

Q1 2024

NEXPOINT

INVESTOR PRESENTATION

Highland Opportunities and Income Fund

Q1

MAY 2024

Disclaimers & Cautionary Notes Regarding Forward-Looking Statements

The information herein has been prepared by the Investment Adviser, is based upon unaudited information, and has not been independently audited or verified. This summary is for informational purposes only and is subject to change. This presentation contains information about prior investments made by the Adviser of the Fund. This information was prepared by the Adviser based on its experience in the industry and on assumptions of fact and opinion as to future events which the Adviser believed to be reasonable when made. There can be no assurance that the Adviser and/or the Fund will be as successful as these earlier investments. Prior investment returns are not indicative of future results. It should not be assumed that investment recommendations made in the future will be profitable or will equal the performance of the securities included herein.

Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange and frequently trade at prices lower than their net asset value, which may increase an investor's risk of loss. Net Asset Value (NAV) is total assets less total liabilities, which includes preferred shares, divided by the number of common shares outstanding. At the time of sale, your shares may have a market price that is above or below NAV and may be worth more or less than your original investment. For additional information, please contact your investment adviser or visit our website www.nexpointassetmgmt.com.

Distributions: If a Fund estimates that it has distributed more than its income and net realized capital gains in the current fiscal year; a portion of its distribution may be a return of capital. A return of capital may occur, for example, when some or all of a shareholder's investment is paid back to the shareholder. A return of capital distribution does not necessarily reflect a Fund's investment performance and should not be confused with "yield" or "income". When distributions exceed total return performance, the difference will reduce the Fund's net asset value per share. Although the character of income will not be determined until the end of the Fund's fiscal year, please refer to the section on the website for Section 19a notices that provide estimated amounts and sources of the fund's distributions, which should not be relied upon for tax reporting purposes. The fund had a return of capital of 71.4% in 2022 and expects similar results in the future. A Form 1099-DIV for the calendar year will be sent to shareholders to illustrate how the Fund's distributions should be reported for federal income tax purposes. 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 sold, 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 call 877-665-1287.

RISK CONSIDERATIONS

Before investing in the Fund, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. For a copy of the Fund's annual report which contains this and other information, please visit our website at www.nexpointassetmgmt.com or call 1-877-665-1287. Please read the Fund's annual report carefully before investing.

Credit Risk. The risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty of a derivatives contract or repurchase agreement, is unable or unwilling (or is perceived to be unable or unwilling) to make a timely payment of principal and/ or interest, or to otherwise honor its obligations. **Currency Risk.** The risk that the values of foreign investments may be affected by changes in the currency rates or exchange control regulations. **Debt Securities Risk.** The Fund's ability to invest in high-yield debt securities generally subjects the Fund to greater risk than securities with higher ratings. Loans may not be considered 'securities' for purposes of the anti-fraud provisions under the federal securities laws and, as a result, as a purchaser of these instruments, a Fund may not be entitled to the anti-fraud protections of the federal securities laws. **Derivatives Risk.** Derivatives, such as futures and options, are subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate, or index. Derivatives also expose the Fund to the credit risk of the derivative counterparty. Derivative contracts may expire worthless, and the use of derivatives may result in losses to the Fund. **Liquidity Risk.** The risk that, due to low trading volume, lack of a market maker, large position size, or legal restrictions (including daily price fluctuation limits or "circuit breakers"), the Fund may not be able to sell particular securities or unwinding derivative positions at desirable prices. Because loan transactions often take longer to settle than transactions in other securities, the Fund may not receive the proceeds from the sale of a loan for a significant period of time. No assurance can be given that the Fund will have sufficient liquidity for distributions. **Non-Diversification Risk.** As a non-diversified fund, the Fund may invest a larger portion of its assets in the securities of one or a few issuers than a diversified fund. **Non-Payment Risk.** Senior Loans, like other corporate debt obligations, are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the Fund, a reduction in the value of the Senior Loan experiencing non-payment and a potential decrease in the NAV of the Fund. **Senior Loans Risk.** The risks associated with senior loans are similar to the risks of below investment grade securities in that they are considered speculative. In addition, as with any debt instrument, senior loans are also generally subject to the risk of price declines and to increases in prevailing interest rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may also increase the risk and rate of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. Therefore, senior loans may not mitigate price declines in a rising long-term interest rate environment. **Short Sales Risk.** The risk of short sales theoretically involves unlimited loss potential since the market price of securities sold short may continuously increase. **Real Estate Investment Trust Risk.** Real estate investments are subject to various risk factors. Generally, real estate investments could be adversely affected by a recession or general economic downturn where the properties are located. Real estate investment performance is also subject to the success that a particular property manager has in managing the property. **Real Estate Market Risk.** The Fund is exposed to economic, market and regulatory changes that impact the real estate market generally through its investment in NFRO REIT Sub, LLC, NFRO REIT Sub II, LLC, and NFRO SFR REIT, LLC (together the "REIT Subsidiaries"), which may cause the Fund's operating results to suffer. A number of factors may prevent the REIT Subsidiaries' properties and other real estate-related investments from generating sufficient net cash flow or may adversely affect their value, or both, resulting in less cash available for distribution, or a loss, to us. These factors include: national, regional, and local economic conditions; changing demographics; the ability of property managers to provide capable management and adequate maintenance; the quality of a property's construction and design; increases in costs of maintenance, insurance, and operations (including energy costs and real estate taxes); potential environmental and other legal liabilities; the level of financing used by each REIT Subsidiary and the availability and cost of refinancing; potential instability, default or bankruptcy of tenants in the properties owned by each REIT Subsidiary; the relative illiquidity of real estate investments in general, which may make it difficult to sell a property at an attractive price or within a reasonable time frame.

