

**Notice dated August 29, 2014
to Shareholders of
Puerto Rico AAA Portfolio Bond Fund, Inc. and
Puerto Rico AAA Portfolio Bond Fund II, Inc.**

Puerto Rico AAA Portfolio Bond Fund, Inc. and Puerto Rico AAA Portfolio Bond Fund II, Inc.¹ (each a "Fund" and collectively, the "Funds") hereby announce that, after considering the recommendations of management and all of the surrounding circumstances, each Fund's Board of Directors ("Board") has determined that it would be in the best interests of shareholders for each Fund to seek certain rulings and waivers from the Office of the Commissioner of Financial Institutions (the "OCFI") in connection with the proposed conversion of each Fund from a closed-end investment company under the Puerto Rico Investment Companies Act of 1954, as amended, to an open-end investment company under the Puerto Rico Investment Companies Act of 2013, as amended (the "Conversion").

Upon the issuance of the rulings and waivers by the OCFI in form and substance acceptable to the Board, and the review of final Conversion documentation by the Board, the Board will decide whether to recommend the Conversion to each Fund's stockholders for their approval. The Conversion process will be effected in accordance with the requirements of Regulation 8470 issued by the OCFI. If the Board decides to proceed with the Conversion, further information about the Conversion will be included in a proxy statement/prospectus which will be mailed to stockholders. Because such proxy statement/prospectus will contain important information, including a more detailed description of what the Conversion entails, stockholders are urged to read them carefully if and when they become available.

There can be no assurance that the OCFI will grant the requested rulings and waivers, or that the Board will decide to proceed with the Conversion and, if so, upon which terms and conditions.

This is not an offer, or a solicitation of an offer, to buy or sell any securities of a Fund.

¹ Each Fund is a non-diversified, closed-end management investment company registered under the Puerto Rico Investment Companies Act of 1954, as amended. Securities issued by a Fund may be purchased or otherwise transferred only to individuals who are residents of Puerto Rico and to entities whose principal office and principal place of business are located in Puerto Rico. A Fund's yield and net asset value (NAV) and the market price of the Fund's shares of common stock may fluctuate and will be determined by such factors as relative demand for and supply of the shares in the market, as well as general market, political, and economic conditions and other factors beyond the control of a Fund. A Fund's investment concentration in Puerto Rico securities makes it more susceptible to risk factors affecting those securities than an investment company invested across a broader geographical range. The shares trade at market price, which may be at a discount or premium to NAV, and no assurance can be given as to their liquidity or trading market.