

**March 31, 2016 FIRST PUERTO RICO TAX EXEMPT FUND (Class A)**

**Category**  
Non-Diversified Open-Ended Fund  
Puerto Rico Tax-Exempt Fixed Income

**Inception Date**  
Class A August 30, 1995

**Minimum Initial Investment**  
\$10,000

**Total Assets**  
US \$105.99 million

**Net Assets**  
US \$61.41 million

**Cusip**  
998397A60 Class A

**Investment Adviser**  
Santander Asset Management  
(787) 759-5340

**NAV**  
Class A Shares \$2.14

**Redemption Charge-Class A**  
1% within first 60 days of purchases

**Sales Charge**  
Class A Maximum 3.5%

**Frequency of Purchases**  
Discontinued since March 26, 2014

**Frequency of Redemptions - Weekly**  
Each Wednesday

**Annual Operating Expense Ratio<sup>(5)</sup>**  
Class A 1.06%  
**Last 12-month Net Annual Operating Expense Ratio<sup>(5)</sup>**  
Class A 0.84%

**Shares of Common Stock Outstanding**  
Class A 28,700,574

The Fund's investment objectives are to (i) provide a high level of current income exempt from U.S. federal and Puerto Rico income taxes consistent with the preservation of capital and (ii) to distribute monthly dividends of substantially all of the Fund's net investment income. The Fund invests primarily in fixed income tax-exempt securities including Puerto Rico and U.S. Government securities, mortgage-backed and asset backed securities and municipal obligations. Normally, at least 67% of the Fund's assets must be invested in Puerto Rico securities. The Fund invests at least 95% of its assets in investment grade securities, at the time of purchase, or if unrated, deemed by the Investment Adviser to be of comparable credit quality. The Fund could invest up to 10% of its assets on taxable securities, the amounts distributed as ordinary dividends will be subject to a preferential tax rate of 15%, in the case of individuals. The Fund is authorized to issue preferred stock and debt securities and engage in other forms of leverage to increase amounts available for investment.

**Performance at NAV\*\***

Total Returns								
Class A	1 month	3 months	YTD	1 year	3 years*	5 years*	10 years*	Since Inception*
Excl. max. sales charge	1.57%	8.22%	8.22%	-26.33%	-28.99%	-14.58%	-5.35%	0.55%
Incl. max. sales charge	-1.97%	4.45%	4.45%	-28.89%	-29.83%	-15.18%	-5.69%	0.38%

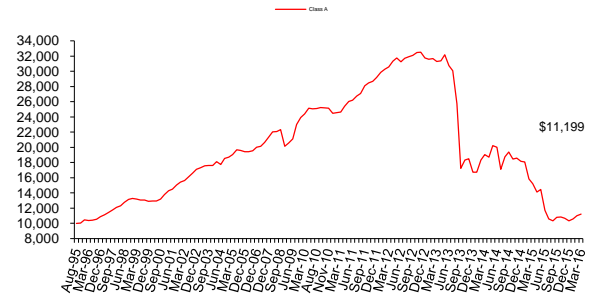
\* Annualized  
\*\*Does not reflect the effect of income taxes. The performance quoted is past performance and is not a guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance changes over time and currently may be lower or higher than performance data shown above. The Fund is subject to certain market risks. Market volatility can significantly impact short-term performance. For performance current to the most recent month-end please call 1 (888) 756-0003.

**Calendar Year Total Return - Class A**

Based on NAV and excluding max. sales charge

2015	-43.01%
2014	8.47%
2013	-47.26%
2012	8.76%
2011	19.19%
2010	2.37%
2009	18.71%
2008	-5.61%
2007	6.67%
2006	2.96%
2005	3.89%
2004	6.22%
2003	3.03%
2002	10.91%
2001	11.94%
2000	6.72%
1999	-2.94%
1998	9.95%

**Growth of \$10,000 Since Inception**



This chart assumes reinvestment of dividend and capital gain distributions and excludes the impact of any sales charge and the effect of income taxes.

