

NPORT-EX 2 NexPoint_Funds_I_Sch_F.htm SCHEDULE F
INVESTMENT PORTFOLIO (unaudited)

As of September 30, 2023

NexPoint Event Driven Fund

| Shares | | Value (\$) |
|---|--|------------------|
| Common Stock — 68.9% | | |
| COMMUNICATION SERVICES — 12.3% | | |
| 28,185 | Activision Blizzard(a) | 2,638,961 |
| 8,000 | Atlanta Braves Holdings, Class C(a)(b) | 285,840 |
| 246,505 | Kahoot!(b) | 800,383 |
| | | <u>3,725,184</u> |
| CONSUMER DISCRETIONARY — 4.3% | | |
| 1,000 | Aramark | 34,700 |
| 33,372 | Arco Platform, Class A(b) | 459,866 |
| 2,500 | Atmus Filtration Technologies(a)(b) | 52,125 |
| 11,655 | Capri Holdings(a)(b) | 613,170 |
| 2,150 | Hasbro | 142,201 |
| | | <u>1,302,062</u> |
| CONSUMER STAPLES — 3.8% | | |
| 8,200 | Hostess Brands, Class A(a)(b) | 273,142 |
| 26,840 | Kenvue(a) | 538,949 |
| 15,500 | Sovos Brands(a)(b) | 349,525 |
| | | <u>1,161,616</u> |
| ENERGY — 8.3% | | |
| 18,646 | Denbury(a)(b) | 1,827,494 |
| 8,873 | Earthstone Energy, Class A(a)(b) | 179,590 |
| 11,872 | Holly Energy Partners(a) | 260,709 |
| 2,108 | Natural Gas Services Group(a)(b) | 30,693 |
| 6,300 | New Fortress Energy, Inc., Class A(a) | 206,514 |
| | | <u>2,505,000</u> |
| FINANCIALS — 3.8% | | |
| 3,622 | Argo Group International Holdings(a)(b) | 108,080 |
| 81,838 | Arlington Asset Investment, Class A(b) | 350,267 |
| 5,437 | Avantax(b) | 139,078 |
| 115,643 | Network International Holdings(b) | 550,762 |
| | | <u>1,148,187</u> |
| HEALTHCARE — 18.8% | | |
| Biotechnology — 8.4% | | |
| 20,839 | Horizon Therapeutics (a)(b) | 2,410,864 |
| 8,351 | VectivBio Holding (b) | 141,967 |
| | | <u>2,552,831</u> |
| Healthcare Equipment & Supplies — 0.8% | | |
| 5,000 | Globus Medical, Class A (a)(b) | 248,250 |
| Healthcare Technology — 4.3% | | |
| 428,568 | AMINO, Inc. (b)(c)(d)(e) | 201,427 |
| 46,269 | EMIS Group | 1,091,074 |
| | | <u>1,292,501</u> |
| Life Sciences Tools & Services — 0.5% | | |
| 1,000 | Illumina (a)(b) | 137,280 |
| Pharmaceuticals — 4.8% | | |
| 31,453 | Dechra Pharmaceuticals | 1,451,145 |
| | | <u>5,682,007</u> |
| INDUSTRIALS — 2.7% | | |
| 11,342 | Heritage-Crystal Clean(b) | 514,360 |

| Shares | | Value (\$) |
|--------------------------------------|---|-------------------|
| Common Stock (continued) | | |
| INDUSTRIALS (continued) | | |
| 1,201 | Veritiv | 202,849 |
| | | <u>831,610</u> |
| INFORMATION TECHNOLOGY — 8.9% | | |
| 67,882 | Computer Task Group(b) | 701,221 |
| 214,500 | eMagin(b) | 426,855 |
| 24,961 | National Instruments(a) | 1,488,175 |
| 41,000 | Rimini Street(b) | 90,200 |
| | | <u>2,706,451</u> |
| MATERIALS — 2.7% | | |
| 3,500 | Crown Holdings, Inc.(a) | 309,680 |
| 11,529 | Teck Resources, Ltd., Class B(a) | 496,785 |
| | | <u>806,465</u> |
| REAL ESTATE — 0.5% | | |
| 15,726 | RPT Realty(a) | 166,066 |
| UTILITIES — 2.8% | | |
| 18,180 | Atlantica Sustainable Infrastructure PLC(a) | 347,238 |
| 9,742 | PNM Resources(a) | 434,591 |
| 6,689 | TransAlta Renewables | 60,804 |
| | | <u>842,633</u> |
| | Total Common Stock (Cost \$23,318,032) | <u>20,877,281</u> |
| Principal Amount (\$) | | |
| U.S. Senior Loans (f) — 18.0% | | |
| CONSUMER DISCRETIONARY — 2.0% | | |
| 606,700 | Hostess Brand, LLC, Term Loan 1st Lien, 06/21/30 | 608,784 |
| CONSUMER STAPLES — 1.9% | | |
| 582,435 | Sovos Brands, Term Loan, 1st Lien, 06/08/28 | 583,163 |
| ENERGY — 2.7% | | |
| 804,000 | Quarternorth Energy Holding, Term Loan, 2nd Lien, 08/27/26 | 802,324 |
| HEALTHCARE — 3.1% | | |
| 1,181,643 | Carestream Health Inc., Term Loan, 1st Lien, 09/30/27 | 941,438 |
| INDUSTRIALS — 4.6% | | |
| 1,372,472 | Circor International, Inc., Term Loan, 1st Lien, 12/20/28 | 1,375,430 |
| INFORMATION TECHNOLOGY — 3.7% | | |
| 1,125,000 | Imperva, Term Loan, 1st Lien, 01/12/26 | 1,128,516 |
| | Total U.S. Senior Loans (Cost \$5,592,470) | <u>5,439,655</u> |