Selected Financial Highlights

Quarter Ended March 31, 2024

Balance Sheet Highlights ¹	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Investment Portfolio at Fair Value	\$988	\$1,008	\$1,046	\$1,035	\$1,070	\$1,067	\$1,067	\$1,180	\$1,072
Total Debt Outstanding ²	\$140	\$160	\$159	\$159	\$159	\$162	\$140	\$140	\$140
Total Net Assets	\$867	\$870	\$925	\$928	\$936	\$946	\$1,011	\$1,048	\$1,025
Debt-to-Equity Ratio	0.16x	0.18x	0.17x	0.17x	0.17x	0.17x	0.14x	0.13x	0.14x
Net Debt-to-Equity	0.10x	0.18x	0.17x	0.16x	0.16x	0.14x	0.03x	0.12x	0.06x

Income Statement Highlights ¹	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Total Investment Income	\$11.1	\$12.1	\$9.0	\$10.0	\$24.7	\$10.3	\$32.4	\$52.0	\$10.8
Net Investment Income	\$7.7	\$9.1	\$5.4	\$6.6	\$21.3	\$6.9	\$29.0	\$48.7	\$7.5
Net Realized Gains/(Losses)	\$24.0	(\$2.0)	(\$2.0)	(\$5.2)	\$2.5	(\$7.8)	(\$12.8)	\$77.0	\$79.4
Net Unrealized Appreciation/(Depreciation)	(\$3.4)	(\$44.0)	\$10.4	\$8.1	(\$16.6)	\$28.9	(\$111.9)	(\$70.3)	(\$35.9)
Total Increase in Net Assets Resulting from Operations	\$26.4	(\$38.8)	\$11.9	\$7.6	\$5.2	\$26.0	(\$97.7)	\$53.3	\$49.1

Per-Share Data	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022
Net Asset Value per Share	\$12.91	\$12.74	\$13.56	\$13.61	\$13.74	\$13.89	\$14.86	\$15.41	\$15.06
Net Investment Income per Share (Basic and Diluted)	\$0.11	\$0.13	\$0.08	\$0.10	\$0.31	\$0.10	\$0.43	\$0.72	\$0.11
Total Increase in Net Assets Resulting from Operations per Share (Basic and Diluted)	\$0.24	(\$0.59)	\$0.18	\$0.10	\$0.08	\$0.38	(\$1.44)	\$0.79	\$0.72
Distributions per Share	\$0.12	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23

1. All numbers are in millions, except for per share data.

2. Includes mezzanine equity of approximately \$139.8M.

Summary Portfolio Characteristics

Quarter Ended March 31, 2024

PORTFOLIO COMPOSITION

- As of March 31, 2024, the Fund's gross assets totaled \$988.3 million.
- The Fund's long assets were approximately 74.39% commercial real estate (debt & equity) and 25.61% non-real estate-related assets invested across debt securities, public and private equity, and structured products.
- The Fund held 80 positions with the top-ten holdings comprising 66.45% of the long-only assets.
- The Fund paid \$0.12 in distributions during the quarter for an annualized distribution rate of approximately 3.6% of NAV.



