

Q3 2025

NEXPOINT

INVESTOR PRESENTATION

Highland Opportunities and Income Fund

3Q



HFRO Snapshot

Highland Opportunities and Income Fund (HFRO) is a closed-end, non-diversified management investment company focused on delivering attractive returns through capital appreciation and interest income.

INVESTMENT OBJECTIVE

- To produce capital appreciation and current income by opportunistically allocating its assets across a wide range of strategies, including opportunistic real estate, liquid credit, structured credit, and special situations

INVESTMENT STRATEGY

- Identify market inefficiencies and trading opportunities by capitalizing on the investment skillset and deep knowledge of equity and credit markets, structured products, and real estate across NexPoint's investment platform
- Invest primarily in alternative investments, including private credit and private equity instruments, and opportunistic public instruments
- Investments instruments include: (a) liquid credit (including broadly syndicated loans); (b) direct lending (including first lien loans, second lien loans, and mezzanine debt); (c) opportunistic credit; (d) structured credit (including CLOs and CMBS); and (e) real assets (including real estate)
- May also invest in special situations, including stressed and non-control distressed credit and opportunities arising from market dislocation

Overview

Ticker	HFRO
CUSIP	43010E404
Managed Assets	\$880MM
Net Assets	\$636MM

Portfolio Characteristics

Number of Holdings	60
Monthly Distribution/Share	\$0.039
Distribution Rate (NAV)	4.0%
Regulatory Leverage	\$245MM
Leverage %*	27.81%

*Perpetual preferred

Closing NAV Discount

Recent Initiatives

HIGHLIGHTS:

- As of December 10, 2025, NexPoint and affiliates owned 7.48% of the Fund
- On September 9, 2025, Brad Heiss was added as a portfolio manager

Board Engagement

OVERVIEW:

- Discount to NAV has continuously been key focus of Board
- Board engagement with Adviser is ongoing to review existing initiatives and evaluate additional opportunities to reduce the discount

HIGHLIGHTS:

- Established a dedicated Board committee
- At the Board's direction, the Fund is using a portion of the Board's compensation to purchase HFRO shares for the Directors in the market to align further the Board members

Transparency & Communication

OVERVIEW:

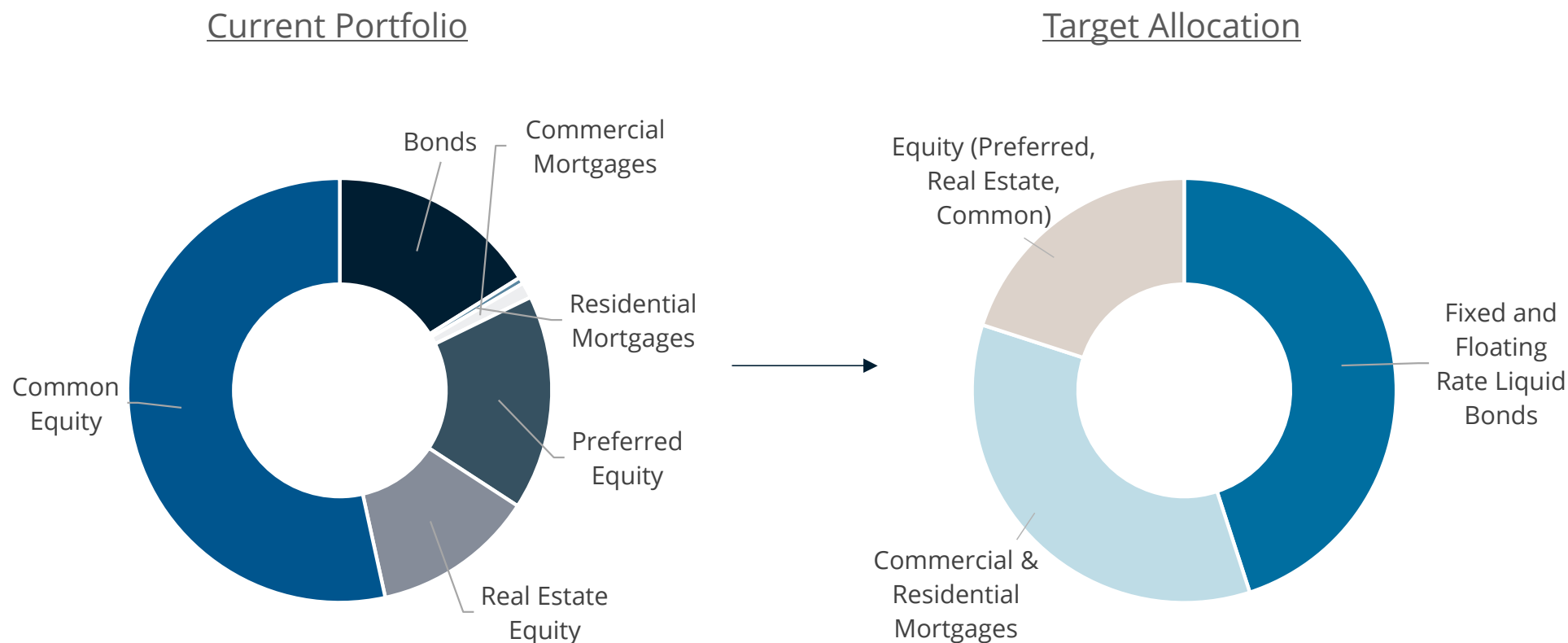
- Improve investors' understanding of Fund and investments
- Increase transparency and clarify investment objectives and strategies so investors are aligned
- Increase communications frequency and channels to improve awareness of existing resources and materials