1,385 Triton International(a)

114,401

INVESTMENT PORTFOLIO (unaudited)(continued)
As of September 30, 2023

| <u>Principal Amount (\$)</u> | <u>Value (\$)</u> |
|---|-------------------|
| Convertible Bonds — 15.8% | |
| COMMUNICATION SERVICES — 4.6% | |
| 1,400,000 Radius Global Infrastructure 2.50%, 09/15/26 (g) | 1,404,200 |
| FINANCIALS — 0.8% | |
| 250,000 Starwood Property Trust 6.75%, 07/15/27 | 257,375 |
| HEALTHCARE — 3.9% | |
| 1,200,000 Tabula Rasa HealthCare 1.75%, 02/15/26 | 1,174,214 |
| INDUSTRIALS — 1.7% | |
| 250,000 Fluor 1.13%, 08/15/29 (g) | 259,313 |
| 250,000 Tetra Tech 2.25%, 08/15/28 (g) | 247,500 |
| | 506,813 |
| INFORMATION TECHNOLOGY — 3.6% | |
| 1,094,000 Kaleyra 6.13%, 06/01/26 (g) | 1,073,541 |
| MATERIALS — 1.2% | |
| 500,000 PureCycle Technologies, Inc. 7.25%, 08/15/30 (g) | 358,000 |
| Total Convertible Bonds (Cost \$4,830,272) | 4,774,143 |
| Corporate Obligations — 8.7% | |
| COMMUNICATION SERVICES — 0.7% | |
| 400,000 Alphabet 2.25%, 08/15/60 (h) | 213,193 |
| CONSUMER DISCRETIONARY — 5.8% | |
| 400,000 Amazon.com 2.70%, 06/03/60 | 226,240 |
| 300,000 Carriage Services 4.25%, 05/15/29 (g) | 256,982 |
| 1,285,000 Michael Kors USA 4.25%, 11/01/24 (g) | 1,263,785 |
| | 1,747,007 |
| FINANCIALS — 2.2% | |
| 684,000 SEG Holding 5.63%, 10/15/28 (g) | 686,123 |
| Total Corporate Obligations (Cost \$2,724,798) | 2,646,323 |
| Shares | |
| Preferred Stock — 3.6% | |
| REAL ESTATE — 1.6% | |
| 1,942 Hersha Hospitality Trust 6.88%(i) | 47,929 |
| 1,955 Hersha Hospitality Trust 6.50%(i) | 48,380 |
| 17,000 Seritage Growth Properties 7.00%(i) | 392,700 |
| | 489,009 |
| UTILITIES — 2.0% | |
| 24,006 Brookfield Renewable Partners L.P. 6.05%(i)(j) | 328,485 |
| 7,000 NextEra Energy, Inc. 6.93%, 09/01/2025(h) | 264,810 |
| | 593,295 |
| Total Preferred Stock (Cost \$1,235,251) | 1,082,304 |

NexPoint Event Driven Fund

| <u>Units</u> | <u>Value (\$)</u> |
|--|-------------------|
| Warrant — 1.7% | |
| ENERGY — 1.7% | |
| 4,000 Quaternorth Energy Holding Inc. Tranche 3, Expires 08/27/2029 | 532,000 |
| Total Warrant (Cost \$466,000) | 532,000 |
| Contracts | |
| Purchased Call Options(b) — 0.3% | |
| 329 Total Purchased Call Options (Cost \$147,884) | 108,240 |
| Contracts | |
| Purchased Put Options(b) — 0.1% | |
| 241 Total Purchased Put Options (Cost \$48,125) | 17,965 |
| Units | |
| Rights — 0.1% | |
| HEALTHCARE — 0.1% | |
| Healthcare Equipment & Supplies — 0.0% | |
| 3,352 Abiomed, Inc. (h) | 3,419 |
| 7,303 Novartis | 2,848 |
| | 6,267 |
| Pharmaceuticals — 0.1% | |
| 225,000 Paratek Pharmaceuticals (d) | 18,000 |
| Total Rights (Cost \$—) | 24,267 |
| Shares | |
| Exchange-Traded Fund — 0.1% | |
| 2,000 ProShares Ultra VIX Short-Term Futures ETF (b) | 32,420 |
| Total Exchange-Traded Fund (Cost \$136,812) | 32,420 |
| Principal Amount (\$) | |
| Repurchase Agreements(k)(l) — 1.5% | |
| 249,000 RBC Dominion Securities dated 9/30/2023 to be repurchased on 10/03/2023, repurchase price \$249,110 (collateralized by U.S. Government Agencies, ranging in par value \$10 - \$53,436, 0.000% - 7.000%, 10/05/2023 – 09/01/2053; with total market value \$253,980) | 249,000 |

INVESTMENT PORTFOLIO (unaudited)(continued)

As of September 30, 2023

NexPoint Event Driven Fund

| Principal Amount (\$) | Value (\$) |
|--|------------|
| Repurchase Agreements(k)(l) (continued) | |
| 210,640 BofA Securities dated 9/30/2023 to be repurchased on 10/03/2023, repurchase price \$210,733 (collateralized by U.S. Government Agencies, ranging in par value \$521 - \$47,843, 2.500% - 5.500%, 04/20/2043 – 09/01/2053; with total market value \$214,853) | 210,640 |
| Total Repurchase Agreements (Cost \$459,640) | 459,640 |

Shares

| | |
|--|-------------------|
| Cash Equivalents — 0.9% | |
| MONEY MARKET FUND(m) — 0.9% | |
| 278,467 Dreyfus Treasury Obligations Cash Management, Institutional Class 5.230% | 278,467 |
| Total Cash Equivalents (Cost \$278,467) | 278,467 |
| Total Investments—119.7% (Cost \$39,237,751) | 36,272,705 |

