO (“Banco Popular”).

The Fund is registered as a closed-end investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund wishes to retain Banco Popular to serve as the transfer agent, registrar, dividend disbursing agent and shareholder servicing agent to the Fund, and Banco Popular wishes to furnish such services.

In consideration of the premises and mutual covenants herein contained, the parties agree as follows:

1. Definitions.

- (a) “Authorized Person.” The term ‘Authorized Person’ shall mean any officer of the Fund and any other person who is duly authorized by the Fund’s Board of Directors (the “Board”) to give Oral Instructions and Written Instructions on behalf of the Fund. Such persons and their positions with the Fund and specimen signatures are set forth in Exhibit A attached hereto, as such exhibit may be amended by the Fund from time to time and provided to Banco Popular.
- (b) “Oral Instructions.” The term “Oral Instructions” shall mean verbal instructions received by Banco Popular from an Authorized Person by telephone or in person.
- (c) “Shares.” The term “Shares” shall mean the shares of common stock, par value \$0.01 per share, of the Fund.
- (d) “Written Instructions.” The term “Written Instructions” shall mean written instructions signed by an Authorized Person and received by Banco Popular. The instructions may be delivered by hand, mail, telegram, cable, telex, facsimile or electronic mail.

2. Appointment. The Fund hereby appoints Banco Popular to serve as transfer agent, registrar, dividend disbursing agent and shareholder servicing agent to the Fund in accordance with the terms set forth in this Agreement, and Banco Popular accepts such appointment and agrees to furnish such services.

3. Delivery of Documents. The Fund has provided or, where applicable, will provide Banco Popular, as requested, with the following:

- (a) Certificate of Incorporation: a copy of the Certificate of Incorporation of the Fund, and all amendments thereto, certified by the Department of State of Puerto Rico;

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- (b) By-laws: a copy of the By-laws of the Fund incorporating all amendments thereto, certified by the Secretary of the Fund under the Fund' s corporate seal;
  - (c) Specimen Share Certificates: specimens of all forms of outstanding certificates evidencing Shares (the "Stock Certificates") as approved by the Board, together with a certificate by the Secretary of the Fund as to such approval;
  - (d) Certified or authenticated copies of the resolutions of the Board approving the appointment of Banco Popular to provide the services to the Fund described herein and approving this Agreement;
  - (e) Copies of the Fund' s investment advisory contracts with each of Popular Asset Management LLC and UBS Asset Management of Puerto Rico, a division of UBS Trust Company, and a copy of the administration agreement with ALPS Funds Services, Inc.
  - (f) A copy of the Fund' s underwriting agreement with UBS Financial Services Incorporated of Puerto Rico and Popular Securities LLC; and
  - (g) Copies of any and all amendments or supplements to the foregoing agreements and documents.

4. Compliance with Government Rules and Regulations. The Fund and Banco Popular, in providing services under this Agreement, undertake to comply with all applicable requirements of the United States and Puerto Rico securities laws, including the 1940 Act, the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other laws, rules and regulations of governmental authorities that may have jurisdiction with respect to the duties to be performed by Banco Popular hereunder. Except as specifically set forth herein, Banco Popular assumes no responsibility for such compliance by the Fund.

5. Instructions. Unless otherwise provided in this Agreement, Banco Popular shall act only pursuant to Oral Instructions or Written Instructions.

Banco Popular shall be entitled to rely upon any Oral Instructions or Written Instructions it receives from an Authorized Person pursuant to this Agreement. Banco popular may assume that any Oral Instructions or Written Instruction received hereunder is not in any way inconsistent with the provisions of organizational documents or of any vote, resolution or proceeding of the Board or of the Fund' s shareholders, unless and until it receives Written Instructions to the contrary.

The Fund agrees to provide Banco Popular Written Instructions confirming Oral Instructions so that Banco Popular receives the Written Instructions by the close of business on the business day immediately following the day such Oral Instructions are received. The fact that such confirming Written Instructions are not received by Banco Popular shall in no way invalidate the transactions or enforceability of the transactions authorized by the

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Oral Instructions. Where Oral Instructions or Written Instruction reasonably appear to have been received from an Authorized Person. Banco Popular shall incur no liability to the Fund in acting upon such instructions provided that Banco Popular's actions comply with the other provision of this Agreement.

6. Right to Receive Advice.

- (a) Advice of the Fund. If Banco Popular is in doubt as to any action it should or should not take, Banco Popular will request directions or advice, including Oral Instructions or Written Instructions from the Fund.
- (b) Advice of Counsel. If Banco Popular shall be in doubt as to any question of law pertaining to any action it should or should not take, Banco Popular may request advice at its own cost from such counsel of its own choosing (who may be counsel for the Fund, one of the Fund's investment advisers or Banco Popular).
- (c) Conflicting Advice. In the event of a conflict between the directions, advice, Oral Instructions or Written Instructions that Banco Popular receives from the Fund and the advice it receives from counsel. Banco Popular may rely upon and follow the advice of counsel. In the event Banco Popular chooses to rely on the advice of counsel, Banco Popular shall so advise the Fund and Banco Popular shall remain liable for any action or omission on the part of Banco Popular which constitutes willful misfeasance, bad faith, negligence or reckless disregard by Banco Popular of any of its duties, obligations or responsibilities under this Agreement.
- (d) Protection of Banco Popular. Banco Popular shall be protected in any action it takes or does not take in reliance upon directions, advice, Oral Instructions or Written Instructions it receives from the Fund or from counsel in accordance with this Agreement and which Banco Popular believes, in good faith, to be consistent with those directions, advice, Oral or Written Instructions.

Nothing in this paragraph shall be construed to impose an obligation upon Banco Popular (i) to seek such directions, advice, Oral or Written Instructions, or (ii) to act in accordance with such directions, advice, Oral or Written Instructions unless otherwise required by this Agreement. Nothing in this subsection shall excuse Banco Popular when an action or omission on the part of Banco Popular constitutes willful misfeasance, bad faith, negligence or reckless disregard by Banco Popular of any duties, obligations or responsibilities provided for in this Agreement.

7. Records and Visits. The books and records pertaining to the Fund required by the United States securities laws which are in the possession or under the control of Banco Popular shall be the property of the Fund. Such books and records shall be prepared and maintained as required by the United States securities laws applicable to closed-end management investment companies registered under the 1940 Act. Authorized Persons shall have access to such books and

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records at all times during Banco Popular' s normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by Banco Popular to an Authorized Person at the Fund' s expense.

8. Compensation. As compensation for services rendered by Banco Popular during the term of this Agreement, the Fund will pay to Banco Popular the fee set forth on Exhibit C hereto, as such exhibit may be amended from time to time by the parties hereto.

9. Indemnification.

- (a) The Fund agrees to indemnify, defend and hold harmless Banco Popular and its affiliates and their respective directors, trustees, officers, agents and employees, from any and all claims, losses or damages arising directly or indirectly from any action or omission to act taken or omitted by or on behalf of Banco Popular in connection with the provision of services to the Fund under this Agreement, provided that in each case in which indemnification is sought, Banco Popular has not acted with willful misfeasance, bad faith, negligence or reckless disregard of its duties, obligations or responsibilities under this Agreement.
- (b) Banco Popular agrees to indemnify, defend and hold harmless the Fund and its affiliates and their respective directors, trustees, officers, agents and employees, from any and all claims, losses or damages arising directly or indirectly out of Banco Popular' s willful misfeasance, bad faith, negligence or reckless disregard of its duties, obligations or responsibilities under this Agreement.
- (c) Insurance. Banco Popular shall maintain insurance of the types and in the amounts deemed by it to be appropriate. To the extent that insurance policies provide for coverage of claims for liability or indemnity by the parties set forth in this Agreement, the contracts of insurance shall take precedence, and no provision of this Agreement shall be construed to relieve an insurer of any obligation to pay claims to the Fund, Banco Popular or other insured party which would otherwise be a covered claim in the absence of any provision of this Agreement.
- (d) This Section 9 shall survive termination of this Agreement.

10. Confidentiality.

- (a) Each party shall keep the Confidential Information (as defined in subsection (b) below) of the other party in confidence and will not use or disclose or allow access to or use of such Confidential Information except in connection with the activities contemplated by this Agreement or as otherwise expressly agreed in writing. Each party acknowledges that the Confidential Information of the disclosing party will remain the sole property of such party. In complying with the first sentence of this subsection (a), each party will use the same degree of care it uses to protect its own confidential

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information, but in no event less than a commercially reasonable degree of care.

- (b) Subject to subsections (c) and (d) below. “Confidential Information” means (i) except to the extent disclosure may be required by the applicable law or regulation, this Agreement and its contents, all compensation agreements, arrangements and understandings (including waivers) respecting this Agreement, disputes pertaining to the Agreement, and information about a party’s exercise of rights hereunder, performance of obligations hereunder or other conduct of a party in connection with the Agreement, in whatever form and (ii) information and data of, owned by or about a disclosing party or its affiliates, customers, or subcontractors that may be provided to the other party or become known to the other party in the course of the relationship established by this Agreement, regardless of form or content, including but not limited to (A) competitively sensitive material, and not generally known to the public, including, but not limited to, studies, plans, reports, surveys, summaries, documentation and analyses, regardless of form, information about product plans, marketing strategies, finances, operations, customer relationships, customer profiles, customer lists, sales estimates, business plans, and internal performance results relating to the past, present or future business activities of the Fund or Banco Popular, their respective subsidiaries and affiliates and the customers, clients and suppliers of any of them; (B) scientific, technical or technological information, a design, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords the Fund or Banco Popular a competitive advantage over its competitors; (C) a confidential or proprietary concept, documentation, report, data, specification, computer software, source code, object code, flow chart, database, invention, know how, trade secret, whether or not patentable or copyrightable; (D) information related to security, disaster recovery, business continuity and any other operational plans, procedures, practices and protocols, and (E) anything designated as confidential,
  
- (c) Information or data that would otherwise constitute Confidential Information under subsection (b) above shall not constitute Confidential Information to the extent it;
  - (i) is already known to the receiving party at the time it is obtained;
  
  - (ii) is or becomes publicly known or available through no wrongful act of the receiving party;
  
  - (iii) is rightfully received from a third party who, to the receiving party’s knowledge, is not under a duty of confidentiality;

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- (iv) is released by the protected party to a third party without restriction; or
  - (v) has been or is independently developed or obtained by the receiving party without reference to the Confidential Information provided by the protected party.
- (d) Confidential Information of a disclosing party may be used or disclosed by the receiving party in the circumstances set forth below but except for such permitted use or disclosure shall remain Confidential Information subject to all applicable terms of this Agreement:
- (i) in connection with activities contemplated by this Agreement:
  - (ii) as required by law or regulation or pursuant to a court order, subpoena, order or request of a governmental or regulatory or self-regulatory authority or agency, or binding discovery request in pending litigation (provided the receiving party will provide the other party written notice of such requirement or request, to the extent such notice is permitted, and subject to proper jurisdiction, if applicable);
  - (iii) in connection with inquiries, examinations, audits or other reviews by a governmental, regulatory or self-regulatory authority or agency, audits by independent auditors or requests for advice or opinions from counsel; or
  - (iv) the information or data is relevant and material to any claim or cause of action between the parties or the defense of any claim or cause of action asserted against the receiving party.
- (e) Subject to the exceptions in (d), each party agrees not to publicly disseminate Confidential Information of the other party or mutual Confidential Information.
- (f) The provisions of this Section 10 shall survive termination of this Agreement for a period of one (1) year after such termination.

11. Security. Banco Popular represents and warrants that, to the best of its knowledge, the various procedures and systems which Banco Popular has implemented with regard to the safeguarding from loss or damage attributable to fire, theft or any other cause (including provision for twenty-four hours a day restricted access) of the Fund' s blank checks, certificates, records and other data and Banco Popular' s equipment, facilities and other property used in the performance of its obligations hereunder are adequate, and that it will make such changes therein from time to time as in its judgment are required for the secure performance of its obligations hereunder. Banco Popular shall review such systems and procedures on a periodic basis and the Fund shall have access to review these systems and procedures.



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12. Responsibility of Banco Popular. Banco Popular shall be under no duty to take any action on behalf of the Fund except as specifically set forth herein or as may be specifically agreed to by Banco Popular in writing. Banco Popular shall be obligated to exercise due care and diligence in the performance of its duties hereunder, to act in good faith and to use its best efforts in performing services provided for under this Agreement. Banco Popular shall be liable for any damages arising out of or in connection with Banco Popular's performance of or omission or failure to perform its duties under this Agreement to the extent such damages arise out of Banco Popular's negligence, reckless disregard of its duties hereunder, bad faith or willful misfeasance.

Without limiting the generality of the foregoing or any other provision of this Agreement, Banco Popular, in connection with its duties under this Agreement, shall not be under any duty or obligation to inquire into and shall not be liable for (a) the validity or invalidity or authority or lack thereof of any Oral Instructions or Written Instructions, notice or other instrument which conforms to the applicable requirements of this Agreement, and which Banco Popular reasonably believes to be genuine; or (b) delays or errors or loss of data occurring by reason of circumstances beyond Banco Popular's control, including acts of civil or military authority, labor difficulties, fire, flood or catastrophe, acts of God, insurrection, war, riots or failure of the mails, transportation, communication or power supply.

13. Description of Services. Banco Popular shall perform the services set forth on Exhibit B. as such exhibit may be amended by the parties hereto from time to time. In addition. Banco Popular shall perform the following duties as the Fund's transfer agent, registrar, dividend disbursing agent and shareholder servicing agent.

- (a) Dividends and Distributions. Upon receipt of a resolution of the Board authorizing the declaration and payment of dividends and distributions. Banco Popular shall issue such dividends and distributions in cash or if the resolution so provides, pay such dividends and distributions in Shares, as provided in the Fund then current prospectus (the "Prospectus") and Dividend Reinvestment Plan. Such issuance or payment shall be made after deduction and payment of the required amount of funds to be withheld in accordance with any applicable tax laws or other laws, rules or regulations. Banco Popular shall mail to the Fund's shareholders such tax forms and other information, or permissible substitute notice, relating to dividends, distributions and reinvestment paid by the Fund as are required to be filed and mailed by applicable law. rule or regulation, including tax withholding election forms to be transmitted at least once per calendar year (if applicable).

Pursuant to Written Instructions Banco Popular may arrange for the direct payment of cash dividends and distributions to any shareholder by the Fund's custodian, instead of Banco Popular disbursing such funds to the shareholder after receipt from the Fund's custodian.

Banco Popular shall prepare, maintain and file with the Puerto Rico Treasury Department, the Internal Revenue Service and/or other appropriate taxing authorities

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reports relating to all dividends as required by any applicable tax laws or other laws, rules or regulations.

In accordance with the Fund' s Prospectus and such procedures and controls as are mutually agreed upon from time to time by and among the Fund and the Fund' s custodian. Banco Popular shall process applications from the Fund' s shareholders relating to the Fund' s Dividend Reinvestment Plan and will effect purchases of Shares in connection with the Dividend Reinvestment Plan.

(b) Transfer Restrictions; Stock Certificates. In the absence of contrary Written Instructions, Banco Popular is authorized to take the following actions:

(i) Stock Certificates.

- 1) The Fund will supply Banco Popular with a sufficient supply of stock certificates representing the Shares in the form approved from time to time by the Board. Such stock certificates shall be properly signed, manually or by facsimile signature, by an Authorized Person and shall bear the corporate seal or facsimile thereof of the Fund, and notwithstanding the death, resignation or removal of any officer of the Fund, such executed certificates bearing the manual or facsimile signature of such officer shall remain valid and may be issued to shareholders until Banco Popular is otherwise directed by Written Instructions.
- 2) Banco Popular shall place a stop notice against any certificate reported to be lost or stolen and shall comply with all applicable federal regulatory and Puerto Rico law requirements for reporting such loss or alleged misappropriation. In the case of the loss or destruction of any certificate representing Shares, no new certificate shall be issued in lieu thereof, unless there shall first have been furnished an appropriate bond of indemnity issued by the surety company approved by Banco Popular.
- 3) Upon receipt of signed stock certificates, which shall be in proper form for transfer, and upon cancellation or destruction thereof, Banco Popular shall countersign, register and issue new certificates for the same number of Shares and shall deliver them pursuant to instructions received from the transferor, and the laws of the Commonwealth of Puerto Rico and the federal securities laws relating to the transfer of Shares.
- 4) Upon receipt of the stock certificates, which shall be in proper form for transfer, together with the shareholder' s

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instructions to hold such stock certificates for safekeeping, Banco Popular shall reduce such Shares to uncertificated status, while retaining the appropriate registration in the name of the shareholder upon the transfer books.

- (c) Banco Popular agrees to furnish the Fund with (1) annual reports of its financial condition, consisting of a balance sheet, earnings statement and any other financial information as is made public by Banco Popular in connection with the foregoing and (2) semi-annually with a copy of a Statement on Standards for Attestation Engagements No. 16 (SSAE 16), report on controls at a Service Organization or successor report issued by Banco Popular' s certified public accountants pursuant to Rule 17Ad-13 under the Exchange Act as filed with the Securities and Exchange Commission (if applicable). The annual financial statements will be certified by Banco Popular' s certified public accountants and the posting of a current copy thereof on Banco Popular' s website shall be deemed to be delivery to the Fund.
- (d) Banco Popular shall assist the Fund to fulfill the Fund' s responsibilities under certain provisions of USA PATRIOT Act, Sarbanes-Oxley Act, Title V of Gramm Leach Bliley Act, Securities Act, Exchange Act, and 1940 Act, including, *inter alia*, Rule 38a-1, by maintaining a compliance program that adequately covers certain business processes relating to key activities of the transfer agent/service provider function. These business processes are anti-money laundering, certificate processing, correspondence processing, fingerprinting, lost securityholder processing, reconciliation and control, transaction processing, customer identification, transfer agent administration, safeguarding fund assets and securities, disaster recovery and business continuity. Banco Popular reserves the right to make changes thereto as experience suggests alternative and better ways to perform the affected function provided that the affected function will not be diminished in comparison with those currently provided by Banco Popular to the Fund under this Agreement. Banco Popular shall provide the Fund with written notice of any such changes.
- (e) Banco Popular shall employ commercially reasonable measures to comply on behalf of a Fund with the unclaimed property laws and regulations of the States and Territories of the United States (as defined below) (“Unclaimed Property Laws”) with respect to Eligible Property (as defined below). In connection with its performance of the foregoing services (“Unclaimed Property Services”), Banco Popular and its subcontractors shall be entitled to rely on the advice of counsel with respect to the unclaimed property laws and shall not be liable for conduct undertaken in accordance with such advice. For purposes of the foregoing:
  - (i) “States and Territories of the United States” means the states of the United States of America, the District of Columbia, Guam, Puerto

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Rico, U.S. Virgin Islands and any territory or commonwealth of the United States of America with a formal local government substantially equivalent to a state government which subsequent to the date of this Agreement adopts a statute substantially similar to the Uniform Unclaimed Property Act of 1995 (or its then current successor).

- (ii) “Eligible Property” means property beneficially owned by a person or entity other than the Fund and held in a bank account maintained by Banco Popular for or on behalf of the Fund, or property held in a shareholder account, which is (x) subject to reporting or escheat under an Unclaimed Property Law, (y) of a nature or type or classification reasonably related to the services performed by Banco Popular under this Agreement (such as cash amounts representing non- negotiated dividend checks and shares in abandoned shareholder accounts), and (z) under the control of Banco Popular.

14. Access to Policies and Procedures. In connection with the Fund’ s obligations under Rule 38a-1 of the 1940 Act, Banco Popular shall (A) provide to the Fund its policies and procedures related to the services that Banco Popular is required to perform pursuant to this Agreement and summaries thereof, (B) provide the Fund e-mail notification within two (2) business days of updates to such policies and procedures, and (C) upon request but not more frequently than quarterly provide certifications with respect to such policies and procedures.

15. Authorized Shares. The Fund’ s authorized capital stock consists of the shares of common stock, par value \$0.01 per share. Banco Popular shall record issues of all Shares and shall notify the Fund in case any proposed issue of Shares by the Fund shall result in an over-issue. In case any issue of Shares would result in an over-issue, Banco Popular shall refuse to issue such Shares and shall not countersign and issue certificates for such Shares.

16. Duration and Termination.

- (a) This Agreement shall continue until terminated by the Fund or by Banco Popular on sixty (60) days’ prior written notice to the other party.
- (b) Upon the termination hereof, the Fund shall pay to Banco Popular such compensation as may be due for the period prior to the effective date of such termination. In the event that the Fund designates a successor to any of Banco Popular’ s obligations under this Agreement, Banco Popular shall, at the direction and expense of the Fund, transfer to such successor all relevant books, records and other data established or maintained by Banco Popular hereunder including, a certified list of the shareholders of the Fund with name, address, and if provided, taxpayer identification or Social Security number, and a complete record of the account of each shareholder. To the extent that Banco Popular incurs expenses related to a transfer of responsibilities to a successor, other than expenses involved in Banco

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Popular' s providing the Fund' s books and records to the successors. Banco Popular shall be entitled to be reimbursed for such extraordinary expenses.

- (c) Any termination effected pursuant to this paragraph shall not affect the rights and obligations of the parties under Section 9 hereof.
- (d) Notwithstanding the foregoing, this Agreement shall terminate with respect to the Fund upon the liquidation merger into another entity, other dissolution of the Fund or upon the Fund' s ceasing to be a registered closed-end investment company under the 1940 Act.