HIGHLIGHTS:

- Solicited investor feedback on initiatives to reduce discount
- Worked with Bloomberg Terminal Fund analysis teams to adjust data feeds to better capture underlying holdings
- Announce quarterly calls via press release to maximize awareness and continuously refine calls based on feedback

HFRO Portfolio Target Allocation

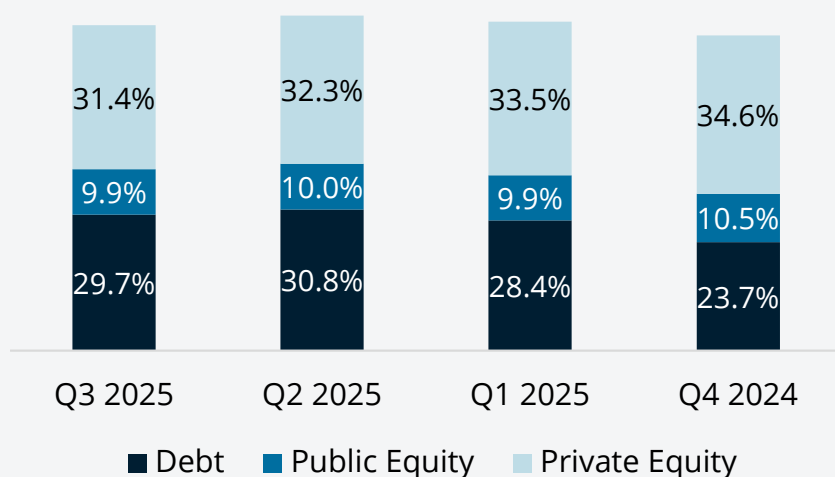
The Fund will look to monetize positions in its current portfolio on an opportunistic basis over time in order to transition the portfolio to its target allocation



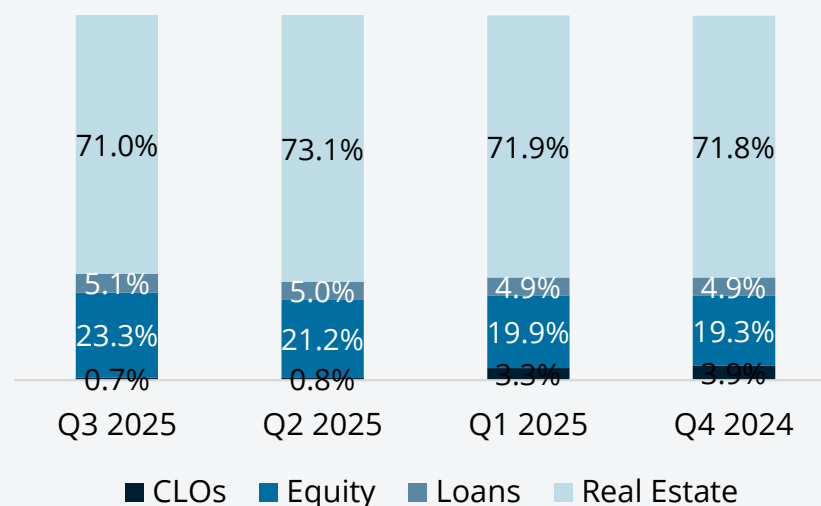
Portfolio Composition

- As of September 30, 2025, the Fund's assets totaled \$880MM.
- The Fund's long assets were approximately 71.0% commercial real estate (debt & equity) and 29.0% non-real estate related assets invested across debt securities, public and private equity, and structured products.
- The real estate assets by type were approximately 31.4% private equity, 29.7% debt, and 9.9% public equity, as a percentage of the Fund's long assets.