Shares

| | |
|---|-------------|
| Securities Sold Short— (14.7)% | |
| Common Stock — (14.7)% | |
| CONSUMER DISCRETIONARY — (2.5)% | |
| (1,500) America's Car-Mart, Inc. (n) | (136,485) |
| (540) Asbury Automotive Group (n) | (124,238) |
| (735) AutoNation, Inc. (n) | (111,279) |
| (735) Penske Automotive Group, Inc. | (122,789) |
| (2,500) Sonic Automotive, Inc., Class A | (119,400) |
| (600) Tesla, Inc. (n) | (150,132) |
| | (764,323) |
| ENERGY — (7.4)% | |
| (15,658) Exxon Mobil | (1,841,068) |
| (3,740) HF Sinclair | (212,918) |
| (12,833) Permian Resources, Class A | (179,149) |
| | (2,233,135) |
| FINANCIALS — (2.6)% | |
| (315) Credit Acceptance Corp. (n) | (144,938) |
| (29,622) Ellington Financial, REIT | (369,386) |
| (19,353) Greenhill | (286,425) |
| | (800,749) |
| HEALTHCARE — (0.5)% | |
| Biotechnology — (0.5)% | |
| (8,456) Intercept Pharmaceuticals (n) | (156,774) |
| INFORMATION TECHNOLOGY — (1.0)% | |
| (41,046) PFSweb (n) | (305,382) |
| REAL ESTATE — (0.6)% | |
| (9,533) Kimco Realty | (167,685) |

| Shares | Value (\$) |
|---|--------------------|
| UTILITIES — (0.1)% | |
| (539) Brookfield Infrastructure, Class A | (19,048) |
| (2,913) TransAlta | (25,489) |
| | (44,537) |
| Total Common Stock (Proceeds \$4,537,985) | (4,472,585) |
| Total Securities Sold Short - (14.7)% (Proceeds \$4,537,985) | (4,472,585) |
| Contracts | |
| Written Options— (0.3)% | |
| Written Put Options— (0.1)% | |
| (300) Total Written Call Options - (0.1)% (Premiums Received \$69,321) | (21,525) |
| Written Call Options— (0.2)% | |
| (548) Total Written Call Options - (0.20)% (Premiums Received \$76,688) | (60,723) |
| Other Assets & Liabilities, Net - (4.7)% (o) | (1,426,340) |
| Net Assets - 100.0% | 30,291,532 |

- All or part of this security is pledged as collateral for short sales. The fair value of the securities pledged as collateral was \$14,723,307.
- Non-income producing security.
- Securities with a total aggregate value of \$201,427, or 0.7% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Investment Portfolio for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- Represents fair value as determined by the Investment Adviser pursuant to the policies and procedures approved by the Board of Trustees (the "Board"). The Board has designated the Investment Adviser as "valuation designee" for the Fund pursuant to Rule 2a-5 of the Investment Company Act of 1940, as amended. The Investment Adviser considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$219,427, or 0.7% of net assets, were fair valued under the Fund's valuation procedures as of September 30, 2023. Please see Notes to Investment Portfolio.

INVESTMENT PORTFOLIO (unaudited)(continued)**As of September 30, 2023****NexPoint Event Driven Fund**

- (e) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the policies and procedures established by the Board. Additional Information regarding such securities follows:

| Restricted Security | Security Type | Acquisition Date | Cost of Security | Fair Value at Period End | Percent of Net Assets |
|---------------------|---------------|------------------|------------------|--------------------------|-----------------------|
| AMINO, Inc. | Common Stock | 11/18/2016 | \$2,464,266 | \$ 201,427 | 0.7% |

- (f) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the Secured Overnight Financing Rate (“SOFR”) or (iii) the Certificate of Deposit rate. As of September 30, 2023, the SOFR 1 Month and SOFR 3 Month rates were 5.43% and 5.66%, respectively. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the “1933 Act”), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturity shown.
- (g) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transactions exempt from registration to qualified institutional buyers. The Board has determined these investments to be liquid. At September 30, 2023, these securities amounted to \$5,549,444 or 18.3% of net assets.
- (h) Securities (or a portion of securities) on loan. As of September 30, 2023, the fair value of securities loaned was \$444,266. The loaned securities were secured with cash and/or securities collateral of \$456,604. Collateral is calculated based on prior day’s prices.
- (i) Perpetual security with no stated maturity date.
- (j) Variable or floating rate security. The base lending rates are generally the lending rate offered by one or more European banks such as the LIBOR. The interest rate shown reflects the rate in effect September 30, 2023.
- (k) Tri-Party Repurchase Agreement.
- (l) This security was purchased with cash collateral held from securities on loan. The total value of such securities as of September 30, 2023 was \$459,640.

- (m) Rate reported is 7 day effective yield.
- (n) No dividend payable on security sold short.
- (o) As of September 30, 2023, \$4,509,232 in cash was segregated or on deposit with the brokers to cover investments sold short and is included in “Other Assets & Liabilities, Net”.