17. Notices. All notices and other communications, other than Oral Instructions, shall be in writing or by confirming telegram, cable, telex, email or facsimile. Notice shall be addressed (a) if to Banco Popular, c/o Javier Rubio, Trust Division. Banco Popular de Puerto Rico, PO Box 362708, San Juan, Puerto Rico 00936-2708; (b) if to the Fund, at the address of the Fund; or (c) if to neither of the foregoing, at such other address as shall have been notified to the sender of any such notice or ether communication. If the notice is sent by confirming telegram, cable, telex, email or facsimile during regular business hours, it shall be deemed to have been given immediately; if sent during a time other than regular business hours, such notice shall be deemed to have been given at the opening of the next business day. If notice is sent by first-class mail, it shall be deemed to have been given three business days after it has been mailed. If notice is sent by messenger, it shall be deemed to have been given on the day it was delivered. All postage, cable, telegram, telex and facsimile sending device charges arising from the sending of a notice hereunder shall be paid by the sender.

18. Amendments. This Agreement, or any term thereof, may be changed or waived only by a written amendment, signed by the Fund and Banco Popular.

19. Assignment and Delegation. Banco Popular shall not assign this Agreement or delegate performance of its duties under this Agreement, except by written consent of the Fund; provided, however, that Banco Popular may, upon written notice to the Fund and at its own expense, assign this Agreement or delegate its duties hereunder to any wholly-owned direct or indirect subsidiary of Popular, Inc. provided that (i) Banco Popular gives the Fund thirty (30) days' prior written notice; (ii) the assignee or delegate is qualified to act as a transfer agent, registrar, dividend disbursing agent and shareholder servicing agent; and (v) Banco Popular and such assignee or delegate promptly provide such information as the Fund may request and respond to such questions as the Fund may ask relating to the assignment or delegation, including (without limitation) the capabilities of the assignee or delegate. The delegation of any of Banco Popular' s duties under this Section shall not relieve Banco Popular of any of its responsibilities or liabilities under this Agreement.

20. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

21. Governing Law. This Agreement shall be governed by and construed under the laws of the Commonwealth of Puerto Rico.

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22. Further Action. Each party agrees to perform such further acts and execute such further documents as are necessary to effectuate the purposes of this Agreement.

23. Miscellaneous. This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings relating to the subject matter hereof, provided that the parties may embody in one or more separate documents their agreement, if any, with respect to services to be performed under this Agreement.

The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect.

Nothing contained herein shall be deemed or construed to create a co-partnership or joint venture between the parties hereto and the services of Banco Popular shall be rendered as an independent contractor and not as agent for the Fund.

This Agreement shall be deemed to be a contract made in the Commonwealth of Puerto Rico and governed by Puerto Rico law. If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding and shall inure to the benefit of the parties hereto and their permitted successors and assigns.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers designated below on the day and year first above written.

BANCO POPULAR DE PUERTO RICO

By: /s/ Javier Rubio  
Name: Javier Rubio  
Title: Senior Vice President

PUERTO RICO RESIDENTS TAX-FREE FUND, INC.

By: /s/ Leslie Highley, Jr.  
Name: Leslie Highley, Jr.  
Title: Co-President

PUERTO RICO RESIDENTS TAX-FREE FUND, INC.

By: /s/ William Rivera  
Name: William Rivera  
Title: Authorized Signature

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**EXHIBIT A**

**AUTHORIZED PERSONS**

<b>Name</b>	<b>Position</b>



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## EXHIBIT B

In addition to the services to be provided by Banco Popular set forth in the Agreement above, Banco Popular will also provide the following services.

- (a) Services Provided on an Ongoing Basis by Banco Popular to the Fund, if Applicable.
  - (i) Establish and maintain proper shareholder registrations;
  - (ii) Prepare and certify stockholder lists in conjunction with proxy solicitations;
  - (iii) Countersign stock certificates;
  - (iv) Prepare and mail to shareholders confirmation of activity;
  - (v) Provide customer liaison staff for on-line inquiry response;
  - (vi) Provide periodic shareholder lists and related statistics to the Fund;
  - (vii) Prepare periodic mailing of year-end tax information; and
  - (viii) Perform other shareholder services as may be mutually agreed upon by the parties to this Agreement in writing from time to time.
  
- (b) Services Provided by Banco Popular under Oral Instructions or Written Instructions of the Fund.
  - (i) Accept, post and perform shareholder transfers in accordance with applicable laws;
  - (ii) Pay dividends and other distributions;
  - (iii) Solicit and tabulate proxies; and
  - (iv) Issue and cancel certificates.
  
- (c) Communications to Shareholders. Pursuant to timely written instructions, Banco Popular shall mail all communications by the Fund to its shareholders, including:
  - (i) Reports to shareholders;
  - (ii) Confirmations of transfers of Fund shares,
  - (iii) Monthly or quarterly statements;
  - (iv) Dividend and distribution notices;
  - (v) Proxy material; and
  - (vi) Tax form information.

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Banco Popular will answer such correspondence from shareholders, securities brokers and others relating to its duties hereunder and such other correspondence as may from time to time be mutually agreed upon in writing between Banco Popular and the Fund.

If requested by the Fund, Banco Popular will receive and tabulate the proxy cards for the meetings of the Fund' s shareholders and supply personnel to serve as inspectors of election.

- (d) Records. Banco Popular shall maintain records of the accounts for each shareholder showing the following information:
- (i) Name, address and United States Tax Identification or Social Security Number;
  - (ii) Number and class of shares held and number and class of shares for which certificates, if any, have been issued, including certificate numbers and denominations;
  - (iii) Historical information regarding the account of each shareholder, including dividends and distributions paid and the transfer date for all transactions in a shareholder' s account;
  - (iv) Any stop or restraining order placed against a shareholder' s account;
  - (v) Any correspondence relating to the current maintenance of a shareholder' s account;
  - (vi) Information with respect to withholdings; and
  - (vii) Any information required in order for the transfer agent to perform any calculations contemplated or required by this Agreement.
- (e) Shareholder Inspection of Stock Records. Upon requests from Fund shareholders to inspect stock records, Banco Popular will notify the Fund and request instructions granting or denying such request prior to taking any action. Unless Banco Popular has acted contrary to the Fund' s instructions, the Fund agrees to release Banco Popular from any liability for refusal of permission for a particular shareholder to inspect the Fund' s shareholder records.

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**EXHIBIT C**

**COMPENSATION**

Banco Popular de Puerto Rico shall receive a monthly fee of equal to the standard fees established by Banco Popular for these services. Initially, the monthly fee shall be \$1,000.

## Services Agreement

This Services Agreement (the “Agreement”) is entered into and effective as of May 13, 2021 (the “Effective Date”) by and among:

1. ALPS Fund Services, Inc., a corporation incorporated in the State of Colorado (“SS&C ALPS”);
2. Puerto Rico Residents Tax-Free Fund, Inc., a Puerto Rico corporation, in the process of being registered under the Investment Company Act of 1940, as amended and operating as a closed-end management investment company (“Fund”).

Fund and SS&C ALPS each may be referred to individually as a “Party” or collectively as “Parties.”

### 1. **Definitions; Interpretation**

1.1. As used in this Agreement, the following terms have the following meanings:

- (a) “Action” means any civil, criminal, regulatory or administrative lawsuit, allegation, demand, claim, counterclaim, action, dispute, sanction, suit, request, inquiry, investigation, arbitration or proceeding, in each case, made, asserted, commenced or threatened by any Person (including any Government Authority).
- (b) “Affiliate” means, with respect to any Person, any other Person that is controlled by, controls, or is under common control with such Person and “control” of a Person means: (i) ownership of, or possession of the right to vote, more than 25% of the outstanding voting equity of that Person or (ii) the right to control the appointment of the board of directors or analogous governing body, management or executive officers of that Person.
- (c) “Business Day” means a day other than a Saturday or Sunday on which the New York Stock Exchange is open for business.
- (d) “Claim” means any Action arising out of the subject matter of, or in any way related to, this Agreement, its formation or the Services.
- (e) “Client Data” means all data of Fund (or, if a Management entity receives Services, such entity), including data related to securities trades and other transaction data, investment returns, issue descriptions, and Market Data provided by Fund or Management and all output and derivatives thereof, necessary to enable SS&C ALPS to perform the Services, but excluding SS&C ALPS Property.
- (f) “Confidential Information” means any nonpublic information about Fund or SS&C ALPS, including this Agreement, except for information that (i) is or becomes part of the public domain without breach of this Agreement by the receiving Party, (ii) was rightfully acquired from a third party, or is developed independently, by the receiving Party, or (iii) is generally known by Persons in the technology, securities, or financial services industries.
- (g) “Data Supplier” means a supplier of Market Data.
- (h) “Fund Associates” means Fund and each of its Affiliates, members, shareholders, directors, officers, partners, employees, agents, successors or assigns.
- (i) “Governing Documents” means the constitutional documents of an entity and, with respect to Fund, all minutes of meetings of the board of directors or analogous governing body and of shareholders meetings, and any registration statements, offering memorandum, subscription materials, board or committee charters, policies and procedures, investment advisory agreements, other material agreements, and other disclosure or operational documents utilized by Fund in connection with its operations, the offering of any of its securities or interests to investors, all as amended from time to time.
- (j) “Government Authority” means any relevant administrative, judicial, executive, legislative or other governmental or intergovernmental entity, department, agency, commission, board, bureau or court, and any other regulatory or self-regulatory organizations, in any country or jurisdiction.
- (k) “Law” means statutes, rules, regulations, interpretations and orders of any Government Authority.

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- (l) “Losses” means any and all compensatory, direct, indirect, special, incidental, consequential, punitive, exemplary, enhanced or other damages, settlement payments, attorneys’ fees, costs, damages, charges, expenses, interest, applicable taxes or other losses of any kind.
- (m) “Management” means the Fund’s officers, directors, employees, and then current investment adviser and sub-advisor(s) (if any), including any officers, directors, employees or agents of the then current investment adviser and sub-advisor(s) (if applicable) who are responsible for the day to day operations and management of the Fund.
- (n) “Market Data” means third party market and reference data, including pricing, valuation, security master, corporate action and related data.
- (o) “Person” means any natural person or corporate or unincorporated entity or organization and that person’s personal representatives, successors and permitted assigns.
- (p) “Services” means the services listed in Schedule A.
- (q) “SS&C ALPS Associates” means SS&C ALPS and each of its Affiliates, members, shareholders, directors, officers, partners, employees, agents, successors or assigns.
- (r) “SS&C ALPS Property” means all hardware, software, source code, data, report designs, spreadsheet formulas, information gathering or reporting techniques, know-how, technology and all other property commonly referred to as intellectual property used by SS&C ALPS in connection with its performance of the Services.
- (s) “Third Party Claim” means a Claim (i) brought by any Person other than the indemnifying Party or (ii) brought by a Party on behalf of or that could otherwise be asserted by a third party.

1.2. Other capitalized terms used in this Agreement but not defined in this Section 1 shall have the meanings ascribed thereto.

1.3. Section and Schedule headings shall not affect the interpretation of this Agreement. This Agreement includes the schedules and appendices hereto. In the event of a conflict between this Agreement and such schedules or appendices, the former shall control.

1.4. Words in the singular include the plural and words in the plural include the singular. The words “including,” “includes,” “included” and “include”, when used, are deemed to be followed by the words “without limitation.” Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “hereof,” “herein” and “hereunder” and words of analogous import shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

1.5. The Parties’ duties and obligations are governed by and limited to the express terms and conditions of this Agreement, and shall not be modified, supplemented, amended or interpreted in accordance with, any industry custom or practice, or any internal policies or procedures of any Party. The Parties have mutually negotiated the terms hereof and there shall be no presumption of law relating to the interpretation of contracts against the drafter.

## **2. Services and Fees**

2.1. Subject to the terms of this Agreement, SS&C ALPS will perform the Services set forth in Schedule A for Fund with reasonable care, skill, prudence and diligence. SS&C ALPS shall be under no duty or obligation to perform any service except as specifically listed in Schedule A or take any other action except as specifically listed in Schedule A or this Agreement, and no other duties or obligations, including, valuation related, fiduciary or analogous duties or obligations, shall be implied. Fund requests to change the Services, including those necessitated by a change to the Governing Documents of Fund or a change in applicable Law, will only be binding on SS&C ALPS when they are reflected in an amendment to Schedule A.

2.2. Fund agrees to pay SS&C ALPS fees, charges and expenses for the Services in accordance with, and in the manner set forth in, the fee letter agreed upon by the Parties (“Fee Letter”), which may be amended from time to time by mutual agreement of the Parties. The Fee Letter is incorporate by reference into this Agreement and subject to the terms of this Agreement. After the first anniversary of the Agreement and on each year thereafter, all fees reflected in Fee Letter will incur an annual cost of living increase as described in the Fee Letter.

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2.3. SS&C ALPS represents and warrants to Fund that, relative to all individuals that SS&C ALPS may at any time assign to provide the Services, in whole or in part, including employees, contractors, agents, and those of SS&C ALPS' s subsidiaries or affiliates ("Personnel"): (i) it is responsible for supervising, directing and controlling Personnel performance; (ii) it has sufficient and legally compliant screening and background verification controls, processes and procedures in place; and, to the extent permitted by Laws, it has not and will not knowingly assign Personnel that has been indicted or convicted of fraud, theft, larceny, embezzlement, or any other financial or cybercrime, or a crime involving moral turpitude; (iii) it has verified the employment history, educational and professional credentials and applicable licenses and background checks of each of the Personnel; (iv) its Personnel will maintain an adequate code of conduct while providing the Services to Fund; and (v) its Personnel will be adequately trained and have the appropriate level of experience and qualifications for the applicable tasks assigned relative to the Services; and it will provide ongoing and necessary training sufficient to enable all Personnel to comply with Laws, including those applicable to the Services.

2.4. In carrying out its duties and obligations pursuant to this Agreement, some or all Services may be delegated by SS&C ALPS to one or more of its Affiliates or other Persons (and any required Fund consent to such delegation shall not be unreasonably revoked or withheld in respect of any such delegations), provided that such Persons are selected in good faith and with reasonable care and are monitored by SS&C ALPS. If SS&C ALPS delegates any Services, (i) such delegation shall not relieve SS&C ALPS of its duties and obligations hereunder, (ii) Fund shall not be responsible for the payment of fees and expenses owed to any such agents, (iii) in respect of Personal Data, such delegation shall be subject to a written agreement obliging the delegate to comply with the relevant delegated duties and obligations of SS&C ALPS, and (iv) if required by applicable Law, SS&C ALPS will identify such agents and the Services delegated and will update Fund when making any material changes in sufficient detail to enable Fund to object to a particular arrangement.

### **3. Fund' s Responsibilities**

3.1. The management and control of Fund are vested exclusively in the Fund. The Fund and its Management is responsible for and will make all decisions, perform all management functions relating to the operation of Fund, and shall authorize and are responsible for all transactions. Without limiting the foregoing, Fund shall:

- (a) Designate properly qualified individuals to oversee the Services and establish and maintain internal controls, including monitoring the ongoing activities of Fund.
- (b) Evaluate the accuracy of the Services, review and approve all reports, analyses and records resulting from the Services and promptly inform SS&C ALPS of any errors it is in a position to identify.
- (c) Provide, or cause to be provided, valuations of Fund' s assets and liabilities in accordance with Fund' s written valuation policies.
- (d) Provide SS&C ALPS with timely and accurate information including trading and Fund investor records, valuations and any other items required by SS&C ALPS in order to perform the Services and its duties and obligations hereunder.

3.2. The Services, including any services that involve price comparison to vendors and other sources, model or analytical pricing or any other pricing functions, are provided by SS&C ALPS as a support function to Fund and do not limit or modify Fund' s responsibility for determining the value of Fund' s assets and liabilities.

3.3. Fund is solely and exclusively responsible for ensuring that it complies with Law and its respective Governing Documents. It is the Fund' s responsibility to provide all final Fund Governing Documents as of the Effective Date. Fund will notify SS&C ALPS in writing of any changes to the Fund Governing Documents that may materially impact the Services and/or that affect Fund' s investment strategy, liquidity or risk profile in any material respect prior to such changes taking effect. Except as otherwise expressly set forth herein, SS&C ALPS is not responsible for monitoring compliance by Fund or Management with (i) Law, (ii) its respective Governing Documents or (iii) any investment restrictions.

3.4. In the event that Market Data is supplied to or through SS&C ALPS Associates in connection with the Services, the Market Data is proprietary to Data Suppliers and is provided on a limited internal-use license basis. Market Data may: (i) only be used by Fund in connection with the Services and (ii) not be disseminated by Fund or used to populate internal systems in lieu of obtaining a data license. Access to and delivery of Market Data is dependent on the Data Suppliers and may be interrupted or discontinued with or without notice. Notwithstanding anything in this Agreement to the contrary, neither SS&C ALPS nor any Data Supplier shall be liable to Fund or any

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other Person for any Losses with respect to Market Data, reliance by SS&C ALPS Associates or Fund on Market Data or the provision of Market Data in connection with this Agreement.

3.5. Fund shall deliver, and procure that its agents, prime brokers, counterparties, brokers, counsel, advisors, auditors, clearing agents, and any other Persons promptly deliver, to SS&C ALPS, all Client Data and the then most current version of all Fund Governing Documents and any other material agreements relating to the Fund. Fund shall arrange with each such Person to deliver such information and materials on a timely basis, and SS&C ALPS will not be required to enter any agreements with that Person in order for SS&C ALPS to provide the Services.

3.6. Notwithstanding anything in this Agreement to the contrary, so long as they act in good faith, SS&C ALPS Associates shall be entitled to rely on the authenticity, completeness and accuracy of any and all information and communications of whatever nature received by SS&C ALPS Associates in connection with the performance of the Services and SS&C ALPS' s duties and obligations hereunder, without further enquiry or liability.

3.7. Notwithstanding anything in this Agreement to the contrary, if SS&C ALPS is in doubt as to any action it should or should not take in its provision of Services, SS&C ALPS Associates may request directions, advice or instructions from the Fund, or as applicable, its Management, custodian or other service providers.

3.8. Fund agrees that, to the extent applicable, if officer position(s) are filled by SS&C ALPS Associates, such SS&C ALPS Associate(s) shall be covered by the Fund' s Directors & Officers/Errors & Omissions Policy (the "Policy"), and the Fund shall use reasonable efforts to ensure that such coverage be (i) reinstated should the Policy be cancelled; (ii) continued after such officer(s) cease to serve as officer(s) of the Fund on substantially the same terms as such coverage is provided for the other persons serving as officers of the Fund after such persons are no longer officers of the Fund; or (iii) continued in the event the Fund merges or terminates, on substantially the same terms as such coverage is continued for the other Fund officers (but, in any event, for a period of no less than six years). The Fund shall provide SS&C ALPS with proof of current coverage, including a copy of the Policy, and shall notify SS&C ALPS immediately should the Policy be cancelled or terminated.

#### **4. Term**

4.1. The initial term of this Agreement will be from the Effective Date through the date ending three (3) years following the Effective Date ("Initial Term"). Thereafter, this Agreement will automatically renew for successive terms of one (1) year each unless either SS&C ALPS or Fund provides the other with a written notice of termination at least 90 calendar days prior to the commencement of any successive term (such periods, in the aggregate, the "Term").

#### **5. Termination**

5.1. SS&C ALPS or the Fund may, by written notice to the other, terminate this Agreement if any of the following events occur:

- (a) The other Party breaches any material term, condition or provision of this Agreement, which breach, if capable of being cured, is not cured within 30 calendar days after the non-breaching Party gives the other Party written notice of such breach.
- (b) The other Party (i) liquidates, terminates or suspends its business, (ii) becomes insolvent, admits in writing its inability to pay its debts as they mature, makes an assignment for the benefit of creditors, or becomes subject to direct control of a trustee, receiver or analogous authority, (iii) becomes subject to any bankruptcy, insolvency or analogous proceeding, (iv) becomes subject to a material Action or an Action that the non-breaching Party reasonably determines could cause the non-breaching Party reputational harm (where the other Party is Fund, including any Action against an investment adviser, sub-adviser, or other service provider of the Fund), or (v) where the other Party is the Fund, material changes in Fund' s Governing Documents or the assumptions set forth in Section 1 of Fee Letter are determined by SS&C ALPS, in its reasonable discretion, to materially affect the Services or to be materially adverse to SS&C ALPS; or
- (c) At any time without cause upon written notice not less than 90 calendar days prior to the effective date of such termination, subject, in the case of the Fund, to the payment of the amount set forth in Section 5.3.

If any such event occurs, the termination will become effective immediately or on the date stated in the written notice of termination, which date shall not be greater than 90 calendar days after the event.



5.2. Should either Party exercise its rights to terminate, subject to the receipt by SS&C ALPS of all then-due fees, charges and expenses, including any fees remaining for the balance of the unexpired portion of the Term as noted in Section 5.3, SS&C ALPS shall continue to provide the Services up to the effective date of such termination; thereafter, SS&C ALPS shall have no obligation to perform any services of any type unless and to the extent set forth in an amendment to Schedule A executed by SS&C ALPS. In the event that Fund wishes to retain SS&C ALPS to perform additional transition or related post-termination services, including providing data and reports in new formats, the Fund and SS&C ALPS shall agree in writing to the additional services and related fees and expenses in an amendment to Schedule A and/or Fee Letter, as appropriate. Should either Party exercise its right to terminate, all out-of-pocket expenses or costs associated with the movement of records and materials will be borne by Fund.

5.3. If the Fund elects to terminate this Agreement pursuant to Section 5.1(c) above prior to the end of the Term, the Fund agrees to pay an amount equal to the average monthly fee paid by the Fund to SS&C ALPS under the Agreement multiplied by the number of months remaining in the Term. To the extent any services are performed by SS&C ALPS for the Fund after the termination of this Agreement, all of the provisions of this Agreement except for portions that are inapplicable to such continuing services shall survive the termination of this Agreement for so long as those services are performed.