**Portfolio Characteristics**

Average Maturity	14.837 years
Average Duration	7.88
Effective Duration	7.79
Average Price	58.68
Average Yield <sup>(1)</sup>	6.09%
Weighted Average Coupon <sup>(2)</sup>	3.68%
Market Weighted Average Coupon <sup>(2)</sup>	4.09%
Asset Leverage Ratio <sup>(3)</sup>	41.81%
Leverage Cost <sup>(4)</sup>	0.77%
Leverage Cost <sup>(4)</sup>	1.91%

**Class A Shares**  
52-Week NAV Low/High \$2.02 / \$3.46

**YTD NAV Change** (1.32)

**Last 12-month Dividend** \$0.3987

<sup>(1)</sup> Average Yield is the return obtained from the portfolio and is calculated by multiplying the last month of the quarter gross income by twelve and dividing by the portfolio amortized cost at quarter end.

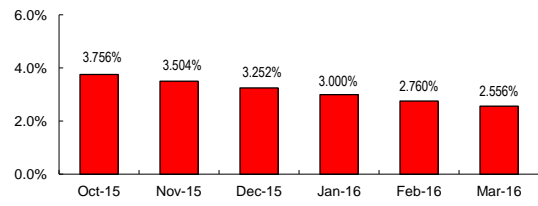
<sup>(2)</sup> Weighted Average Coupon, "WAC", is calculated from the Fund's portfolio by weighting the coupon of each security by its relative size in the portfolio based on face amount. Market Weighted Average Coupon is WAC calculation based on market value.

<sup>(3)</sup> The Fund may borrow money from banks or other financial institutions, enter into reverse repurchase agreements and dollar rolls and offer commercial paper and other debt securities or shares of preferred stock. The Asset Leverage Ratio is all such forms of leverage divided by the Fund's total assets immediately after such leverage. The Asset Leverage Ratio may represent up to 50% of the Fund's total assets; in addition, the Fund is allowed to borrow an additional 20% of the Fund's total assets for temporary, emergency and/or defensive purposes.

<sup>(4)</sup> Leverage cost - Issuance and ongoing expenses of any form of leverage issued by the Fund. Including hedging transactions - Issuance and ongoing expenses of any form of leverage issued by the Fund plus costs and net settlements earned/incurred under swap/options contracts. Both ratios are calculated by dividing the total leverage cost for the quarter by the average amount of leverage outstanding during the quarter, then annualized.

<sup>(5)</sup> For the first 24 months of operations of the Fund, and annually thereafter, the Investment Adviser has voluntarily agreed to waive its fees and, if necessary, to reimburse the Fund to the extent that total operating expenses, excluding financing expenditures such as interest, taxes and leverage related expenses, exceed 0.90% of the average weekly net assets of the Fund. Fees waived are subject to recoupment by the Investment Adviser within the next two fiscal years. The Investment Adviser may waive additional fees at its discretion.

**Monthly Distributions (As of March 31, 2016)+**



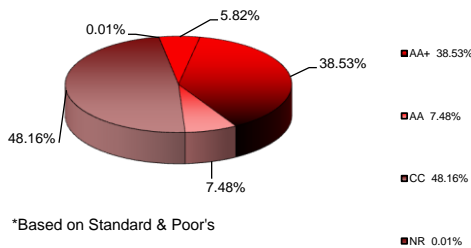
+March Dividend refers to dividend paid on April 15, 2016. The Fund intends to declare and distribute monthly dividends of substantially all of its net investment income. Monthly distributions to holders of Common Stock consisted of all or a portion of its net investment income remaining after the payment of interest on the commercial paper or other debt securities or borrowings or dividends on any preferred stock. Please note that monthly distribution rates may vary.