INVESTMENT PORTFOLIO (unaudited)(concluded)
As of September 30, 2023
NexPoint Event Driven Fund

Forward foreign currency contracts outstanding as of September 30, 2023, were as follows:

| <u>Counterparty</u> | <u>Settlement Date</u> | <u>Currency to Deliver</u> | <u>Notional Amount (\$)</u> | <u>Currency to Receive</u> | <u>Notional Amount (\$)</u> | <u>Unrealized Appreciation/ (Depreciation)</u> |
|---------------------|------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|--|
| Goldman Sachs | 12/29/23 | GBP | 443,022 | USD | 561,912 | \$ 20,930 |
| Goldman Sachs | 10/13/23 | GBP | 769,416 | USD | 973,872 | 34,766 |
| Goldman Sachs | 10/20/23 | GBP | 890,678 | USD | 1,128,605 | 41,499 |
| Goldman Sachs | 11/01/23 | GBP | 74,331 | USD | 92,904 | 2,181 |
| Goldman Sachs | 11/10/23 | GBP | 1,208,802 | USD | 1,520,489 | 45,064 |
| Goldman Sachs | 11/17/23 | GBP | 431,769 | USD | 545,322 | 18,302 |
| Goldman Sachs | 10/20/23 | NOK | 7,588,665 | USD | 816,000 | 4,552 |
| Goldman Sachs | 11/01/23 | USD | 93,541 | GBP | 74,331 | (2,819) |
| Goldman Sachs | 11/17/23 | USD | 547,588 | GBP | 431,769 | (20,568) |
| | | | | | | <u>\$ 143,907</u> |

Purchased options contracts outstanding as of September 30, 2023 were as follows:

| <u>Description</u> | <u>Exercise Price</u> | <u>Counterparty</u> | <u>Expiration Date</u> | <u>Number of Contracts</u> | <u>Notional Value</u> | <u>Premium</u> | <u>Value</u> |
|-------------------------------|-----------------------|---------------------|------------------------|----------------------------|-----------------------|-----------------|-----------------|
| PURCHASED PUT OPTIONS: | | | | | | | |
| Apple | \$ 125.00 | Pershing | January 2024 | 11 | \$ 188,331 | \$ 4,654 | \$ 715 |
| Vistra | 30.00 | Pershing | January 2024 | 230 | 763,140 | 43,471 | 17,250 |
| | | | | | | <u>\$48,125</u> | <u>\$17,965</u> |

| <u>Description</u> | <u>Exercise Price</u> | <u>Counterparty</u> | <u>Expiration Date</u> | <u>Number of Contracts</u> | <u>Notional Value</u> | <u>Premium</u> | <u>Value</u> |
|--------------------------------|-----------------------|---------------------|------------------------|----------------------------|-----------------------|------------------|------------------|
| PURCHASED CALL OPTIONS: | | | | | | | |
| Aptiv PLC | \$ 97.50 | Pershing | October 2023 | 22 | \$ 216,898 | \$ 9,967 | \$ 10,120 |
| Borg Warner | 40.00 | Pershing | October 2023 | 67 | 270,479 | 12,101 | 10,720 |
| Dana | 16.00 | Pershing | October 2023 | 130 | 190,710 | 11,336 | 1,300 |
| MP Materials | 22.50 | Pershing | December 2023 | 40 | 76,400 | 14,902 | 2,800 |
| Seagen | 210.00 | Pershing | January 2024 | 70 | 1,485,050 | 99,578 | 83,300 |
| | | | | | | <u>\$147,884</u> | <u>\$108,240</u> |

Written options contracts outstanding as of September 30, 2023 were as follows:

| <u>Description</u> | <u>Exercise Price</u> | <u>Counterparty</u> | <u>Expiration Date</u> | <u>Number of Contracts</u> | <u>Notional Value</u> | <u>Premium</u> | <u>Value</u> |
|-----------------------------|-----------------------|---------------------|------------------------|----------------------------|-----------------------|-------------------|-------------------|
| WRITTEN PUT OPTIONS: | | | | | | | |
| Seagen | \$ 185.00 | Pershing | January 2024 | (70) | \$ (1,485,050) | \$(55,821) | \$(17,500) |
| Vistra | 26.00 | Pershing | January 2024 | (230) | \$ (763,140) | (13,500) | (4,025) |
| | | | | | | <u>\$(69,321)</u> | <u>\$(21,525)</u> |

| <u>Description</u> | <u>Exercise Price</u> | <u>Counterparty</u> | <u>Expiration Date</u> | <u>Number of Contracts</u> | <u>Notional Value</u> | <u>Premium</u> | <u>Value</u> |
|------------------------------|-----------------------|---------------------|------------------------|----------------------------|-----------------------|-------------------|-------------------|
| WRITTEN CALL OPTIONS: | | | | | | | |
| Apple | \$ 175.00 | Pershing | January 2024 | (11) | \$ 188,331 | \$(13,056) | \$ (9,449) |
| Borg Warner | 45.00 | Pershing | October 2023 | (67) | 270,479 | (1,910) | (804) |
| Dana | 19.00 | Pershing | October 2023 | (130) | 190,710 | (1,313) | (1,625) |
| Seagen | 220.00 | Pershing | January 2024 | (70) | 1,485,050 | (46,723) | (38,500) |
| Sovos Brands | 25.00 | Pershing | February 2024 | (155) | 349,525 | (1,387) | (3,100) |
| Teck Resources | 46.00 | Pershing | October 2023 | (115) | 495,535 | (12,299) | (7,245) |
| | | | | | | <u>\$(76,688)</u> | <u>\$(60,723)</u> |

INVESTMENT PORTFOLIO (unaudited)

