



HIGHLAND CAPITAL  
MANAGEMENT

A PASSION FOR ALTERNATIVES  
A COMMITMENT TO VALUE

For over 25 years Highland Capital has pioneered making alternative investments more accessible: offering the global reach, experienced managers and alternative strategies once available only to institutions, in liquid mutual fund vehicles and non-traded products designed for individuals.

## Investment Strategies

### ALTERNATIVE

Global Allocation  
Long/Short Equity  
Long/Short Healthcare  
Energy MLP  
Opportunistic Credit  
Merger Arbitrage

### EQUITY

Premier Growth Equity  
Small-Cap Equity

### FIXED INCOME

Fixed Income  
Tax Exempt

### ASSET ALLOCATION

Total Return

### ETFs

Highland/iBoxx Senior Loan ETF

### CLOSED-END

Floating Rate Opportunities  
NexPoint Strategic Opportunities

### NON-TRADED PRODUCTS

NexPoint Real Estate Strategies Interval Fund  
NexPoint Healthcare Opportunities Interval Fund

## Why Highland Funds?

Highland focuses on bringing institutional-quality alternative strategies to the broader investment community. We provide investors with the potential benefits of alternative assets through transparent, value-oriented investment vehicles built on Highland's core characteristics:

### EXPERTISE

Highland is one of the largest and most experienced alternative asset managers, with approximately \$12.9 billion under management and over 25 years in business.\* Our team includes approximately 40 investment professionals with diverse financial and business expertise, helping us uncover alpha in corners of the global capital markets where others can't or won't go.

### INNOVATION

Co-founders and industry pioneers James Dondero and Mark Okada created one of the first asset management companies specializing in managing bank loans. Highland also structured one of the first non-bank Collateralized Loan Obligations ("CLOs") and has continued to lead the industry in the adoption of mutual funds, ETFs, closed-end funds and other vehicles that are broadening the use of alternative investments.

### FLEXIBILITY

Our product-agnostic implementation approach allows us to match our investing strategies with the ideal vehicle. Investors can choose mutual funds, closed-end funds, separately managed accounts, and ETFs— all managed by the same talented investment team and according to our rigorous investment standards.

### COMMITMENT

Our approach is grounded in experience and guided by discipline. We don't chase hot ideas or market trends. Instead, we are committed to protecting our investors' capital by managing our strategies according to time-tested investment principals and our own unique insights into the global capital markets. Clients can be sure we're focused on protecting their interests, because we invest our own capital alongside theirs.

\* As of 6/30/2018, inclusive of Highland Capital Management, L.P. and affiliates, based on fee calculation AUM.

Investing involves risk, including possible loss of principal. There is no guarantee that the investment objective of any Fund will be achieved.