Jim Dondero, CFA
Co-Founder & President

Scott Johnson
Portfolio Manager

GENERAL INFORMATION

Ticker	HFRO
CUSIP	43010E404
Inception Date	January 13, 2000
Expense Ratio	1.45 ⁽¹⁾
Total Managed Assets (M)	\$1,031
Total Net Assets (M)	\$867

PORTFOLIO CHARACTERISTICS

Number of Holdings	80
Monthly Distribution Rate Per Share	\$0.039
Distribution Rate (Price)	6.6%
Distribution Rate (NAV)	3.6%
Regulatory Leverage (M)	\$164
Leverage Percentage	16.0%

*Distributions may include income and/or return of capital. The Fund had a return of capital in 2023 of 66.6% and expects similar results in 2024.

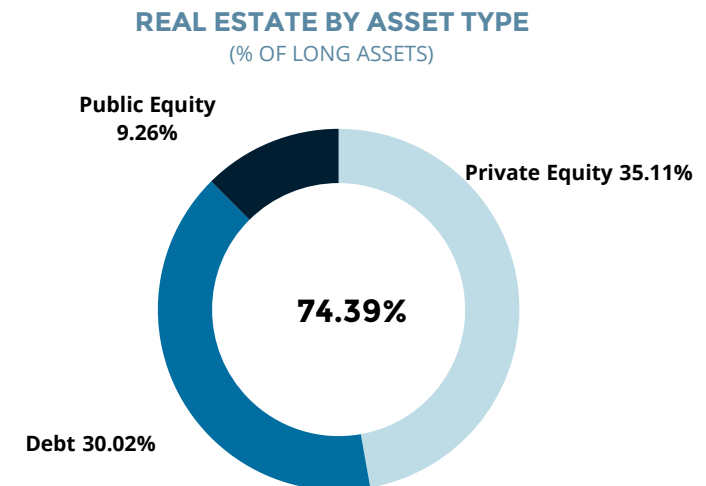
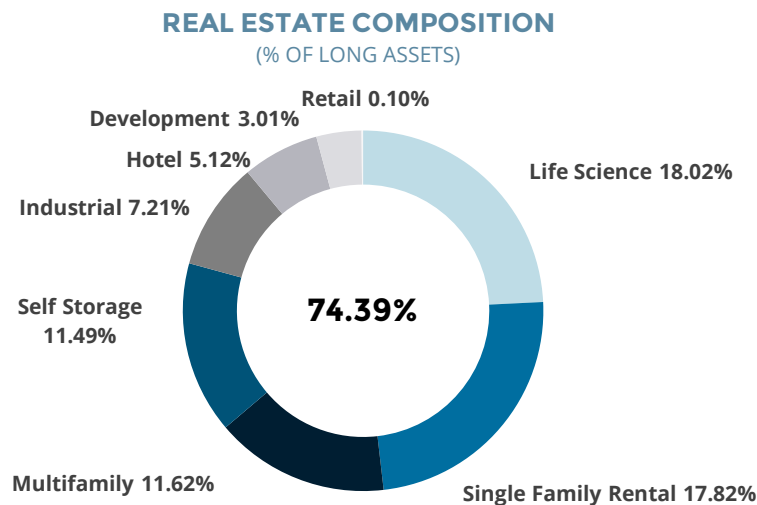
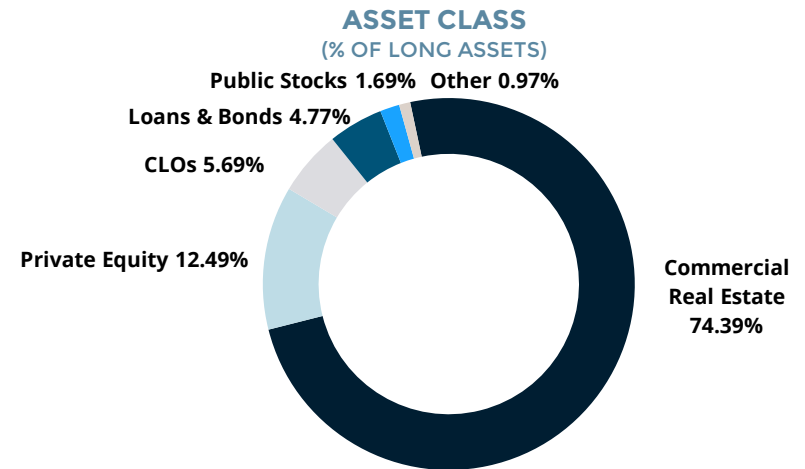
1. The Expense Ratio shown is reported in the Fund's Annual Report Dated December 31, 2023.