5.4. Termination of this Agreement shall not affect: (i) any liabilities or obligations of any Party arising before such termination (including payment of fees and expenses) or (ii) any damages or other remedies to which a Party may be entitled for breach of this Agreement or otherwise. Sections 2.2., 6, 8, 9, 10, 11, 12 and 13 of this Agreement shall survive the termination of this Agreement.

## **6. Limitation of Liability and Indemnification**

6.1. Notwithstanding anything in this Agreement to the contrary, SS&C ALPS Associates shall not be liable to any Fund Associates for any action or inaction of any SS&C ALPS Associate except to the extent of direct Losses to have resulted from the gross negligence, willful misconduct, bad faith or fraud of SS&C ALPS in the performance of SS&C ALPS' s duties or obligations under this Agreement. Fund shall indemnify, defend and hold harmless SS&C ALPS Associates from and against Losses (including legal fees and costs to enforce this provision) that SS&C ALPS Associates suffer, incur, or pay as a result of any Third Party Claim or Claim among the Parties, except to the extent that such Losses resulted from the gross negligence, willful misconduct, bad faith or fraud of SS&C ALPS Associates in the performance of SS&C ALPS' duties or obligations under this Agreement. Except with respect to all amounts payable by Fund as part of its obligations under this Section 6, in no event shall either Party be liable to the other Party for Losses that are indirect, special, incidental, consequential, punitive, exemplary or enhanced or that represent lost profits, opportunity costs or diminution of value.

Upon the assertion of a Claim for which Fund may be required to indemnify SS&C ALPS, SS&C ALPS shall notify Fund of such assertion, and shall keep Fund advised with respect to all material developments concerning such Claim. Fund shall have the option to participate with SS&C ALPS in the defense of such Claim and SS&C ALPS shall reasonably allow such participation. SS&C ALPS shall in no case confess, compromise or settle the Claim in any case in which Fund may be required to indemnify it except with the prior written consent of Fund, which consent shall not be unreasonably delayed, withheld or conditioned. Any expenses (including reasonable legal fees of counsel selected by SS&C ALPS and approved by Fund (which approval shall not be unreasonably delayed, withheld or conditioned) and commercially reasonable costs) incurred by SS&C ALPS Associates in defending or responding to any Claims (or in enforcing this provision) shall be paid by Fund on a quarterly basis prior to the final disposition of such matter upon receipt by Fund of an undertaking by SS&C ALPS to repay such amount if it shall be determined that an SS&C ALPS Associate is not entitled to be indemnified. The maximum amount of cumulative liability of SS&C ALPS Associates to Fund for Losses arising out of the subject matter of, or in any way related to, this Agreement, except to the extent of Losses resulting from the willful misconduct or fraud of SS&C ALPS' duties or obligations under this Agreement, shall not exceed the fees paid by Fund to SS&C ALPS under this Agreement for the most recent 12 months immediately preceding the date of the event giving rise to the Claim.

6.2 Notwithstanding anything in this Agreement to the contrary, with the exception of Market Data, SS&C ALPS shall indemnify, defend, and hold harmless Fund Associates from and against Losses (including reasonable legal fees and costs to enforce this provision) that Fund Associates suffer, incur, or pay as a result of any third party Claim that the Services infringe, or cause the infringement of, the intellectual property rights of a third party, except to extent such infringement is a result of or arises out of: (i) improper use of the Services or any SS&C ALPS Property by Fund Associates, (ii) modifications to the Services or SS&C ALPS Property made by Fund Associates not previously authorized in writing by SS&C ALPS, (iii) Fund Associates not complying with instructions or designs required by



SS&C ALPS, (iv) use of the Services or SS&C ALPS Property by Fund Associates or its Affiliates in breach of this Agreement, or (v) the combination of the Services or SS&C ALPS Property by Fund Associates or its Affiliates with products or systems other than those provided for use with the Services by, or authorized in writing by, SS&C ALPS. SS&C ALPS may discharge its indemnity obligation by, at its sole option and expense, (a) procuring any right to allow Fund to continue to receive the infringing part of the Services or modifying, (b) amending or replacing the infringing part of the Services with other services that deliver substantially the same capabilities, or (c) terminating the infringing part of the Services, provided that SS&C ALPS shall in such case refund any fees paid in advance with respect thereto.

## **7. Representations and Warranties**

7.1. Each Party represents and warrants to each other Party that:

- (a) It is a legal entity duly created, validly existing and in good standing under the Law of the jurisdiction in which it is created, and is in good standing in each other jurisdiction where the failure to be in good standing would have a material adverse effect on its business or its ability to perform its obligations under this Agreement.
- (b) Save for access to and delivery of Market Data that is dependent on Data Suppliers and may be interrupted or discontinued with or without notice, it has all necessary legal power and authority to own, lease and operate its assets and to carry on its business as presently conducted and as it will be conducted pursuant to this Agreement and will comply in all material respects with all Law to which it may be subject, and to the best of its knowledge and belief, it is not subject to any Action that would prevent it from performing its duties and obligations under this Agreement.
- (c) It has all necessary legal power and authority to enter into this Agreement, the execution of which has been duly authorized and will not violate the terms of any other agreement.
- (d) The Person signing on its behalf has the authority to contractually bind it to the terms and conditions in this Agreement and that this Agreement constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, receivership, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally or general principles of equity or consideration of public policy.

7.2. Fund represents and warrants to SS&C ALPS that: (i) it has actual authority to provide instructions and directions and that all such instructions and directions are consistent with the Governing Documents of Fund and other corporate actions thereof; (ii) it is a corporation duly organized and existing and in good standing under the laws of the Commonwealth of Puerto Rico and it will be registered with the SEC as a closed-end management investment company upon the requirement that the Fund register under the 1940 Act coming into effect; (iii) it is empowered under applicable laws and by its Governing Documents to enter into and perform this Agreement; (iv) the Board of Directors of the Fund has duly authorized it to enter into and perform this Agreement; and (v) it will promptly notify SS&C ALPS of (1) any material Action against it and (2) changes (or pending changes) in applicable Law with respect to Fund that are relevant to the Services.

7.3. SS&C ALPS represents and warrants to Fund that it has implemented and maintains commercially reasonable business continuity policies and procedures with respect to Services, will provide Fund with a summary of its business continuity policies, and will test its business continuity procedures at least annually.

## **8. Client Data**

8.1. Fund (i) will provide or ensure that other Persons provide all Client Data to SS&C ALPS in an electronic format that is acceptable to SS&C ALPS (or as otherwise agreed in writing) and (ii) confirm that each has the right to share such Client Data. As between SS&C ALPS and Fund, all Client Data shall remain the property of the Fund to which such Client Data relate. Client Data shall not be used or disclosed by SS&C ALPS other than in connection with providing the Services and as permitted under Section 11.2. SS&C ALPS shall be permitted to act upon instructions from Management with respect to the disclosure or disposition of Client Data related to Fund, but may refuse to act upon such instructions where it doubts, in good faith, the authenticity or authority of such instructions.

8.2. SS&C ALPS shall maintain and store material Client Data used in the official books and records of Fund for a rolling period of 7 years starting from the Effective Date, or such longer period as required by applicable Law or its internal policies.

8.3. Upon at least 30 days' written notice from Fund to SS&C ALPS, through its staff or agents (other than any Person that is a competitor of SS&C ALPS), and Government Authorities with jurisdiction over the Fund (each a "Reviewer") may conduct a reasonable, on-site review of the operational and technology infrastructure controls used by SS&C ALPS to provide the Services and meet SS&C ALPS' s confidentiality and information security obligations under this Agreement (a "Review"). Fund shall accommodate SS&C ALPS requests to reschedule any Review based on the availability of required resources. With respect to any Review, Fund shall:

- (a) Ensure that the Review is conducted in a manner that does not disrupt SS&C ALPS' business operations;
- (b) Pay SS&C ALPS costs, including staff time at standard rates;
- (c) Comply, and ensure that Reviewers comply, with SS&C ALPS' policies and procedures relating to physical, computer and network security, business continuity, safety and security;
- (d) Ensure that all Reviewers are bound by written confidentiality obligations substantially similar to, and no less protective than, those set forth in the Agreement (which Fund shall provide to SS&C ALPS upon request; and
- (e) Except for mandatory Reviews by Government Authorities, be limited to 1 Review per calendar year.

8.4. SS&C ALPS shall deliver to Fund on an annual basis and subject to customary disclaimers and indemnities required by the audit firms that prepare such reports a copy of a report prepared under Statement on SSAE No. 18 Service Organization Controls (SOC 1) Type II, as applicable to SS&C ALPS' application server(s), database server(s) and related systems and equipment upon which Fund Confidential Information, Client Data, and/or Personal Data is maintained.

8.5. All records maintained and preserved by SS&C ALPS pursuant to this Agreement, which the Fund is required to maintain and preserve in accordance with applicable law shall be and remain the property of the Fund and shall be surrendered to the Fund promptly upon request in the form in which such records have been maintained and preserved.

## **9. Data Protection**

9.1. From time to time and in connection with the Services SS&C ALPS may obtain access to certain personal information from Fund ("Personal Data"). Personal Data relating to Fund and its Affiliates, members, shareholders, directors, officers, partners, employees and agents and of Fund investors or prospective investors will be processed by and on behalf of SS&C ALPS. Fund consents to the transmission and processing of such data within the United States in accordance with applicable Law.

9.2. SS&C ALPS will notify the Fund without undue delay after becoming aware of a confirmed breach of Personal Data and provide reasonable assistance to the Fund in its notification of that breach to the relevant supervisory authority and those individual impacted, as required by applicable Law. SS&C ALPS will not disclose or use Personal Data obtained from or on behalf of the Fund except in accordance with the lawful instructions of the Fund to carry out SS&C ALPS' s obligations under, or as otherwise permitted pursuant to the terms of, its agreements with the Fund and to comply with applicable Law.

## **10. SS&C ALPS Property**

10.1. SS&C ALPS Property is and shall remain the property of SS&C ALPS or, when applicable, its Affiliates or suppliers. Neither Fund nor Management nor any other Person shall acquire any license or right to use, sell, disclose, or otherwise exploit or benefit in any manner from, any SS&C ALPS Property, except as specifically set forth herein. Fund shall not (unless required by Law) either before or after the termination of this Agreement, disclose to any Person not authorized by SS&C ALPS to receive the same, any information concerning the SS&C ALPS Property and shall use reasonable efforts to prevent any such disclosure.

10.2. SS&C ALPS represents and warrants that it owns all right, title and interest in and to any and all SS&C ALPS Property used to provide the Services or provided to Fund as part of the Services, or otherwise has the right to sell, rent, lease or license the same, including all copyrights, patent, trademark, trade secret and other proprietary rights therein or thereto.

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## **11. Confidentiality**

11.1. Each Party shall not at any time disclose to any Person any Confidential Information concerning the business, affairs, customers, clients or suppliers of the other Party or its Affiliates, except as permitted by this Section 11. Each Party agrees to have appropriate policies and procedures and employ reasonable controls (but in any event at least to the same degree of care and controls that such Party uses to protect its own Confidential Information of similar importance) to protect the disclosing Party's Confidential Information against any anticipated threats or hazards or unauthorized access to or use thereof.

11.2. Each Party may disclose the other Party's Confidential Information:

(a) In the case of Fund, to each of its Affiliates, members, shareholders, directors, officers, partners, employees and agents ("Fund Representative") who need to know such information for the purpose of carrying out its duties under, or receiving the benefits of or enforcing, this Agreement. Fund shall ensure compliance by Fund Representatives with Section 11.1.

(b) In the case of SS&C ALPS, to Fund and each SS&C ALPS Associate, Fund Representative, investor, Fund or Management, bank or broker, Fund or Management counterparty or agent thereof, or payment infrastructure provider who needs to know such information for the purpose of carrying out SS&C ALPS's duties under or enforcing this Agreement. SS&C ALPS shall ensure compliance by SS&C ALPS Associates with Section 11.1 but shall not be responsible for such compliance by any other Person.

(c) As may be required by Law or pursuant to legal process; provided that the disclosing Party (i) where reasonably practicable and to the extent legally permissible, provides the other Party with prompt written notice of the required disclosure so that the other Party may seek a protective order or take other analogous action, (ii) discloses no more of the other Party's Confidential Information than reasonably necessary and (iii) reasonably cooperates with actions of the other Party in seeking to protect its Confidential Information at that Party's expense.

11.3. Neither Party shall use the other Party's Confidential Information for any purpose other than to perform its obligations under this Agreement. Each Party may retain a record of the other Party's Confidential Information for the longer of (i) 7 years or (ii) as required by Law or its internal policies.

11.4. Each of SS&C ALPS's ultimate parent company and Fund is subject to U.S. federal and state securities Law and each may make disclosures as it deems necessary to comply with such Law. SS&C ALPS shall have no obligation to use Confidential Information of, or data obtained with respect to, any other client of SS&C ALPS in connection with the Services.

11.5. Upon the prior written consent of the Management or Fund, SS&C ALPS shall have the right to identify Fund or Management in connection with its marketing-related activities and in its marketing materials as a client of SS&C ALPS. Upon the prior written consent of SS&C ALPS, Fund or Management shall have the right to identify SS&C ALPS and to describe the Services and the material terms of this Agreement in the offering documents of Fund. This Agreement shall not prohibit SS&C ALPS from using any Fund or Management data (including Client Data) in tracking and reporting on SS&C ALPS's clients generally or making public statements about such subjects as its business or industry; provided that neither Fund nor Management is named in such public statements without its prior written consent. Fund shall not, in any communications with any Person, whether oral or written, make any representations stating or implying that SS&C ALPS is (i) providing valuations with respect to the securities, products or services of Fund or Management, or verifying any valuations, (ii) verifying the existence of any assets in connection with the investments, products or services of Fund or Management, or (iii) acting as a fiduciary, investment advisor, tax preparer or advisor, custodian or bailee with respect to Fund, Management or any of their respective assets, investors or customers.

## **12. Notices**

12.1. Except as otherwise provided herein, all notices required or permitted under this Agreement or required by Law shall be effective only if in writing and delivered: (i) personally, (ii) by registered mail, postage prepaid, return receipt requested, (iii) by receipted prepaid courier; (v) by any electronic mail, to the relevant address or number listed below (or to such other address or number as a Party shall hereafter provide by notice to the other Parties). Notices shall be deemed effective when received by the Party to whom notice is required to be given.

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**If to SS&C ALPS:**

ALPS Fund Services, Inc.  
1290 Broadway, Suite 1000  
Denver, CO 80203  
Attention: General Counsel  
E-mail: [notices@sscinc.com](mailto:notices@sscinc.com)

**If to Fund:**

Puerto Rico Residents Tax-Free Fund, Inc.  
Popular Center North Building, Second Level (Fine Arts)  
209 Muñoz Rivera Avenue  
San Juan, Puerto Rico 00918  
Attention: Co-President  
E-mail: [javier.rubio@popular.com](mailto:javier.rubio@popular.com)

**13. Miscellaneous**

13.1. Amendment; Modification. This Agreement may not be amended or modified except in writing signed by an authorized representative of each Party. No SS&C ALPS Associate has authority to bind SS&C ALPS in any way to any oral covenant, promise, representation or warranty concerning this Agreement, the Services or otherwise.

13.2. Assignment. Neither this Agreement nor any rights under this Agreement may be assigned or otherwise transferred by Fund, in whole or in part, whether directly or by operation of Law, without the prior written consent of SS&C ALPS, which consent shall not be unreasonably denied, delayed or conditioned. SS&C ALPS may assign or otherwise transfer this Agreement: (i) to a successor in the event of a change in control of SS&C ALPS; (ii) to an Affiliate; or (iii) in connection with an assignment or other transfer of a material part of SS&C ALPS' business. Any attempted delegation, transfer or assignment prohibited by this Agreement shall be null and void. If SS&C ALPS assigns or otherwise transfers this Agreement to a third-party other than an Affiliate without Fund' s consent, Fund may terminate this Agreement by written notice to SS&C ALPS within 90 days of receiving notice of such assignment or transfer, subject to SS&C ALPS' right within 30 calendar days of such notice to rescind such assignment or transfer.

13.3. Choice of Law; Choice of Forum. This Agreement shall be interpreted in accordance with and governed by the Law of the State of New York and the 1940 Act and the rules thereunder. To the extent that the laws of the State of New York conflict with the 1940 Act or such rules, the latter shall control. The courts of the State of New York and the United States District Court for the Southern District of New York shall have exclusive jurisdiction to settle any Claim. EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS AND WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ALL RIGHTS TO A TRIAL BY JURY.

13.4. Counterparts; Signatures. This Agreement may be executed in counterparts, each of which when so executed will be deemed to be an original. Such counterparts together will constitute one agreement. Signatures may be exchanged via facsimile or electronic mail and shall be binding to the same extent as if original signatures were exchanged.

13.5. Entire Agreement. This Agreement (including any schedules, attachments, amendments and addenda hereto) contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes all previous communications, representations, understandings and agreements, either oral or written, between the Parties with respect thereto. This Agreement sets out the entire liability of SS&C ALPS Associates related to the Services and the subject matter of this Agreement, and no SS&C ALPS Associate shall have any liability to any Fund Associates for, and Fund hereby waives to the fullest extent permitted by applicable law recourse under, tort, misrepresentation or any other legal theory with respect to the Services and the subject matter of this Agreement.

13.6. Force Majeure. SS&C ALPS will not be responsible for any Losses of property in SS&C ALPS Associates' possession or for any failure to fulfill its duties or obligations hereunder if such Loss or failure is caused, directly or indirectly, by war, terrorist or analogous action, the act of any Government Authority or other authority, riot, civil commotion, rebellion, storm, accident, fire, lockout, strike, power failure, computer error or failure, delay or breakdown in communications or electronic transmission systems, or other analogous events. SS&C ALPS shall use commercially reasonable efforts to minimize the effects on the Services of any such event and shall follow its business

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continuity plan pursuant to such representation and warranty as described in section 7.3 herein. SS&C ALPS shall use commercially reasonable efforts to minimize the effects of any such event, including maintaining procedures for the safekeeping and security of information related to the other Party.

13.7. Non-Exclusivity. The duties and obligations of SS&C ALPS hereunder shall not preclude SS&C ALPS from providing services of a comparable or different nature to any other Person. Fund understands that SS&C ALPS may have relationships with Data Suppliers and providers of technology, data or other services to Fund and SS&C ALPS may receive economic or other benefits in connection with the Services provided hereunder.

13.8. No Partnership. Nothing in this Agreement is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between or among any of the Parties.

13.9. No Solicitation. During the term of this Agreement and for a period of 12 months thereafter, neither Party will directly or indirectly solicit the services of, or otherwise attempt to employ or engage any employee of the other Party or its Affiliates who has been materially involved in the provisions, or receipt or consumption, of the Services, without the consent of the other Party; provided, however, that the foregoing shall not prevent any Party from soliciting employees through general advertising not targeted specifically at any or all of the employees of the other Party. If Fund employs or engages any SS&C ALPS Associate who has been materially involved in the provision of Services during the term of this Agreement or the period of 12 months thereafter, such entity shall pay for any reasonable and documented fees and expenses (including recruiters' fees) incurred by SS&C ALPS or its Affiliates in hiring replacement personnel as well as any other remedies available to SS&C ALPS.

13.10. No Warranties. Except as expressly listed herein, SS&C ALPS makes no warranties, whether express, implied, contractual or statutory with respect to the Services or Market Data. SS&C ALPS disclaims all implied warranties of merchantability and fitness for a particular purpose with respect to the Services. All warranties, conditions and other terms implied by Law are, to the fullest extent permitted by Law, excluded from this Agreement.

13.11. Severance. If any provision (or part thereof) of this Agreement is or becomes invalid, illegal or unenforceable, the provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not practical, the relevant provision shall be deemed deleted. Any such modification or deletion of a provision shall not affect the validity, legality and enforceability of the rest of this Agreement. If a Party gives notice to another Party of the possibility that any provision of this Agreement is invalid, illegal or unenforceable, the Parties shall negotiate to amend such provision so that, as amended, it is valid, legal and enforceable and achieves the intended commercial result of the original provision.

13.12. Testimony. If SS&C ALPS is required by a third party subpoena or otherwise legally required, to produce documents, testify or provide other evidence regarding the Services, this Agreement or the operations of Fund in any Action to which Fund or Management is a party or otherwise related to Fund, Fund shall reimburse SS&C ALPS for all costs and expenses, including the time of its professional staff at SS&C ALPS' s standard rates and the cost of legal representation, that SS&C ALPS reasonably incurs in connection therewith; provided, however, that Fund shall have no obligation to reimburse SS&C ALPS for such costs and expenses if such Claim resulted solely from the gross negligence, willful misconduct, bad faith or fraud of SS&C ALPS in the performance of SS&C ALPS' s duties or obligations under this Agreement.

13.13. Third Party Beneficiaries. This Agreement is entered into for the sole and exclusive benefit of the Parties and will not be interpreted in such a manner as to give rise to or create any rights or benefits of or for any other Person except as set forth with respect to SS&C ALPS Associates, Fund Associates and Data Suppliers.

13.14. Waiver. No failure or delay by a Party to exercise any right or remedy provided under this Agreement or by Law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No exercise (or partial exercise) of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

*[signature page follows]*

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This Agreement has been entered into by the Parties as of the Effective Date.