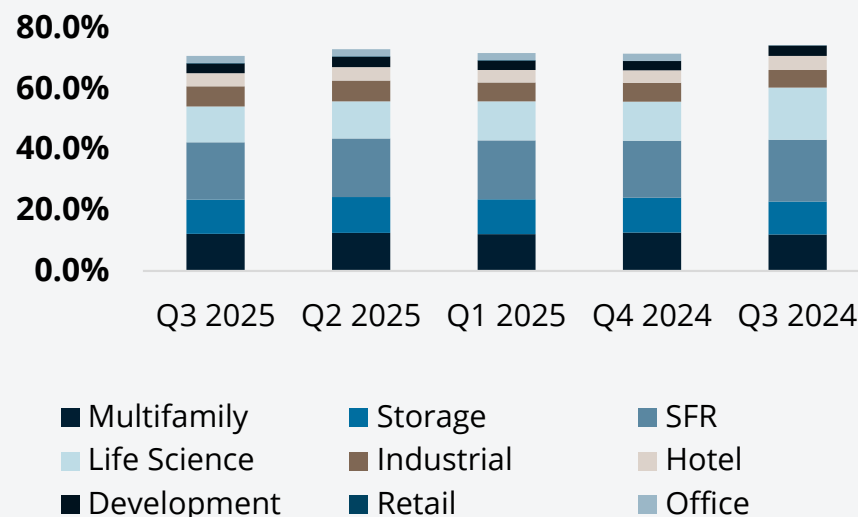
Real Estate by Asset Type
(% of Long Assets)



Asset Class
(% of Long Assets)



Real Estate Composition
(% of Long Assets)



HIGHLAND OPPORTUNITIES AND INCOME FUND

Top 10 Positions Snapshot

Top 10 Positions (as of 9/30)

INVESTMENT	% PORTFOLIO	THESIS	KEY HIGHLIGHTS
NexPoint Homes Trust	12.7%	Core SFR portfolio with potential upside from NOI growth and home price appreciation, meeting the demand for affordable housing. Expect stable NOI growth, targeting 4-5% dividend yield.	Executing on opportunity to optimize portfolio, including upgrading property manager, and accretively disposing of lower performing homes to continue paying down debt.
TRQ Plano LLC	9.3%	Repositioned prior equity position in an office holding amid office market weakness. Current structure provides a debt instrument with a path to liquidity through redevelopment into a life sciences and medical complex.	HFRO holds a promissory note in the project with repayment potential as the project reaches key milestones. The project continues to see interest from prospective tenants.
NexPoint Storage Partners	9.2%	Development portfolio that is stabilized and positioned to benefit from high occupancy and rate increases.	Continuing to maximize NOI growth while positioning portfolio for a potential exit over time.
NexPoint Real Estate Finance	8.4%	A stabilized investment in a publicly traded company with an attractive dividend yield.	Lends to or invests in properties that are stabilized and light transitional. Also lends to redevelopment and development projects in special situations where there is strong sponsorship and clear and visible cost basis detachment points and exit options.
ResMark Venture	8.1%	Investment in a joint venture with a developer who has deep experience in the industry and a demonstrated ability to capture high yields.	Developing five separate build-to-rent residential developments in California and Texas, with expected deliveries from 2025-2027. Developments are progressing in line with anticipated budgets and delivery dates.

Top 10 Positions (as of 9/30) (cont'd)

INVESTMENT	% PORTFOLIO	THESIS	KEY HIGHLIGHTS
Life Settlement Portfolio	7.6%	Life Settlements is one of the remaining asset classes that provides a secured investment alongside potential unlevered, double-digit investor returns.	The Life Settlement portfolio consists of 10 policies with a current market value of \$43.8MM, excluding cash. The portfolio has achieved a 14.1% CAGR since its inception on November 16, 2020 (88% cumulative return).
CCS Medical	6.2%	Positioned to capture value from strategy of integrating chronic care management and the rapidly growing CGM market.	Focused on the build-out of the pharmacy channel, as well as other growth initiatives, including several analytics platform projects
Sapience Therapeutics	4.2%	Private company using proprietary technology to create novel treatments for untreatable cancers and positioned to disrupt the market.	Raised more than \$100MM in outside capital while specializing in developing peptide-based therapeutics to treat cancers.
NXDT Hospitality Holdco	3.7%	Investment is the result of NexPoint Diversified Real Estate Trust ("NXDT") acquiring NexPoint Hospitality Trust ("NHT"), HFRO's original investment.	Closed the previously announced acquisition of NHT, which was HFRO's original investment. NHT's debt was assumed by NXDT as part of the merger.
Midwave Wireless	3.0%	Significant opportunity to monetize a mid-band Spectrum with the potential for a wide variety of use cases.	Owns 100% of the 1.4 GHz Band, which is comprised of 64 licenses covering the entire U.S., and having recently satisfied all outstanding FCC requirements, it is now open to service a range of private LTE and NR use cases as it looks to effectuate a transaction in the near future.