As of September 30, 2023

| Shares | | Value (\$) |
|---------------------------------------|--|-------------|
| Common Stock — 56.9% | | |
| COMMUNICATION SERVICES — 10.7% | | |
| 826,696 | Activision Blizzard(a) | 77,403,547 |
| 88,561 | GCI Liberty, Inc., Class A(b) | — |
| 4,141,767 | Kahoot!(b) | 13,447,996 |
| | | 90,851,543 |
| CONSUMER DISCRETIONARY — 2.0% | | |
| 23,964 | Arco Platform, Class A(a)(b) | 330,224 |
| 325,663 | Capri Holdings(a)(b) | 17,133,130 |
| | | 17,463,354 |
| CONSUMER STAPLES — 1.0% | | |
| 391,418 | Sovos Brands(a)(b) | 8,826,476 |
| ENERGY — 11.1% | | |
| 714,412 | Denbury(a)(b) | 70,019,520 |
| 1,050,076 | Earthstone Energy, Class A(b) | 21,253,538 |
| 203,839 | Green Plains Partners | 3,033,124 |
| 15,183 | Holly Energy Partners | 333,419 |
| | | 94,639,601 |
| FINANCIALS — 3.6% | | |
| 900,660 | Argo Group International Holdings(b) | 26,875,694 |
| 151,910 | Avantax(b) | 3,885,858 |
| | | 30,761,552 |
| HEALTHCARE — 17.7% | | |
| 306,121 | AMINO, Inc.(b)(c)(d)(e) | 143,877 |
| 2,246 | Biote, Class A(b) | 11,500 |
| 917,524 | Dechra Pharmaceuticals | 42,331,765 |
| 1,592,044 | EMIS Group | 37,542,158 |
| 607,890 | Horizon Therapeutics(a)(b) | 70,326,794 |
| | | 150,356,094 |
| INDUSTRIALS — 4.2% | | |
| 641,413 | Heritage-Crystal Clean(a)(b) | 29,088,079 |
| 50,210 | Triton International(a) | 4,147,346 |
| 15,223 | Veritiv | 2,571,165 |
| | | 35,806,590 |
| INFORMATION TECHNOLOGY — 5.3% | | |
| 84,286 | Computer Task Group(a)(b) | 870,675 |
| 740,389 | National Instruments | 44,141,992 |
| | | 45,012,667 |
| REAL ESTATE — 0.6% | | |
| 466,290 | RPT Realty(a) | 4,924,022 |
| UTILITIES — 0.7% | | |
| 137,580 | PNM Resources | 6,137,444 |
| 37,911 | TransAlta Renewables | 344,620 |
| | | 6,482,064 |
| | Total Common Stock (Cost \$479,082,605) | 485,123,963 |

Principal Amount (\$)

| | | |
|--------------------------------------|--|------------|
| U.S. Senior Loans (f) — 13.5% | | |
| CONSUMER DISCRETIONARY — 5.3% | | |
| 44,582,600 | Hostess Brand, LLC, Term Loan 1st Lien, 06/21/30 | 44,735,741 |
| CONSUMER STAPLES — 2.1% | | |

NexPoint Merger Arbitrage Fund

| Principal Amount (\$) | | Value (\$) |
|--|--|-------------|
| U.S. Senior Loans (continued) | | |
| ENERGY — 0.8% | | |
| 7,000,000 | Quaternorth Energy Holding, Term Loan, 2nd Lien, 08/27/26 | 6,985,405 |
| INDUSTRIALS — 0.9% | | |
| 7,818,559 | Circor International, Inc., Term Loan, 1st Lien, 12/20/28 | 7,835,408 |
| INFORMATION TECHNOLOGY — 4.4% | | |
| 37,375,000 | Imperva, Term Loan, 1st Lien, 01/12/26 | 37,491,797 |
| | Total U.S. Senior Loans (Cost \$115,114,499) | 114,871,910 |
| Convertible Bonds — 13.2% | | |
| COMMUNICATION SERVICES — 9.2% | | |
| 78,096,000 | Radius Global Infrastructure 2.50%, 09/15/26 (g) | 78,330,288 |
| HEALTHCARE — 1.7% | | |
| 9,542,000 | Intercept Pharmaceuticals 2.00%, 05/15/26 | 9,363,088 |
| 5,469,000 | Tabula Rasa HealthCare 1.75%, 02/15/26 | 5,351,480 |
| | | 14,714,568 |
| INFORMATION TECHNOLOGY — 2.3% | | |
| 20,086,000 | Kaleyra 6.13%, 06/01/26 (g) | 19,710,379 |
| | Total Convertible Bonds (Cost \$111,946,153) | 112,755,235 |
| Asset-Backed Securities — 13.2% | | |
| 5,000,000 | Ares LXVII CLO, Series 2022-67A, Class A2 TSFR3M + 2.650%, 8.00%, 1/25/2036 (g)(h) | 5,000,000 |
| 5,000,000 | Black Diamond CLO, Series 2022-1A, Class A1A TSFR3M + 2.500%, 7.85%, 10/25/2035 (g)(h) | 5,012,500 |
| 3,500,000 | Bridge Street CLO III, Series 2022-1A, Class A2 TSFR3M + 2.950%, 8.28%, 10/20/2034 (g)(h) | 3,507,875 |
| 9,000,000 | Bridge Street CLO III, Series 2022-1A, Class A1 TSFR3M + 2.300%, 7.63%, 10/20/2034 (g)(h) | 9,024,750 |
| 6,000,000 | Capital Four US CLO III, Series 2023-2A, Class A2 TSFR3M + 3.000%, 8.33%, 1/21/2035 (g)(h) | 6,030,000 |
| 6,500,000 | Carlyle US CLO, Series 2022-4A, Class A2 TSFR3M + 2.250%, 7.60%, 7/25/2034 (g)(h) | 6,514,625 |

| | | |
|------------|--|-------------------|
| 17,801,307 | Sovos Brands, Term Loan, 1st Lien, 06/08/28 | <u>17,823,559</u> |
|------------|--|-------------------|