**ALPS FUND SERVICES, INC.**

By: /s/ Rahul Kanwar

Name: Rahul Kanwar

Title: Authorized Representative

**PUERTO RICO RESIDENTS TAX-FREE FUND, INC.**

By: /s/ Javier Rubio

Name: Javier Rubio

Title: Co-President

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## Schedule A Services

### A. **General**

1. Any references to Law shall be construed to the Law as amended to the date of the effectiveness of the applicable provision referencing the Law.
2. Fund acknowledges that SS&C ALPS' s ability to perform the Services is subject to the following dependencies (in addition to any others described in the Agreement):
  - (i) Fund, Management and other Persons that are not employees or agents of SS&C ALPS whose cooperation is reasonably required for the SS&C ALPS to provide the Services providing cooperation, information and, as applicable, instructions to SS&C ALPS promptly, in agreed formats, by agreed media and within agreed timeframes as required to provide the Services.
  - (ii) The communications systems operated by Fund, Management and other Persons that are not employees or agents of SS&C ALPS remaining fully operational.
  - (iii) The accuracy and completeness of any Client Data or other information provided to SS&C ALPS Associates in connection with the Services by any Person.
  - (iv) Fund and Management informing SS&C ALPS on a timely basis of any modification to, or replacement of, any agreement to which it is a party that is relevant to the provision of the Services.
  - (v) Any warranty, representation, covenant or undertaking expressly made by Fund under or in connection with this Agreement being and remaining true, correct and discharged at all relevant times.
  - (vi) SS&C ALPS' s timely receipt of the then most current version of Fund Governing Documents and required implementation documentation, including authority certificate, profile questionnaire and accounting preferences, and SS&C ALPS Web Portal and other application User information.

### B. **SS&C ALPS Fund Administration, Fund Accounting, Legal Administration and Compliance Administration Services**

The following Services will be performed by SS&C ALPS under this Agreement and, as applicable, are contingent on the performance by Fund of its duties and obligations otherwise contained in this Agreement.

#### ***Fund Administration***

- Prepare annual and semi-annual financial statements
  - Utilizing templates for standard layout and printing
- Prepare Forms N-CEN, N-CSR and 24F-2
- File Forms N-CEN and 24F-2 with the SEC
- Host annual audits
- Prepare required reports for quarterly Board meetings
- Monitor expense ratios
- Maintain budget vs. actual expenses
- Manage fund invoice approval and bill payment process
- Assist with placement of Fidelity Bond and E&O insurance

#### ***Fund Accounting***

- Calculate monthly NAVs as required by the Trust and in conformance with generally accepted accounting principles (“GAAP”), SEC Regulation S-X (or any successor regulation) and the Internal Revenue Code
- Transmit net asset values to the advisor, NASDAQ, Transfer Agent & other third parties
- Reconcile cash & investment balances with the custodian
- Provide data and reports to support preparation of financial statements and filings



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- Prepare required Fund Accounting records in accordance with the 1940 Act
  - Obtain and apply security valuations as directed and determined by the Fund consistent with the Fund' s pricing and valuation policies
  - Participate, when requested, in Fair Value Committee meetings as a non-voting member
  - Calculate monthly SEC standardized total return performance figures
  - Coordinate reporting to outside agencies including Morningstar, etc.
  - Prepare and file Form N-PORT

#### ***Legal Administration***

- Coordinate annual update to prospectus and statement of additional information
- Coordinate standard layout and printing of prospectus
- Files Forms N-CSR and N-PX
- Coordinate EDGARization and filing of SEC documents
- Compile and distribute board materials (electronically) for quarterly board meetings
- Attend quarterly board meetings telephonically and prepare initial draft of meeting minutes

#### ***Compliance Administration***

- Perform daily prospectus & SAI, SEC investment restriction monitoring
- Provide warning/Alert notification with supporting documentation
- Provide quarterly compliance testing certification to Board of Trustees

#### ***SS&C ALPS Client Portal***

- Document Management/Sharing
- Initiate requests or provide feedback
- Retrieval of current and up to 15 months of historical reports
- Access to daily fund accounting data and static reports
- Portfolio compliance alerting with drill-down capability
- Portfolio data warehouse with reporting engine
- Investor data warehouse with ad hoc query builder
- Investor document image retrieval (i.e. correspondence, applications, checks)
- Trustee access that facilitates access to board materials and other relevant documents

#### **Notes and Terms to SS&C ALPS Services**

1. SS&C ALPS agrees to maintain at all times a program reasonably designed to prevent violations of the federal securities laws (as defined in Rule 38a-1 under the 1940 Act) with respect to the services provided hereunder, and shall provide to the Fund a certification to such effect no less frequently than annually or as otherwise reasonably requested by the Fund. SS&C ALPS shall make available its compliance personnel and shall provide at its own expense summaries and other relevant materials relating to such program as reasonably requested by the Fund.
2. Portfolio compliance with: (i) the investment objective and certain policies and restrictions as disclosed in the Fund' s prospectus and statement of additional information, as applicable; and (ii) certain SEC rules and regulations (collectively, "Portfolio Compliance") is required daily and is the responsibility of the Fund or its Management, as applicable. ALPS will perform Portfolio Compliance testing (post-trade, daily on a T+2 basis) to test the Fund' s Portfolio Compliance (the "Portfolio Compliance Testing"). The frequency and nature of the Portfolio Compliance Testing and the methodology and process in accordance with which the Portfolio Compliance Testing are conducted, are mutually agreed to between ALPS and Management. ALPS will report violations, if



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any, to Management and the Fund' s Chief Compliance Officer as promptly as practicable following discovery.

3. SS&C ALPS independently tests Portfolio Compliance based upon information contained in the source reports received by SS&C ALPS' fund accounting department and supplemental data from certain third-party sources. As such, Portfolio Compliance Testing performed by SS&C ALPS is limited by the information contained in the fund accounting source reports and supplemental data from third-party sources. The Fund agrees and acknowledges that SS&C ALPS' performance of the Portfolio Compliance Testing shall not relieve the Fund or its Management of their primary day-to-day responsibility for assuring such Portfolio Compliance, including on a pre-trade basis, and SS&C ALPS shall not be held liable for any act or omission of the Fund or its Management (or any other Party) as applicable, with respect to Portfolio Compliance.
4. The Fund acknowledges that SS&C ALPS may rely on and shall have no responsibility to validate the existence of assets reported by the Fund, its Management, the Fund' s custodian or other Fund service provider, other than SS&C ALPS' completion of a reconciliation of the assets reported by such parties or as otherwise provided for under this Agreement. Except as otherwise provided for herein, the Fund acknowledges that it is the sole responsibility of the Fund to validate the existence of assets reported to SS&C ALPS. SS&C ALPS may rely, and has no duty to investigate the representations of the Fund, its Management, the Fund' s custodian or other Fund service provider.
5. SS&C ALPS shall utilize one or more pricing services, as directed by the Fund. The Fund shall identify in writing to SS&C ALPS the pricing service(s) to be utilized on behalf of the Fund. For those securities where prices are not provided by the pricing service(s), the Fund shall approve the method for determining the fair value of such securities and shall determine or obtain the valuation of the securities in accordance with such method and shall deliver to SS&C ALPS the resulting price(s). In the event the Fund desires to provide a price that varies from the price provided by the pricing service(s), the Fund shall promptly notify and supply SS&C ALPS with the valuation of any such security on each valuation date. All pricing changes made by the Fund will be provided to SS&C ALPS in writing or e-mail and must specifically identify the securities to be changed by security identifier, name of security, new price or rate to be applied, and, if applicable, the time period for which the new price(s) is/are effective.

#### **C. SS&C ALPS CCO Services and Terms**

1. Within this Section C, the following definitions will apply:
  - (i) "Federal Securities Laws" shall mean the definition as put forth in Rule 38a-1, specifically the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Act, any SEC rules adopted under any of the foregoing laws, the Bank Secrecy Act as it applies to registered investment companies, and any rules adopted thereunder by the SEC or the Department of Treasury.
  - (ii) "Material Compliance Matter" shall mean "any compliance matter about which the Fund' s board would reasonably need to know to oversee fund compliance," which involves any of the following (without limitation): (i) a violation of Federal Securities Laws by the Fund or its service providers (or officers, directors, employees or agents thereof) (ii) a violation of the Compliance Program of the Fund, or the written compliance policies and procedures of its service providers; or (iii) a weakness in the design or implementation of the Compliance Program policies and procedures of the Fund, or the written compliance policies and procedures of the service providers to the Fund.
  - (iii) "Rule 38a-1" shall mean Rule 38a-1 under the 1940 Act
2. All Services described in this Section C (the "CCO Services") are optional and only apply upon the request of Fund that SS&C ALPS provide such CCO Services and the written acceptance of such request by SS&C ALPS. SS&C ALPS requires 30 days' notice prior to commencement of provision of such CCO Services, which time period may be reduced upon mutual agreement. The Board of Directors of the Fund may terminate the provision of CCO Services on 30 days written notice to SS&C ALPS. All CCO Services fees

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described in Fee Letter will continue until the later of 120 days from the receipt of such termination notice or the date that the SS&C ALPS employee no longer serves as the Fund's Chief Compliance Officer.

3. SS&C ALPS shall designate, subject to the approval of the Fund's Board of Directors, one of its own employees (and any change in such designated employee shall be subject to the approval of the Fund's Board of Directors) to serve as Chief Compliance Officer of the Fund within the meaning of Rule 38a-1 (such individual, the "CCO"). The CCO shall render to the Fund such advice and services as are required to be performed by a CCO under Rule 38a-1 and as are set forth as follows:
- (i) Review of Compliance Program. The CCO shall, with the assistance of the Fund, review and revise, where necessary, the written compliance policies and procedures (the "Compliance Program") of the Fund, which shall address compliance with, and be reasonably designed to prevent violation of, "Federal Securities Laws." In addition to provisions of Federal Securities Laws that apply to the Fund, the Compliance Program will be revised, where necessary, to address compliance with, and ensure that it is reasonably designed to prevent violation of, the Fund's charter and by-laws and all exemptive orders, no-action letters and other regulatory relief received by the Fund from the Securities and Exchange Commission (the "SEC") and Financial Industry Regulatory Association, Inc. (the "FINRA") (all such items collectively, "Regulatory Relief"); provided, however, that the Compliance Program shall address only that Regulatory Relief afforded the Service Providers or the Fund or relevant to compliance by the Service Providers or the Fund, and shall not address the terms by which other parties may receive the benefits of any Regulatory Relief.
  - (ii) Administration of Compliance Program. The CCO shall administer and enforce the Fund's Compliance Program. The CCO shall consult with the Board of Directors and the Fund's officers as necessary to amend, update and revise the Compliance Program as necessary, but no less frequently than annually (if required).
  - (iii) Oversight of Service Providers. The CCO is responsible for overseeing, on behalf of the Fund, adherence to the written compliance policies and procedures of the Fund's service providers, including the Fund, its investment adviser (and sub-adviser, if applicable), the distributor, the administrator, and the transfer agent (the "Service Providers"). In furtherance of this duty:
    - (a) The CCO shall obtain and review the written compliance policies and procedures of the Service Providers or summaries of such policies that have been drafted by someone familiar with them.
    - (b) The CCO shall monitor the Service Providers' compliance with their own written compliance policies and procedures, Federal Securities Laws and the Fund's Governing Documents and Regulatory Relief. In so doing, the CCO shall interact with representatives of the Service Providers as appropriate.
    - (c) The CCO shall attempt to obtain the following representations from each Service Provider and, if it fails to obtain such representations, shall report this fact to the Fund:
      - a. In connection with the documentation of its written policies and procedures governing the provision of its services to the relevant Fund, the Service Provider has prepared and delivered to the Fund a summary of core services that it provides to the Fund or, if no such summary is available, that it has delivered to the Fund copies of the relevant policies and procedures.
      - b. The Service Provider will provide to the Fund and the CCO any revisions to its written compliance policies and procedures on at least an annual basis, or more frequently in the event of a material revision.
      - c. The Service Provider's written compliance policies and procedures have been reasonably designed to prevent, detect and correct violations of the applicable Federal Securities Laws and critical functions related to the services performed by Service Provider pursuant to the applicable agreement between the Service Provider and the Fund.

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- d. The Service Provider has established monitoring procedures, and shall review, no less frequently than annually, the adequacy and effectiveness of its written compliance policies and procedures to check that they are reasonably designed to prevent, detect and correct violations of those applicable Federal Securities Laws and critical functions related to the services performed by the Service Provider pursuant to the applicable agreement between the Service Provider and the Fund.
- (iv) Annual Review. Rule 38a-1 requires that, at least annually, the Fund review its Compliance Program and that of its Service Providers and the effectiveness of their respective implementations (the “Annual Review”). The CCO shall perform the Annual Review for the Fund. The first Annual Review shall be completed no later than the regularly scheduled Board meeting following one year after the commencement of the CCO Services.
- (v) Attendance of Board Meetings; Reports to the Fund’s Board; Escalation
- (a) The CCO shall attend up to four board meetings per year, including, at the request of Fund, one in person.
- (b) The CCO shall make regular reports to the Board of Directors of the Fund regarding its administration and enforcement of the Compliance Program. These regular reports shall address compliance by the Fund and the Service Providers and such other matters as the Board of Directors of the Fund may reasonably request.
- (c) In addition, at least annually, the CCO shall submit a written report to the Board of Directors of the Fund addressing the following issues:
- a. the operation of the Compliance Program, and the written compliance policies and procedures of the Service Providers;
- b. any material changes made to the Compliance Program since the date of the last report;
- c. any material changes to the Compliance Program recommended as a result of the Annual Review; and
- d. each “Material Compliance Matter” that occurred since the date of the last report.
- (d) This written report shall be based on the Annual Review. The first written report shall be presented to the Board of Directors of the Fund no later than 90 days after the date of the first Annual Review.
- (e) The CCO shall report any Material Compliance Matters to the Board of Directors at least quarterly.
- (vi) Recordkeeping. The CCO expects to rely on the Fund or its Service Providers, as applicable, to maintain and preserve records. The CCO will determine that the Service Provider has policies and procedures that are reasonably designed to ensure that the Fund records will be maintained in accordance with the Fund’s recordkeeping policy and applicable law, including provisions requiring that any material violation of the Fund’s recordkeeping policy and/or applicable law by the service provider be promptly reported to the CCO.
- (vii) Meeting with Regulators. The CCO shall meet with, and reply to inquiries from, the SEC, the Fund and other legal and regulatory authorities with responsibility for administering Federal Securities Laws as necessary or as reasonably requested by Fund or the Board.
4. The parties agree that only employees of SS&C ALPS and its Affiliates shall act as CCO or otherwise perform services to the Fund under this Agreement unless otherwise agreed to by the Fund. Notwithstanding his/her other duties for SS&C ALPS or any other investment company, the CCO shall perform the Services in a professional manner and shall devote appropriate time, energies and skill to the Services. Fund acknowledges that other employees of SS&C ALPS and its Affiliates will assist the CCO in the performance of his/her duties hereunder.
5. For clarity, the Fund shall reimburse, or shall cause the Fund to reimburse, SS&C ALPS for all reasonable expenses (including travel expenses for attendance at in-person board meetings) and other out-of-pocket

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disbursements incurred by SS&C ALPS in connection with the performance of SS&C ALPS' or the CCO' s duties hereunder.

6. Fund shall cooperate in good faith with SS&C ALPS and the CCO in order to assist in the performance of the Services. In furtherance of this agreement to cooperate, Fund shall make those of its and its Affiliates' and Service Providers' , officers, employees, outside counsel and others as may be reasonable related to the Services available for consultation with SS&C ALPS and the CCO, in each case as SS&C ALPS or the CCO may reasonably request. Fund shall provide SS&C ALPS and the CCO with the names of appropriate contact people at the Service Providers and shall otherwise assist SS&C ALPS and the CCO in obtaining the cooperation of the Service Providers. Fund shall provide SS&C ALPS and the CCO with such books and records regarding the Fund as SS&C ALPS and the CCO may reasonably request.

**D. Miscellaneous**

1. Notwithstanding anything to the contrary in this Agreement, SS&C ALPS:
- (i) Does not maintain custody of any cash or securities.
  - (ii) Does not have the ability to authorize transactions.
  - (iii) Does not have the authority to enter into contracts on behalf of Fund.
  - (iv) Is not responsible for determining the valuation of Fund' s assets and liabilities.
  - (v) Does not perform any management functions or make any management decisions with regard to the operation of Fund.
  - (vi) Is not Fund' s tax or legal advisor and does not provide any tax or legal advice.
  - (vii) Is not obligated to perform any additional or materially different services due to changes in law or audit guidance.
2. If SS&C ALPS allows Fund, Management, investors or their respective agents and representatives (“Users”) to (i) receive information and reports from SS&C ALPS and/or (ii) issue instructions to SS&C ALPS via web portals or other similar electronic mechanisms hosted or maintained by SS&C ALPS or its agents (“Web Portals”):
- (i) Access to and use of Web Portals by Users shall be subject to the proper use by Users of usernames, passwords and other credentials issued by SS&C ALPS (“User Credentials”) and to the additional terms of use that are noticed to Users on such Web Portals. Fund shall be solely responsible for the results of any unauthorized use, misuse or loss of User Credentials by their authorized Users and for compliance by such Users with the terms of use noticed to Users with respect to Web Portals, and shall notify SS&C ALPS promptly upon discovering any such unauthorized use, misuse or loss of User Credentials or breach by Fund or Management or their authorized Users of such terms of use. Any change in the status or authority of an authorized User communicated by Fund shall not be effective until SS&C ALPS has confirmed receipt and execution of such change.
  - (ii) SS&C ALPS grants to the Fund a limited, non-exclusive, non-transferable, non-sublicenseable right during the term of this Agreement to access Web Portals solely for the purpose of accessing Client Data and, if applicable, issue instructions. Fund will ensure that any use of access to any Web Portal is in accordance with SS&C ALPS' s terms of use, as noticed to the Users from time to time. This license does not include: (i) any right to access any data other than Client Data; or (ii) any license to any software.
  - (iii) Fund will not (A) permit any third party to access or use the Web Portals through any time-sharing service, service bureau, network, consortium, or other means; (B) rent, lease, sell, sublicense, assign, or otherwise transfer its rights under the limited license granted above to any third party, whether by operation of law or otherwise; (C) decompile, disassemble, reverse engineer, or attempt to reconstruct or discover any source code or underlying ideas or algorithms associated with the Web Portals by any means; (D) attempt to modify or alter the Web Portal in any manner; or (E) create

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derivative works based on the web portal. Fund will not remove (or allow to be removed) any proprietary rights notices or disclaimers from the Web Portal or any reports derived therefrom.

- (iv) SS&C ALPS reserves all rights in SS&C ALPS systems and in the software that are not expressly granted to Fund hereunder.
  - (v) SS&C ALPS may discontinue or suspend the availability of any Web Portals at any time without prior notice; SS&C ALPS will endeavor to notify Fund as soon as reasonably practicable of such action.
3. Notwithstanding anything in this Agreement to the contrary, Fund has ultimate authority over and responsibility for its tax matters and financial statement tax disclosures. All memoranda, schedules, tax forms and other work product produced by SS&C ALPS are the responsibility of Fund and are subject to review and approval by Fund and Fund' s auditors, or tax preparers, as applicable and SS&C ALPS bears no responsibility for reliance on tax calculations and memoranda prepared by SS&C ALPS.
  4. SS&C ALPS shall provide reasonable assistance to responding to due diligence and analogous requests for information from investors and prospective investors (or others representing them); provided, that SS&C ALPS may elect to provide these services only upon Fund agreement in writing to separate fees in the event responding to such requests becomes, in SS&C ALPS' s reasonable discretion, excessive.
  5. Reports and information shall be deemed provided to Fund if they are made available to Fund online through SS&C ALPS' s Web Portal.

#### **E. Report Modernization Terms and Conditions**

In addition to the terms and conditions of the Agreement, the below terms and conditions apply to the provision of the following Services (the listed Services known as "Modern Data Services"):

- Preparation and Filing of Form N-PORT and Form N-CEN
1. In connection with completion of the Modern Data Services, Market Data may be supplied to the Fund through an SS&C ALPS Associate(s) or directly by a Data Supplier (for the purposes of this appendix, Data Supplier shall include the Data Supplier' s third party suppliers). Any Market Data being provided to a Fund by SS&C ALPS or a Data Supplier is being supplied for the sole purpose of assisting the completion of the Modern Data Services. Accordingly, the Fund acknowledges that Market Data is proprietary to SS&C ALPS Associates and/or the Data Suppliers and is provided on a limited internal-use license basis. Market Data may not be disseminated by the Fund to any other affiliated or non-affiliated entity, used to populate internal systems or to create a historical database, or for any other purpose in lieu of Fund obtaining a data license from SS&C ALPS Associates or Data Supplier, as applicable. The Fund accepts responsibility for, and acknowledges it exercises its own independent judgment in, the selection of the Data Supplier(s) to provide the Market Data, its selection of the use or intended use of such, and any results obtained. Access to and delivery of Market Data is dependent on the Data Suppliers and may be interrupted or discontinued with or without notice to Fund.
  2. The Fund acknowledges that (i) the Market Data is intended for use as an aid to institutional investors, registered brokers or professionals of similar sophistication in making informed judgments concerning characteristics of certain securities; and (ii) the Data Supplier and/or SS&C ALPS Associate(s), as applicable, holds all title, license, copyright or similar intellectual property rights in the Market Data.
  3. No SS&C ALPS Associate or Data Supplier will have any liability for errors, omissions or malfunctions in the Market Data, except that SS&C ALPS will endeavor, upon receipt of notice from the Fund, to correct a malfunction, error, or omission in the Market Data utilized in the Modern Data Services that is identified by Fund.
  4. Notwithstanding anything in this Agreement to the contrary, no SS&C ALPS Associate nor Data Supplier shall be liable to Fund or any other Person for any Losses related, directly or indirectly, to the Market Data, the provision of (or failure to provide) the Market Data, and/or the reliance by an SS&C ALPS Associate(s),

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Fund or any other Person on such Market Data. Further, the Fund shall indemnify all SS&C ALPS Associates and applicable Data Suppliers against, and hold such SS&C ALPS Associates and Data Suppliers harmless from, any and all Losses (including legal fees and costs to enforce this provision), that any SS&C ALPS Associate(s) or Data Provider suffer, incur, or pay as a result of any Third Party Claim or Claim among the Parties resulting from the use of Market Data by Fund in contravention of this Agreement.