HIGHLAND OPPORTUNITIES AND INCOME FUND

Top Positions

TOP POSITION DETAIL

NexPoint Homes Trust

A private REIT focused on acquiring, building, and operating single-family rental homes mostly in the Sunbelt states

INVESTMENT RATIONALE & OBJECTIVE

- Fills a significant growing need for expanded access to affordable single-family rental (SFR) properties due to the lack of housing supply and the growing affordability gap between renting and owning
- Focuses on acquiring newer construction homes and partnering with local builders to create “build-for-rent” communities in secondary and tertiary markets near major employment centers
- **Objective: SFR investment that delivers dividend yield with additional potential upside from NOI growth and home price appreciation**

KEY HIGHLIGHTS (as of 9.30.25)

- Portfolio maintains strong NOI growth, which is expected to remain stable with high occupancy, targeting 4-5% dividend yield
- Continued progress on de-levering the portfolio by paying down over \$60MM in debt since the beginning of 2024

UPDATE & NEXT MILESTONE

- Continue to de-lever portfolio by selectively exiting underperforming assets or MSAs (sold another 100 assets during Q3) and using proceeds primarily to pay down debt, specifically convertible notes



Initial Investment	2022
% of HFRO	12.7%
Investment	\$109.3 MM
Investment Type	Debt, Private Equity
Industry	Real Estate – Single-Family Rental

TOP POSITION DETAIL

TRQ Plano LLC

TRQ Plano LLC, formerly EDS Legacy Partners, owns the former Electronic Data Systems (EDS) campus located at 5400 Legacy Drive in Plano, Texas, which is situated on 91 acres and includes ~1.6 million square feet of space, being redeveloped into a life sciences and medical complex

INVESTMENT RATIONALE & OBJECTIVE

- Asset was purchased in 2018 with original plans to attract large corporate office tenants; however, pivoted plans following Covid-pandemic dislocation in the office sector in order to realize embedded value in this real estate
- After extensive analysis, determined the highest and best use to be a life sciences and medical center
- Based on capital investment and borrowing needs for redevelopment, which would exceed fund regulatory borrowing restrictions, HFRO sold its equity position in December 2023 to facilitate realizing the value of a 10% premium to its appraised value, retaining a debt position in the issuer
- ***Objective: realize value in original investment by facilitating redevelopment, capturing liquidity as the project reaches key milestones***

KEY HIGHLIGHTS (as of 9.30.25)

- Economic development agreement finalized with City of Plano in Q3 2024 supports the project through tax increment financing (TIF)

UPDATE & NEXT MILESTONE

- Updates tie to prospective tenant interest and other developments



Initial Investment	2018
% of HFRO	9.3%
Investment	\$80.0 MM
Investment Type	Debt
Industry	Real Estate – Life Sciences

TOP POSITION DETAIL

NexPoint Storage Partners

Invests in newly built, multi-story, climate-controlled, Class-A self-storage facilities—all managed by Extra Space Storage (NYSE: EXR)—in dense and growing markets in the U.S.

INVESTMENT RATIONALE & OBJECTIVE

- A best-in-class storage portfolio that is benefiting from storage tailwinds in key locations across the United States, with a focus in the Sunbelt states
- All assets are operated by Extra Space Storage, which serves as a strong, experienced operating partner
- **Objective: self-storage development portfolio that is stabilizing and positioned to benefit from high occupancy**

KEY HIGHLIGHTS (as of 9.30.25)

- Owns or controls 85 state-of-the-art, climate-controlled self-storage facilities (76,000 units across 25 states) with a gross asset value over \$1.8B
- One of the youngest Class A portfolios in the U.S., with an average facility age of < 5 years, positioning it for high occupancy and robust rent growth
- Portfolio continues to achieve strong NOI growth (7.6% YTD in 2025) and solid occupancy (~94%)
- The public storage space showed in-line third quarter results

UPDATE & NEXT MILESTONE

- Key priority continues to be on operations and maximizing NOI growth, while actively positioning portfolio for a potential exit over time



Initial Investment	2018
% of HFRO	9.2%
Investment	\$79.2 MM
Investment Type	Private Equity
Industry	Real Estate – Self-Storage

TOP POSITION DETAIL

NexPoint Real Estate Finance

An externally managed commercial mortgage REIT listed on NYSE with a focus on investments in multifamily, single-family rental, self-storage, life science, hospitality, office, and marina sectors

INVESTMENT RATIONALE & OBJECTIVE

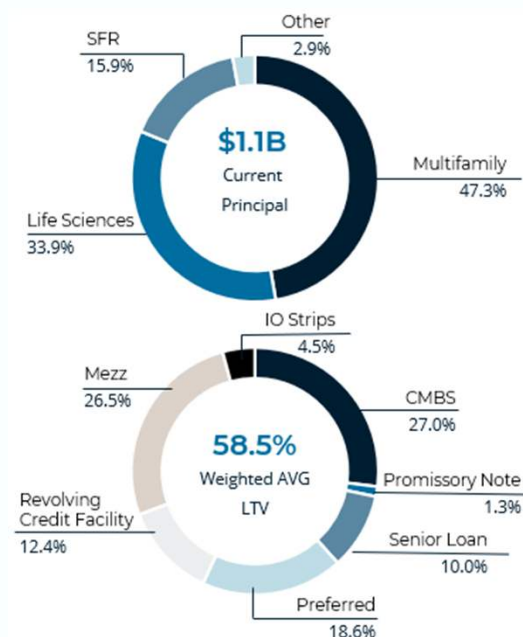
- Investment in common stock (NYSE: NREF) of mortgage REIT focused on real estate sectors where its senior management team has operating experience
- Longer term duration lending provides earnings visibility, with equity cushion providing some investment protection
- **Objective: stabilized investment in a publicly traded company with a highly experienced management team**