Aggregate Portfolio Characteristics

Quarter Ended March 31, 2024

PORTFOLIO COMPOSITION

- As of March 31, 2024, the Fund's assets totaled \$988.3 million.
- The Fund's long assets were approximately 74.39% commercial real estate (debt & equity) and 25.61% non-real estate related assets invested across debt securities, public and private equity, and structured products.
- The real estate assets by type were approximately 35.11% private equity, 30.02% debt, and 9.26% public equity securities, as a percentage of the Fund's long assets.
- The real estate assets were comprised of Life Science (18.02%), Single Family Rental (17.82%), Multifamily (11.62%), Self Storage (11.49%), and the balance in industrial, hotel, and development, as a percentage of the Fund's long assets.



Top Holdings

Quarter Ended March 31, 2024

Investment	Equity	Debt	Total
NexPoint Homes	5.12% ^(a)	7.93% ^(b)	13.05%
NexPoint Storage Partners	11.44%	0.05%	11.49% ^(c)
EDS Legacy Partners	-	11.22% ^(d)	11.22%
NexPoint Real Estate Finance	7.09%	0.66%	7.75%
IQHQ	6.40%	-	6.40%
CCS Medical	3.33%	1.82%	5.15%
NexPoint Hospitality Trust	-	4.64%	4.64%
Resmark Venture	2.37%	-	2.37%
Easton Village Ventures	2.28%	-	2.28%
WMG Space Coast Partners	2.10%	-	2.10%
Total	40.13%	26.32%	66.45%

Top holdings are as a percentage of long-only market value.

a) 100% held within NFRO SFR REIT

b) 2.20% of the 7.93% held within NFRO SFR REIT

c) 8.74% of the 11.49% held within NFRO Self Storage REIT, LLC

d) The position is held across NXLST Operating Partnership, LP Promissory Note, EDS Legacy Partners, LLC, and NXLST Operating Partnership, L.P. Promissory Note, which is held within NFRO Diversified REIT, LLC.

NexPoint Homes

INVESTMENT BACKGROUND

NexPoint Homes Trust, Inc. ("NXHT") is a private real estate investment trust (REIT) formed in 2022 that focuses on acquiring, building, and operating single-family rental ("SFR") homes mostly in the Sunbelt states. NXHT was formed in response to the growing need for expanded access to affordable SFR properties. NXHT focuses on acquiring newer construction homes and partnering with local builders to create "build-for-rent" communities in secondary and tertiary markets. Using a balanced rehabilitation model and carefully studying the Affordability Index of the geographical area, NXHT prices its rentals more affordably, aiming to provide more affordable housing in safe neighborhoods near major employment centers.

INVESTMENT UPDATE

As of March 31, 2024, NXHT owned 2,565 homes with an average purchase price of approximately \$274,000 and an average age of approximately seven years. As of March 31, 2024, the stabilized portfolio occupancy was 96.7% with an average effective monthly rent of \$1,783. The portfolio is split 60% SFR and 40% built-for-rent with over 60% of the homes located in Arkansas, Oklahoma, and Texas.