5. Notwithstanding anything in this Agreement to the contrary, as it relates to the provision of the Modern Data Services, no SS&C ALPS Associate nor Data Supplier shall be liable for (i) any special, indirect or consequential damages (even if advised of the possibility of such), (ii) any delay by reason of circumstances beyond its control, including acts of civil or military authority, national emergencies, labor difficulties, fire, mechanical breakdown, flood or catastrophe, acts of God, insurrection, war, riots, or failure beyond its control of transportation or power supply, or (iii) any claim that arose more than one year prior to the institution of suit therefor.
6. THE FUND ACCEPTS THE MARKET DATA AS IS AND NO SS&C ALPS ASSOCIATE OR ANY DATA SUPPLIER MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS OR ANY OTHER MATTER RELATED TO THE MARKET DATA.

**Appendix B**  
**Code of Ethics**

**Investment Adviser Code of Ethics**

UBS Asset Managers of Puerto Rico  
(a department of UBS Trust Company of Puerto Rico)

**Standard of Conduct**

- The Code of Ethics establishes standards of conduct that apply to all employees of UBS Asset Managers of Puerto Rico, a department of UBS Trust Company of Puerto Rico, and reflect the fiduciary obligation to its clients.
- It also addresses conflicts of interest associated with the personal trading activities of employees.
- As an investment adviser, the firm has a fiduciary duty to act in the best interests of its clients, and we require all employees to strictly observe federal securities laws with an awareness of the underlying ethical principles.
- All employees must conduct their personal securities transactions so as to avoid any conflict of interest or abuse of their position of trust and responsibility.
- Employees who have access to nonpublic information regarding clients' securities purchases and sales must comply with specific requirements relating to purchases of initial public offerings and private placements and to the reporting of personal securities transactions.
- Employees of UBS Asset Managers of Puerto Rico are also subject to the UBS global and regional compliance policies and procedures.

**Introduction**

UBS Asset Managers of Puerto Rico ("UBSAM PR") provides advisory services to various mutual fund portfolios registered with the US Securities and Exchange Commission as investment companies and, as such, is registered as an investment adviser under the Investment Advisers Act of 1940 ("the '40 Act"). As a registered investment adviser (RIA), the UBSAM PR is required to adopt this Code of Ethics ("Code") and provide it, and any subsequent amendments, to each employee. Each employee is responsible for acknowledging receipt of this Code and any subsequent amendments (on the form of acknowledgement of receipt form attached to this Code or its substantial equivalent whether manually or electronically acknowledged).

This Code has a dual purpose:

1. To set forth standards of conduct that apply to all employees of the RIA and reflect the RIA's fiduciary obligation to its clients; and
2. To address conflicts of interest associated with the personal trading activities of employees defined under the '40 Act as "access persons."



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Employees should be aware that violations of this Code may result in discipline, up to and including termination.

Employees are required to promptly report any suspected violation of this Code and may make such reports to their manager, next level manager or to one of the following:

- The Chief Compliance Officer
- The Legal Counsel
- For accounting matters, any of the above people or the Company Secretary
- For workplace responsibility matters, the [HR Regional Head of Employee Relations](#)

Employees may also contact the Whistleblowing Hotline at 1-888-968-4827, then press “1#” or submit a [Whistleblowing Form](#); both enable employees to report anonymously if desired. Employees should visit the [Whistleblowing website](#) for additional information.

### **Standards of Business Conduct for All Employees**

As an investment adviser, the UBSAM PR has a fiduciary duty to act in the best interests of its clients. All employees are required to uphold this duty and, therefore, must adhere to certain minimum standards of conduct and business practice. The Code of Business Conduct and Ethics of UBS details the Firm’s responsibilities in this regard. In addition to this Code and the Code of Business Conduct and Ethics of UBS, the Firm has a set of policies and procedures to which all employees must adhere and that are designed to assist employees in complying with relevant federal and state securities laws and the rules and regulations of the various self-regulatory organizations.

As described in the Code of Business Conduct and Ethics of UBS, all employees must remain committed to acting with the highest levels of integrity, which requires not only a strict observance of securities laws and regulations and the Firm’s policies that relate to them, but also an awareness and active support of the underlying ethical principles. Furthermore, all employees are expected to demonstrate loyalty to the Firm’s clients, professional treatment of competitors and their clients and respect and concern for fellow employees.

Employees should understand that applying these general principles to all conduct, whether or not the conduct is covered by a specific Firm policy or procedure, is essential to assisting the Firm in meeting its fiduciary obligations and maintaining a position of trust and confidence with respect to its clients.

### **Personal Securities Transactions of Access Persons**

All employees must conduct their personal securities transactions in such a manner as to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility.

Because of its investment adviser status, UBSAM PR must require a subset of employees, who have access to nonpublic information regarding clients’ securities purchases and sales, to comply with specific requirements relative to: 1) purchases of initial public offerings and private placements; and 2) reporting of personal securities transactions. This subset of employees, defined as “access persons,” includes:

- Fund Administration
- Funds Operations
- Paying and Transfer Agent



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Additional employees may be deemed Access Persons depending upon their work location and responsibilities. The Compliance Department is responsible for notifying these employees of their “access person” status. Access Persons should also be aware of the limitations and restrictions on personal trading while in possession of inside information and should review the UBS Policy on Insider Trading (Policy 3-E-003664 which is incorporated by reference).

#### A. Purchases of Initial Public Offerings and Private Placements

As an investment adviser, UBSAM PR is required to maintain procedures for pre-clearing access persons’ purchases of private placements and securities sold as part of initial public offerings. Described below are the procedures that have been designed to comply with these requirements.

##### *Private Placements*

Employees have the opportunity to invest in private placements made available through the UBS Alternative Investments Group. All private placement investments for access persons made through the Alternative Investment Group must be pre-approved in writing by the Market Head/Branch Manager and/or Series 8 or 9/10 designee (“BOM”) of the office servicing their account. BOMs must evidence their pre- approval on the [Investor Suitability Form](#) and submit it to the Alternative Investment Group for review.

Detailed instructions on this process are located in the Alternative Investments section of the Transaction Products chapter of [Branch Guidelines and Procedures \(BGaP\)](#).

If the proposed investment is for an access person’ s personal account (i.e., employee or employee-related account), the BOM is granting approval based on the determination that the access person’ s proposed investment: (a) will not unfairly limit the ability of eligible clients of the Firm to participate in the proposed investment; and (b) does not present a material conflict with the interests of the Firm’ s clients or the Firm.

All Firm employees, including access persons, who are contemplating investments in private placements offered outside of the Alternative Investment Group’ s process, must adhere to the Firm’ s prior approval procedures as outlined in the Firm’ s Compliance Policy, [Policy on Personal Investment](#).

##### *Initial Public Offerings*

The purchase of securities sold as part of an initial public offering is highly regulated and, as such, the Firm is subject to various rules that restrict certain individuals from participating in these types of investments. Specifically, in order to comply with FINRA rules, the Firm prohibits employee and employee- related accounts from participating in initial equity public offerings. The Firm’ s Equity Syndicate Department may grant exceptions to this prohibition for offerings only where there is no risk that an employee’ s participation will unfairly limit eligible clients from participating in the offering (e.g., offerings with an unlimited supply of shares, such as closed-end fund offerings).

#### B. Reporting Requirements

As an investment adviser, UBSAM PR is required to monitor the personal investment activity in access persons’ employee and employee-related accounts. In order to meet the applicable requirements, access persons must provide reports of their personal securities transactions and holdings to their manager at the

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following intervals:

1. Within ten days of becoming an access person (on the attached person securities holdings form);
2. Within 30 days following each calendar quarter (monthly transactions review conducted by the CCO); and
3. Within 30 days following the end of the calendar year (on the UBS Affirmation Online Process).

**ALL** securities are reportable, with the exception of the following five categories of securities that appear to present little opportunity for improper trading:

- Transactions and holdings in direct obligations of the Government of the United States;
- Money market instruments - bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments;
- Shares of money market funds;
- Transactions and holdings in shares of other types of open ended mutual funds registered in the U.S. where UBS Financial Services Inc. or its control affiliate does NOT act as the investment adviser or principal underwriter for the fund; and
- Transactions in units of a unit investment trust if the unit investment trust is invested exclusively in unaffiliated mutual funds.

As a general matter, these reporting and monitoring requirements are met by virtue of the Firm's policy requiring managers to review the employee and employee-related account activity of their direct reports. In accordance with Firm policy, the Employee Compliance Account Review ("ECAR") system is utilized by managers to review and sign-off on employee and employee-related account activity. To the extent a reportable security is not included in this review or the security is held outside the Firm, access persons must report the security to their manager using the [Initial/Annual Holdings Report](#), as needed.

Please note that satisfying the reporting requirements outlined above does not alleviate an access person's responsibility to comply with the pre-approval requirements for maintaining an account outside of the Firm or holding an investment that is not offered through the Firm as set forth in the UBS Financial Services Compliance Policy, [Policy on Personal Investment](#).

**Personal Securities Holdings**

Access Persons, as defined in this Code, are required to disclose (1) any employee or employee-related account in which such Access Person have any beneficial ownership or the authority to make investments decisions and (2) any securities investments that are owned or in which a financial interest is held by any such Access Person and which are not listed on any account statements or report provided to the CCO. This includes, but is not limited to, investments in either street name or certificate form and held by broker-dealers, banks, financial institutions and issuers, including corporations, partnerships, trusts, and other entities. If an investment that is owned or in which a financial interest is held, does not fall into the categories set forth above or if the Access Person is unsure whether a security holding should be disclosed, the Access Person should consult with the CCO regarding whether the holding should be reported. The Access Person must made arrangements for the CCO to receive duplicate statements and confirmations of all the non-UBS accounts. Any new account opened after effecting any disclosure, must be disclosed immediately after opening to the CCO.

**Access Person Name** \_\_\_\_\_

\_\_\_ I have no accounts or securities to report at this time.

\_\_\_ I am the owner or co-owner or have a beneficial/financial interest in the following accounts

Account Number	Relationship	Account Name	Institution in which the account is held

\_\_\_ For investment accounts not maintained at UBS, I am including a copy of the latest account statement. I have arranged for duplicate statements to be sent to the CCO.

\_\_\_ I have other outside investments, which I have disclosed through the UBS Affirmation Online Process.  
(Note: *New Hires must provide full disclosure of the outside investments in this form*).

Name of Security/investment	Quantity	Value	Custodian

(Use a separate sheet, if necessary)

Access Person's Attestation:	
I certify that this form includes all my personal and related accounts, securities and investments for which I have beneficial interest. I will also inform the CCO immediately of any change to the information provided.	
Name	Signature
Date	

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### Acknowledgment of Receipt of Code of Ethics

I acknowledge that I have received the UBS Asset Managers of Puerto Rico Code of Ethics, and represent that:

- A. I have and will fully disclose the securities holdings in my Employee and/or Employee-Related Accounts.
- B. I will maintain all Employee Accounts and Employee-Related Accounts at UBS Financial Services, Inc. of PR (UBS FSIPR) or UBS Financial Services, Inc. (UBS FSI) except for accounts for which the CCO has provided written permission to maintain the account elsewhere and I will place all non-exempt trades through the UBS FSIPR or UBS FSI.
- C. I will obtain prior authorization for all Securities Transactions in each of my Employee Accounts and Employee Related Accounts, except for transactions exempt from pre-clearance under the Code of Ethics.
- D. I will report all Securities Transactions in each of my Employee Accounts and Related Accounts except for transactions exempt from reporting.
- E. I agree to disgorge and forfeit any profits on prohibited transactions, to the extent that the CCO determines, in his or her sole discretion, that the transaction was in contravention of the Code of Ethics.
- F. In the event that I violate any provision of the Code of Ethics, I agree to abide by any disciplinary action determined by the CCO in consultation with the UBS Legal Department.
- G. I will comply with the Code of Ethics in all respects.

Access Person:	
Name	Signature
Date	

B-1



# CODE OF ETHICS FOR POPULAR ASSET MANAGEMENT LLC

November 2021

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<b>I. INTRODUCTION</b>	<b>4</b>
A. General Fiduciary Principles	4
B. Purpose	6
<b>II. FIDUCIARY DUTIES</b>	<b>6</b>
A. Confidentiality	7
B. Gifts, Entertainment, and Political Contributions	7
C. Undue Influence	9
D. Corporate Opportunities	9
E. Service as a Director	9
F. Outside Business Activities	10
<b>III. PERSONAL SECURITIES TRANSACTIONS</b>	<b>10</b>
A. Disclosure of Personal Holdings	11
B. Maintenance of Accounts at Banco Popular or Popular Securities	11
C. Trade Preauthorization Requirements	11
D. Pre-authorization Requests	13
E. Prohibited Transactions	14
F. Insider Trading	17
G. Reporting Requirements	17
H. Additional Prohibitions	18
<b>IV. RECORDKEEPING REQUIREMENTS</b>	<b>19</b>
A. Review and Availability	19
B. Record Retention	19
C. IPO Records	20
<b>V. ENFORCEMENT OF THE CODE</b>	<b>20</b>
A. Annual Reports	20
B. Applicability	21
C. Consultants or Temporary Employees	21
D. Remedies	21
E. Review	22
F. Acknowledgement of Receipt of Code of Ethics	22
G. Compliance Certification	22
H. Personal Securities Holdings	22
I. Inquiries Regarding the Code	23



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J. Exceptions to the Code	23
K. Amendment to the Code	23
L. Confidentiality	23
M. Reports are not Admissions	23

## Appendices

List of Funds	[1 - 1]
Definitions	[2 - 1] / [2 - 4]
Contact Persons Position	[3 - 1]
Popular Asset Management Personal Securities Holdings	[4 - 1]
Popular Asset Management Trade Authorization Request	[5 - 1] / [5 - 2]
Acknowledgement of Receipt of Code of Ethics	[6 - 1]
Annual Certification of Compliance with the Code of Ethics	[7 - 1]
Gift/Entertainment Approval Form	[8 - 1]
Political Contribution Approval Form	[9 - 1]
Investment Advisor Outside Business Activity Approval	[10 - 1]





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## I. INTRODUCTION

Popular Asset Management LLC (the “Adviser” or “PAM”) as registered investment adviser with the Securities and Exchange Commission (SEC) and adviser or co-adviser to the open-end mutual funds Popular Family of Funds (“Popular Funds”), closed-end mutual funds Puerto Rico Residents Tax Free Family of Funds (the PRRTFF Funds and Popular Funds are collectively referred to as the “Funds”)(See Appendix 1), institutional separately managed accounts (SMA), and consulting services; has adopted this Code of Ethics (the “Code”) in compliance with the provisions 17 CFR §275.204A-1 of the Investment Advisers Act of 1940 and 17 CFR §270.17j-1 of the Investment Company Act (the “Regulations.”)

This Code is reasonably designed to detect and prevent conflicts of interest between investors of the Funds, PAM advisory clients, and employees and/or officers of Popular Asset Management, LLC, Popular, Inc., Banco Popular de Puerto Rico (“Banco Popular”), or any of their subsidiaries (collectively, “Popular”) that are considered access persons of PAM. Popular has also established, among other things, separate procedures designed to detect and prevent insider trading (“Insider Trading Policy”) which should be read together with this Code. Every officer or employee of Popular, or any of its affiliates (collectively, “Popular Affiliates”) shall remain subject to any codes of conduct or similar procedures of the organization. If any provision of this Code conflicts with any other Popular policy or procedure, the most restrictive provisions shall apply. Therefore, it is your responsibility to adhere to the principles and procedures outlined in this document, as well as all the policies and procedures applicable to the Funds and PAM.

All Covered Persons are expected to read this Code carefully and adhere to it at all times. Furthermore, all Covered Persons have an obligation to provide notice to the designated Chief Compliance Officer (the “CCO”) of PAM, on a timely basis, of any change to their duties, responsibilities or title which affects their reporting status under this Code. (See Appendix 2 for all defined terms.)

Any questions about this Code should be discussed with the designated CCO as promptly as possible to ensure compliance with the Code at all times.

### A. General Fiduciary Principles.

Pursuant to Section 204A-1 of the Advisers Act and 17j-1 of the Investment Company Act, this Code is based on the principle that you, as Covered Person of the Funds or as an officer and employee of Popular having duties or responsibilities with respect to the management, administration and operations of the Funds or advisory duties with respect to PAM’ s advisory clients, owe a fiduciary duty to both the shareholders of the Funds and PAM’ s advisory clients. Accordingly, you must avoid activities, interests, and relationships that might interfere or appear to interfere with making decisions in the best interests of the shareholders of the Funds.



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At all times, you must:

1. Comply with all applicable Federal Securities Laws and Regulations. All Persons subject to the Code must comply with all applicable federal and local securities laws, rules, and regulations.
2. Place the interests of the Funds' Shareholders and PAM's advisory clients first. As a fiduciary, you must scrupulously avoid serving your own personal interests ahead of the interest of the Funds and their shareholders as well as PAM's advisory clients. You may not cause the Funds or PAM to take action, or not to take action, for your personal benefit rather than the benefit of the Funds and their shareholders or PAM's advisory clients. For example, you would violate this Code by causing a Fund or advisory client to purchase a Security you owned for the purpose of increasing the price of that Security. You will also violate this Code if you invest in a Security that may be appropriate for the Funds or an advisory client without first considering that investment for the Funds or that advisory client.
3. Avoid taking inappropriate advantage of your position. You must not take advantage of your position of trust and responsibility at the Funds and/or PAM. The receipt of investment opportunities, perquisites, or gifts<sup>1</sup> from persons seeking business with the Funds and/or PAM could call into question the exercise of your independent judgment. You may not, for example, use the knowledge of a Fund's portfolio transactions or PAM advisory client transactions to profit from the market effect of those transactions.
4. Conduct all personal Securities Transactions in full compliance with this Code, including all preauthorization (when applicable) and reporting requirements. While PAM encourages you and your families to develop personal investment programs, you must not take any action that could cause even the appearance that an unfair or improper action has been taken. It is your personal responsibility to ensure that your personal Securities Transactions are not connected with or related to the improper conduct described above. The Funds and PAM have adopted policies and procedures to help you make that determination. However, the Funds and PAM place primary responsibility for this determination on you. Therefore, you must be certain that your personal investing does not violate the Code before you place a personal investment transaction or, when applicable, you submit a proposed personal investment transaction for review and approval as required by the Code or other personal investing policy of Popular. Accordingly, you must follow the policies set forth below with respect to trading in any Account, wherever held. Doubtful situations should be resolved in favor of PAM's advisory client, as applicable.

Any questions, approvals or other administrative issues concerning this Code should be addressed to PAM's CCO (see Appendix 3). Technical compliance with the Code's procedures will not automatically insulate any trades that indicate an abuse of your fiduciary duties from scrutiny. Every Covered Person of the Funds or any officer or employee of Popular Asset Management shall remain subject to any codes of

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<sup>1</sup> Please refer to Section II.B for more information regarding gifts.

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conduct or similar procedures of that organization. You should note, however, that to the extent the provisions of this Code are more restrictive, they shall apply.

## **B. Purpose.**

The purpose of this Code is to provide guidelines and procedures, consistent with the Regulations, reflecting that it is unlawful for any Covered Person of any of the Funds or PAM, in connection with the purchase or sale, directly or indirectly, by such person of a Security held or to be acquired, by such Funds or PAM advisory clients:

1. To employ any device, scheme, or artifice to defraud such Funds or advisory clients.
2. To make to such Funds or advisory clients (or prospective clients) any untrue statement of a material fact or omit to state to such Funds or advisory clients a material fact necessary in order for the statements made, in light of the circumstances under which they are made, not misleading;
3. To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any such Funds or advisory clients or prospective clients;
4. To engage in any manipulative practice with respect to the Funds or advisory clients; or
5. To take inappropriate advantage of your position.

Although certain provisions of this Code apply only to Access Persons, all Covered Persons are subject to the prohibitions of the Regulations against fraudulent, deceptive and manipulative practices and to the general fiduciary principles as set forth in this Code.

## **II. FIDUCIARY DUTIES**

Every Covered Person should appreciate the need to behave in an ethical manner with respect to the Funds and all advisory clients. In particular, all Covered Persons who are involved in any way with the activities of a Fund or advisory client should be wary of any potential conflicts between their duty of loyalty to a Fund or advisory client and their own financial interests, particularly with respect to their own securities trading activities. Covered Persons should take care to preserve the confidentiality of the Funds' and PAM' s business affairs. Covered Persons who are not "Access Persons" but who become aware of proposed the Funds' Securities Transactions or PAM' s advisory transactions should not engage in transactions in those same Securities without the permission of the designated CCO, who acts as the Code Administrator.

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## A. Confidentiality.