KEY HIGHLIGHTS (as of 9.30.25)

- Net income of \$35.0MM, or \$1.14 per diluted share for 3 months ended 9/30/25
- Cash available for distribution of \$12.1MM, or \$0.53 per diluted share, for 3 months ended 9/30/25
- Outstanding total portfolio of \$1.1B, composed of 88 investments
- Weighted-average loan to value ("LTV") and debt service coverage ratio ("DSCR") are 54.9% and 1.41x, respectively

UPDATE & NEXT MILESTONE

- During the third quarter, NREF purchased \$42.5MM of Preferred Stock, funded \$6.5MM on a loan that pays a monthly coupon of SOFR + 900 bps, sold a multifamily property that resulted in a \$3.7MM gain, and raised \$65.7MM in gross proceeds from a Series B preferred stock offering
- Company continues to perform well, hit guidance targets, and raise accretive capital



Initial Investment	2020
% of HFRO	8.4%
Investment	\$72.1 MM
Investment Type	Common Stock
Industry	Real Estate – Finance

TOP POSITION DETAIL

ResMark Venture

A JV with a multibillion-dollar international pension fund managed by an affiliate of The Resmark Companies invested in mostly residential development projects focused on single-family build-to-rent investments in suburban markets

INVESTMENT RATIONALE & OBJECTIVE

- A developer with 30+ years of experience and focused on new single-family build-to-rent investments in suburban markets that exhibit strong employment and population growth, high barriers to homeownership, limited new supply, and proximity to desirable local amenities
- Merchant builder that targets mid-teens IRRs
- ***Objective: invested in a joint venture with a developer who has deep experience in the industry and disciplined investment process that has demonstrated ability to capture high yields***

KEY HIGHLIGHTS (as of 9.30.25)

- Continuing to deliver units and finish out developments on five separate build-to-rent residential developments in California and Texas with expected deliveries continuing through 2027
- Focused on investments that will drive high yields (>20% IRRs)
- As of 9/30/25, the Venture has deployed \$157.5MM of the \$173.47MM equity commitment across the portfolios

UPDATE & NEXT MILESTONE

- The investments are in various stages of development
- Still on track to be delivered on time, despite minor material delays, which are now onsite and avoided any tariff impacts
- Remain confident in leasing despite slight softness in markets that has slowed initial lease-up



Initial Investment	2023
% of HFRO	8.1%
Investment	\$69.9 MM
Investment Type	Private Equity
Industry	Real Estate – Single-Family Rental

TOP POSITION DETAIL

Life Settlement Portfolio

Actively managed life settlement portfolio providing unique access to investment grade assets generating double digit returns.

INVESTMENT RATIONALE & OBJECTIVE

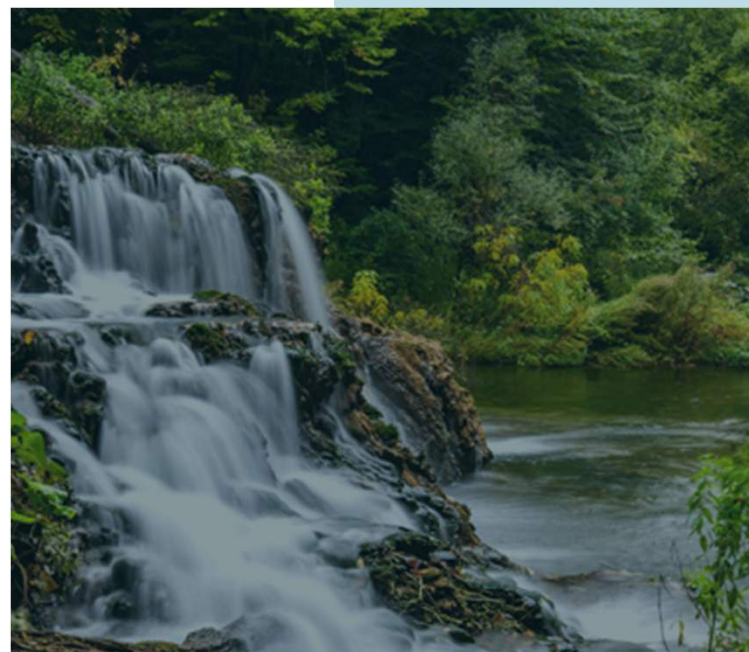
- A Life Settlement investment is a life insurance policy where the original policyholder has decided to sell the policy to an investor in exchange for liquidity at a percentage of the ultimate face value, but at multiples of the current account value
- Life Settlements are one of the remaining asset classes that provides a secured investment alongside potential unlevered, double-digit investor returns
- We established our Life Settlement investment strategy within HFRO in late 2020, but the advisors' experience in the asset class goes back decades

KEY HIGHLIGHTS (as of 9.30.25)