	Fund Name and Ticker Symbol	Strategy	Inception Class A	Morningstar Category	Fund Manager	Share Class*	Tickers	Max Sales Charge (Class A)	Minimum Investments	Class A Max Breakpoint Investments	Total Net Assets as of 6/30/18
ALTERNATIVE	GLOBAL ALLOCATION	High-conviction concentrated portfolio aiming to provide above-average risk-adjusted total returns by investing in U.S. and foreign equities and fixed income securities, along with select alternative investments in the pursuit of long-term capital growth and future income.	9/8/93	World Allocation	James Dondero	Class A <sup>3</sup>	HCOAX	5.75	Class A: \$1,000 Class C: \$1,000	Class A: \$1M	\$434.1M
						Class C <sup>1</sup>	HCOCX				
						Class Y <sup>4</sup>	HCOYX				
	LONG/SHORT EQUITY	Seeks to deliver capital appreciation with moderate risk and lower volatility compared to equity markets while attempting to mitigate downside risk through hedging activities.	12/5/06	Long-Short Equity	Jonathan Lamensdorf Brad Heiss	Class A <sup>2</sup>	HEOAX	5.50	Class A: \$2,500 Class C: \$2,500	Class A: \$500K	\$357.9M
						Class C <sup>1</sup>	HEOCX				
						Class Z <sup>4</sup>	HEOZX				
LONG/SHORT HEALTHCARE	Aims to provide attractive long-term absolute return through alpha generation and effective risk management with low-beta, low-correlation to S&P 500 through long and short investments in public equities within the Healthcare industry.	5/5/08	Long-Short Equity	Andrew Hilgenbrink	Class A <sup>2</sup>	HHCAAX	5.50	Class A: \$2,500 Class C: \$2,500	Class A: \$500K	\$56.6M	
					Class C <sup>1</sup>	HHCCX					
					Class Z <sup>4</sup>	HHCZX					
ENERGY MLP	Invests primarily in large and mid-cap Master Limited Partnerships (MLPs) of domestic midstream energy companies with the objective of providing investors with current income and capital appreciation.	12/1/11	Energy Limited Partnership	James Dondero, Jon Poglitsch, Matthew Gray	Class A <sup>3</sup>	HEFAX	5.75	Class A: \$1,000 Class C: \$1,000	Class A: \$1M	\$26.9M	
					Class C <sup>1</sup>	HEFCX					
					Class Y <sup>4</sup>	HEFYX					
OPPORTUNISTIC CREDIT	Seeks to achieve high total returns while attempting to minimize losses utilizing an opportunistic approach that pursues attractive fixed-income opportunities across multiple sectors, regions and investment styles.	5/18/05	Nontraditional Bond	James Dondero, Trey Parker	Class A <sup>2</sup>	HNRAX	3.50	Class A: \$2,500 Class C: \$2,500	Class A: \$500K	\$59.4M	
					Class C <sup>1</sup>	HNRXCX					
					Class Y <sup>4</sup>	HNRZX					
MERGER ARBITRAGE	Pursues positive absolute returns with reduced volatility and correlation to both equity and fixed income markets by investing in publicly announced mergers to capture the spread between the current price of the target company and the announced offer price for that company.	1/20/15	Market Neutral	Jonathan Lamensdorf	Class A <sup>2</sup>	HMEAX	5.50	Class A: \$2,500 Class C: \$2,500	Class A: \$500K	\$38.5M	
					Class C <sup>1</sup>	HMECX					
					Class Z <sup>4</sup>	HMEZX					
EQUITY	SMALL-CAP EQUITY	Seeks to maximize long-term capital appreciation by constructing a concentrated alpha-driven portfolio of small cap stocks. With substantial capacity runway, the fund's alpha generation comes from management's tactical, high-conviction portfolio management style.	9/30/98	Small Growth	James Dondero	Class A <sup>3</sup>	HSZAX	5.75	Class A: \$1,000 Class C: \$1,000	Class A: \$1M	\$57.7M
						Class C <sup>1</sup>	HSZCX				
						Class Y <sup>4</sup>	HSZYX				
FIXED INCOME	PREMIER GROWTH EQUITY	Seeks to provide long-term growth of capital by investing in large and medium-sized companies with above-average growth profiles. Utilizes bottom-up stock selection, a concentrated alpha-driven portfolio and tactical sector allocation.	12/31/96	Large Growth	James Dondero Michael McLochlin	Class A <sup>3</sup>	HPEAX	5.75	Class A: \$1,000 Class C: \$1,000	Class A: \$1M	\$149.3M
						Class C <sup>1</sup>	HPECX				
						Class Y <sup>4</sup>	HPEYX				
FIXED INCOME	FIXED INCOME	Total return strategy seeking to provide maximum income and capital preservation by investing primarily in a variety of investment-grade debt securities, such as mortgage-backed securities, corporate bonds, U.S. government securities, and money market instruments.	2/22/93	Intermediate-Term Bond	Sub-Advised by First Foundation Advisors John Hakopian	Class A <sup>3</sup>	HFBAX	4.25	Class A: \$1,000 Class C: \$1,000	Class A: \$1M	\$138.4M
						Class C <sup>1</sup>	HFBCX				
						Class Y <sup>4</sup>	HFBYX				
FIXED INCOME	TAX EXEMPT	Utilizes a disciplined investment process emphasizing fundamental, bottom-up research with the objective of seeking above-average tax-exempt income while aiming to provide a consistent trend of competitive long-term returns.	9/8/93	Municipal National Intermediate	Sub-Advised by First Foundation Advisors John Hakopian	Class A <sup>3</sup>	HTXAX	4.25	Class A: \$1,000 Class C: \$1,000	Class A: \$1M	\$12.3M
						Class C <sup>1</sup>	HTXCX				
						Class Y <sup>4</sup>	HTXYX				
ASSET ALLOCATION	TOTAL RETURN	Invests primarily in a combination of U.S. and foreign equity and debt securities while utilizing an asset allocation process to diversify holdings across asset classes and adjusts its weightings based on market and economic conditions to meet its objectives.	2/22/93	Moderate Allocation	Sub-Advised by First Foundation Advisors John Hakopian, Jim Garrison, Eric Speron	Class A <sup>3</sup>	HTAAX	5.75	Class A: \$1,000 Class C: \$1,000	Class A: \$1M	\$90.9M
						Class C <sup>1</sup>	HTACX				
						Class Y <sup>4</sup>	HTAYX				
ETFs	HIGHLAND/iBOXX SENIOR LOAN ETF	Invests in Senior-Secured Bank Loans, targeting results that correspond generally to the performance of the Markit iBoxx Liquid Leveraged Loan Index.	11/6/12	Bank Loan	Mark Okada	N/A	SNLN	N/A	N/A	N/A	\$598.9M
CLOSED-END	FLOATING RATE OPPORTUNITIES	Aims to provide attractive high income, the opportunity for moderate capital appreciation and low correlation to other asset classes by investing in floating rate bank loans and other floating rate securities.	11/13/00	Bank Loan	Mark Okada Jon Poglitsch	N/A	HFRO	N/A	N/A	N/A	1.1B
	NEXPOINT STRATEGIC OPPORTUNITIES	Aims to provide both current income and capital appreciation. The Fund is invested primarily in below investment grade debt and equity securities and has the ability to hedge.	6/29/06	Tactical Allocation	James Dondero	N/A	NHF	N/A	N/A	N/A	\$790.5M