INVESTMENT PORTFOLIO (unaudited)(continued)
As of September 30, 2023

| Principal Amount (\$) | | Value (\$) |
|--|--|-------------|
| Asset-Backed Securities (continued) | | |
| 5,000,000 | Carlyle US CLO, Series 2022-6A, Class A TSFR3M + 2.250%, 7.60%, 10/25/2034 (g)(h) | 5,011,250 |
| 5,000,000 | Danby Park CLO, Series 2022-1A, Class A2 TSFR3M + 2.750%, 8.08%, 10/21/2035 (g)(h) | 5,025,000 |
| 8,000,000 | Empower CLO, Series 2022-1A, Class A2 TSFR3M + 2.500%, 7.83%, 10/20/2034 (g)(h) | 8,018,000 |
| 6,000,000 | Halsey CLO VI, Series 2022-6A, Class A2 TSFR3M + 2.650%, 7.98%, 10/20/2034 (g)(h) | 6,022,500 |
| 3,898,837 | Newark BSL CLO I, Series 2020-1A, Class A1R TSFR3M + 1.362%, 6.72%, 12/21/2029 (g)(h) | 3,886,751 |
| 10,000,000 | OFSI BSL XII, Series 2023-12A, Class A1 TSFR3M + 2.400%, 7.35%, 1/20/2035 (g)(h) | 10,022,500 |
| 6,000,000 | Park Blue CLO II, Series 2023-2A, Class A2 TSFR3M + 2.900%, 8.23%, 1/20/2035 (g)(h) | 6,003,000 |
| 5,000,000 | Saratoga Investment Senior Loan Fund, Series 2022-1A, Class A2 TSFR3M + 2.600%, 7.93%, 10/20/2033 (g)(h) | 5,011,250 |
| 10,000,000 | Sycamore Tree CLO, Series 2023-2A, Class A TSFR3M + 2.330%, 7.66%, 4/20/2035 (g)(h) | 10,059,900 |
| 5,000,000 | Tikehau US CLO II, Series 2022-1A, Class AJ TSFR3M + 2.600%, 7.93%, 7/20/2033 (g)(h) | 5,006,250 |
| 13,266,239 | Venture XXVII CLO, Series 2017-27RA, Class A US0003M + 1.300%, 6.90%, 7/21/2030 (g)(h) | 13,173,375 |
| Total Asset-Backed Securities (Cost \$111,760,357) | | 112,329,526 |
| Corporate Obligations — 4.3% | | |
| CONSUMER DISCRETIONARY — 3.6% | | |
| 31,473,000 | Michael Kors USA 4.25%, 11/01/24 (g) | 30,953,381 |
| FINANCIALS — 0.7% | | |
| 5,969,000 | SEG Holding 5.63%, 10/15/28 (g) | 5,987,522 |
| Total Corporate Obligations (Cost \$37,075,361) | | 36,940,903 |

NexPoint Merger Arbitrage Fund

| Shares | | Value (\$) |
|--|--|------------|
| Special Purpose Acquisition Companies — 0.8% | | |
| SPECIAL PURPOSE ACQUISITION COMPANY — 0.8% | | |
| 10,000 | Blockchain Coinvestors Acquisition I(b) | 107,900 |
| 225,000 | Energem Acquisition(b) | 2,675,250 |
| 60,927 | Everest Consolidator Acquisition(b) | 661,058 |
| 294,324 | Integrated Rail and Resources Acquisition(b) | 3,234,621 |
| | | 6,678,829 |
| Total Special Purpose Acquisition Companies (Cost \$5,942,124) | | 6,678,829 |
| Exchange-Traded Fund — 0.5% | | |
| 300,000 | Bondbloxx USD High Yield Sector Rotation | 4,313,280 |
| Total Exchange-Traded Fund (Cost \$4,422,000) | | 4,313,280 |
| Preferred Stock — 0.3% | | |
| REAL ESTATE — 0.3% | | |
| 56,916 | Hersha Hospitality Trust 6.88%(i) | 1,404,687 |
| 57,548 | Hersha Hospitality Trust 6.50%(i) | 1,424,144 |
| Total Preferred Stock (Cost \$2,839,510) | | 2,828,831 |
| Contracts | | |
| Purchased Call Options(b) — 0.1% | | |
| 1,000 | Total Purchased Call Options (Cost \$1,422,550) | 1,190,000 |
| Units | | |
| Warrants — 0.0% | | |
| HEALTHCARE — 0.0% | | |
| 71,084 | Apollomics, Expires 12/11/2027(b) | 3,483 |
| INFORMATION TECHNOLOGY — 0.0% | | |
| 113,155 | SMX Security Matters, Expires 03/10/2028(b) | 1,635 |
| REAL ESTATE — 0.0% | | |
| 12,612 | Appreciate Holdings, Expires 12/02/2027(b) | 155 |
| SPECIAL PURPOSE ACQUISITION COMPANY — 0.0% | | |
| 12,500 | AltEnergy Acquisition, Expires 11/05/2028(b) | 881 |
| 150,000 | Fat Projects Acquisition, Expires 06/19/2026(b) | 5,137 |
| 198,080 | Perception Capital II, Expires 01/03/2029(b) | 19,907 |
| 108,741 | Phoenix Biotech Acquisition, Expires 09/04/2026(b) | 7,786 |
| 21,237 | Seaport Global Acquisition II, Expires 11/20/2026(b) | 1,168 |
| | | 34,879 |
| Total Warrants (Cost \$302,468) | | 40,152 |

INVESTMENT PORTFOLIO (unaudited)(continued)