- Portfolio consists of 10 policies with a current market value of \$43.8 MM, excluding cash; total face value of the portfolio is \$81.8 MM
- The portfolio has achieved a 14.1% CAGR since its inception on November 16, 2020 (88% cumulative return)
- Given current volatility in the broader markets, life settlements continue to be a stable and growing asset class driven by demographic demand as Baby Boomers age and cost of living and retirement increases

UPDATE & NEXT MILESTONE

- The current portfolio has weighted average maturity of 53 months (~4.4 years), with ~\$30 MM of face value potentially maturing in the next 32 months (2.7 years)



Initial Investment	2020
% of HFRO	7.63%
Investment	\$65.4 MM
Investment Type	Investment Grade Fixed Income Replacement
Industry	Insurance

Note: Market value of Life Settlement portfolio is \$43.8 MM excluding cash from recent maturities. Total investment of \$65.4MM includes cash from recent maturities. Each of the ten policies owned are issued by insurance companies with an A.M. Best Financial Strength Ratings above B++, which translates to an Issuer Credit Rating of bbb+ to bbb or higher and considered investment grade.

TOP POSITION DETAIL

CCS Medical

A leading national distributor of home medical equipment and supplies for patients with chronic conditions, with a focus on diabetes management

INVESTMENT RATIONALE & OBJECTIVE

- CCS is at the forefront of the rapidly growing distribution market for continuous glucose monitoring (CGM) diabetes supplies and expects to continue capturing growth stemming from the secular trend of healthcare moving online and to the home
- Offers fully integrated experience for chronic care management, differentiated from typical fragmented care for patients with such conditions
- **Objective: maximizing value by integrating chronic care management with the rapidly growing CGM market**

KEY HIGHLIGHTS (as of 9.30.25)

- Q3 2025 revenue and adjusted EBITDA were modestly lower year-over-year (-4% sales, with a 9% decline in CGM), but results remain broadly in line with peers facing the same reimbursement and channel dynamics; core pharmacy business is showing resilience and early signs of stabilization, positioning CCS to return to growth as the channel mix shifts
- Continues to prioritize investment in pharmacy channel and analytics platform—both areas with strong development and significant long-term opportunity to expand margins and improve patient retention
- Net leverage is 1.35x EBITDA, comfortably within covenant limits, offering financial flexibility to pursue growth *and* withstand near-term headwinds

UPDATE & NEXT MILESTONE

- Management continues to progress on the build-out of pharmacy channel, and other growth initiatives, including several analytics platform projects
- Continued focus on operations and growth, while positioning portfolio for a potential exit over time



Initial Investment	2010
% of HFRO	6.2%
Investment	\$52.8 MM
Investment Type	Debt, Private
Industry	Healthcare

TOP POSITION DETAIL

Sapience Therapeutics

A privately held, clinical-stage biotechnology company focused on discovering and developing peptide therapeutics to address oncogenic and immune dysregulation that drive cancer

INVESTMENT RATIONALE & OBJECTIVE

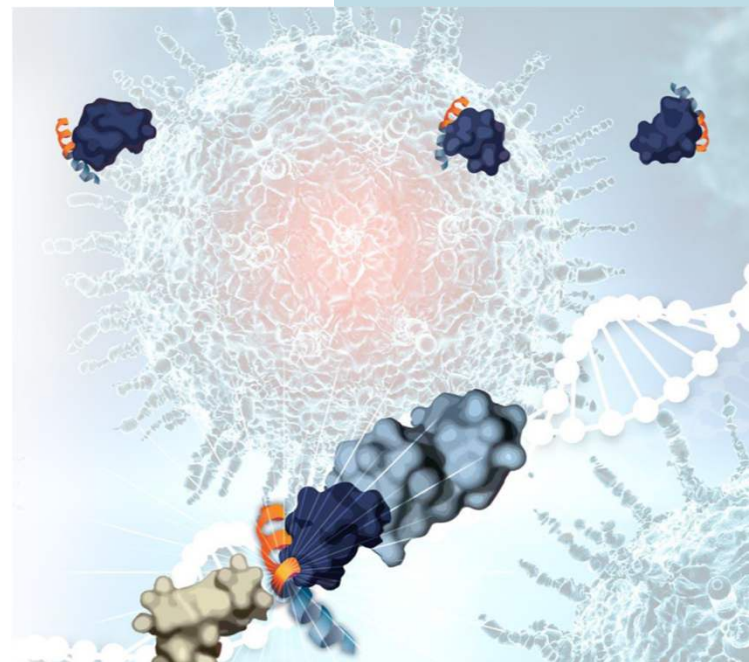
- With two platforms that are purpose-built to maximize the translational potential of drug candidates, creating a pipeline of therapeutic candidates called SPEARs™ (Stabilized Peptides Engineered Against Regulation) that disrupt intracellular protein-protein interactions, enabling targeting of transcription factors traditionally been considered undruggable
- 8 additional SPEARs™ programs in various stages of discovery
- ***Objective: private company using proprietary technology to create novel treatments for untreatable cancers and positioned to disrupt the market.***