Covered Persons must keep confidential at all times any non-public information that they may obtain in the course of their employment or functions at the Funds or PAM. Also, you may not reveal any information related to the investment intentions, activities or portfolio of the Funds/advisory clients, or Securities that are being considered for purchase or sale, except those persons at the Funds or PAM whose responsibilities require the need to know that information in order to carry out their duties and subject to the Funds and PAM policies governing privacy and safeguards of confidential information.

## B. Gifts, Entertainment, and Political Contributions.

Accepting Gifts/Entertainment. On occasion, because of your position with the Funds or PAM, you may be offered, or may receive, gifts from clients, brokers, vendors, or other persons not affiliated with the Funds or PAM. Extraordinary or extravagant gifts are not permissible and must be declined or returned. Gifts of a nominal value (i.e., gifts whose reasonable value is no more than one hundred fifty dollars (\$150.00) per calendar year from a single giver per individual) may be accepted. Entertainment of nominal value (i.e., entertainment which value is no more than one hundred fifty dollars (\$150.00)) per calendar year from a single giver per individual) may also be accepted. Promotional items (e.g., pens, mugs, T-Shirts, key chains, calendars). These items will not count towards the annual one-hundred-fifty-dollar (\$150.00) limit from a single giver. Anything of value receipt or given above the \$150 limit requires written preapproval from the CCO.

Generally, you may only accept gifts if:

- i. The gift is tangible (meaning non-cash or a cash equivalent); and
- ii. The gift is not pre-conditioned to an action on your part.
- iii. The gift is of an appropriate nature.

You may also accept customary business lunches, dinners, and entertainment at which both you and the giver are present (e.g., sporting events). Meals and Entertainment should only be considered business entertainment if given in connection with a legitimate business meeting. All other forms of entertainment must be sent to the CCO by completing the Gift/Entertainment Approval form (Appendix 8) in its entirety for preapproval.

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You are not permitted to accept any gifts from an outside vendor who currently is doing business with the Funds or PAM in its capacity as service provider of the Funds or who is seeking future business with the Funds or PAM, in such capacity, unless you have obtained the prior approval of the designated CCO.

Travel and accommodation costs given or received are prohibited, unless is part of a normal business activity permitted by the SEC. If you receive any gift that might be prohibited under this Code, you must inform the designated CCO.

Solicitation of Gifts. All solicitation of gifts or gratuities is unprofessional and is strictly prohibited.

Giving Gifts. You may not give any gift with a value in excess of one hundred fifty dollars (\$150.00) per calendar year to persons associated with securities or financial organizations, including exchanges, other member organizations, commodity firms, news media, or clients of the Funds or PAM.

Providing Entertainment. You may provide reasonable entertainment to persons associated with securities or financial organizations provided that both you and the recipient are present. Entertainment may not exceed a value in excess of one hundred fifty dollars (\$150.00) per calendar year

Embarrassing Situations. You must never accept or give any gift or entertainment that would cause you, the Funds or Popular embarrassment if it ever were made public.

Political Contributions. SEC Rule 206(4)-5 commonly referred to as “Pay to Play” prohibits an Investment Adviser from the donation of money or other things of value to a political candidate, or party by a company or an individual in return for favorable considerations on current or future government contracts. Popular employees are prohibited from making political or other contributions with the intent of obtaining investment advisory business from a government or quasi-government agency. Improper payments prohibited by this policy includes gifts and entertainment, favors, services, donations, loans or any other payment made or offered to obtain an undue business advantage. This prohibition shall be extended for one (1) year from the date the public servant ceased functions. The period should cover the period preceding and following the execution of the contract.

Contributions that are permitted by applicable law, regardless of the dollar amount, requires employees to obtain pre-approval from the CCO pursuant to this Code. Any political contribution must be reported to the CCO using the Political Contributions Approval Form (Appendix 9) and await preapproval from the CCO. For purposes of reporting a political contribution to the CCO, the Covered Person must provide the necessary information to the CCO for pre-clearance and avoid any conflicts of interest. Popular Asset Management will maintain a list of all employees and all required records under Rule 206(4)-5 of the Investment Advisers Act of 1940. No covered person shall offer or deliver to any public servant or former public servant of government agencies (non-U.S. or U.S.) or members of his/her family unit, with which PAM wishes to establish or has established, a contractual, commercial or financial relationship, directly or indirectly, goods of monetary value, contributions, gifts, gratuities, favors, services, donations, loans or shares with any commercial entity or judicial business.

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No gift or entertainment should ever be accepted with the expectation of any *quid pro quo* from the Firm or any Supervised Person. Supervised Persons are prohibited from giving, and must tactfully refuse, any gift of cash, gift certificate or cash equivalents.

Furthermore, to ensure compliance with the Foreign Corrupt Practices Act (FCPA), Supervised Persons are prohibited from directly or indirectly paying or giving, offering or promising to pay, give or authorize or approving such offer or payment, of any funds, gifts, services or anything else of any value, no matter how small, or seemingly insignificant, to any Government Official (as such term is defined under the FCPA) for any business or Firm-related reasons.

Client Complaints. You may not make any payments to the Funds, PAM or any separately managed portfolio in order to resolve any type of complaint. All such matters must be reported to the designated CCO and log of complaints will be kept and retained in accordance with the Firm's record retention policy.

Reporting. All Access Persons, as defined in the Code, must report within five calendar days of the date any gift was received to PAM's CCO, regardless of the amount. This includes entertainment such as dinners and sporting events. It does not, however, include the receipt of promotional items of nominal value or customary business activity provided to customers. Any gift or entertainment must be reported to the CCO using the Gift/Entertainment Approval Form (Appendix 8) and sent to the CCO for preapproval and/or for reporting. Any political contribution must be reported to the CCO using the Political Contributions Approval Form (Appendix 9) and await preapproval from the CCO.

### **C. Undue Influence.**

You may not cause or attempt to cause the Funds or PAM to purchase, sell or hold any Securities for the purpose of any personal benefit.

### **D. Corporate Opportunities.**

You may not take personal advantage of any opportunity properly belonging to the Funds or PAM. This includes, but is not limited to, Securities for your own account that would otherwise be acquired by the Funds or Popular.

### **E. Service as a Director.**

You may not serve on the board of directors (or in any similar capacity) of another company (other than a company affiliated with PAM) without prior written approval by the CCO. The decision of an officer/director to participate in the board of directors of another company will require that such



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officer/director be isolated from those making investment decisions regarding securities issued by the company on whose board such director sits.

## F. Outside Business Activities

You should not engage in any outside business activities, which may represent a conflict of interest or might interfere, or appear to interfere, with making decisions in the best interests of the shareholders of the Funds or PAM. Access persons must receive prior written approval from the CCO of all outside business activities before engaging in the outside activity. All Outside Business Activity must be disclosed to the CCO and approved by completing Outside Business Activity Approval (Appendix 10). Generally, you will not be approved for any outside activity related to the securities or financial services. Some of these outside business activities, but not limited to, are:

1. Engaging in any other business;
2. Being employed or compensated by any other person for business-related activities, other than PAM or a Popular Affiliate;
3. Serving as an employee, director, partner, member, or advisory board member of another organization other than PAM or a Popular Affiliate;
4. Serving as an executor or trustee;
5. Having full power of attorney over a client's account;
6. Investing in limited or general partnerships holding Securities, or limited offerings (private placements) of Securities, other than those offered by Popular (see Section III.E. 9 for specific procedures regarding the acquisition of Securities in limited offerings or private placements); or,
7. Giving testimony as a compensated or uncompensated expert witness for either party for a dispute in litigation or arbitration.
8. Giving formal lectures or publishing books or articles.

Any questions about any outside business activities should be discussed with the designated CCO as promptly as possible in order to ensure compliance with the Code at all times.

## III. PERSONAL SECURITIES TRANSACTIONS

This section applies to all Access Persons of the Funds and PAM.

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The following sets forth your obligations with respect to personal Securities Transactions in Accounts in which you or a Related Party have a (1) Beneficial Ownership or (2) direct or indirect power to make investment decisions.

### A. Disclosure of Personal Holdings.

You must disclose to the CCO on the Personal Securities Holdings Form (Appendix 4): (1) any Account or Related, non-client Account in which you have any Beneficial Ownership or the authority to make investments decisions and (2) any securities investments that you own that is not listed on any account statements provided to the CCO and in which you have a financial interest. Such disclosure must be made within ten (10) days of being deemed an Access Person under the Code, and annually thereafter. Disclosure must be current as of a date no more than 45 days before the report is submitted. This includes, but is not limited to, investments, either in street name or certificate form, held by broker dealers, banks, financial institutions and issuers, including corporations, partnerships, trusts and other entities. If an investment that you own does not fall into the categories set forth above or you are unsure whether a security holding should be disclosed, you should take the most conservative position and report the position or consult with the CCO regarding whether the holding should be reported. Any new account opened after the above disclosure must be reported in writing immediately to the CCO.

### B. Maintenance of Accounts at Banco Popular or Popular Securities.

Employees and officers of PAM must maintain all Accounts, including Related Accounts that hold Securities, at Banco Popular and/or Popular Securities and arrangements must be made to have duplicate copies of confirmations and periodic account statements sent directly to the CCO. **No Account** may be maintained at another broker, dealer, bank, or investment adviser, unless that account has been prior approved in writing by the CCO. If approval is given to maintain an account elsewhere, arrangements must be made to have duplicate copies of confirmations and periodic account statements sent directly to the CCO.

If an account is approved to be held outside of Popular, the account may qualify for an exemption from the pre-clearance requirements on a case-by-case basis. A request for an exemption must be made in writing to the CCO.

### C. Trade Preauthorization Requirements.

1. General Requirements. All Securities Transactions must be preauthorized except for Securities Transactions set forth in Section III.C.2 below (“Exempt Transactions”).
2. Exempt Transactions. The following Securities Transactions are exempt from the preauthorization requirements set forth in Section III.C.1. However, these Securities Transactions are not exempt

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from the reporting requirements set forth in Section III.G. Some exempt transactions will be taken into consideration toward your monthly trading limit. For more information on the limit of transactions, please refer to Section III.H.2 below.

- i. Certain Corporate Actions. Any acquisition of Securities through stock dividends, dividend reinvestments, stock splits, reverse stock splits, mergers, consolidations, spin-offs, or other similar corporate reorganizations or distributions generally applicable to all holders of the same class of Securities.
- ii. Rights. Any acquisition of Securities through the exercise of rights issued by an issuer pro-rata to all holders of a class of its Securities, to the extent the rights were acquired in the issue.
- iii. Popular, Inc. Savings and Investment Plans. Any transaction on behalf of, or investment decisions by, a participant in any of Popular savings and retirement plans are exempt from the preauthorization requirements, the reporting requirements set forth in Section III.F, and are not taken into consideration toward your monthly trading limit.
- iv. No Knowledge. Any transaction effected if neither you nor a member of your Immediate Family knows of the transaction before it is completed (for example, Securities Transactions effected for you by a trustee of a blind trust or discretionary trades in which you are neither consulted nor contacted regarding the trade before it is executed).
- v. Popular, Inc. Dividend Reinvestment and Stock Purchase Plan. Any transaction or investment decision by, a participant in the Popular Inc. Dividend Reinvestment and Stock Purchase Plan is exempt from the preauthorization requirements, the reporting requirements set forth in Sections III.A and III.H and are not taken into consideration toward your monthly trading limit.
- vi. Investment Company Securities. Any acquisition of Securities in a Mutual Fund including the acquisition of Securities through a Mutual Fund's periodic investment plan or dividend reinvestment program. This exemption is not applicable to the acquisition of Mutual Funds advised by PAM which the CCO must pre-authorize.
- vii. Futures and Options on Currency and Broad-Based Indices. Any purchase or sale of futures and options on currencies or on broad-based securities indices.
- viii. Publicly Traded Stocks. Any Securities Transaction in connection with the common stock of a company listed in a national securities exchange and with a market capitalization of at least two hundred fifty million dollars (\$250,000,000); provided, that such aggregate Securities Transactions for any given calendar year do not exceed one hundred thousand dollars (\$100,000).

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Any Securities Transaction that would cause a person to exceed the aforementioned limit must request pre-authorization from the CCO for said transaction.

- ix. Securities in the Funds. The acquisition of any Securities in the Funds through a periodic investment plan or a dividend reinvestment program; provided, however that the CCO must pre-authorize the initial enrollment and any changes to such program after the initial enrollment.
- x. Unit Investment Trusts (UITs). Purchases and sales of Unit Investment Trusts do not require pre-authorization.
- xi. Exchange Traded Funds (ETFs). Purchases and sales of Exchange Traded Funds do not require pre-authorization.
- xii. Tax Secured Obligations (TSOs). Purchases and sales of Tax Secured Obligations, in which the term to maturity does not exceed 270 days, do not require pre-authorization.
- xiii. Miscellaneous. Other Securities as may from time to time be approved by the Board on the grounds that the risk of abuse is minimal or non-existent.

#### **D. Pre-authorization Requests.**

1. Trade Authorization Request Form. Prior to entering an order for a Securities Transaction, an Access Person must complete a Trade Authorization Request Form (set forth in Appendix 5) and submit the completed Form to the CCO (or designee). The Trade Authorization Request Form requires you to provide certain information and to make certain representations. A Trade Authorization Request Form will reflect the date and time of the authorization.
2. Review of the Form. After receiving the completed Trade Authorization Request Form, the CCO (or designee) will review the information and, as soon as practicable (generally within 24 hours), determine whether to authorize the proposed Securities Transaction. The authorization date and time must be reflected on the Trade Authorization Request Form. The CCO (or designee) will notify you of the decision via e-mail. In some cases, trades may be rejected for a reason that is confidential.
3. Execute Before the Approval Expires. A pre-authorization approval for a transaction is only effective until the next business day after such approval was received. The pre-authorization provided by the CCO is effective, unless revoked, until the earlier of the close of the next business day on which the authorization is granted or your discovery that the information in the Trade Authorization Request Form is no longer accurate. If the Securities Transaction is not placed within

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the aforementioned period, a new pre-authorization must be obtained before the Securities Transaction is placed.

**NO ORDER FOR A SECURITIES TRANSACTION FOR WHICH PRE-AUTHORIZATION IS SOUGHT MAY BE PLACED PRIOR TO THE RECEIPT OF A WRITTEN AUTHORIZATION OF THE TRANSACTION SHOWING THE DATE AND TIME OF THE AUTHORIZATION BY THE CCO (OR DESIGNEE). APPROVALS MAY BE GRANTED THROUGH E-MAILS. VERBAL APPROVALS ARE NOT PERMITTED. THE CHIEF COMPLIANCE OFFICER IS NOT REQUIRED TO GIVE ANY EXPLANATION FOR REFUSING TO AUTHORIZE A SECURITIES TRANSACTION.**

#### **E. Prohibited Transactions.**

The following types of transactions are Prohibited Transactions and will not be authorized absent extraordinary circumstances:

1. Inside Information. Securities Transactions by any person while in possession of material nonpublic information regarding the Security or the issuer of the Security. (See Section III.F)
2. Market Manipulation. Transactions intended to raise, lower, or maintain the price of any Security, create a false appearance of active trading or improperly take advantage of certain inefficiencies in the market (i.e., market timing and late trading of investment company shares).
3. Initial Public Offerings or IPO. Acquisition of Securities in an IPO of founders' stock, promoter stock, or any other similar stock of an issuer in the early stages of development; provided, however, that the acquisition of common stock of the Funds shall not be a prohibited transaction.
4. Pending Buy or Sell Orders. Securities Transactions on any day during which a Fund or PAM has a pending "buy" or "sell" order in that Security (or an Equivalent Security) until that order is executed or withdrawn or unless you provide an acceptable explanation of why the trade is necessary and provision is made for the respective Fund' s/PAM' s trade to take precedence (in terms of price) over any Account trade executed on the same day. Prior to authorizing a trade, the CCO will check to determine whether there is an open order for the Security by the Funds and/or PAM' s advisory client.
5. Three-Day Blackout. The blackout period for a specific Security within the Funds or PAM covers the trade date of the Funds/PAM' s transaction, the day before, and after the trade date. If the Funds or PAM execute a transaction for the same Security that was pre-authorized, and the pre-authorized transaction occurs within the three-calendar day black out period, the employee' s transaction will be reviewed to determine whether corrective action is appropriate.
6. Thirty-Day Holding Period. Generally, purchases of a Security within thirty (30) days of your sale of the Security (or an Equivalent Security), and sales of a Security within thirty (30) days of your purchase of the Security (or an Equivalent Security); provided, that this prohibition shall not apply to (i) the sale of a Security the price of which has decreased by at least ten percent (10%) from

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the price at which it was purchased if such sale has been previously approved in writing by the CCO, and (ii) the sale or purchase of a Security with respect to which you agree to relinquish to a charitable organization designated by the Funds and/or PAM the difference between the sale and purchase price.

7. Certain Transactions in Securities of Popular, Inc. The following transactions in Securities of Popular, Inc. (“Subject Securities”) are prohibited:
  - i. Naked options on Subject Securities;
  - ii. Short sales of Subject Securities unless they are short “against the box,” and
  - iii. Options transactions in Subject Securities except:
    - (a) The sale of covered calls (long stock, short calls), and
    - (b) The purchase of hedged puts (long stock, long puts).
8. Futures. The purchase or sale of futures that are not traded on an exchange, as well as option on any type of futures, exchange-traded or not, are prohibited. This prohibition does not apply to currency forwards (futures or otherwise).
9. Options. The purchase or sale of uncovered options (“naked”) is prohibited, to “cover” all options transactions, the corresponding amount of the underlying security and/or cash, as applicable, must be held by the portfolio of the Covered Person (i.e., prior to opening an option and cover any outstanding option). Also, entering into a net short position (i.e., selling securities short in an amount greater than what is currently held) is prohibited. The purchase or sale of options transactions must comply with the 30-day Holding Period (Section III.E.6); therefore, the expiration of all options must be of at least 30 days, this includes, “buy to open” and “sell to open” transactions.

All other options transactions (except for those stated in Section III.C.2.vii. Futures and Options on Currency and Broad-Based Indices) require pre-authorization and must comply with one of the following:

- i. Call options. A call option may be purchased only if the option has an expiration of at least 30 days from the date of purchase and if exercised, hold the option and the underlying security for a combined period of time that equals or exceeds 30 days. You may sell (“write”) a covered call option, with an expiration of at least 30 days from the date of sale,

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on a securities transaction provided that the underlying security (in the corresponding quantity) has been held for at least 30 days.

- ii. Put Options. You may purchase a put option, with an expiration of at least 30 days from the date of purchase. A covered put option can be sold (“write”) provided that the put option has an expiration of at least 30 days and the Covered Person must hold and maintain the necessary amount of cash in the portfolio to “cover” the put option. If the stock is put to you, you cannot sell the underlying security until 30 days have elapsed.
  - iii. Holding Period Exception. Notwithstanding the requirements of this Section E(9), an option transaction entered into solely for purposes of closing out an existing option transaction (to the extent the existing option complies with the requirements of this Section E(9)) shall not be subject to the 30 day holding period imposed by this Section E(9).
10. Mutual Fund Market Timing and Late Trading. It is prohibited to engage in mutual fund (including, for this purpose any open-end investment company) market timing and from engaging in or facilitating late trading. Mutual fund market timing is defined as a pattern of frequent buys, redemptions, and exchanges for the purpose of taking advantage of short-term market swings. Fund families typically have their own market timing policies as well, and those policies may vary from one fund family to another, as described in each prospectus. Late trading occurs when a mutual fund order is received from a client and processed after a fund’s trading deadline and is an illegal practice. Prohibitions apply to all accounts and services offered through Popular and any of its affiliates, including Access Persons’ accounts. However, these prohibitions against market timing do not apply to purchases and sales of taxable and tax-exempt money market funds.
  11. Others. Any other Securities Transactions deemed by the CCO to involve a conflict of interest, possible diversion of corporate opportunity, or appearance of impropriety.
  12. Limited Offerings or Private Placements. The acquisition of Securities in Limited Offerings or Private Placements is prohibited absent prior written approval by the designated CCO. The CCO will not approve the transaction unless you can clearly demonstrate that: (i) the investment is not presently appropriate for the Funds or PAM advisory clients, (ii) it is highly unlikely that the investment will be appropriate for the Funds or PAM advisory clients in the future, and (iii) the investment is not being offered to you because of your position with the Funds or PAM.

If, after receiving the required approval, you acquire Securities in a Limited Offerings or Private Placements, you must immediately disclose that investment to the CCO if you begin to play a part in any consideration of an investment in the issuer by the Funds or PAM. The decision to purchase Securities of the issuer by the Funds or PAM must be independently reviewed and authorized by the designated CCO.

## **F. Insider Trading**

Popular forbids any employee from trading, either personally or on behalf of others, including accounts managed by Popular, on material nonpublic information (MNPI) or communicating material nonpublic information to others in violation of the law. This conduct is frequently referred to as “insider trading” and is a violation of federal securities laws, punishable by a prison term and significant monetary fines for the individual and the investment adviser. Popular’s policy applies to every employee and extends to activities within and outside of their duties at Popular. Any questions regarding Popular policy and procedures should be referred to the CCO of their designee.