As of September 30, 2023

NexPoint Merger Arbitrage Fund

| Units | | Value (\$) |
|--------------------------|---------------|------------|
| Rights — 0.0% | | |
| HEALTHCARE — 0.0% | | |
| 171,486 | Abiomed, Inc. | 174,916 |
| 268,873 | Novartis | 104,860 |
| | Total Rights | |
| | (Cost \$—) | 279,776 |

| Shares | | |
|------------------------------------|--|--------------------|
| Cash Equivalents — 4.9% | | |
| MONEY MARKET FUND(j) — 4.9% | | |
| 42,071,225 | Dreyfus Treasury Obligations Cash Management, Institutional Class 5.230% | 42,071,225 |
| | Total Cash Equivalents | |
| | (Cost \$42,071,225) | 42,071,225 |
| Total Investments—107.7% | | |
| (Cost \$911,978,852) | | 919,423,630 |

| Shares | | |
|---------------------------------------|---------------------------------------|---------------|
| Securities Sold Short— (12.3)% | | |
| Common Stock — (12.3)% | | |
| ENERGY — (11.1)% | | |
| (600,030) | Exxon Mobil | (70,551,528) |
| (82,563) | Green Plains (k) | (2,485,146) |
| (4,783) | HF Sinclair | (272,296) |
| (1,519,670) | Permian Resources, Class A | (21,214,593) |
| | | (94,523,563) |
| HEALTHCARE — (0.5)% | | |
| (235,622) | Intercept Pharmaceuticals (k) | (4,368,432) |
| REAL ESTATE — (0.6)% | | |
| (282,673) | Kimco Realty | (4,972,218) |
| UTILITIES — (0.1)% | | |
| (19,558) | Brookfield Infrastructure, Class A | (691,180) |
| (16,511) | TransAlta | (144,471) |
| | | (835,651) |
| | Total Common Stock | |
| | (Proceeds \$100,890,846) | (104,699,864) |
| | Total Securities Sold Short - | |
| | (12.3)% | |
| | (Proceeds \$100,890,846) | (104,699,864) |

| Contracts | | |
|--|------------------------------|--------------------|
| Written Put Options — (0.0)% | | |
| (1,000) | Total Written Put Options - | |
| | (0.0)% | |
| | (Premiums Received | |
| | \$797,450) | (250,000) |
| Written Call Options — (0.1)% | | |
| (4,731) | Total Written Call Options - | |
| | (0.1)% | |
| | (Premiums Received | |
| | \$700,919) | (624,620) |
| Other Assets & Liabilities, Net - 4.6%(l) | | 39,462,905 |
| Net Assets - 100.0% | | 853,312,051 |

- All or part of this security is pledged as collateral for short sales. The fair value of the securities pledged as collateral was \$283,069,813.
- Non-income producing security.
- Securities with a total aggregate value of \$143,877, or 0.0% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Investment Portfolio for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- Represents fair value as determined by the Investment Adviser pursuant to the policies and procedures approved by the Board of Trustees (the “Board”). The Board has designated the Investment Adviser as “valuation designee” for the Fund pursuant to Rule 2a-5 of the Investment Company Act of 1940, as amended. The Investment Adviser considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$143,877, or 0.0% of net assets, were fair valued under the Fund’s valuation procedures as of September 30, 2023. Please see Notes to Investment Portfolio.
- Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the policies and procedures established by the Board. Additional Information regarding such securities follows:

| Restricted Security | Security Type | Acquisition Date | Cost of Security | Fair Value at Period End | Percent of Net Assets |
|---------------------|---------------|------------------|------------------|--------------------------|-----------------------|
| AMINO, Inc. | Common Stock | 11/18/2016 | \$1,760,196 | \$143,877 | 0.0% |

- (f) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the Secured Overnight Financing Rate (“SOFR”) or (iii) the Certificate of Deposit rate. As of September 30, 2023, the SOFR 1 Month and SOFR 3 Month rates were 5.43% and 5.66%, respectively. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the “1933 Act”), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturity shown.
- (g) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transactions exempt from registration to qualified institutional buyers. The Board has determined these investments to be liquid. At September 30, 2023, these securities amounted to \$247,311,095 or 29.0% of net assets.

INVESTMENT PORTFOLIO (unaudited)(concluded)**As of September 30, 2023****NexPoint Merger Arbitrage Fund**

- (h) Variable or floating rate security. The rate shown is the effective interest rate as of period end. The rates on certain securities are not based on published reference rates and spreads and are either determined by the issuer or agent based on current market conditions; by using a formula based on the rates of underlying loans; or by adjusting periodically based on prevailing interest rates.
- (i) Perpetual security with no stated maturity date.
- (j) Rate reported is 7 day effective yield.
- (k) No dividend payable on security sold short.
- (l) As of September 30, 2023, \$– in cash was segregated or on deposit with the brokers to cover investments sold short and is included in “Other Assets & Liabilities, Net”.

Forward foreign currency contracts outstanding as of September 30, 2023, were as follows:

| <u>Counterparty</u> | <u>Settlement Date</u> | <u>Currency to Deliver</u> | <u>Notional Amount (\$)</u> | <u>Currency to Receive</u> | <u>Notional Amount (\$)</u> | <u>Unrealized Appreciation/ (Depreciation)</u> |
|---------------------|------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|--|
| Goldman Sachs | 10/20/23 | GBP | 30,646,847 | USD | 38,872,655 | \$ 1,467,037 |
| Goldman Sachs | 11/10/23 | GBP | 35,350,924 | USD | 44,412,398 | 1,264,190 |
| Goldman Sachs | 11/17/23 | GBP | 13,330,799 | USD | 16,841,342 | 569,685 |
| Goldman Sachs | 10/20/23 | NOK | 2,844,835 | USD | 271,835 | 4,273 |
| Goldman Sachs | 10/20/23 | NOK | 142,117,010 | USD | 13,301,298 | (65,052) |
| Goldman Sachs | 11/17/23 | USD | 16,907,362 | GBP | 13,330,799 | (635,704) |
| | | | | | | <u>\$ 2,604,429</u> |