KEY HIGHLIGHTS (as of 9.30.25)

- Clinical-stage SPEARs™, ST316 and Lucicebtime, are advancing through Phase 2 clinical trials: ST316 is currently enrolling a Phase 2 dose expansion study; Lucicebtime has completed the main portion of a Phase 2 dose expansion study and has completed enrollment in two additional sub-studies
- In 2024, initiated work on their new class of molecule, SPARCs™ (Stabilized Peptides Against Receptors on Cancer), which can direct cargo to cell surface targets, enabling delivery of payloads to cancer cells

UPDATE & NEXT MILESTONE

- Has raised more than \$100MM in outside capital, attracting top investors including Bristol-Myers Squibb, Eshelman Ventures, and Kingdon Capital
- Anticipates initial readouts from ST316 Phase 2 study soon
- Subsequent to quarter end the Fund increased its position to support additional clinical trials in 2026



Initial Investment	2021
% of HFRO	4.2%
Investment	\$36.4 MM
Investment Type	Convertible Debt, Preferred Equity
Industry	Biotech

TOP POSITION DETAIL

NXDT Hospitality Holdco

The subsidiary of an externally advised, publicly traded, diversified REIT focused on the acquisition, development, and management of opportunistic and value-add investments throughout the United States

INVESTMENT RATIONALE & OBJECTIVE

- HFRO owned convertible debt of NHT, which was acquired by NXDT in a take-private transaction completed on April 17, 2025
- **Objective: Investment in NXDT is the result of NXDT acquiring NexPoint Hospitality Trust ("NHT"), HFRO's original investment**

KEY HIGHLIGHTS (as of 9.30.25)

- On April 17, 2025, the transaction whereby the REIT was dissolved and its subsidiary entities merged with and into entities owned or controlled, directly or indirectly, by NXDT

UPDATE & NEXT MILESTONE

- As previously announced, NXDT's acquisition of NHT closed on April 17, 2025, and its entities have now been consolidated within a subsidiary of NXDT
- Three dispositions were completed in 2025



Initial Investment	2020
% of HFRO	3.7%
Investment	\$32.1MM
Investment Type	Debt
Industry	Real Estate – Hotels

TOP POSITION DETAIL

MidWave Wireless, Inc.

MidWave Wireless, Inc., formerly TerreStar Corporation, is one of the largest independent wireless spectrum license holders in the U.S.

INVESTMENT RATIONALE & OBJECTIVE

- MidWave's mid-band spectrum investments cover every major domestic market, representing more than 3.3 billion MHz-POPs of aggregate Radio Frequency (RF) resource
- Owns 100% of 1.4 GHz Band, comprised of 64 licenses covering entire U.S.
- Owns ~30% of the critical 1.7GHz Band within the AWS-3 spectrum block
- **Objective: long-term investment alongside other sophisticated, disciplined players in the industry with a significant opportunity to monetize a mid-band Spectrum with potential for a variety of use cases**

KEY HIGHLIGHTS (as of 9.30.25)

- 1.4 GHz Band, MidWave's largest asset; at 2.64 Billion MHz-POPs, this is the largest wide-area resource not controlled by a wireless carrier
- MidWave's 1.7 asset is comprised of 18 licenses that cover 19% of the nation with a heavy presence in the Midwest spanning from Minnesota to Ohio, as well as Hawaii, Puerto Rico and the U.S. Virgin Islands
- Mobile carriers such as Dish, Verizon and AT&T are spending billions of dollars on similar spectrum assets as they build out their 5G networks

UPDATE & NEXT MILESTONE

- MidWave strategy remains the same and focus continues to be to explore strategic options including a sale of some or all of its assets
- The market for Spectrum has been active with around \$40 billion in transactions in the third quarter. Notable transactions are AT&T announced \$23B acquisition of spectrum licenses from EchoStar and SpaceX's announcement of \$17B wireless spectrum from EchoStar, positioning MidWave confidently in a good spot for future opportunities