## **G. Reporting Requirements.**

1. **Initial Reporting Requirement.** When you begin your employments with Popular you must provide a list of your initial securities holdings and brokerage accounts to the CCO or their designee no later than 10 days or after you become a covered person. The information must not be more than 45 days old from your employment or becoming a covered person. (See Appendix 4 – Personal Securities Holdings Form) Accounts include any accounts which you have beneficial ownership. (See Appendix 2 for definition of Beneficial Ownership) Any securities investments that you own that is not listed on any account statement must be provided to the CCO or their designee. This includes, but is not limited to, investments, either in street name or certificate form, held by broker dealers, banks, financial institutions and issuers, including corporations, partnerships, trusts and other entities. If an investment that you own does not fall into the categories set forth above or you are unsure whether a security holding should be disclosed, you should take the most conservative position and report the position or consult with the CCO regarding whether the holding should be reported. Any new account opened after the above disclosure must be reported in writing immediately to the CCO.
2. **Quarterly Transactions Report.** If you have not coordinated for the CCO to receive copies of all periodic account statements and confirmations of securities transactions; you must report all security transactions to compliance with the quarterly securities transactions report under Rule 204A-1(b)(2). Each transaction report must contain, at a minimum, (a) the date of the transaction,



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the title, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each reportable security involved; (b) the nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition); (c) the price of the security at which the transaction was effected; (d) the name of the broker, dealer or bank with or through which the transaction was effected; and (e) the date the report is submitted. In the event no reportable transactions occurred during the quarter, the report should be noted and returned and signed and dated. Every report should be made no later than 30 days after the end of the calendar quarter.

3. Reporting Requirement. If You arrange for the CCO to receive directly from your broker/dealer duplicate copies of periodic statements and confirmations of each Securities Transaction executed in your Account, you are exempt of completing the Quarterly Transactions Report. If Accounts are held away from Banco Popular or Popular Securities it is mandatory that copies of all periodic statements and confirmations be received by the CCO.
4. Exemption from Reporting Requirements. Securities Transactions are exempt from the above reporting requirements if neither you nor a member of your Immediate Family had any direct or indirect influence or control over the transaction. You must attest to this annually when providing the Annual Certification of Compliance with the Code of Ethics.
5. Disclaimers. Any report of a Securities Transaction for the benefit of a person other than the individual in whose account the transaction is placed may contain a statement that the report should not be construed as an admission by the person making the report that he or she has any direct or indirect beneficial ownership in the Security to which the report relates.
6. Review and Availability. All information supplied under this Code will be reviewed by the designated CCO. All information supplied will be available for inspection by any of the PAM' s President and Popular' s Legal Division and the General Counsel and/or Ethics Officer of Banco Popular, PAM management, and any party to which any investigation is referred by any of the foregoing; your supervisor; and any regulatory body having appropriate jurisdiction.

## H. Additional Prohibitions.

Persons covered by the provisions of this Code are also prohibited from the following:

1. Investment Clubs. Participating in investment clubs if the person subject to the provisions of this Code has an active role in the consideration and evaluation of specific Securities and participates in the ultimate investment decision.
2. Limit on Transactions. Executing more than twenty (20) Securities Transactions per month without first obtaining the CCO' s written approval. (This includes the placement and the renewal

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of repetitive transactions such as rolling futures and rolling option contracts.) The following transactions will be considered toward your monthly limit:

- i. All Securities Transactions requiring preauthorization.
- ii. The following exempt transactions from the above limit on transactions
  - a. Investment Company Securities (Mutual Funds)
  - b. Futures and Options on Currency and Broad-Base Indices
  - c. Publicly Trades Stocks
  - d. Unit Investment Trust (UITs)
  - e. Exchange Traded Funds (ETFs)
  - f. Tax Secured Obligations (TSOs)
  - g. De Minimis Transactions

## IV. RECORDKEEPING REQUIREMENTS

### A. Review and Availability.

All information supplied under this Code will be reviewed by PAM' s designated CCO. All information supplied will be available for inspection by PAM' s CCO, the Fund' s Chief Compliance Officer, Board of Directors, Fund Legal Counsel, the General Counsel or Ethics Officer of Popular, PAM management, and any regulatory body having appropriate jurisdiction.

### B. Record Retention.

The following records shall be available for examination by representatives of the U.S. Securities Exchange Commission:

1. A copy of the Code and any other code which is, or at any time within the past five (5) years has been, in effect must be preserved in an easily accessible place;
2. The records of any violation of such code(s) of ethics and of any action taken as a result of such violation must be maintained in an easily accessible place for a period of not less than five (5) years following the end of the fiscal year in which the violation occurs;
3. A copy of each report made by any Covered Person pursuant to such code(s) of ethics, including any information provided in lieu of such reports, must be preserved for a period of not less than five (5) years following the end of the fiscal year in which the report is made, or the information is provided, the first two (2) years in an easily accessible place;
4. A list of all persons who are, or within the past five (5) years have been, required to make reports pursuant to such, must be maintained in an easily accessible place;

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5. A list of names of all persons who are, or within the past five (5) years have been, responsible for reviewing any transaction or holding reports filed pursuant to such code(s) must be maintained in an easily accessible place; and
  6. A copy of each report made to the Board of the Funds and/or PAM pursuant to such code(s) must be maintained for at least five (5) years after the end of the fiscal year in which it was made, the first two (2) years in an easily accessible place.
  7. Any other document or record that is required to be maintained in connection with this Code will be maintained as required by the applicable law, rule or regulation.

### C. IPO Records.

The CCO must maintain a record of any decision, and the reasons supporting the decision, to approve the acquisition by Investment Personnel of Securities in an Initial Public Offering (Section III.E.3) or in a Limited Offering (Section III.E.9) for at least five (5) years after the end of the fiscal year in which the approval is granted.

## V. ENFORCEMENT OF THE CODE

### A. Annual Reports.

PAM's CCO will review the Code at least annually, in light of legal and business developments and experience in implementing the Code and, consultation with management, determine whether or not an annual report is required. If required, the annual report shall:

1. Summarize any changes in the procedures made during the past year;
2. Identify any violations requiring significant remedial action during the past year;
3. Identify any recommended changes in existing restrictions or procedures based on the experience under the Code, evolving industry practices, or developments in applicable laws or regulations; and
4. Certify that it has adopted procedures reasonably necessary to prevent a Covered Person from violating its Code.

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## **B. Applicability.**

This Code is applicable to all PAM's Access Persons, including certain consultants or temporary employees. The CCO is responsible for identifying those required to make reports under this Code and notify them of their reporting obligations. Even though this Code contains reference to the Funds, the references is to include and incorporate requirements applicable to PAM's covered persons as adviser to Funds, but this should not be construed that this Code is applicable to the Funds access persons except as a PAM employee, officer, sub-adviser, service provider, consultant or temporary employee as defined in this Code.

## **C. Consultants or Temporary Employees.**

Certain consultants and other temporary employees hired for a period of 30 days or more whose duties include access to the Funds' and/or PAM's technology and systems, and/or trading information in any form are subject to the provisions of the Code. Certain consultants and other temporary employees who are employed for less than a 30-day period, but who have access to the Funds' and/or PAM's trading information, may be subject to the reporting requirements described in the Code's Appendix 4 to determine if further personal securities reporting and trading monitoring is required. Individuals contemplating hiring a consultant or a temporary employee must inform the designated CCO prior to retaining the consultant or temporary employee. The CCO shall make a determination whether the consultant or the temporary employee must be subject to the Code. If the CCO determines that the consultant or temporary employee is subject to the Code, the CCO must inform the consultant or the temporary employee that they will be subject to this Code prior to an extension of the offer or signing any employment, consultant, contractor or service provider agreement.

## **D. Remedies.**

A material violation of this Code is subject to the imposition of such sanctions as may be deemed appropriate under the circumstances to achieve the purposes of the Code. Sanctions for material violations of the Code will be determined by the designated CCO in consultation with Popular's Legal Division.

Sanctions may include, but are not limited to, issuing a letter of caution or warning, suspending personal trading rights, suspending an employee from employment (with or without compensation), imposing fines, referring an employee on civil or criminal grounds to a regulatory body having appropriate jurisdiction, and terminating employment for cause.

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The CCO, in consultation with Popular's Legal Division, has sole authority to determine the appropriate disposition of any monies forfeited pursuant to this provision. Failure to abide by a directive to reverse a trade may result in the imposition of additional sanctions.

The CCO shall report PAM's President and the Funds CCO any material violations of the Code and the remedies and sanctions imposed.

#### **E. Review**

Whenever the CCO determines that someone related to the PAM has committed a material violation of the Code that warrants significant remedial action, the CCO will report to the Funds' CCO, PAM's President and Popular's Legal Division any information relating to the investigation of the violation, including any sanction imposed. PAM's President and Popular's Legal Division shall have the power to recommend an increase of any sanction as appropriate and may direct the reversal of any trade violating or affecting the Funds or PAM's advisory clients.

#### **F. Acknowledgement of Receipt of Code of Ethics.**

You must acknowledge receipt of this Code of Ethics upon becoming a Covered Person by executing Appendix 6 and returning an executed copy to the designated CCO no later than ten (10) days after your receipt of this Code of Ethics. You must also acknowledge receipt of any amendment or modification to this Code of Ethics by executing Appendix 6 and returning an executed copy to the designated CCO no later than thirty (30) days after your receipt of the amended or modified Code of Ethics.

#### **G. Compliance Certification.**

At least once a year, you will be required to certify on the Annual Certification of Compliance Form, set forth in Appendix 7, that you have read and understand this Code, that you have complied with the requirements of the Code, and that you have disclosed or reported all personal Securities Transactions required to be disclosed or reported on the forms appended to this Code.

#### **H. Personal Securities Holdings.**

Upon becoming a Covered Person and at least once a year thereafter, you will be required to disclose to the CCO on the Personal Securities Holdings Form (Appendix 4): (1) any Account or Related, non-client Account in which you have any Beneficial Ownership or the authority to make investments decisions, and (2) any securities investments that you own that is not listed on any account statements provided to the CCO and in which you have a financial interest. An executed copy of the Personal Securities Holdings Form must be provided to the designated CCO within ten (10) days of being deemed an Access Person.

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## **I. Inquiries Regarding the Code.**

Any questions or doubts related to any topic, policy, procedure or provision established in this Code, or any other funds' compliance matter, should be directed to the attention of the designated CCO for clarification.

## **J. Exceptions to the Code.**

Although exceptions to the Code will rarely, if ever, be granted, the CCO may make exceptions, on a case-by-case basis, to any of the provisions of this Code upon a determination that the conduct at issue involves a negligible opportunity for abuse or otherwise merits an exemption from the Code. All such exceptions must be in writing. The CCO must consult with Popular' s Legal Division and shall report the exception to PAM' s President.

## **K. Amendment to the Code.**

The CCO may amend or modify this Code at any time, provided, that any amendment or modification must be approved by the Board within six months of the adoption of such amendment or modifications.

## **L. Confidentiality.**

All reports of securities transactions and any other information filed with the Funds pursuant to this Code shall be treated as confidential, except as otherwise provided herein.

## **M. Reports are not Admissions.**

Any transaction or holdings report required under this Code may contain a statement that the report shall not be construed as an admission by the person making such report that he/she has any direct or indirect Beneficial Ownership in the security to which the report relates.

**LIST OF FUNDS**

Popular High Grade Fixed Income Fund, Inc.  
Popular Income Plus Fund, Inc.  
Popular Total Return Fund, Inc.  
Puerto Rico Residents Tax-Free Fund, Inc.  
Puerto Rico Residents Tax-Free Fund Inc. II  
Puerto Rico Residents Tax-Free Fund III, Inc.  
Puerto Rico Residents Tax-Free Fund IV, Inc.  
Puerto Rico Residents Tax-Free Fund V, Inc.  
Puerto Rico Residents Tax-Free Fund VI, Inc.  
Puerto Rico Residents Bond Fund I, Inc. (formerly known as the Puerto Rico Investors Flexible Allocation Fund)

App. 1 - 1

## DEFINITIONS

**Access Person** means:

- 1) All of PAM's Advisory Person who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic.
- 2) Any other person included as an Access Persons of this Code by the CCO.

The PAM's CCO will notify all PAM personnel who qualify as Access Persons of their duties and responsibilities under this Code.

**Access Person Account or Securities Account** means any personal securities transactions accounts in which you or a Related Party have (1) Beneficial Ownership or (2) direct or indirect power to make investment decisions, wherever the account is held. Some example accounts may include, but are not limited to: any personal securities account; any joint or tenant-in-common account, partnership account or permissible investment club accounts; any account for which you acts as trustee, executor, or custodian; any account over which you have investment discretion or otherwise can exercise control or influence (other than non-related clients' accounts over which you may have investment discretion), including the accounts of entities controlled directly or indirectly by you. If you have questions regarding any account, please consult with the CCO.

**Beneficial Ownership** refers to the direct or indirect pecuniary interest that any person has in securities, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, subject to the following:

- 1) The term *pecuniary interest* in any class of security means the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the subject securities.
- 2) The term *indirect pecuniary interest* in any class of security includes, but is not limited to:
  - a. Securities held by members of a person's Immediate Family sharing the same household; e.g., accounts of your spouse or domestic partner, accounts of your children or other domestic relatives who reside in the same household as you and to whom you provide financial support;
  - b. A general partner's proportionate interest in the portfolio securities held by a general or limited partnership. The general partner's proportionate interest, as evidenced by the partnership agreement in effect at the time of the transaction and the partnership's most recent financial statements, shall be the greater of: (i) the general partner's share of the partnership's profits, including profits attributed to any limited partnership interests held by the general partner and any other interests in profits that arise from the purchase and sale of the partnership's portfolio securities; or (ii) the general partner's share of the partnership capital account, including the share attributable to any limited partnership interest held by the general partner.



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- c. A performance-related fee, other than an asset-based fee, received by any broker, dealer, bank, insurance company, investment company, investment adviser, investment manager, trustee or person or entity performing a similar function; provided, however, that no pecuniary interest shall be present where: (i) the performance-related fee, regardless of when payable, is calculated based upon net capital gains and/or net capital appreciation generated from the portfolio or from the fiduciary's overall performance over a period of one year or more; and (ii) equity securities of the issuer do not account for more than ten percent of the market value of the portfolio. A right to a nonperformance-related fee alone shall not represent a pecuniary interest in the securities;
  - d. A person's right to dividends that are separated or separable from the underlying securities. Otherwise, a right to dividends alone shall not represent a pecuniary interest in the securities;
  - e. A person's interest in securities held by a trust; and
  - f. A person's right to acquire equity securities through the exercise or conversion of any derivative security, whether or not presently exercisable.
- 3) A shareholder shall not be deemed to have a pecuniary interest in the portfolio securities held by a corporation or similar entity in which the person owns securities if the shareholder is not a controlling shareholder of the entity and does not have or share investment control over the entity's portfolio.

**Chief Compliance Officer** or **CCO** means a designated officer of the Regulatory and Financial Compliance Division or Popular's Legal Division assigned the duties and responsibilities associated with the monitoring compliance with this Code. It also refers to the CCO of the Funds if the matter or issue is clearly or identified as related to the Funds.

**Covered Person** means any and all of PAM's employees, officers, and independent consultants, and temporary employees who (1) provide investment advice on behalf of PAM; and 2) and subject to PAM's supervision and control.

**Designated CCO** means the CCO of Popular Asset Management, LLC if the question or issue has to do with the advisory business of Popular Asset Management outside of its role as adviser to the Funds. It also refers to the CCO of the Funds if the matter or issue is clearly or identified as related to the Funds.

**Employee** means any officer or employee Popular Asset Management having duties or responsibilities with respect to the operations of the PAM and services provided to advisory clients.

**Equivalent Security** means any Security issued by the same entity as the issuer of a Security, preferred stock, restricted stock, bonds and other obligations of that issuer, and all derivative instruments, such as options and warrants.

**FCPA** means Foreign Corrupt Practices Act. The FCPA is a United States law passed in 1977 that prohibits United States firms and individuals from paying bribes to foreign officials in furtherance of a business deal.

**Federal Securities Laws** means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes Oxley Act of 2002, The Investment Company Act of 1940, the Investment Adviser Act of 1940, Title V of

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the Graham-Leach Bliley Act, and any rules adopted by the Commission under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted thereunder by the Commission of the Department of the Treasury.

**Funds** means the Funds set forth in Appendix 1 hereto.

**Government Official** as defined in the FCPA means (i) any official, officer, employee or representative of, or any person acting in an official capacity for or on behalf of, any FCPA Government Authority, (ii) any political party or candidate for political office, or (iii) any company, business enterprise or other entity owned or controlled by any described in the foregoing clauses (i) and (ii)

**Immediate Family** means your spouse, any ascendant, descendant or collateral within the fourth degree of consanguinity and within the second degree of affinity residing in your household or in whom you have a Beneficial Ownership.

**Initial Public Offering** or **IPO** means an offering of securities registered under the Puerto Rico Uniform Securities Act, as amended (“PRUSA”) or the Securities Exchange Act of 1933, the issuer of which, immediately before the registration, was not subject to the reporting and disclosure requirements of PRUSA or Act No. 93-2013, also known as the Puerto Rico Investment Companies Act of 2013, as amended or Section 13 or 15(d) of the Securities Exchange Act of 1934.

**Investment Personnel** means:

- 1) Any employee of the Adviser or Sub-Adviser (or of any company in a control relationship to the Funds, Adviser or Sub-Adviser) who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the Purchase or Sale of Securities by the Funds or its Adviser.
- 2) Any natural person who controls the Adviser and who obtains information concerning recommendations made to the Fund or PAM advisory clients regarding the Purchase or Sale of Securities by the Funds or PAM.

**Limited Offering** or **Private Placement** means an offering that is exempt from registration under the regulations of the U.S. Securities Exchange Commission and/or similar laws in Non-U.S. jurisdictions.

**Material Violation** means any violation, as determined by the CCO, which has the appearance of a conflict of interest or involves the use of confidential information where shareholders and/or the Funds may be adversely affected.

**Mutual Fund** means an open-end investment company registered under the Investment Company Act of 1940, as amended (“1940 Act”).

**Related Account** means any securities account in which you or an Immediate Family member have a (1) Beneficial Ownership in or (2) direct or indirect power to make investment decisions.

**Related Party** means a member of your Immediate Family.

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**Security or Securities** includes stocks, notes, bonds, debentures, and other evidences of indebtedness (including loan participation and assignments), limited partnership interests, investment contracts, and all derivative instruments, such as options and warrants, that may be purchased by the Fund in accordance with its investment objectives and policies as described in its Prospectus, as well as shares of the Funds and any open-end or closed-end investment company that may invest in securities similar to the aforementioned Securities. Other Securities (1) direct obligations of the United States Government, (2) bankers' acceptances, bank certificates of deposit, commercial paper, and high-quality short-term debt instruments, including repurchase agreements, (3) shares issued by money market funds, (4) shares issued by open-end registered investment companies (e.g., open-end mutual funds) other than Funds advised or underwritten by the Firm or an affiliate, or (5) shares issued by unit investment trust that are in one.

**Securities Transaction** means a purchase or sale of Securities.

App. 2 - 4

CONTACT PERSONS POSITION	ADDRESS
Chief Compliance Officer of Popular Asset Management	Banco Popular de Puerto Rico 153 Ponce de Leon Avenue Popular Street Building, 11th Floor San Juan, PR 00918 Attn: Chief Compliance Officer of Popular Asset Management  Email: <a href="mailto:Jose.Chang@popular.com">Jose.Chang@popular.com</a>

App. 3 - 1

### POPULAR ASSET MANAGEMENT PERSONAL SECURITIES HOLDINGS

Certain Covered Persons, as determined by the Chief Compliance Officers, are required to disclose any account or related account in which you or a Related Party have a (1) Beneficial Ownership in or (2) direct or indirect power to make investment decisions. This includes investments held by broker/dealers, banks, financial institutions, issuers, or maintained in certificate form. You must arrange for the Chief Compliance Officer to receive duplicate statements and confirmation of all your accounts.

1. Name: \_\_\_\_\_  
\_\_\_\_\_

2. If different than #1, name of the person in whose name the account is held: \_\_\_\_\_  
\_\_\_\_\_

3. Relationship of (2) to (1): \_\_\_\_\_  
\_\_\_\_\_

4. Financial Institution at which Account is maintained: \_\_\_\_\_  
\_\_\_\_\_

5. Account Number: \_\_\_\_\_  
\_\_\_\_\_

6. Phone Number of Broker: \_\_\_\_\_  
\_\_\_\_\_

7. For each account, attach your most recent account statement listing securities in that account. If you own securities that are not listed in an attached account statement, list them below:

Name of Security	Quantity	Ticker/CUSIP	Value	Custodian
a. _____ _____				
b. _____ _____				
c. _____ _____				

(Attach separate sheet if necessary)

Please select one and sign:

- I certify that this Form and the attached statements (if any) constitute all of the securities in my Access Person and Related Accounts.
- At this time, I have no accounts or securities to report.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date











13. Are the securities being acquired in a Limited Offering or Private Placement?<sup>3</sup>  YES  NO

14. Have the Funds or PAM purchased or sold these securities or equivalent securities within the past three (3) calendar days or do you expect the account to purchase or sell these securities or equivalent securities within three (3) calendar days of your purchase or sale?  
 YES  NO

15. Have you or any related account covered by the preauthorization provisions of the Code purchased or sold these securities or equivalent securities within the past thirty (30) days?  
 YES  NO

*I certify that I will not effect the transaction(s) described above unless and until pre-clearance approval is obtained from the designated Compliance Officer. I further certify that, except as described on an attached page, to the best of my knowledge, the proposed transaction(s) will not result in a conflict of interest with any account managed by PAM. I further certify that, to the best of my knowledge, there are no pending orders for any Security listed above or any related Security for any managed account and Fund for which I am considered an Access Person. The proposed transaction(s) are consistent with all firm policies regarding employee personal securities transactions.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

**CODE OFFICER ONLY**

Reviewed by	Date & Time	APPROVED	DENIED
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>3</sup> Please note that generally, the acquisition of Securities in a private placement are discouraged and may be denied.