INVESTMENT HIGHLIGHTS

Initial Investment	2022
% of HFRO	13.05%
Investment	\$121.6M
Investment Type	Debt, Private Equity
Industry	Real Estate - SFR



Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

NexPoint Storage Partners

Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

INVESTMENT BACKGROUND

In November 2020, NexPoint participated in the take-private transaction of Jernigan Capital (formerly NYSE: JCAP) in a \$900 million transaction. The company rebranded as NexPoint Storage Partners, Inc. (“NSP”). NSP has successfully acquired most of the self-storage facilities that JCAP financed and continues to seek investments in newly built, multi-story, climate-controlled, Class-A self-storage facilities located in dense and growing markets, which management refers to as GenV facilities. All assets are managed by Extra Space Storage, who also invested \$300 million in preferred equity during the JCAP buyout.

In December 2022, NexPoint Storage Partners acquired all 29 SAFStor properties. As of December 31, 2023, the NSP platform consists of 69 owned GenV facilities plus interests in 3 additional GenV facilities. The aggregate gross asset value is approximately \$1.5 billion. In addition, NSP has the right to acquire an additional 20 GenV facilities with a gross asset value of approximately \$700 million.

INVESTMENT UPDATE

The self-storage industry experienced strong rent growth in 2021 and 2022, but both rent and net operating income growth decelerated during 2023. This slowdown was attributed to the resurgence of in-office work and a sluggish housing market characterized by elevated mortgage rates. Consequently, occupancy rates reverted from the high 90% range observed in 2021 and 2022 to the low 90% range. This reversal, coupled with expanding cap rates contributed to a decline in self-storage real estate valuations.

Despite these challenges, 2024 is off to a stable start as increases in projected rent across the portfolio were driven by strong occupancy increases and marginally offset by declines in rental rates. The CEO of Extra Space Storage commented on its May earnings call that they have seen a sequential improvement in occupancy and rate since their fourth-quarter earnings call in late February.

INVESTMENT HIGHLIGHTS

Initial Investment	2018
% of HFRO	11.49%
Investment	\$107.1M
Investment Type	Private Equity
Industry	Real Estate – Storage



EDS Legacy Partners

INVESTMENT BACKGROUND

EDS Legacy Partners owns the property located at 5400 Legacy Drive in Plano, Texas. The property is situated on 91 acres and includes ~1.6 million square feet of office space. The campus was built in 1992 and previously served as the headquarters of Electronic Data Systems (EDS).

INVESTMENT UPDATE

In November 2023, Plano's city council approved the plan to turn the EDS campus into a new life sciences and medical center. The location obtained zoning to convert the 1.6 million-square-foot former EDS campus into a life sciences complex. The 91-acre redevelopment east of the Dallas North Tollway in Legacy business park could create more than 2,000 jobs in the first phase. The redevelopment could also include 375,000 square feet of new pharmaceutical manufacturing space, a hotel, and apartments surrounding a nine-acre park.

The Fund sold its original equity position in EDS to an unaffiliated third party in December 2023 and, in exchange, received a promissory note. The transaction facilitates the redevelopment plans and maintains exposure to the project in a more suitable structure. We expect to provide additional information and updates on development plans on future calls.

INVESTMENT HIGHLIGHTS

Initial Investment	2018
% of HFRO	11.22%
Investment	\$104.6M
Investment Type	Debt
Industry	Real Estate – Life Science



Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

NexPoint Real Estate Finance

Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

INVESTMENT BACKGROUND

NexPoint Real Estate Finance, Inc. is an externally managed commercial mortgage real estate investment trust (REIT), with its shares of common stock and 8.50% Series A Cumulative Redeemable Preferred Stock listed on the New York Stock Exchange. The REIT is primarily focused on investments in real estate sectors where its senior management team has operating expertise, including in the multifamily, single-family rental, self-storage, life science, hospitality, and office sectors predominantly in the top 50 metropolitan statistical areas. The REIT targets lending or investing in properties that are stabilized or have a “light transitional” business plan, meaning a property that requires limited deferred funding to support leasing or ramp-up of operations and for which most capital expenditures are for value-add improvements

INVESTMENT UPDATE

In May, NREF reported its financial results for the quarter ended March 31, 2024. NREF reported a net loss of \$14.6 million¹, or \$0.83 per diluted share², for the three months ended March 31, 2024. The net loss includes \$25.0 million in losses related to accelerated amortization of loan premiums associated with repayment on senior loan during the quarter. NREF reported cash available for distribution³ of \$14.9 million, or \$0.60 per diluted share¹, for the three months ended March 31, 2024. NREF's portfolio continues to provide stable and defensive yields despite a challenging commercial real estate environment.