1.4 GHz
Nationwide Coverage
100% of US Population



Medical
Protected Spectrum
E-WMTS Patient Monitoring



3.3B MHz-POPs
Spectrum Portfolio
1.4 GHz and 1.7 GHz



1.7 GHz
11 Key Metro Markets
19% of US Population

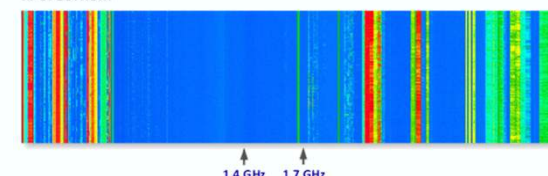


Private LTE+NR
Wide Area Networks
Industrial and Enterprise



Ecosystem
5G Band n70
Paired and SUL Capable

RF SPECTRUM



Initial Investment

2015

% of HFRO

3.0%

Investment

\$25.4MM

Investment Type

Equity,
Loan

Industry

Telecom

HIGHLAND OPPORTUNITIES AND INCOME FUND

Appendix

Selected Financial Highlights

Quarter Ended September 30, 2025

Balance Sheet Highlights	3Q2025	2Q2025	1Q2025	4Q2024	3Q2024	2Q2024	1Q 2024	4Q 2023	3Q 2023
Investment Portfolio at Fair Value	\$840	\$839	\$877	\$897	\$963	\$965	\$988	\$1,008	\$1,046
Total Debt Outstanding	\$245	\$239	\$240	\$140	\$140	\$140	\$140	\$160	\$159
Total Net Assets	\$636	\$630	\$683	\$783	\$846	\$844	\$867	\$870	\$925
Debt-to-Equity Ratio	0.39x	0.38x	0.35x	0.18x	0.17x	0.17x	0.16x	0.18x	0.17x
Net Debt-to-Equity	0.38x	0.33x	0.35x	0.16x	0.15x	0.12x	0.10x	0.18x	0.17x
Income Statement Highlights									
Total Investment Income	\$11.8	\$10.1	\$8.5	\$10.4	\$14.9	\$10.9	\$11.1	\$12.1	\$9.0
Net Investment Income	\$8.9	\$7.5	\$5.7	\$7.3	\$11.9	\$8.1	\$7.7	\$9.1	\$5.4
Net Realized Gains/(Losses)	(\$1.3)	(\$18.0)	\$18.5	\$0.2	(\$0.2)	(\$50.2)	\$24.0	(\$2.0)	(\$2.0)
Net Unrealized Appreciation/(Depreciation)	\$9.6	(\$53.1)	\$4.5	(\$60.6)	\$4.4	\$21.2	(\$3.4)	(\$44.4)	\$10.4
Total Increase in Net Assets Resulting from Operations	\$13.9	(\$66.9)	\$26.5	(\$55.0)	\$14.2	(\$22.8)	\$26.4	(\$38.8)	\$11.9
Per-Share Data									
Net Asset Value Per Share	\$11.48	\$11.38	\$12.35	\$12.00	\$12.96	\$12.77	\$12.91	\$12.74	\$13.56
Net Investment Income per Share (Basic and Diluted)	\$0.16	\$0.14	\$0.09	\$0.11	\$0.18	\$0.12	\$0.11	\$0.13	\$0.08
Total Increase in Net Assets Resulting from Operations per Share	\$0.22	(\$1.21)	\$0.44	(\$0.84)	\$0.22	(\$0.21)	\$0.24	(\$0.59)	\$0.18
Distributions per Share	\$0.00	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.23	\$0.23

NexPoint's Leading Alternative Investment Platform

Firm Overview

AUM	\$16.2 billion ¹
Focus	Alternative investments
Employees	120 total employees; 34 investment professionals ²
Offices	Headquartered in Dallas Texas, with employees across the US



FIXED INCOME ALTERNATIVES

Floating Rate
Preferred Equity
High Yield



DIVERSIFIED ALTERNATIVES

Private Equity
Equity
Alternatives



PUBLIC REAL ESTATE

Multifamily
Single Family
Rental
Hospitality



PRIVATE REAL ESTATE

Single Family Rental
Self-Storage
Office
Life Science



DELAWARE STATUTORY TRUSTS

Commercial
Real Estate

1. As of 08/31/2025, inclusive of NexPoint and affiliates, based on fee calculation AUM. 2. As of 09/30/25 based on Headcount Report.

Fund Management



Jim Dondero, CFA

Co-Founder & President

- Has over 30 years of experience investing across the alternative landscape. Founded NexPoint in 2012 to bring alternative strategies to retail channels.
- Established a number of integrated businesses to manage investments in credit, real estate, and private equity.
- Holds a number of board positions at companies within financial services, healthcare, and real estate, among other industries.



Scott Johnson

Portfolio Manager

- Portfolio Manager with over 25 years of investment management experience with extensive experience including private equity, mergers and acquisitions and long/short hedge funds.
- Prior to NexPoint, has been the portfolio manager at funds focused on making opportunistic investments in public and private debt and equity securities, as well as working at a private equity firm focused on control-oriented buyout investments and as an Analyst in mergers & acquisitions.



Brad Heiss

Portfolio Manager

- Has over 20 years of investment management and financial services experience.
- He leads NexPoint's affiliated retirement solutions business that includes its insurance platform.
- Prior to NexPoint, has worked in a Financial Institutions Group within Investment Banking Division, and worked as an investment analyst at long/short investment funds

Disclosures

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 call 877-665-1287.

Before investing in the 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 nexpointassetmgmt.com or call 1-877-665-1287. Please read the fund prospectus carefully before investing.

The Advisor to the Fund is NexPoint Asset Management, L.P. ("Advisor").

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 fewer 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. 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 Fund had a return of capital of 43.0% in 2023 and expects similar results for 2024.

RISK CONSIDERATIONS

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 in the event of abnormally large redemptions. **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.

NEXPOINT

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