# First Puerto Rico Tax Exempt Fund

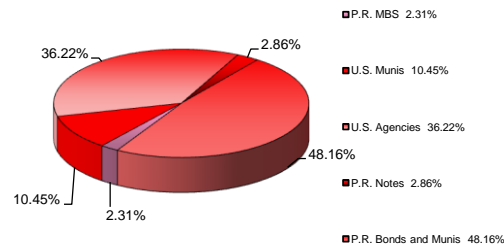
## Top 10 Holdings

1. P.R. Sales Tax Financing Corp.	36.27%
2. Federal Home Loan Bank Bonds	24.80%
3. P.R. Sales Tax Financing Corp. (zero)	11.89%
4. Federal Farm Credit Bank Bonds	11.42%
5. U.S. Municipal Bonds	10.45%
6. P.R. Trade and Export Note	2.86%
7. GNMA (several pools)	2.24%
8. P.R. CMOs	0.07%

## Credit Rating



## Asset Allocation



## PORTFOLIO HOLDINGS SUMMARY AS OF MARCH 31, 2016

Description	% of Portfolio	Description	% of Portfolio	Description	% of Portfolio	Description	% of Portfolio
FEDERAL HOME LOAN BANK	9.66%	PR S/TAX CAB-CONV	2.86%	P.R. SALES TAX SER D BABS	0.28%	GN 412705	0.09%
FEDERAL HOME LOAN BANK	8.11%	P.R. TRADE & EXPORT 5.101% (1)	2.86%	GN 407848	0.21%	GN 419994	0.08%
P.R. SALES TAX SUB-SER A	7.87%	PR S/TAX-CABS-B-1ST S	2.19%	GN 420000	0.18%	GN 420030	0.08%
FEDERAL FARM CREDIT BANK	6.68%	P.R. SALES TAX SER-A	1.96%	GN 407847	0.17%	LBGT 1993-3 H	0.07%
CT HOUSING FIN AUTHORITY	5.82%	P.R. SALES TAX SER-C	1.93%	GN 407849	0.16%	GN 437589	0.07%
P.R. SALES TAX CONV SUB A	5.73%	FEDERAL HOME LOAN BANK	1.80%	GN 420145	0.13%	GN 420006	0.07%
PR S/TAX-SER B	4.81%	PR S/TAX UNREF SUB-SER B	1.78%	GN 420003	0.12%	GN 420008	0.05%
P.R. SALES TAX SER-B	4.47%	FEDERAL HOME LOAN BANK	1.77%	PR S/TAX-SER B	0.12%	GN 397431	0.05%
PR S/TAX-SER B	4.17%	FEDERAL FARM CREDIT BANK	1.25%	GN 436861	0.11%	GN 425540	0.04%
PR S/TAX SER C	3.78%	PR S/TAX-SER B	1.12%	GN 407862	0.11%	GN 436858	0.04%
IL ST-BAB-3-AGM-CR	3.59%	PENNSYLVANIA ST BABS	1.03%	GN 420001	0.11%	GN 420005	0.04%
FEDERAL FARM CREDIT BANK	3.49%	PR S/TAX-CABS-B-1ST S	0.56%	GN 401479	0.10%	GN 436854	0.04%
P.R. SALES TAX SUB-SER A	3.46%	PR S/TAX CAB-CONV	0.55%	GN 437580	0.10%	TRENTON-TXB-REF-CABS	0.01%
FEDERAL HOME LOAN BANK	3.46%	P.R. SALES TAX SER-E BABS	0.52%	GN 397421	0.09%		

The Fund's holdings are subject to change.

(1) Collateralized with U.S. securities

## Disclosures

Before you invest, you should review the Fund's prospectus, which contains more information about the Fund, including fees and expenses that you may pay if you buy and hold shares of the Fund, and its risks. You can find the Fund's prospectus and other information about the Fund including its most recent reports to shareholders, online at [www.santandersecurities.com](http://www.santandersecurities.com). You can also get this information at no cost by calling 1(888) 756-0003 or from your financial consultant.

The Fund's shares of common stock can be offered through Santander Securities LLC, the distributor of the Fund, which is a securities broker-dealer registered in Puerto Rico and a member of FINRA/SIPC. Santander Securities LLC is an indirect subsidiary of Banco Santander, S.A. and thus is under common control with, and is an affiliate of, Santander Asset Management, LLC, the investment adviser and administrator of the Fund.