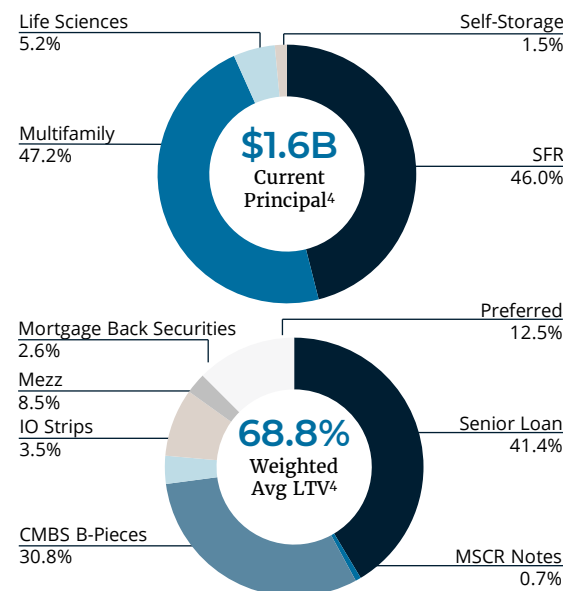
Outstanding total portfolio of \$1.2 billion, composed of 90 investments.⁴

- Weighted-average loan to value (“LTV”)⁴ and debt service coverage ratio (“DSCR”) are 68.5% and 1.74x⁴, respectively.
- As of March 31, 2024, there are no loans currently in forbearance in the portfolio.

1. Net loss includes \$25.0 million in losses related to accelerated amortization of loan premium associated with prepayment on a senior loan during the quarter.
2. Weighted-average diluted shares outstanding assumes vesting of all outstanding unvested restricted stock units and the conversion of all redeemable non-controlling interests.
3. Earnings available for distribution and cash available for distribution are non-GAAP measures. For a discussion of why we consider these non-GAAP measures useful and reconciliations of earnings available for distribution and cash available for distribution to net income (loss) attributable to common stockholders, see the “Reconciliations of Non-GAAP Financial Measures” and “Non-GAAP Financial Measures” sections of NREF earnings release.
4. As of March 31, 2024; CMBS B-Pieces reflected on an unconsolidated basis.
5. As of March 31, 2024, and excluding the common stock investments, preferred stock investment, and the Hudson Montford and Alexander at the District multifamily properties.

INVESTMENT HIGHLIGHTS

Initial Investment	2020
% of HFRO	7.75%
Investment	\$72.2M
Investment Type	Common Stock
Industry	Real Estate - Finance



IQHQ

INVESTMENT BACKGROUND

IQHQ is a private real estate investment trust (REIT) that acquires, develops, redevelops, and manages life-sciences real estate across several core-markets. The company was founded by Alan Gold, founder of several successful life-sciences and healthcare REITs. IQHQ pursues large format, iconic development, and selective re-development opportunities within live-work-play clusters in the top life science markets in the world, including Boston, San Francisco, and San Diego, as well as Cambridge and London in the U.K. HFRO's investment includes representation on the board. The life science real estate market has levels of supply that are not commensurate to the consistently high levels of demand that the market has experienced for the past few years. The effects of this supply-demand imbalance may be evidenced by the historical performance of the life sciences sector in comparison to the broader REIT market. Life sciences real estate has been constrained in core markets, such as Boston, San Diego, and San Francisco, with high occupancy and increasing tenant demand. This high demand real estate usually lacks price sensitivity resulting from healthy tenant budgets of which rent typically comprises a very small portion.

INVESTMENT UPDATE

During the first quarter of 2024, IQHQ has continued to advance construction on 7 projects spanning 4.8 million square feet (SF) across Boston, San Diego, and the Bay Area. IQHQ is expected to complete over 2 million SF by the end of 2024, including deliveries at Alewife Park, located in Boston, and RaDD, located in San Diego. In addition to ongoing development, IQHQ is pursuing entitlements for additional sites, which will bring the company's total portfolio to over 12 million SF once fully delivered.