	Fund Name	Fund Type	Strategy	Share Class Offered	Price Per Share/Total Cost	Investment Manager/Advisor	Fees	Minimum Investments	Fund/ Offering Size								
REAL ESTATE-FOCUSED	<b>NEXPOINT REAL ESTATE STRATEGIES FUND (NRES)<sup>1</sup></b>	Continuously offered, non-diversified closed-end interval fund	Seeks long-term total return, with an emphasis on current income by investing at least 80% of its assets in a variety of real estate and real estate-related securities while aiming to identify and effectively exploit the arbitrage between public and private real estate values.	Class A Class C <sup>2</sup> Class L Class Z	Calculates a NAV daily	NexPoint Advisors, L.P.	<table border="1"> <tr> <td>Max Sales Charge (Class A):</td> <td>5.75%</td> </tr> <tr> <td>(Class L):</td> <td>4.25%</td> </tr> <tr> <td>Contingent Deferred Sales Charge (Class A&amp;C):</td> <td>1.00%</td> </tr> <tr> <td>Management Fee:</td> <td>1.25%</td> </tr> </table>	Max Sales Charge (Class A):	5.75%	(Class L):	4.25%	Contingent Deferred Sales Charge (Class A&C):	1.00%	Management Fee:	1.25%	Regular Accounts Class A & C: 500 Class L: \$2,500  Retirement Accounts Class A & C: \$50 Class L: \$1,000	N/A
Max Sales Charge (Class A):	5.75%																
(Class L):	4.25%																
Contingent Deferred Sales Charge (Class A&C):	1.00%																
Management Fee:	1.25%																
HEALTHCARE-FOCUSED	<b>NEXPOINT HEALTHCARE OPPORTUNITIES FUND (NHOF)<sup>1</sup></b>	Continuously offered, non-diversified closed-end interval fund	Designed to take a differentiated strategy, pursuing its investment objective by investing, under normal circumstances, at least 80% of its assets in the healthcare industry. The Fund seeks total return consisting of current income and longer-term capital appreciation by primarily investing in equity and debt healthcare securities.	Class A Class C <sup>2</sup> Class L Class Z	Calculates a NAV daily	NexPoint Advisors, L.P.	<table border="1"> <tr> <td>Max Sales Charge (Class A):</td> <td>5.75%</td> </tr> <tr> <td>(Class L):</td> <td>4.25%</td> </tr> <tr> <td>Contingent Deferred Sales Charge (Class A&amp;C):</td> <td>1.00%</td> </tr> <tr> <td>Management Fee:</td> <td>1.25%</td> </tr> </table>	Max Sales Charge (Class A):	5.75%	(Class L):	4.25%	Contingent Deferred Sales Charge (Class A&C):	1.00%	Management Fee:	1.25%	Regular Accounts Class A & C: 500 Class L: \$2,500  Retirement Accounts Class A & C: \$50 Class L: \$1,000	N/A
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(Class L):	4.25%																
Contingent Deferred Sales Charge (Class A&C):	1.00%																
Management Fee:	1.25%																