The Fund is a non-diversified investment company registered under the Puerto Rico Investment Companies Act. An investment in the Fund is not equivalent to an investment in the underlying securities of the Fund. The shares are offered for sale exclusively to individuals whose main residence is located in Puerto Rico and persons, other than individuals, whose principal office and place of business are located in Puerto Rico. The shares may be offered for sale and sold only in Puerto Rico. Past performance is not predictive of future performance. Performance changes overtime and currently may be lower than stated above. An investment in the Fund is not a deposit or an obligation of a bank (including Banco Santander Puerto Rico), and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. An investment in the shares of the Fund is designed and is suitable only for long-term investors, and may not be suitable for all investors. Investors in the shares should not view the Fund as a vehicle for trading purposes.

The Fund is subject to risks that may result in a loss of all or part of your investment in the Fund. The Fund's net asset value can deteriorate rapidly, including as a result of declines in the value of Puerto Rico fixed-income securities from downgrades to their credit rating or otherwise. The shares of the Fund are subject to market risk, including the loss of principal. As a non-diversified investment company, the Fund may invest a greater portion of its assets in a single issuer or asset class and as such may be susceptible to loss due to adverse occurrences affecting that issuer or asset class. The Fund's utilization of leverage creates certain additional risks to investors including higher volatility in the net asset value and market value of its shares of common stock and in the dividend rate paid by the Fund on its shares. Please see "Risk Factors and Special Considerations" and "Risk Factors and Special Considerations of Leverage" in the prospectus for a more detailed description of the Fund's risks.

The Fund may enter into various types of transactions with affiliated parties as described in the Fund's prospectus. All transactions with affiliates are subject to procedures adopted by the Board of Directors from time to time and, particularly, the independent directors of the Board, in an effort to address potential conflict of interest. There is no assurance that the procedures will be effective. Any claim against the Fund or its directors and officers by any investor in the securities issued by the Fund will be subject to the jurisdiction of the courts of the Commonwealth of Puerto Rico.

### Current Market Conditions Affecting the Fixed Income Markets in General, and Affecting Puerto Rico Municipal Bonds and Other Fixed-Income Securities

Current market conditions affecting fixed-income securities may present significant risks beyond those of other securities, including greater credit risk and price volatility. Potential rising interest rates will generally result in a decrease of value of a fixed-income portfolio, and consequently, the Fund's net asset value may likewise decrease. Furthermore, policy changes made by governments or quasi-governmental organizations, such as tapering quantitative easing, could adversely impact the value and liquidity of certain securities.

Downgrades to the credit rating of the issuers of Puerto Rico municipal bonds and other fixed-income securities, or other securities in the Fund's portfolio, may result in a decrease in the value of such securities and in a corresponding decrease in the net asset value of the Fund. Furthermore, such downgrade would also reduce the market for such securities, which could negatively impact the Fund's ability to dispose of such securities or the price the Fund may receive in any such sale, as well as the Fund's ability to utilize such securities as collateral for its leverage program.

The uncertainty surrounding the financial situation of the Commonwealth of Puerto Rico, including lack of access to credit markets and the possibility of nonpayment or other default by some municipal bond issuers, creates additional risks to the Fund. A steep decline in net asset value per share and the possibility of an interruption in payments of principal and interest on portfolio securities could affect the Fund's ability to generate sufficient income to make dividend payments to shareholders. While the Fund intends to take all reasonable measures necessary to continue to make dividend payments on its common stock, it is conceivable that the Fund could at some point become unable to declare and distribute monthly dividends.

Consequently, the Fund's shares may lose value, and thus you may lose your investment, as a consequence of such a downgrade.

**The Fund may be subject to additional risk due to the current market conditions affecting Puerto Rico municipal bonds and other fixed income securities.**

The Adviser of the Fund has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act (the "CEA") and, therefore, is not subject to registration or regulation as a pool operator under the CEA. The PR Funds are not a vehicle for trading or seeking exposure in the commodity futures, commodity options or swaps markets.

**NOT FDIC INSURED | NOT BANK GUARANTEE | MAY LOSE VALUE | FOR RESIDENTS OF PUERTO RICO ONLY**