Purchased options contracts outstanding as of September 30, 2023 were as follows:

| <u>Description</u> | <u>Exercise Price</u> | <u>Counterparty</u> | <u>Expiration Date</u> | <u>Number of Contracts</u> | <u>Notional Value</u> | <u>Premium</u> | <u>Value</u> |
|--------------------------------|-----------------------|---------------------|------------------------|----------------------------|-----------------------|----------------|--------------|
| PURCHASED CALL OPTIONS: | | | | | | | |
| Seagen | \$ 210.00 | Pershing | January 2024 | 1,000 | \$21,215,000 | \$1,422,550 | \$1,190,000 |

Written options contracts outstanding as of September 30, 2023 were as follows:

| <u>Description</u> | <u>Exercise Price</u> | <u>Counterparty</u> | <u>Expiration Date</u> | <u>Number of Contracts</u> | <u>Notional Value</u> | <u>Premium</u> | <u>Value</u> |
|-----------------------------|-----------------------|---------------------|------------------------|----------------------------|-----------------------|----------------|--------------|
| WRITTEN PUT OPTIONS: | | | | | | | |
| Seagen | \$ 185.00 | Pershing | January 2024 | (1,000) | \$(21,215,000) | \$(797,450) | \$(250,000) |

| <u>Description</u> | <u>Exercise Price</u> | <u>Counterparty</u> | <u>Expiration Date</u> | <u>Number of Contracts</u> | <u>Notional Value</u> | <u>Premium</u> | <u>Value</u> |
|------------------------------|-----------------------|---------------------|------------------------|----------------------------|-----------------------|--------------------|--------------------|
| WRITTEN CALL OPTIONS: | | | | | | | |
| Seagen | \$ 220.00 | Pershing | January 2024 | (1,000) | \$21,215,000 | \$(667,450) | \$(550,000) |
| Sovos Brands | 25.00 | Pershing | February 2024 | (3,731) | 8,413,405 | (33,469) | (74,620) |
| | | | | | | <u>\$(700,919)</u> | <u>\$(624,620)</u> |

NOTES TO INVESTMENT PORTFOLIO (unaudited)

As of September 30, 2023

NexPoint Funds I

Organization

NexPoint Funds I (the “Trust”) was organized as a Delaware statutory trust on February 28, 2006. The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company with three portfolios that were offered as of September 30, 2023, each of which is non-diversified. This report includes information for the three months ended September 30, 2023 for NexPoint Event Driven Fund (the “Event Driven Fund”) and NexPoint Merger Arbitrage Fund (the “Merger Arbitrage Fund”) (each a “Fund” and, collectively, the “Funds”).

On September 15, 2022, the Board of Trustees (the “Board”) of Highland Funds I approved a change of the Trust’s name from Highland Funds I to the NexPoint Funds I.

Valuation of Investments

Pursuant to Rule 2a-5 under the 1940 Act, the Board has designated NexPoint as the Funds’ valuation designee to perform the fair valuation determination for securities and other assets held by the Funds. NexPoint acting through its “Valuation Committee,” is responsible for determining the fair value of investments for which market quotations are not readily available. The Valuation Committee is comprised of officers of NexPoint and certain of NexPoint’s affiliated companies and determines fair value and oversees the calculation of the NAV. The Valuation Committee is subject to Board oversight and certain reporting and other requirements intended to provide the Board the information it needs to oversee NexPoint’s fair value determinations.

The Funds’ investments are recorded at fair value. In computing the Funds’ net assets attributable to shares, securities with readily available market quotations on the New York Stock Exchange (“NYSE”), National Association of Securities Dealers Automated Quotation (“NASDAQ”) or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies and procedures adopted by NexPoint and approved by the Funds’ Board. Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Funds’ loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that NexPoint Asset Management, L.P. (“NexPoint”, “NAM”, or the “Investment Adviser”) has determined to have the capability to provide appropriate pricing services.

Securities for which market quotations are not readily available, or for which the Funds have determined that the price received from a pricing service or broker-dealer is “stale” or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Funds’ net asset value (“NAV”), will be valued by the Funds at fair value, as determined by the Valuation Committee in good faith in accordance with policies and procedures established by NexPoint and approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Funds’ NAV will reflect the affected portfolio securities’ fair value as determined in the judgment of the Valuation Committee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security’s most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Funds’ valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Funds.

NOTES TO INVESTMENT PORTFOLIO (unaudited)(continued)**As of September 30, 2023****NexPoint Funds I****Fair Value Measurements**

The Funds have performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Funds' investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1 — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and
- Level 3 — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

The fair value of the Funds' senior loans and bonds are generally based on quotes received from brokers or independent pricing services. Loans, bonds and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Loans and bonds that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

As of September 30, 2023, the Funds' investments consisted of common stocks, preferred stocks, senior loans, asset-backed securities, bonds and notes, exchange-traded funds, master limited partnerships, repurchase agreements, special purpose acquisition companies, cash equivalents, rights, warrants, securities sold short, forward foreign currency contracts and options. The fair value of the Funds' common stocks, preferred stocks, other registered investment companies, rights, warrants, forward contracts and options that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

NOTES TO INVESTMENT PORTFOLIO (unaudited)(concluded)**As of September 30, 2023****NexPoint Funds I**

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Funds' investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Funds may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise be less liquid than publicly traded securities.

Affiliated Issuers

Under Section 2(a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as "affiliated" if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control.

The Event Driven Fund and Merger Arbitrage Fund did not have any affiliated issuers as of September 30, 2023.

For more information with regard to significant accounting policies, see the most recent annual report filed with the U.S. Securities and Exchange Commission.