INVESTMENT HIGHLIGHTS

Initial Investment	2020
% of HFRO	6.40%
Investment	\$59.7M
Investment Type	Private Equity
Industry	Real Estate – Life Science



Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

CCS Medical

INVESTMENT BACKGROUND

CCS Medical (CCS) is a leading national distributor of home medical equipment and supplies for patients with chronic conditions, with a focus on diabetes management. The company has an expansive, diversified payor network covering most of the U.S. population. The company is headquartered in Tampa, Florida and has sales associates and distribution centers nationwide. CCS holds pharmacy licenses or permits in all states and is a Medicare Competitive Bid company. CCS is well positioned to compete in the rapidly growing distribution market for continuous glucose monitoring (CGM) diabetes supplies and to capture growth stemming from the secular trend of healthcare moving online and to the home. CCS aims to provide a more integrated experience for chronic care management rather than the typical fragmented care patients living with such conditions face.

INVESTMENT UPDATE

CCS continued revenue and adjusted EBITDA growth during the first quarter of 2024. However, an increase in bad-debt reserve and ABL utilization at year-end led to an approximately 10% decrease in CCS's equity price compared to last period. Despite such quarter-over-quarter drop, CCS continues to outperform both budgeted revenue and adjusted EBITDA in Q1 2024, propelled by an ongoing focus on the Continuous Glucose Monitoring (CGM) division and expansion of key manufacturer and payor relationships, resulting in a year-on-year sales increase for Q1 2024 of 25%, with the highly profitable CGM division witnessing a 30% year-on-year growth. This continued EBITDA growth in 2024 was driven by increased operational efficiencies stemming from extensive automation and digitization initiatives that were initiated in 2022. As a result, the company's net leverage sits at a comparatively low 1.78 times EBITDA, well within debt covenants. Management continues to exceed expectations and is very excited about the progress of the 2024 growth initiatives, which include several accretive pharmacy and analytics growth projects.

INVESTMENT HIGHLIGHTS

Initial Investment	2010
% of HFRO	5.15%
Investment	\$48.0M
Investment Type	Debt, Private Equity
Industry	Healthcare



Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

NexPoint Hospitality Trust

Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

INVESTMENT BACKGROUND

NexPoint Hospitality Trust (NHT) is a publicly traded real estate investment trust (REIT), with its units listed on the TSX Venture Exchange under the ticker NHT.U. NHT is focused on acquiring, owning and operating well-located hospitality properties in the United States that offer a high current yield and in many cases are underperforming assets with the potential to increase in value through investments in capital improvements, brand repositioning, revenue enhancements, or operational improvements. NHT owns branded properties sponsored by Marriott, Hilton, Hyatt, and Intercontinental Hotels Group, located across the U.S.

INVESTMENT UPDATE

As of December 31, 2023, NHT's portfolio consists of 8 properties with 1,146 rooms located throughout the U.S. in the full-service, select-service, limited-service, and extended stay hospitality categories. Each property has a long-term franchise agreement with Marriott, Hyatt, or Hilton sponsored brands. NHT believes each property in the portfolio has the opportunity to generate outsized market share improvements and top-line increases as leading select-service, limited-service, or extended-stay hotels in their respective submarkets.

For the year ended December 31, 2023, occupancy across the portfolio was 67.4%, Average Daily Rate ("ADR") was \$143.10, and RevPAR was \$96.00. Each metric represents an increase between 2023 and 2022 due to increased air travel and leisure.

As of December 31, 2023, NHT had total assets of \$202.6 million. NHT had accounts payable and other accrued liabilities of \$22.2 million, net indebtedness of \$114.6 million, notes issued to affiliates of \$83.2 million, redeemable Class B Units valued at \$400k, and unitholders' deficit of \$17.3 million.

INVESTMENT HIGHLIGHTS

Initial Investment	2020
% of HFRO	4.64%
Investment	\$43.3M
Investment Type	Convertible Debt
Industry	Real Estate – Hotels



ResMark Venture

INVESTMENT BACKGROUND

NFRO SFR REIT, LLC is an investor in Resmark SFB2R Venture I, LP, which is a joint venture with a multibillion-dollar international pension fund ("Venture"). The Venture is managed by an affiliate of The Resmark Companies, founded in 1995 and investing in development projects, specifically in the residential sector. The Venture focuses on making new single-family build-to-rent investments in suburban markets, that exhibit strong employment growth, strong population growth, high barriers to homeownership, high barriers to new supply, and proximity to desirable local amenities. This Venture will fund five separate residential developments in California and Texas, with expected deliveries from 2025 through 2027.

INVESTMENT UPDATE

As of March 31, 2024, the Venture has deployed \$102.5 million of the \$173.47 million equity commitment across the portfolios. The deployed capital allowed the Venture to acquire land and begin development for the five construction projects. The project in Fontana, California closed on its second takedown of land and is nearing completion of its first set of homes. The project in Antioch, California, purchased land in December 2023, with land development beginning in February 2024. The two developments in North Texas closed on their construction loans in December of 2023.

INVESTMENT HIGHLIGHTS

Initial Investment	2023
% of HFRO	2.37%
Investment	\$22.1M
Investment Type	Private Equity
Industry	Real Estate - SFR



Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

Easton Village Ventures

Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

INVESTMENT BACKGROUND

Easton Village Ventures, LLC owns 88.5% of the Easton Village apartment complex in Boise, Idaho. The Property consists of 144 market rate, multifamily units within six garden style buildings on 7.47 acres of land with a pool, barbeque area, playground, fireplace, community room, and fitness center. The Property is an infill location with robust community amenities situated just four miles from Boise National Forest, a 2.5-million-acre forest with hiking trails, biking trails, scenic drives, water sports and winter sports. Boise Towne Centre, a 1.2 million square feet mall, is located within 4.8 miles from the Property.

INVESTMENT UPDATE

As of March 31, 2024, the property was 94.4% occupied with average monthly rents of \$1,581. The property's Net Operating Income increased 2.4% in the first quarter of 2024 compared to the fourth quarter of 2023. During the quarter, the property had an uncharacteristic 4 move-outs due to financial distress, causing \$13k of the \$21k quarterly loss variance.

INVESTMENT HIGHLIGHTS

Initial Investment	2021
% of HFRO	2.28%
Investment	\$21.2M
Investment Type	Private Equity
Industry	Real Estate - Multifamily



WMG Space Coast Partners

Top 10 Exposures

1. NexPoint Homes
2. NexPoint Storage Partners
3. EDS Legacy Partners
4. NexPoint Real Estate Finance
5. IQHQ
6. CCS Medical
7. NexPoint Hospitality Trust
8. Resmark Venture
9. Easton Village Ventures
10. WMG Space Coast Partners

INVESTMENT BACKGROUND

The Space Coast Partners' Melbourne Portfolio (the "Portfolio") consists of 6 multi-tenant small bay industrial assets totaling 265,385 SF located proximate to the Space Coast in Melbourne, FL. The Portfolio is owned by a programmatic joint venture (the "Joint Venture") between NexPoint Advisors, L.P. ("NexPoint") and BASIS Industrial ("BASIS") that was formed in September 2022 with the purpose of acquiring / recapitalizing a broader portfolio of small bay industrial assets throughout Florida.

Small bay industrial assets deliver attractive current yield, benefitting from short-term leases and sticky tenants. The Portfolio reflects excellent tenant diversity with an average tenant size of 873 SF while retaining an average tenant tenure of 3-5 years. The short-term nature of small bay leases allows owners to adjust rents more frequently to market rates. Florida is a high-growth, low-regulation market with strong underlying demographic tailwinds, positioning the Portfolio to benefit from the significant shift in population to the region (3%+ annual growth over the next 5 years) and continued economic growth. Submarket rents for Melbourne have grown 60%+ since 2016.

INVESTMENT UPDATE

As of May 2024, the Portfolio is 87.2% leased with an average rent of \$11.20 PSF.

INVESTMENT HIGHLIGHTS

Initial Investment	2022
% of HFRO	2.10%
Investment	\$19.6M
Investment Type	Private Equity
Industry	Real Estate-Industrial



1. 1.60% of the 2.10% held within WMG Space Coast Mezzanine

NEXPOINT

VISIT OUR WEBSITE

www.nexpoint.com

CONTACT SALES & INVESTOR SUPPORT

(833) 697-7253

ADDRESS

300 Crescent CT
Ste. 700
Dallas, TX 75201

HERO

NEXPOINT

MAY 2024