**POPULAR ASSET MANAGEMENT**  
**Officer and Employee Use Only**

**ACKNOWLEDGMENT OF RECEIPT OF CODE OF ETHICS**

I acknowledge that I have received the Code of Ethics of Popular Asset Management dated November 29, 2021 (the "Code") and represent that:

1. In accordance with Section III.A of the Code of Ethics, I will fully disclose the securities holdings in Accounts in which I or a Related Party has: (1) a Beneficial Ownership or (2) a direct or indirect power to make investment decisions.
2. In accordance with Section III.B. of the Code of Ethics, I will maintain all Accounts and Related Accounts at Banco Popular or Popular Securities except for accounts as to which the Chief Compliance Officer has provided prior written permission to maintain the account elsewhere.
3. In accordance with Section III.C of the Code of Ethics, I will obtain prior authorization for all Securities Transactions in each of my Accounts and Related Accounts; except for transactions exempt from preauthorization under Section III.C of the Code of Ethics.
4. In accordance with Section III.G of the Code of Ethics, I will report all Securities Transactions in each of my Accounts and Related Accounts except for transactions exempt from reporting under Section III.C.2 of the Code of Ethics.
5. In accordance with Section II.F of the Code of Ethics, I will not engage in any outside business activities or outside investment without the prior written notification and written approval of the CCO.
6. I will comply with the Code of Ethics in all respects as it pertains to me.
7. I agree to disgorge and forfeit any profits on prohibited transactions in accordance with the requirements of the Code.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

App. 7 - 3

**POPULAR ASSET MANAGEMENT  
Officer and Employee Use Only**

**ANNUAL CERTIFICATION OF COMPLIANCE WITH THE CODE OF ETHICS**

I certify that during the past year:

1. In accordance with Section III.A of the Code of Ethics, I have fully disclosed the securities holdings in Accounts in which I or a Related Party has: (1) a Beneficial Ownership or (2) a direct or indirect power to make investment decisions.
2. In accordance with Section III.B. of the Code of Ethics, I have maintained all Accounts and Related Accounts at Banco Popular or Popular Securities except for accounts as to which the Chief Compliance Officer has provided written permission to maintain elsewhere.
3. In accordance with Section III.C of the Code of Ethics, I have obtained prior authorization for all Securities Transactions in each of my Accounts and Related Accounts except for transactions exempt from preauthorization under Section III.C of the Code of Ethics.
4. In accordance with Section III.F of the Code of Ethics, I have complied with all investment reporting requirements in any Accounts or Related Accounts except for transactions exempt from reporting under Section III.C.2 of the Code of Ethics.
5. In accordance with Section III.C of the Code of Ethics, I have obtained prior authorization for all Securities Transactions in each of my Accounts and Related Accounts except for transactions exempt from preauthorization under Section III.C of the Code of Ethics.
6. In accordance with Section II.F of the Code of Ethics, I do not have any outside business activities or outside investments, nor have I given or received any gift, entertainment, or political contribution without the prior notification and approval of the CCO.
7. I have complied with the Code of Ethics in all respects.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## GIFT/ENTERTAINMENT APPROVAL FORM

**INSTRUCTIONS:** This form must be completed when giving or accepting gifts/entertainment subject to the Firm's policies. Gifts and Entertainment given or received are limited to \$150 per calendar year per person. Gifts given to any non-US or US public official (including elected officials and employees of municipal entities) or to unions or union representatives must have pre-approval from Compliance utilizing the Political Contributions Approval Form, regardless of value, and will be considered as a Political Contribution. Additionally, accepting gifts from outside vendors currently doing business with or seeking to conduct business with PAM must have pre-approval of Compliance. Gifts to regulators are prohibited. Entertainment where the representative attends with the client/recipient does not require pre-approval. It does, however, require reporting.

Request for Gift to be given   
  Request for Gift to be given   
  Entertainment  
 (Was provider present)  YES  NO

Employee Name: \_\_\_\_\_

Date Given/Received: \_\_\_\_\_

1. Is the person receiving or giving the gift/entertainment a customer?

NO                                     
  YES (Complete the following)

Client Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

Individual Name: \_\_\_\_\_ Account Name: \_\_\_\_\_

2. Gift/Entertainment Description: \_\_\_\_\_

3. Gift/Entertainment Value (\$): \_\_\_\_\_

4. Is the gift personal/life event (Ex: Wedding, baby gift, funeral)?

NO                                     
  YES

5. Is the gift from a current or prospective outside vendor?

NO                                     
  YES

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Compliance Approval: \_\_\_\_\_

Date: \_\_\_\_\_

App. 7 - 5

## POLITICAL CONTRIBUTION APPROVAL FORM

**INSTRUCTIONS:** This form must be completed when giving gifts/entertainment as a Political Contribution, subject to the Firm's policies. Gifts given to any non-US or US public official (including elected officials and employees of municipal entities) or to unions or union representatives must have pre-approval from PAM Compliance by effectively completing this document, regardless of value, and will be considered as a Political Contribution. Gifts to regulators are prohibited. As a Covered Person no gift or entertainment should ever be accepted with the expectation of any *quid pro quo* from the Firm or any Supervised Person. Supervised Persons are prohibited from giving, and must tactfully refuse, any gift of cash, gift certificate or cash equivalents.

Political Contribution to Individual     
  Political Contribution to Entity     
  Other Political Contribution  
(Please detail "Other")

Employee Name: \_\_\_\_\_

Date Given/Received: \_\_\_\_\_

1. Is the person receiving or giving the gift/entertainment a customer?

NO                             
  YES (Provide Account Info.)

Client Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Government Position: \_\_\_\_\_

Individual Name: \_\_\_\_\_

2. Is the gift to a non-US or US public official (elected official, any government employee, etc.)?

NO                             
  YES

3. Is the gift to a union or union representative?

NO                             
  YES

4. Gift/Entertainment Description: \_\_\_\_\_

5. Gift/Entertainment Value (\$): \_\_\_\_\_

6. Political Organization: detail all that apply (e.g., Political Party, Action Committee, Union, etc.)

Detail: \_\_\_\_\_

7. Information regarding Current Office or Detail of Office/Candidate which Running for, City, and State:

Detail: \_\_\_\_\_

8. Are you eligible to vote for this candidate?

NO                             
  YES

9. Have you made a contribution to the organization/individual within the past two years?

NO                             
  YES

10. If political merchandise has been purchased, please disclose and detail item and value

Item: \_\_\_\_\_      Item Value (\$): \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Compliance Approval: \_\_\_\_\_

Date: \_\_\_\_\_

1. Gift to elected officials or any government employee are considered Political Contributions. SEC Rule 206(4)-5 commonly referred to as "Pay to Play" prohibits an Investment Adviser from the donation of money or other things of value to a political candidate, or party by a company or an individual in return for favorable considerations on current or future government contracts. Popular employees are prohibited from making political or other contributions with the intent of obtaining investment advisory business from a government or quasi-government agency. Improper payments prohibited by this policy includes gifts and entertainment, favors, services, donations, loans or any other payment made or offered to obtain an undue business advantage.



## POPULAR ASSET MANAGEMENT

### INVESTMENT ADVISER OUTSIDE BUSINESS ACTIVITY APPROVAL

Both FINRA and the SEC require that “No registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to their firm.” PAM’s policies require that you receive prior approval before engaging in any outside business activity (OBA).

Please provide the following information for every outside business activity that you are engaged in. If there is no OBA to report please provide your name, check the corresponding box, and sign as Advisory Representative along with corresponding date. Passive investments are excluded. Reminder: If you hold an interest in a corporation, partnership or LLC outside of PAM, that must be disclosed here. Registration as a Broker-dealer Representative with Popular Securities or as an Investment Advisor Representative at a firm other than PAM also requires disclosure. Additionally, serving on a Board or being appointed as an Agent with an insurance company would also be considered. If you are unsure whether an activity requires disclosure, contact PAM’s CCO.

Name of Access Person: \_\_\_\_\_

Name of Business: \_\_\_\_\_

Investment Related:  Yes  No

Publicly Traded:  Yes  No

Do you expect to receive material non-public information regarding entity:

Yes  No

Are you aware of any adverse or any conflict of interest between entity and PAM:

Yes  No

Date Activity Began: \_\_\_\_\_

Business Address \_\_\_\_\_

Your Position/Title: \_\_\_\_\_

Anticipated Hours per Month: \_\_\_\_\_

Method of Compensation, if any: \_\_\_\_\_

Advisory Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

CCO Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Any restrictions placed on activity: \_\_\_\_\_







# The way we do business

Our **Code of Conduct and Ethics**





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# Our Code of Conduct and Ethics

In this Code, the Board of Directors and the Group Executive Board set out the principles and practices that define our ethical standards and the way we do business.

By following it, we will foster a culture where responsible behavior is ingrained in a way that protects our people, our reputation, and our ability to create lasting value for our shareholders. The Code sets the standards that help us to make that happen.

It is based on three Principles: client focus, which is about building relationships that create long-term value, focusing on investment returns and anticipating and managing conflicts of interest; excellence in everything from our products and services to how we collaborate across the firm to deliver the best of what UBS has to offer; and sustainable performance, which is about working continuously to strengthen our reputation as a rock-solid firm that is committed to sustainable business practices for all our stakeholders and provides consistent returns for shareholders.

It is essential that we all follow these Principles. In short, if we do business in the right way, we will be a better business, an even more successful one, and one that we can all be proud about.

Every year, the Board of Directors and Group Executive Board conduct a review of our Code. In this way, we

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ensure that key developments of pertinence to our clients, employees and other key stakeholders are reflected in the Code. Following our 2020 review, we have revised the Code, with key updates reinforcing the critical importance we attach to our firm's culture, our focus on clients and employees, our commitment to sustainability, and the need to be scrupulous in the way we use confidential data and information.

**The Code applies to everything and everyone**

Our Code is owned by each UBS employee and sets out the principles and standards we have defined for ourselves. It covers our dealings with clients, counterparties, shareholders, regulators and business partners - and each other. And it is the basis for all of our policies, guidelines and procedures.

Collectively, we have the responsibility to maintain the UBS culture of ethical behavior and accountability.

**Ignorance of the Code is no excuse**

As part of our governance framework, and training programs everyone at UBS learns about the standards in the Code and how to apply them. Not knowing the Code is no excuse for violating it.

**Our Boards are fully behind the Code - and need the whole bank to be behind it, too**

The Code has the full backing of the Board of Directors and Group Executive Board. Every one of us needs to make sure that our day-to-day actions and decisions follow the standards set out here. Above all, we must put the interests of our clients, shareholders and UBS first.

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Of course, the Code cannot describe every possible situation. If you find yourself dealing with something unexpected, apply these ethical standards in your judgment and seek guidance or help.

Thank you for your support.



Axel A. Weber  
Chairman of the Board of Directors



Ralph Hamers  
Group Chief Executive Officer



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## Contents

Creating the right culture and conduct	8
Behaving responsibly	10
Laws, rules and regulations	12
Sharing, using and storing information	14
Society and the environment	16
Violating the Code	17
Upholding the Code	18



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# Creating the right culture and conduct

## **Culture**

At UBS, we maintain a culture based on high standards of ethical behavior and accountability. We believe that the right strategy and culture drive strong performance. The three keys to success – our Pillars, Principles and Behaviors – embody the foundation of our strategy and culture. They define what we stand for both as a firm and individually and they define the way we think, work and act at UBS.

We don't just follow the laws, rules and regulations in everything we do. We do what is right. We don't just ask ourselves whether what we're doing is legal, but whether it fits with our three UBS Behaviors: Collaboration, Challenge and Integrity, and with our long-term strategy.

## **Fair dealing and fair and effective competition**

We act in the interest of fair and effective competition and respect all the laws, rules and regulations that are designed to create a level playing field for all – including antitrust and competition laws.

We don't stretch, distort or try to hide the facts or the truth. Nor do we use information we are not meant to have to our own advantage.

We act fairly, honestly and in good faith with everyone we deal with: our clients, business partners, competitors, suppliers, the public and each other.

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### **Client relationships**

We look after our clients for the long term, winning their loyalty by earning their trust.

We try to anticipate what our clients are going to need. We go out of our way to give them an exceptional service. We make sure our products and services are adequate for our clients and are sold in a way that is not detrimental to their interests. And we treat them fairly, and with the same courtesy and respect, however large or small they may be.

### **Conflicts of interest**

We put our clients' best interests before our own - and UBS' s interests before our personal interests. We never let UBS' s or our personal interests influence our advice to a client, or our dealings with them.

We hold ourselves accountable to identify and manage potential conflicts of interest, including perceived conflicts. As soon as we identify any such conflicts, we raise them immediately with our line manager or with control functions.

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# Behaving responsibly

## **Diversity and equal opportunity**

We believe that people from different backgrounds, with different thoughts and opinions, make us a stronger business. They bring us valuable new ideas, approaches and experiences.

Regardless of their status, everyone has the same chance to get ahead at UBS – whatever their ethnicity, gender, nationality, age, ability, sexual orientation or religion. And we work to create a culture where everyone feels that they are welcome, respected and that they are a valuable part of our team – whatever part of UBS they work in.

We do not tolerate any kind of discrimination, bullying or harassment. And we encourage each other to speak up and report any concerns, without fear of reprisals.

## **Performance and professionalism**

Our professionalism, integrity and pursuit of excellence are how we create value for our clients and shareholders. Therefore our compensation system is designed to reward long-term value creation by balancing performance and prudent risk-taking with a focus on conduct and sound risk management practices.

We know that our business is only as strong as our people, so we work hard to create a working environment where talent can thrive and reach its full potential.

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### **Protecting our assets and resources**

We keep UBS' s assets secure - from sensitive, confidential information about our clients, business, plans and people to our intellectual property, systems and equipment, as well as documents, information and other materials belonging to others that are entrusted or made available to us. This includes the efficient use of UBS' s financial resources for investments, expenditures, and procurement. That means making sure that these assets and resources are handled properly and used in line with relevant laws, rules and regulations and doing what we can to prevent them from being lost, stolen, damaged or misused. We retain data to fulfill regulatory retention and legal hold obligations.

We will not use such assets or resources for non-UBS business or for our own personal advantage.

### **Health and safety**

We never do anything that might put people in danger or harm them in any way - whether they' re clients, colleagues, partners, competitors, visitors or anyone else.

We keep our workplaces safe by following health and safety rules. Doing this makes sure we have safe and healthy working conditions in which our dignity is respected.

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# Laws, rules and regulations

## **Obeying the law**

We obey the laws, rules and regulations where we live, work and do business – as well as our own governance framework, documents and policies.

And we cooperate with our regulators, being open and transparent in our dealings with them.

## **Cross-border business**

When we are working across borders, we obey all pertinent laws, rules and regulations – both at home and abroad.

If we are selling to, buying from, visiting or dealing with clients from outside our home country, it is our job to understand both the laws, rules, and regulations that apply, as well as our own policies – and follow them.

## **Fighting crime**

We have a duty to contribute to the integrity of the financial system, as well as our own business.

So we do whatever we can to combat money laundering, corruption and terrorist financing – including adhering to global sanctions in line with our policies and with jurisdictional authorities.

## **Money laundering**

We have rigorous systems in place and hold ourselves accountable to detect, stop and report any suspected money laundering.

## **Corruption**

We have zero tolerance for corruption or any kind of bribery, including so-called “facilitation payments”. We don’t offer or accept improper gifts or payments in the course of our business.

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### **Tax matters**

We follow all the laws, rules, regulations and treaties around tax that apply to us, all over the world - not just to the letter, but in their true spirit. We pay and report all taxes due. We report information relating to our own tax position and that of our clients and employees as required.

We will not help or advise our clients or any other party avoid either paying the tax that they owe or reporting their income and gains, nor will we support any transactions where we know or shall presume that the tax outcome is dependent on unrealistic assumptions or the hiding of facts.

We will also not contract with third parties that provide services for or on our behalf, where those acts help others to avoid taxes owed.

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# Sharing, using and storing information

## Client confidentiality

Our clients trust us to keep the information they've shared with us safe and secure and only use it in the ways we've agreed with them.

We follow the highest standards of information security to keep information we hold on clients confidential and to protect legitimate client privacy rights. We have strict data security standards and procedures designed to prevent data being tampered with, seen or used by the wrong people, stolen, lost or destroyed.

We do not share our clients' details with anyone outside of UBS, unless we have their permission to do so – or where we have a legal duty to share it with the relevant authorities. And even within UBS, we will only share client details with those colleagues who we believe need to see it to better serve that client.

## Appropriate use of data and information

We approach the use of data and information, including client information, from an ethical perspective, assessing what is the right thing to do, beyond what laws, rules or regulations say we must do. We use data and information to enhance the service we provide to clients, or to make UBS more resilient and operationally sound.

Our principles and standards guide us in how we use data and information and develop and deploy technological solutions. We are accountable, robust and transparent in how we operate. We consider the societal impacts. And we do not use data and information in ways that could harm our clients, employees, the public, or the markets.

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### Reporting and information sharing

When we share or report anything, especially financial information - to either the public or our regulators - we take great care to make sure it is accurate, up to date and as easy to understand as it can be (and in line with any legal or regulatory requirements and best practice).

We maintain an internal control framework that is designed to support the preparation and fair representation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and that are free from material misstatement.

Based on their audit work, our independent external auditors express an opinion on our internal controls over financial reporting as well as on the financial statements themselves. Our internal audit function provides support to our external auditors in discharging their responsibilities, and also assesses the adherence to our strategy and the effectiveness of our governance, risk management and control processes.

### Inside information

We never use inside information (material information that is not public) to do anything other than for what it was given to us in the first place.

Having made every effort to ascertain whether information is inside information, we only ever share such information on a need-to-know basis. That applies to people inside and outside UBS, in line with our internal procedures, as well as any relevant laws, rules and regulations.



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# Society and the environment

## **Integrating financial and societal performance**

We integrate financial and societal performance for the mutual benefit of our clients and our firm.

We are constantly looking for better ways to do business in an environmentally sound and socially responsible manner.

That includes monitoring, managing and reducing any negative impact we might have on the environment and on human rights. It means managing social and environmental risks that our clients' and our own assets are exposed to. And it means looking for sustainable investment opportunities, for ourselves and our clients.

## **Investing in our communities**

We look for ways to contribute to the well-being of our local communities - by supporting charitable and non-profit activities financially and non-financially, including through our volunteering efforts.

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# Violating the Code

## **Disciplinary procedures**

Anyone who breaks the rules (whether it is our Code, UBS policies or laws, rules and regulations) will face consequences - from reprimands and warnings to dismissal.

This includes not only the person who broke the rules, but also their line manager and anyone who knew about it but did not report it.

Where a violation amounts to criminal behavior, we will not hesitate to bring it to the attention of the relevant authorities.

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# Upholding the Code

We live up to this Code at all times, with no exceptions.

UBS will not accept any justification or excuse for breaking the Code, whatever the reason - whether for profit, convenience or competitive advantage or because a client or someone else asked for it.

## **Changes to the Code**

The Code defines the way we do business. It is reviewed regularly to make sure it reflects our principles and standards and is consistent with the law. Whenever there's a change, an announcement goes to every employee.

## **Affirmation process**

Each of us declares that we have read and affirmed our awareness of the Code, as part of our annual affirmation process.

## **Speak Up**

We immediately report any potential violations of laws, rules, regulations, policies, professional standards and the principles of the Code to our line manager or local investigations officer. We can also report them confidentially or anonymously using the whistleblowing procedures published on the intranet site goto/speakup.

Any form of retaliation against whistleblowers is unacceptable.

And UBS expects its line managers to escalate and report any violations of laws, rules, regulations, policies, professional standards and the principles of the Code.

## **Questions about the Code**

Any questions about any part of this Code, or what it means in practice, should go to the Group General Counsel or the Group Chief Compliance and Governance Officer.



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ubs.com



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**POWER OF ATTORNEY**

The undersigned, Enrique Vila del Corral, Carlos J. Nido, Gabriel Pagán Pedrero, Luis M. Pellot-González, Clotilde Pérez and Jorge I. Vallejo, Directors of Puerto Rico Residents Tax-Free Fund, Inc., Puerto Rico Residents Tax-Free Fund II, Inc., Puerto Rico Residents Tax-Free Fund III, Inc., Puerto Rico Residents Tax-Free Fund IV, Inc., Puerto Rico Residents Tax-Free Fund V, Inc., Puerto Rico Residents Tax-Free Fund VI, Inc. and Puerto Rico Residents Bond Fund I (collectively, the “Fund”), hereby authorize Luis Aníbal Avilés and Javier Rubio Flores and Leslie Highley, Jr., or any of them, as attorney-in-fact, to sign on his or her behalf in the capacities indicated (and not in such person’s personal individual capacity for personal financial or estate planning), the Registration Statement on Form N-2, filed for the Fund or any amendment thereto (including any pre-effective or post-effective amendments) for or on behalf of the Fund or any current or future series thereof, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

This Power of Attorney may be executed in multiple counterparts, each of which shall be deemed an original, but which taken together shall constitute one instrument.

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IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney as of the 24th day of June, 2022.

<u>Signature</u>	<u>Title</u>	<u>Signature</u>	<u>Title</u>
<u>/s/ Carlos J. Nido</u> Carlos J. Nido	Director	<u>/s/ Clotilde Pérez</u> Clotilde Pérez	Director
<u>/s/ Gabriel Pagán Pedrero</u> Gabriel Pagán Pedrero	Director	<u>/s/ Jorge I. Vallejo</u> Jorge I. Vallejo	Director
<u>/s/ Luis M. Pellot-González</u> Luis M. Pellot-González	Director	<u>/s/ Enrique Vila del Corral</u> Enrique Vila del Corral	Director

- 2 -