- Quarterly repurchases of no less than 5% of the shares outstanding. An interval fund is a type of investment company that periodically offers to repurchase its shares from shareholders. That is, the Fund periodically offers to buy back a stated portion of its shares from shareholders. Shareholders are not required to accept these offers and sell their shares back to the Fund. Legally, interval funds are classified as closed-end funds, but they are different from traditional closed-end funds in that: (1) Their shares typically do not trade on the secondary market. Instead, their shares are subject to periodic repurchase offers by the fund at a price based on net asset value; (2) They are permitted to continuously offer their shares at a price based on the Fund's net asset value. An interval fund will make periodic repurchase offers to its shareholders, generally every three, six, or twelve months, as disclosed in the fund's prospectus and annual report. The interval fund also will periodically notify its shareholders of the upcoming repurchase dates. When the fund makes a repurchase offer to its shareholders, it will specify a date by which shareholders must accept the repurchase offer. The actual repurchase will occur at a later, specified date.
- Class C shares are generally characterized by a back-end of contingent deferred sales charge, or CDSC. A CDSC equal to 1.0% of the original purchase price of Class C shares within 18 months following such shareholder's initial purchase.

**There are certain risks that should be considered before investing in the Funds.**

Before investing in a Fund, you should carefully consider the Fund's investment objectives, risks, charges and expenses. For a copy of a prospectus or summary prospectus which contains this and other information, please visit our website at [highlandfunds.com](http://highlandfunds.com) or call 1-877-665-1287. Please read the fund prospectus carefully before investing.

The performance data quoted here represents past performance and is no guarantee of future results. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month-end, please visit our website at [highlandfunds.com](http://highlandfunds.com).

- 1 Class C Shares are subject to a 1% CDSC for redemptions of shares within one year of purchase. This CDSC does not apply to redemptions under a systematic withdrawal plan.
- 2 Class A Shares bought without an initial sales charge in accounts aggregating \$500,000 or more at the time of purchase are subject to a 1.00% contingent deferred sales charge ("CDSC") if the shares are sold within 18 months of purchase.
- 3 Class A Shares bought without an initial sales charge in accounts aggregating \$1 million or more at the time of purchase are subject to a 0.50% contingent deferred sales charge ("CDSC") if the shares are sold within one year of purchase.
- 4 Only eligible investors may purchase Class Y or Z Shares. Please refer to the prospectus for information and conditions.

The Highland/iBoxx Senior Loan ETF is distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Highland Capital

**NON-TRADED PRODUCT RISK FACTORS**

- You should not expect to be able to sell your shares of common stock regardless of how we perform.
- If you are able to sell your shares of common stock, you will likely receive less than your purchase price.
- We do not intend to list our shares of common stock on any securities exchange during, or for what may be a significant time after, the offering period, and we do not expect a secondary market in the shares of common stock to develop.
- Because our common stock will not be listed on a securities exchange, you may be unable to sell your shares and, as a result, you may be unable to reduce your exposure on any market downturn.
- Our distributions may be funded from offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to us for investment. Any capital returned to stockholders through distributions will be distributed after payment of sales load, fees and expenses and such amounts will not be recoverable by our stockholders.
- You should consider that you may not have access to the money you invest for an indefinite period of time. An investment in our shares of common stock is not suitable for you if you need access to the money you invest. See "Share Repurchase Program," "Suitability Standards" and "Liquidity Strategy."
- We intend to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.
- There are significant potential conflicts of interest that could affect our investment returns.

Leveraged Loans are loans to companies that typically already have a high amount of debt and are often characterized by lower credit ratings or higher interest rates.

**THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. AN OFFERING IS MADE ONLY BY THE PROSPECTUS. THIS SALES AND ADVERTISING LITERATURE MUST BE READ IN CONJUNCTION WITH THE PROSPECTUS IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING OF SECURITIES TO WHICH IT RELATES. A COPY OF THE PROSPECTUS MUST BE MADE AVAILABLE TO YOU IN CONNECTION WITH THIS OFFERING. AN INVESTMENT IN NEXPOINT PRODUCTS INVOLVES A HIGH DEGREE OF RISK AND THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVES OF THIS PROGRAM WILL BE ATTAINED.**

Investing in our shares of common stock may be considered speculative and involves a high degree of risk, including the risk of a substantial loss of investment. See the "Risk Factors" section of our prospectus to read about the risks you should consider before buying our shares including the risk of leverage.

For a full listing of the risks associated with the Funds, please see the "Description of Principal Risks" in the prospectus.

Prepared by Highland Capital Funds Distributor, Inc. Member FINRA, the dealer manager for the NexPoint Real Estate Strategies Fund offering.

Highland Capital Funds Distributor, Inc. is an affiliate of Highland Capital Management, L.P.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE